

CITY OF DULUTH, MINNESOTA



2014 ANNUAL
APPROVED BUDGET

CITY OF DULUTH

2014 Approved Annual Budget

MAYOR
Don Ness

CITY COUNCILORS

Zach Filipovich
Jay Fosle
Sharla Gardner
Howie Hanson
Jennifer Julsrud
Linda Krug
Emily Larson
Barb Russ
Joel Sipress

CHIEF ADMINISTRATIVE OFFICER
David Montgomery

CHIEF FINANCIAL OFFICER
Peggy Spehar



"Le Festival des Montgolfières à Duluth"

Hot air balloons were an exciting part of Duluth's annual Independence Day celebration from 1893 to 1903 drawing large crowds of spectators. One hundred twenty years later, a re-launch of this event took place in late August for three days in Bayfront Festival Park. "Le Festival des Montgolfières à Duluth" was named after Joseph-Michel and Jacques-Étienne Montgolfier, French ballooning pioneers who are credited with the first manned balloon flight in 1783. The event honored our area's French history as Duluth was discovered by the French and became part of the French territory. The event featured twelve hot air balloons with tethered rides available and various other activities at the park including a concert by the Duluth Superior Symphony Orchestra.

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INTRODUCTION





City of Duluth Finance Department

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January 1, 2014

Members of the Duluth City Council
And Other Interested Parties

Dear Reader,

The Administration's Approved Annual Operating and Capital Budget for the City of Duluth is submitted for your review and use. The budget was completed in accordance with the City's budget policies, city charter and the State of Minnesota's Truth in Taxation laws. The document is intended to provide the Council with a comprehensive format for making decisions on funding sources and program expenditures. As the Council works its way through the review process, the budget serves as a working document ultimately resulting in this final approved budget.

The budget process began with a presentation in July to the City Council to begin the development of the 2014 budget with an overview of the city's financial status; discussion on the budget drivers to be considered; and the broad goals and assumptions to be used. These items are outlined below:

Financial Status Overview:

- **General Fund Reserve** increased \$8.9 million since 2008 from a negative \$1.3 million to \$7.6 million today.
- **General Fund Budget** reduced annually since the high set in 2009 at \$81.3 million to \$74 million today.
- **OPEB Liability** is currently \$192 million – down \$186 million from the original amount of \$378 million.
- **Retiree Health Care Premiums** reduced 18% with the adoption of a Medicare supplement plan – annual savings of \$1.5 million.
- **Street Improvement Debt** reduced \$28 million since 2008.
- **CIT Fund** used to pay down existing street debt and fund the street improvement program leaving a balance of \$21.3 million.
- **General Fund Staffing** reduced 5% overall since 2008; with an 11% decrease in non-public safety departments.

Budget Drivers:

- **State Budget Considerations**
 - LGA
 - Sales tax exemption
 - Levy limits
 - Public Safety PERA increase
- **Employee Expenses**
 - CBA's for all unions
 - Health insurance premiums
 - Retiree insurance
- **Economy**
 - Expanding tax base
 - Sales tax
 - Building permits and fees
 - Earnings on investments

Framework Goals and Assumptions:

- No increase in overall property tax levy
- New tax base growth from economic development will translate into tax rate decreases for property owners
- Modest wage increases for employees after two to three years of 0%
- No general fund capital dollars for park structures
- \$2.2 million street improvement debt to be funded outside of the levy
- No allocation for enhanced street maintenance
- No new programs or initiatives funded

The Administration, staff and the City Council worked through each of the issues to create the budget as approved and detailed within this document.

Over the past few years, we continue to strive to find better ways of doing business in city government. An emphasis on continuous improvement has led to a culture of reform in all areas of the organization – one of which is in how we communicate to our citizens. Use of various platforms has become commonplace in delivering information and the budget is no exception. The use of the city's website to post documents and reports during the budget process has allowed citizens access to "the numbers" as policies and appropriations are being discussed by the City Council. Presentations are captured on video and are posted on the City's website. This practice has led to more 'viewers' and a better informed citizenry overall. The links to the Mayor's State of the City Speech outlining major policy goals and initiatives as well as a presentation of accomplishments and goals by the city's executive team are cited below.

2013 Accomplishments and 2014 Initiatives:

https://www.youtube.com/watch?v=QfmPBS_FJ7E&feature=player_embedded

2014 State of the City:

https://www.youtube.com/watch?feature=player_embedded&v=zs3tfX6XXhQ

Thank you to all who contributed to the 2014 budget process. Managers, staff and finance personnel are dedicated to developing a budget which meets the needs of administrators, elected officials and of course, the public. Each person who has contributed to this process has our sincere appreciation.

Sincerely,



Cheri Bushman, Manager
Budget and Fiscal Analysis

Mayor Don Ness' Executive Summary

Heading into 2013, the City was faced with a number of significant issues: recovering from the most devastating natural disaster in Duluth's recorded history, addressing the plague of synthetic drugs, and confronting a state proposal that would have cut local government aid and devastated our city's budget.

Thanks to the talent and dedication of City staff and in cooperation with our community partners, we were not only able to tackle these issues but also make progress on the larger goals of economic growth and fiscal health. Here's a sampling of the accomplishments of the past year.

- For the first time in 14 years, the City of Duluth passed a budget that resulted in a property tax decrease for city services. At the same time we continued to build our reserves, increasing them \$9 million since 2009.
- Standard & Poors recognized Duluth's fiscal discipline and financial health in their latest report by raising the City of Duluth's bond rating to AA.
- When they started operations in January of 2013, AAR promised to create 200 jobs in three years. By the end of the year, they were already up to 279 employees, with plans for a fourth line worth 300 jobs by early 2014.
- Duluth received over \$10 million for flood recovery in 2013. While the effort continues the vast bulk of the needed recovery work was completed in the last twelve months.
- With strong support of local organizations, citizens, and businesses, the Duluth Police Department and City Attorney's Office closed down the Last Place on Earth – a notorious retailer of synthetic drugs. This closure greatly reduced the area's nuisance and crime problems.
- Due to strong job growth in aviation, engineering, skilled manufacturing and other sectors, Duluth's unemployment rate dropped to 4.6% in December – it's lowest level since the Great Recession began in 2007.
- Last year we worked diligently to finalize development agreements and construction plans ensuring 2014 being one of the busiest construction seasons in Duluth's history – including over \$200 million of total investment in our city.

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.

Housing

Rising housing demand coupled with inadequate 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 2017; 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. In early February, 250 community leaders convened at the first housing summit to address these issues and jump start housing construction in 2014 and 2015.

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 fact, last year, Minnesota's Leaders in Public Policy named the City of Duluth their Local Government of the Year.

In addition to the critical issues we have already discussed of housing, workforce and income inequality, we will prioritize our efforts on other issues such as resolving the casino dispute and fixing our city streets. Over the past few months, a working group of City Councilors and staff have been working to develop a plan to fund much needed repairs to our streets. Thanks to their work and valuable input from the community, we anticipate the Council can take action as soon as this spring. Our success in solving problems is now creating exciting new opportunities.

I would like to take some time to fully explore one such opportunity. A project we have quietly working on for the past five years that's now ready to come to life – the exciting opportunities along the St. Louis River Corridor.

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. But, it doesn't have to be either/or. In my mind, Duluth should be defined as both – the world's greatest lake and the world's largest fresh water estuary.

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

Five years ago, we began to prioritize attention on this magnificent river corridor. In June of 2009, I called together a 'St. Louis River Summit' that 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 an 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. During a five year stretch from 2010 to 2015, the St. Louis River corridor will see a total public investment of \$290 million –

which does not include \$90 million for I-35 improvement or flood recovery efforts. The task before us now is to leverage these improvements into private investments and job creation.

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, you can have all that and a \$120,000 mortgage with 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.

This is our moment. We must be both deliberate and aggressive in demonstrating these neighborhoods are a great choice for young homebuyers. If we don't, I worry that we will see property values decline, increased conversions into rental properties, and seniors who will struggle to sell their home when the time comes.

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. It won't be easy and there may be some resistance. But the stars are aligning. This is our moment to create a vibrant future for these neighborhoods and for Duluth.

City of Duluth Minnesota – 2014 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 -2.2°F and July has an average high temperature of 77.1°F. The average snowfall is 80.7 inches and the average precipitation is 31 inches.

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.

Tourism is one of Duluth's primary industries, with an average of 3.5 million visitors annually. Duluth's natural beauty, including 128 municipal parks, 14 hiking trails, and 2 ski hills provide just a few of the reasons for visiting Duluth. The city is actively pursuing its goal with its capital investments to become the top trail destination center in the Midwest.



Higher education opportunities include the University of MN, Duluth, the College of St. Scholastica, Lake Superior College and Duluth Business University. 32% 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 2012 population of 86,211, as estimated by the US Census Bureau, has remained relatively flat since the 1990 census. The labor force is estimated at 45,773, with 43,052 employed. Unemployment has steadily fallen since the 2010 peak of 7.6% to the current level of 5.9%.

There are 35,862 households in Duluth with a home ownership rate of 59.6% versus the state ownership rate of 73%. The median income is \$41,311, while the average median income for state of Minnesota is \$59,126.

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



City of Duluth Minnesota – 2014 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 – Don Ness

January 2008 to January 2016

Councilors at Large

Zack Filipovich	January 2014	to	January 2018
Linda Krug	January 2012	to	January 2016
Emily Larson	January 2012	to	January 2016
Barb Russ	January 2014	to	January 2018

District Councilors

1	Jennifer Julsrud	January 2012	to	January 2016
2	Joel Sipress	January 2014	to	January 2016
3	Sharla Gardner	January 2008	to	January 2016
4	Howie Hanson	January 2014	to	January 2018
5	Jay Fosle	January 2008	to	January 2016

APPOINTED OFFICIALS

Chief Administrative Officer

David Montgomery

City Attorney

Gunnar Johnson

Authorities Directors

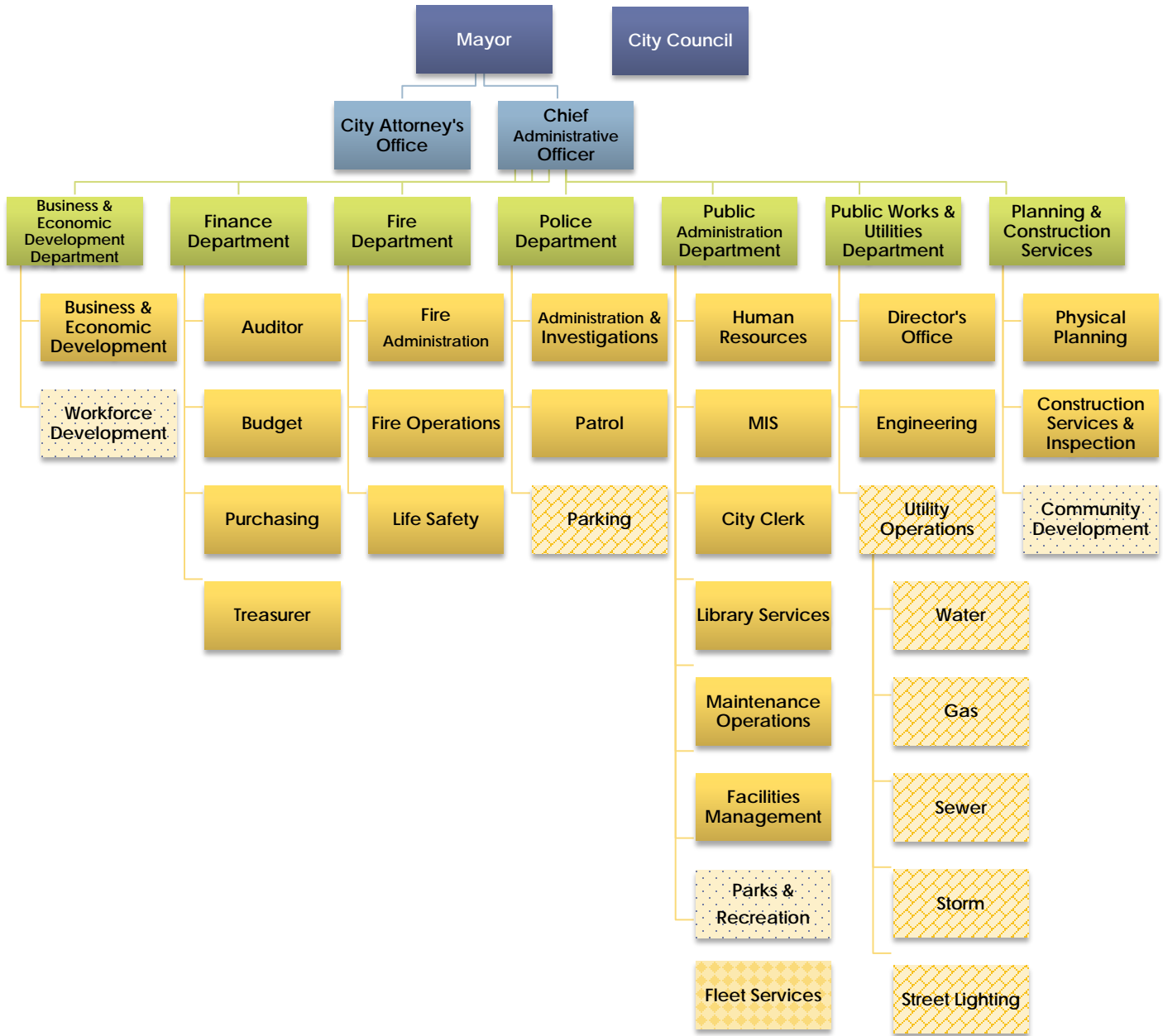
Airport	Tom Werner
DECC	Daniel Russell
DTA	Dennis Jensen
Spirit Mountain	Renee Mattson

City Department Heads

Chief Finance Officer	Peggy Spehar
Public Administration	Jim Filby Williams
Business & Econ Dev	Christopher Eng
Planning & Comm Dev	Keith Hamre
Fire	John Strongitharm
Police	Gordon Ramsay
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.



Key

General Fund
Enterprise
Special Revenue
Internal Service

CITYWIDE PERSONNEL SUMMARY

Fulltime, Permanent Positions

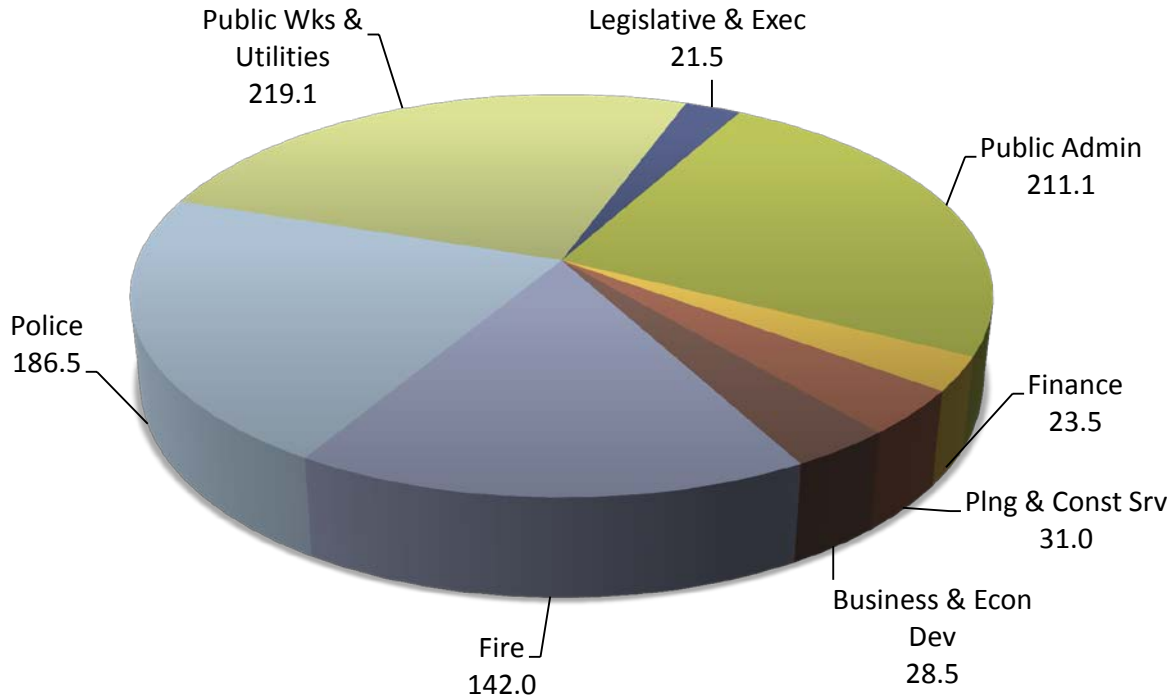
Department/Division	2011 Budget	2012 Budget	2013 Budget	2014 Approved
LEGISLATIVE AND EXECUTIVE				
City Council	0.00	0.00	0.00	0.00
Mayor Office	3.00	3.00	3.00	3.00
Chief Administrative Officer	2.50	2.50	2.50	2.50
Attorney's Office	17.00	17.00	15.00	16.00
Human Resources	11.00	11.00	0.00	0.00
Safety & Training	1.00	1.00	0.00	0.00
DEPARTMENT TOTAL	34.50	34.50	20.50	21.50
MANAGEMENT INFORMATION SYSTEMS				
Management Information Systems	22.00	22.00	0.00	0.00
DEPARTMENT TOTAL	22.00	22.00	0.00	0.00
PUBLIC ADMINISTRATION				
Human Resources	0.00	0.00	12.00	12.00
Management Information Systems	0.00	0.00	20.00	22.00
City Clerk	7.00	6.00	8.00	8.00
Maintenance Operations	78.20	76.20	70.50	69.40
Library Services	43.50	48.50	49.00	49.00
Parks and Recreation	7.50	9.00	10.00	10.00
Facilities Management	18.40	13.40	19.00	20.30
Fleet Services	17.40	18.40	18.50	18.35
Safety and Training	0.00	0.00	1.00	1.00
Energy Management	1.00	1.00	1.00	1.00
DEPARTMENT TOTAL	173.00	172.50	209.00	211.05
FINANCE				
Budget Office	4.00	6.00	3.25	3.00
Assessor's Office	9.00	10.00	1.00	0.00
Auditor's Office	13.00	12.00	7.50	8.50
Purchasing	2.00	2.00	2.00	2.00
Treasurer's Office	4.00	4.00	12.00	10.00
DEPARTMENT TOTAL	32.00	34.00	25.75	23.50
PLANNING & CONSTRUCTION SERVICES				
Physical Planning	7.00	7.00	7.20	7.20
Building Inspection	19.00	18.00	17.00	17.00
Community Development	7.00	7.00	6.83	6.83
DEPARTMENT TOTAL	33.00	32.00	31.03	31.03
BUSINESS & ECONOMIC DEVELOPMENT				
Business Development	6.50	6.50	7.25	6.50
Workforce Development	22.00	22.00	22.00	22.00
DEPARTMENT TOTAL	28.50	28.50	29.25	28.50

CITYWIDE PERSONNEL SUMMARY
Fulltime, Permanent Positions

Department/Division	2011 Budget	2012 Budget	2013 Budget	2014 Approved
FIRE DEPARTMENT				
Fire Administration	4.00	3.00	3.00	4.00
Firefighting Operations	127.00	124.00	124.00	127.00
Life Safety	9.00	11.00	11.00	11.00
SAFER Grant	0.00	0.00	3.00	0.00
DEPARTMENT TOTAL	140.00	138.00	141.00	142.00
POLICE DEPARTMENT				
Administration & Investigative	87.00	86.00	79.50	78.50
Patrol	98.00	99.00	99.00	100.00
Parking	4.00	3.00	8.00	8.00
DEPARTMENT TOTAL	189.00	188.00	186.50	186.50
PUBLIC WORKS & UTILITIES				
Public Works Operations				
Director' Office	0.40	0.40	0.40	0.40
Engineering	21.60	16.60	16.20	16.10
Public Works Subtotal	22.00	17.00	16.60	16.50
Utilities Operations				
Water and Gas	128.20	131.00	133.00	132.60
Sewer	38.40	39.20	40.20	39.33
Stormwater	24.20	26.00	26.00	25.52
Street Lighting	4.00	5.00	5.00	5.10
Utilities Subtotal	194.80	201.20	204.20	202.55
DEPARTMENT TOTAL	216.80	218.20	220.80	219.05
TOTAL CITY EMPLOYEES	868.80	867.70	863.83	863.13

CITYWIDE PERSONNEL SUMMARY

2014 Permanent FTE's by Department



Department	2011 Budget	2012 Budget	2013 Budget	2014 Approved	Difference 2013/2014
Legislative & Executive	34.50	34.50	20.50	21.50	1.00
Management Information Systems	22.00	22.00	0.00	0.00	0.00
Public Administration	173.00	172.50	209.00	211.05	2.05
Finance	32.00	34.00	25.75	23.50	-2.25
Planning & Construction Services	33.00	32.00	31.03	31.03	0.00
Business & Economic Development	28.50	28.50	29.25	28.50	-0.75
Fire Department	140.00	138.00	141.00	142.00	1.00
Police Department	188.00	188.00	186.50	186.50	0.00
Public Works & Utilities	217.80	218.20	220.80	219.05	-1.75
TOTAL	868.80	867.70	863.83	863.13	-0.70

BUDGET HIGHLIGHTS

BUDGET PROCESS

The Administration's proposed 2014 Annual Operating and Capital Budget for the City of Duluth was submitted to the Council on August 26 for consideration and approval. Following the presentation of the proposed budget, the Council held multiple finance committee hearings with city departments and agencies to discuss priorities. During the review period, the City Council along with the Mayor and the Administration worked steadfastly to craft a budget that reflected the community's priorities measured against available resources. The recommended budget was submitted in accordance with the City's budget policies and the State of Minnesota Truth in Taxation law.

The 2009 State Legislature made significant changes to the **Truth in Taxation law**. The law had required a published notice, public hearing, and meetings, which have now been essentially abolished in the current law. The City still must pass a resolution establishing a maximum proposed levy for 2014 to be certified to the County no later than September 16. Proposed levies are then assembled by the County from all taxing jurisdictions to prepare parcel specific notices of proposed property taxes to be mailed out to each property owner between November 11 and November 23. A public hearing no longer needs to be held, but information on the process must be included in the minutes by stating what meeting the Council will be considering the budget and levy. The meeting must be held after November 25 and must allow citizens to speak before the final budget and levy is determined. Cities may, but are not required to, determine a final budget and levy at this public comment meeting. The City's Truth in Taxation budget and levy discussion was held on Monday, December 9 at 7:00 p.m. The budget and levy were adopted at the December 16 meeting.

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 2014 budget proposals. Instructions will be mailed, 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:

July 12	GENERAL FUND DEPARTMENTS
July 26	SPECIAL REVENUE; INTERNAL SERVICE; DEBT; AND CAPITAL FUNDS
August 2	ENTERPRISE FUNDS including utilities; golf; parking and street lighting

ADMINISTRATIVE REVIEW

Week of	General Fund department budget proposals will be reviewed with Administration.
July 22	A template for the meeting will be sent under separate cover.

CAPITAL BUDGETS

July 15	Instructions and packets sent out to departments
August 12	CIP and CEP committee meetings to review five year plan update

MAYOR'S PRESENTATION TO COUNCIL

Aug 26	Proposed levy and budget resolutions on council agenda
Sept 9	Council sets preliminary budget and levy

COUNCIL BUDGET REVIEW

Sept – Nov	Review schedule set by the Finance Committee Chair of the Council
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TRUTH IN TAXATION MEETINGS

Dec 9	Truth in Taxation hearing
Dec 16	Council approves final budget and levy to become effective January 1.

PROPERTY TAX LEVY REVENUES

The City's preliminary and final property tax levy certified to the County was \$19,441,000, or the same amount as the 2013 levy. With the dollar amount staying flat, it will actually mean a .81% decrease in the tax rate due to not capturing new growth. There is a shift of levy dollars to general operations from debt service as bonds were refunded or became revenue supported.

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

2014 APPROVED PROPERTY TAX LEVY					
	2013 Approved Levy	2014 Approved Levy	Change in Levy		% Change in Tax Rate
General Operations Levy					
General Operations	\$ 11,815,700	\$ 12,749,800	\$	934,100	
New Growth	\$ 106,300	\$ -	\$	(106,300)	
Provision for Tax Delinquency	\$ 150,000	\$ 150,000	\$	-	
Total General Operations Levy	\$ 12,072,000	\$ 12,899,800	\$	827,800	0.00%
Capital Projects Levy					
Debt Service	\$ 7,161,500	\$ 6,261,200	\$	(900,300)	
Permanent Improvement	\$ 207,500	\$ 280,000	\$	72,500	
Levy with no Tax Rate Impact	\$ 7,369,000	\$ 6,541,200	\$	(827,800)	0.00%
TOTAL CITY PROPERTY TAX LEVY	\$ 19,441,000	\$ 19,441,000	\$	-	0.00%
Parks Referendum Levy	\$ 2,600,000	\$ 2,600,000	\$	-	

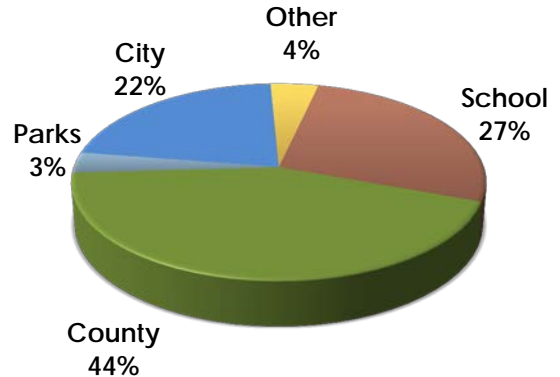
INCREASE IN AVERAGE HOMESTEAD (\$155,600) ANNUAL CITY PROPERTY TAX BILL

2013 City Property Taxes	\$ 542
2014 Property Taxes as Approved	\$ 529
Approved Annual Decrease	\$ (13)

In addition, the City, on behalf of two special taxing districts approved levy requests as follows: the **Duluth Transit Authority** in the amount of \$1,391,900; and **Parks Fund** in the amount of \$2.6 million 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 the smallest portion of the big three at 25% of the total. The chart below shows an average resident's property tax bill with the breakdown by taxing entity.

Taxing Entity	2014 Property Taxes	
City of Duluth	\$ 529	25%
St. Louis County	\$ 900	44%
School District 709	\$ 558	27%
Other Entities	\$ 89	4%
Total Average Bill	\$ 2,076	100%



*Based on Market Value of \$155,600

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 2014 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 2013 tax bill with the proposed tax bill for 2014. 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. Their telephone number is 218.726.2300. Also, you can access property related information on the City Assessor's website. You can search for properties, view frequently asked questions and find some useful links. The address is: <http://www.stlouiscountymn.gov/LANDPROPERTY/Taxes>.

What services do property taxes fund?

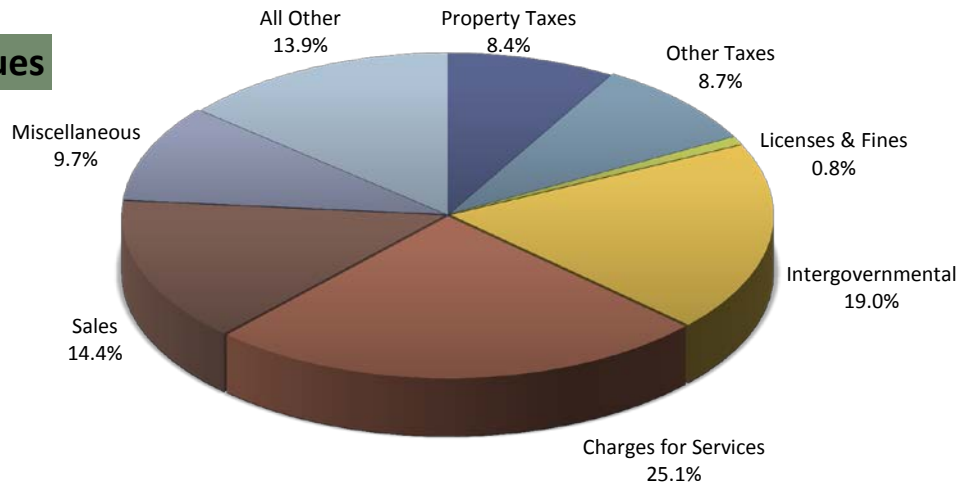
Approximately 1/3 goes to fund debt service on capital improvements, equipment and neighborhood street improvements. The remaining 2/3 goes into the City's General Fund to pay for services such as police, fire, libraries, parks, planning and zoning, and street maintenance. For 2014, the portion of the City's general services paid for with property taxes is \$12.9 million or 17% of the total. To put the amount in perspective, this does not even cover the Fire Department's 2014 funding requirements.

If property taxes only cover 17% 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 38% of the total, followed by Sales Tax at \$12.9 million or 17% of the total.

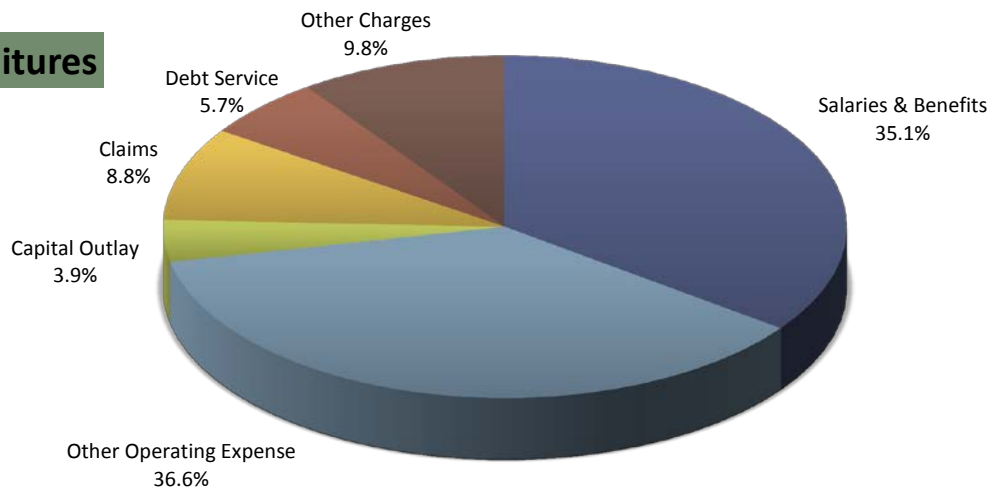
TOTAL APPROVED CITY OF DULUTH BUDGET

2014 Revenues



REVENUES:	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Property Taxes	16,495,926	21,242,447	22,041,000	22,041,000
Other Taxes	22,190,708	22,996,265	21,715,900	22,725,600
Licenses & Fines	2,972,786	2,633,058	2,119,900	2,091,600
Intergovernmental	59,568,673	50,158,716	49,285,600	49,719,400
Charges for Services	59,940,783	63,726,845	65,393,800	65,718,700
Sales	39,967,501	32,412,635	33,717,600	37,844,800
Miscellaneous Revenue	17,732,481	26,983,444	24,764,900	25,484,500
All Other Sources	50,429,818	47,130,634	44,221,400	36,289,900
TOTAL REVENUES	269,298,676	267,284,044	263,260,100	261,915,500

2014 Expenditures



EXPENDITURES	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Salaries & Benefits	74,676,391	87,014,138	88,139,100	89,320,800
Other Operating Expense	91,527,763	89,498,493	91,699,500	93,157,600
Capital Outlay	29,966,233	14,141,076	13,365,000	10,035,000
Claims	20,841,631	12,113,292	22,622,100	22,451,300
Debt Service	16,356,237	33,541,961	13,644,700	14,550,300
Other Charges	37,822,753	31,160,653	26,737,400	25,021,200
TOTAL EXPENDITURES	271,191,008	267,469,613	256,207,800	254,536,200

TOTAL APPROVED CITY OF DULUTH 2014 BUDGET

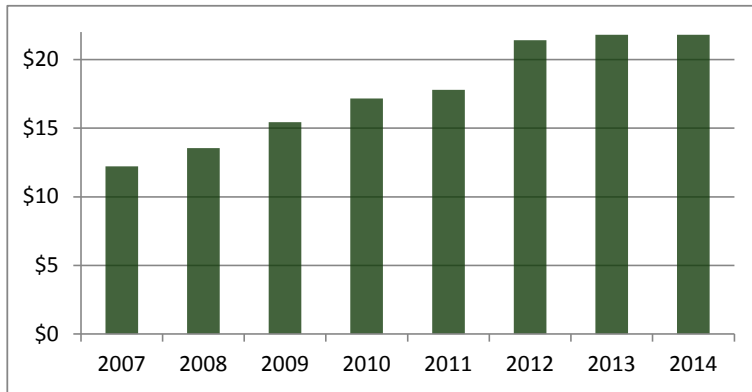
REVENUE COMPARISON	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference 2013/2014
CURRENT PROPERTY TAXES					
General Fund	10,698,787	12,042,260	12,072,000	12,899,800	827,800
Special Revenue Funds	-	2,536,938	2,600,000	2,600,000	-
Debt Service Funds	5,406,309	6,514,783	7,161,500	6,261,200	(900,300)
Capital Project Funds	390,830	148,466	207,500	280,000	72,500
Total Current Property Taxes	<u>16,495,926</u>	<u>21,242,447</u>	<u>22,041,000</u>	<u>22,041,000</u>	<u>-</u>
OTHER TAXES					
General Fund	13,991,895	14,552,068	14,560,900	14,987,200	426,300
Special Revenue Funds	8,198,813	8,444,197	7,155,000	7,738,400	583,400
Total Other Taxes	<u>22,190,708</u>	<u>22,996,265</u>	<u>21,715,900</u>	<u>22,725,600</u>	<u>1,009,700</u>
LICENSES & FINES					
General Fund	2,972,786	2,633,058	2,119,900	2,091,600	(28,300)
Total Licenses and Fines	<u>2,972,786</u>	<u>2,633,058</u>	<u>2,119,900</u>	<u>2,091,600</u>	<u>(28,300)</u>
INTERGOVERNMENTAL					
General Fund	34,448,141	34,255,022	33,629,500	35,928,900	2,299,400
Special Revenue Funds	14,299,479	11,675,273	10,078,100	7,900,500	(2,177,600)
Debt Service Funds	11,298	3,402	-	-	-
Capital Project Funds	10,809,755	4,225,019	5,578,000	5,890,000	312,000
Total Intergovernmental	<u>59,568,673</u>	<u>50,158,716</u>	<u>49,285,600</u>	<u>49,719,400</u>	<u>433,800</u>
CHARGES FOR SERVICES					
General Fund	5,363,700	4,985,569	5,398,400	5,610,000	211,600
Enterprise Funds	50,974,509	54,288,676	56,051,100	55,990,600	(60,500)
Internal Service Funds	3,602,574	4,452,600	3,944,300	4,118,100	173,800
Total Charges for Services	<u>59,940,783</u>	<u>63,726,845</u>	<u>65,393,800</u>	<u>65,718,700</u>	<u>324,900</u>
SALES					
Enterprise Funds	39,967,501	32,412,635	33,717,600	37,844,800	4,127,200
Total Sales	<u>39,967,501</u>	<u>32,412,635</u>	<u>33,717,600</u>	<u>37,844,800</u>	<u>4,127,200</u>
MISCELLANEOUS REVENUE					
General Fund	2,304,518	1,629,056	1,352,500	1,202,700	(149,800)
Special Revenue Funds	11,774,007	21,295,357	19,624,600	21,836,600	2,212,000
Debt Service Funds	326,457	277,044	241,700	239,700	(2,000)
Capital Project Funds	1,102,753	926,606	378,700	407,100	28,400
Internal Service Funds	2,224,746	2,855,381	3,167,400	1,798,400	(1,369,000)
Total Miscellaneous Revenue	<u>17,732,481</u>	<u>26,983,444</u>	<u>24,764,900</u>	<u>25,484,500</u>	<u>719,600</u>
ALL OTHER SOURCES					
General Fund	5,368,562	4,979,045	4,839,800	3,687,700	(1,152,100)
Debt Service Funds	8,742,162	25,145,664	7,945,800	5,249,900	(2,695,900)
Capital Project Funds	9,289,949	355,558	5,065,000	3,188,500	(1,876,500)
Enterprise Funds	8,112,514	5,155,918	5,125,800	2,155,400	(2,970,400)
Internal Service Funds	18,916,631	11,494,449	21,245,000	22,008,400	763,400
Total All Other Sources	<u>50,429,818</u>	<u>47,130,634</u>	<u>44,221,400</u>	<u>36,289,900</u>	<u>(7,931,500)</u>
TOTAL REVENUES	269,298,676	267,284,044	263,260,100	261,915,500	(1,344,600)

TOTAL APPROVED CITY OF DULUTH 2014 BUDGET

EXPENDITURE COMPARISON	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference 2013/2014
SALARIES & EMPLOYEE BENEFITS					
General Fund	52,026,536	52,736,127	52,554,600	54,935,700	2,381,100
Special Revenue Funds	3,685,370	13,359,845	13,789,700	12,783,900	(1,005,800)
Enterprise Funds	17,115,897	19,019,445	19,575,200	19,683,900	108,700
Internal Service Funds	1,848,588	1,898,721	2,219,600	1,917,300	(302,300)
Total Salaries & Employee Benefits	<u>74,676,391</u>	<u>87,014,138</u>	<u>88,139,100</u>	<u>89,320,800</u>	<u>1,181,700</u>
OTHER OPERATING EXPENSE					
General Fund	20,218,978	21,814,290	21,098,900	21,205,700	106,800
Special Revenue Funds	4,588,195	5,057,612	4,245,600	3,820,600	(425,000)
Enterprise Funds	62,429,357	57,673,606	61,793,400	63,574,600	1,781,200
Internal Service Funds	4,291,233	4,952,985	4,561,600	4,556,700	(4,900)
Total Other Operating Expense	<u>91,527,763</u>	<u>89,498,493</u>	<u>91,699,500</u>	<u>93,157,600</u>	<u>1,458,100</u>
CAPITAL OUTLAY					
General Fund	1,013,427	602,352	319,500	266,500	(53,000)
Capital Project Funds	28,952,806	13,538,724	13,045,500	9,768,500	(3,277,000)
Total Capital Outlay	<u>29,966,233</u>	<u>14,141,076</u>	<u>13,365,000</u>	<u>10,035,000</u>	<u>(3,330,000)</u>
CLAIMS					
Internal Service Funds	20,841,631	12,113,292	22,622,100	22,451,300	(170,800)
Total Claims	<u>20,841,631</u>	<u>12,113,292</u>	<u>22,622,100</u>	<u>22,451,300</u>	<u>(170,800)</u>
DEBT SERVICE					
Debt Service Funds	16,356,237	33,541,961	13,644,700	14,550,300	905,600
Total Debt Service	<u>16,356,237</u>	<u>33,541,961</u>	<u>13,644,700</u>	<u>14,550,300</u>	<u>905,600</u>
OTHER CHARGES					
Special Revenue Funds	31,361,919	26,210,503	20,892,200	19,520,300	(1,371,900)
Enterprise Funds	6,460,834	4,950,150	5,845,200	5,500,900	(344,300)
Total Other Charges	<u>37,822,753</u>	<u>31,160,653</u>	<u>26,737,400</u>	<u>25,021,200</u>	<u>(1,716,200)</u>
TOTAL EXPENDITURES	271,191,008	267,469,613	256,207,800	254,536,200	(1,671,600)

MAJOR REVENUE SOURCE ANALYSIS

Current Property Tax Levy (in millions)



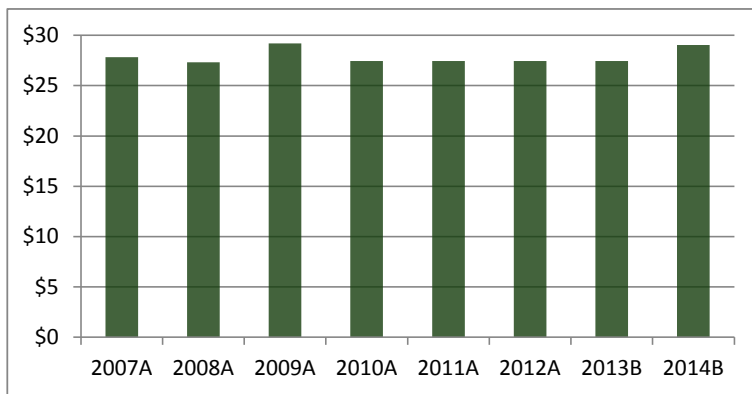
Year	Tax Levy in millions
2007	\$12.208
2008	\$13.544
2009	\$15.438
2010	\$17.176
2011	\$17.791
2012	\$21.405
2013	\$21.811
2014	\$21.811

Description and 2014 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 been increasing steadily annually until the nationwide housing crisis caught up to the local housing market. Estimated market value and tax rates can be found in the Appendix section of this book, in the statistical section.

The 2014 levy is the same as 2013 and actually represents a .81% decrease in the tax rate.

Local Government Aid (in millions)



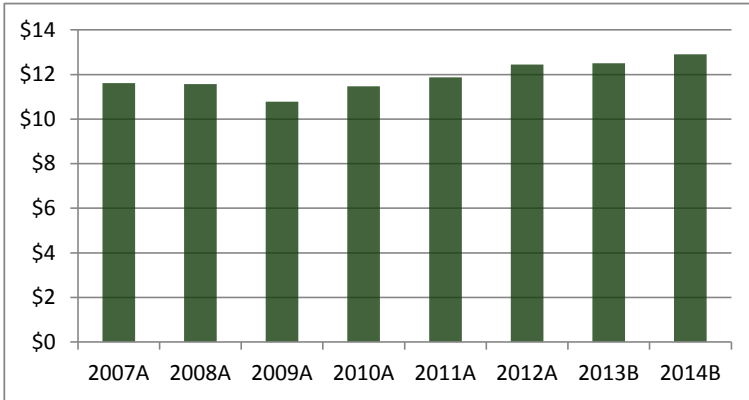
Fiscal Year	LGA in millions
2007A	\$27.840
2008A	\$27.325
2009A	\$29.201
2010A	\$27.437
2011A	\$27.437
2012A	\$27.437
2013B	\$27.437
2014B	\$29.030

Description and 2014 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. In 2013, the state legislature once again revised the formula and increased the total state aid allocation. For Duluth, that resulted in a \$1.59 million increase for 2014.

MAJOR REVENUE SOURCE ANALYSIS

General Sales Tax

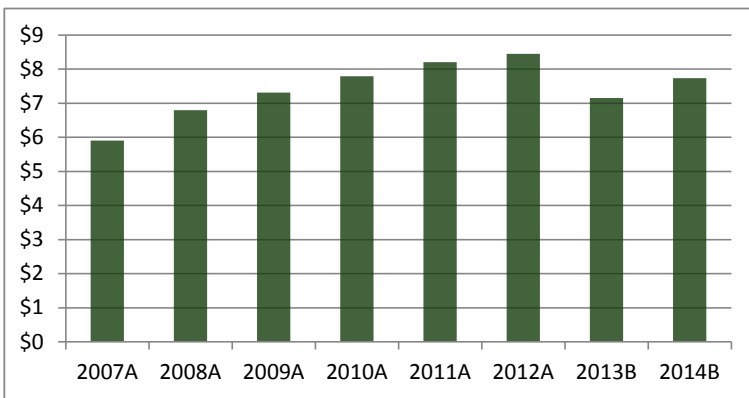


	Sales Tax in millions
2007A	\$11.606
2008A	\$11.564
2009A	\$10.775
2010A	\$11.466
2011A	\$11.873
2012A	\$12.445
2013B	\$12.500
2014B	\$12.900

Description and 2014 Budget

General Sales 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's taking over as collection agent for Duluth's sales tax; and the economy. For 2014, sales tax will increase 3.2% over the 2013 budget to more accurately reflect current trends.

Tourism Taxes (in millions)



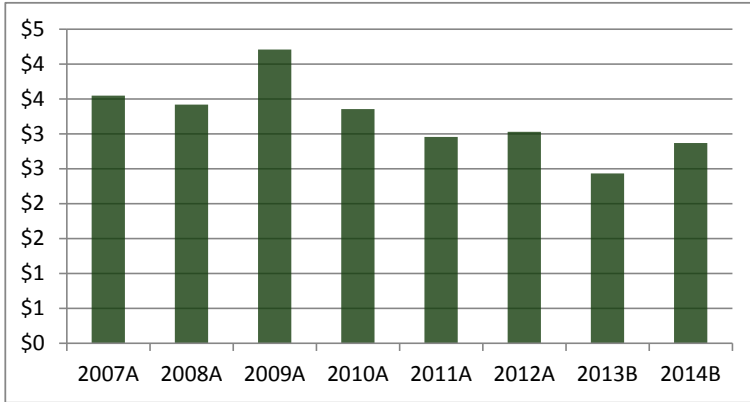
	Tourism Taxes in millions
2007A	\$5.904
2008A	\$6.799
2009A	\$7.312
2010A	\$7.787
2011A	\$8.199
2012A	\$8.444
2013B	\$7.155
2014B	\$7.738

Description and 2014 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. There are four specific taxes authorized by the State with varying degrees of appropriating flexibility. In 1998, the State authorized a temporary increase in hotel/motel and the food & beverage tax by 1/2% each to fund an expansion of the Duluth Entertainment and Convention Center. In late 2012, as debt obligations were satisfied, these taxes were allowed to sunset. In 2008, an additional 3/4% was authorized for another DECC expansion. The 2014 budget reflects a projected increase of 8.1% based on current favorable economic indicators.

MAJOR REVENUE SOURCE ANALYSIS

Payment in Lieu of Taxes (in millions)



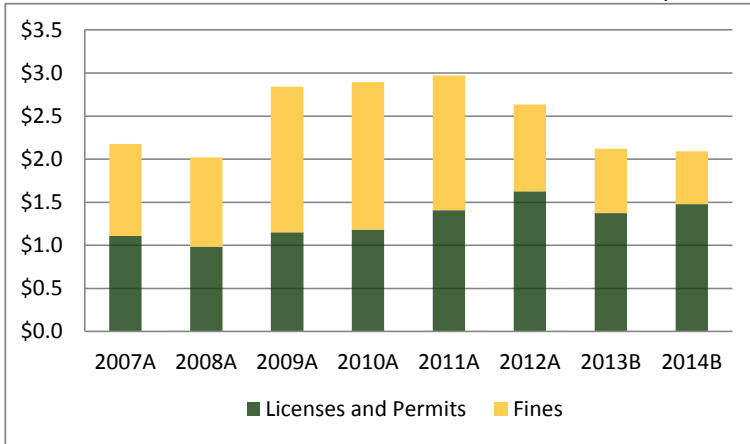
PILOT in millions

2007A	\$3.548
2008A	\$3.422
2009A	\$4.208
2010A	\$3.357
2011A	\$2.958
2012A	\$3.030
2013B	\$2.436
2014B	\$2.872

Description and 2014 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. Revenues for 2014 from steam are expected to remain flat over 2013 budget; with gas PILOT revenues to increase an estimated \$436,000. Yearly fluctuations result from factors related to the prior heating season; natural gas pricing; and customer usage.

General Fund Licenses/Permits and Fines (in millions)



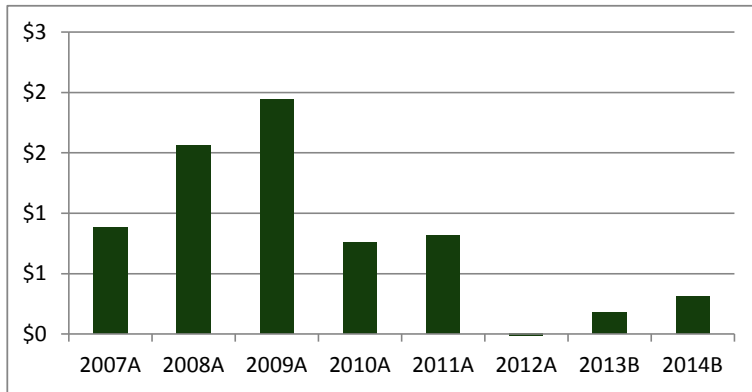
Description and 2014 Budget

These revenues for the city's General Fund represent a wide variety of sources such as licenses, permits, fines, forfeits and fees - the largest single source being liquor licenses. Fees are annually reviewed/modified by the Administration, updated for inflation (0.52% in 2014), and then submitted as a complete package to the City Council for action. This has resulted in fees that are current and more accurately reflect the cost of providing service. In 2013, over 1 million dollars in parking fines were transferred to the Enterprise Parking Fund 505, and in 2014 court fines were reduced to accurately reflect collections.

	Licenses and Permits	Fines	Total
2007A	\$1,111,727	\$1,065,073	\$2,176,800
2008A	\$985,505	\$1,037,452	\$2,022,957
2009A	\$1,149,268	\$1,692,916	\$2,842,184
2010A	\$1,182,044	\$1,712,924	\$2,894,968
2011A	\$1,407,951	\$1,564,835	\$2,972,786
2012A	\$1,625,827	\$1,007,231	\$2,633,058
2013B	\$1,373,800	\$746,100	\$2,119,900
2014B	\$1,478,800	\$612,800	\$2,091,600

MAJOR REVENUE SOURCE ANALYSIS

General Fund Earnings on Investments (in millions)

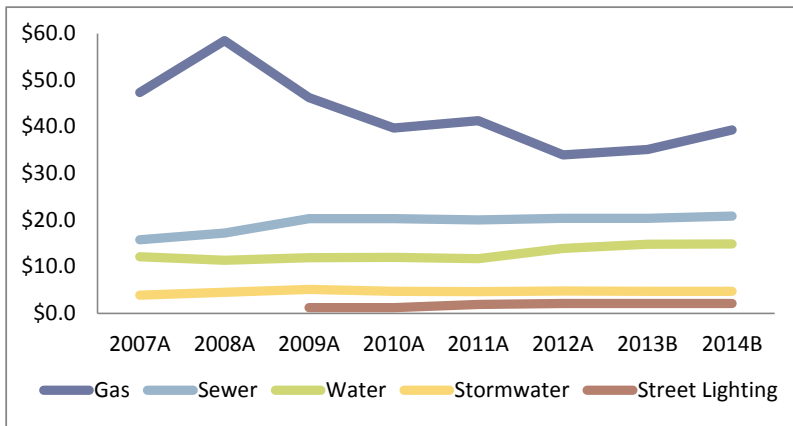


Year	Earnings in millions
2007A	\$0.886
2008A	\$1.557
2009A	\$1.944
2010A	\$0.760
2011A	\$0.816
2012A	(\$0.030)
2013B	\$0.175
2014B	\$0.310

Description and 2014 Budget

Earnings on Investments in the General Fund are derived from investing the City's cash. The revenues generated are dependent upon the cash on hand; current interest rates; and the makeup of the portfolio. Prior to 2009, the City sold tax anticipation certificates to aid in cash flow at the beginning of the year. This was necessary to cover expenses until the City received the first of two annual payments of property taxes and LGA. Since then, cash has been tightly managed to avoid this short term borrowing resulting in a smaller portfolio to invest during the year. Estimated earnings for 2014 are based on the three year average portfolio amount and banking industry two year interest rate projections.

Public Utility Operating Revenues (in millions)



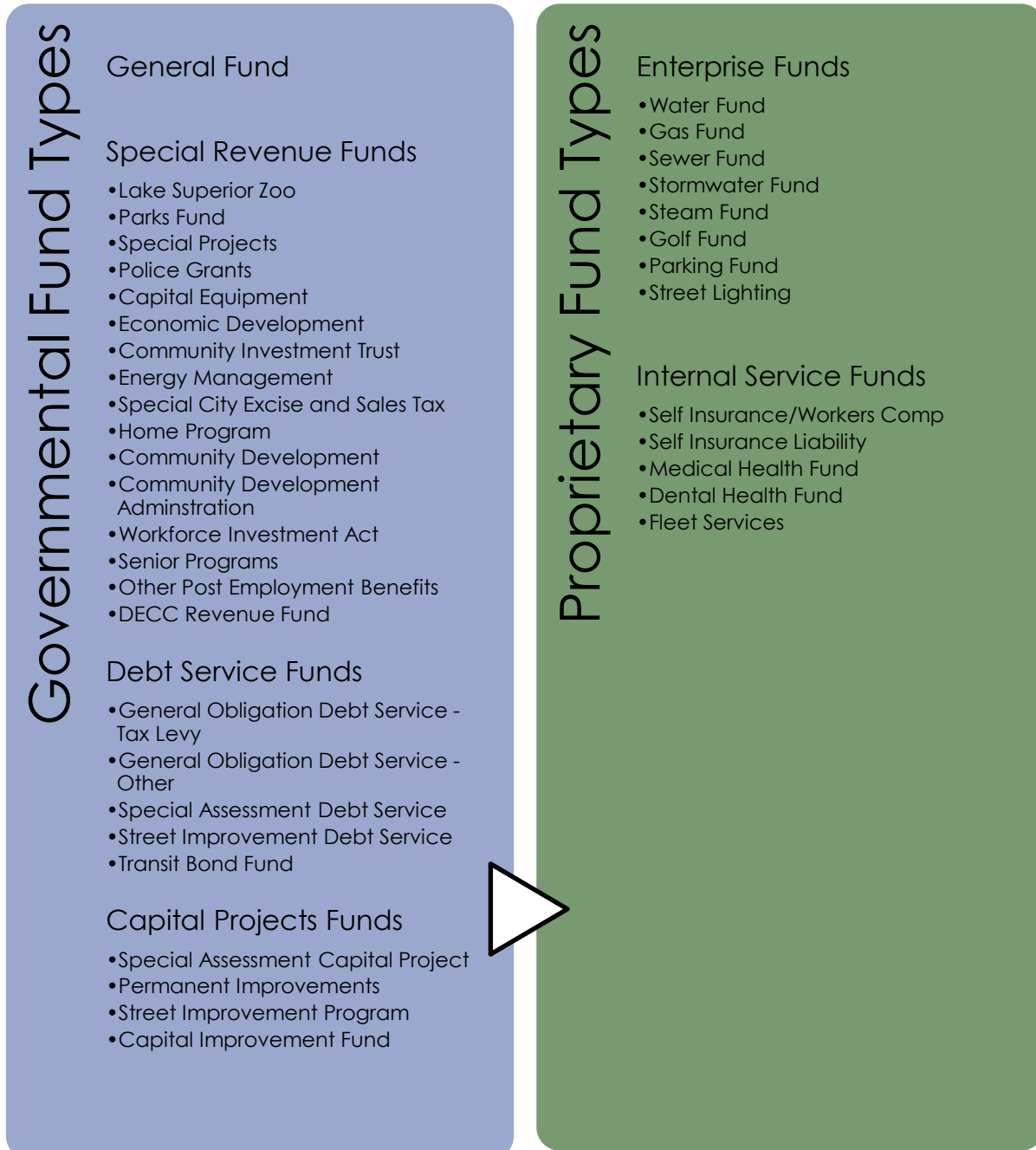
Description and 2014 Budget

The City owns and operates five public utilities as shown. The revenues shown below are operating revenues only. The city established a public utilities commission in 2010 which is charged with establishing rates and recommending budgets for annual review and approval by the City Council.

in millions	Gas	Sewer	Water	Stormwater	Street Lighting	Total
2007A	\$47.365	\$15.763	\$12.150	\$3.899		\$79.177
2008A	\$58.465	\$17.216	\$11.354	\$4.515		\$91.550
2009A	\$46.257	\$20.312	\$11.945	\$5.149	\$1.209	\$84.872
2010A	\$39.723	\$20.338	\$12.007	\$4.700	\$1.191	\$77.959
2011A	\$41.309	\$20.041	\$11.743	\$4.633	\$1.874	\$79.600
2012A	\$33.971	\$20.362	\$13.912	\$4.798	\$2.141	\$75.184
2013B	\$35.120	\$20.366	\$14.779	\$4.704	\$2.135	\$77.104
2014B	\$39.344	\$20.845	\$14.896	\$4.708	\$2.136	\$81.929

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 2014 as approved.



TOTAL APPROVED CITY OF DULUTH 2014 BUDGET

DETAIL BY FUND	Estimated			
	Beg. Balance	Revenues	Expenditures	Balance
GENERAL FUND	7,587,726	76,407,900	76,407,900	7,587,726
SPECIAL REVENUE FUNDS:				
Lake Superior Zoo	(99,689)	1,636,500	1,636,500	(99,689)
Parks Fund	455,846	2,683,500	2,683,500	455,846
Special Projects	625,237	1,148,200	1,148,200	625,237
Police Grants	(8,660)	871,100	871,100	(8,660)
Capital Equipment	1,883,209	3,938,500	3,938,500	1,883,209
Economic Development	1,273	17,900	17,900	1,273
Community Investment Trust	21,351,493	145,000	145,000	21,351,493
Energy Management	281,461	121,200	128,800	273,861
Special City Excise and Sales Tax	230,158	7,738,400	7,703,500	265,058
Home Program	(129,888)	505,800	505,800	(129,888)
Community Development	(211,882)	3,368,500	3,368,500	(211,882)
Community Development Administration	0	610,800	610,800	0
Workforce Investment Act	260,307	1,939,000	1,939,000	260,307
Senior Programs	686	343,800	343,800	686
OPEB	32,900,034	12,148,700	8,703,000	36,345,734
DECC Revenue Fund	2,380,479	2,858,600	2,380,900	2,858,179
TOTAL SPECIAL REVENUE FUNDS:	59,920,064	40,075,500	36,124,800	63,870,764
DEBT SERVICE FUNDS:				
General Obligation Debt Service - Tax Levy	6,553,138	6,500,000	6,136,900	6,916,238
General Obligation Debt Service - Other Sources	2,728,810	3,985,600	3,926,900	2,787,510
Special Assessment Debt Service	2,037,329	807,800	1,109,200	1,735,929
Street Improvement Debt Service	6,058,134	457,400	3,377,300	3,138,234
Transit Bond Fund	0	0	0	0
TOTAL DEBT SERVICE FUNDS:	17,377,411	11,750,800	14,550,300	14,577,911
CAPITAL PROJECTS FUNDS:				
Special Assessment Capital Project	30,802	7,100	10,000	27,902
Permanent Improvements	193,110	7,624,500	7,624,500	193,110
Street Improvement Program	4,346	400,000	400,000	4,346
Capital Improvement Fund	3,654,781	1,734,000	1,734,000	3,654,781
TOTAL CAPITAL PROJECTS FUNDS:	3,883,039	9,765,600	9,768,500	3,880,139
INTERNAL SERVICE FUNDS:				
Self Insurance - Worker's Compensation	1,359,824	680,500	1,024,700	1,015,624
Self Insurance - Liability	1,474,124	420,600	701,100	1,193,624
Medical Health Fund	4,045,935	22,384,100	22,367,300	4,062,735
Dental Health Fund	435,140	321,600	714,100	42,640
Fleet Services	145,946	4,118,100	4,118,100	145,946
TOTAL INTERNAL SERVICE FUNDS:	7,460,969	27,924,900	28,925,300	6,460,569
ENTERPRISE FUNDS ESTIMATED INCOME AND EXPENSE				
		REVENUE	EXPENSE	INCOME/(LOSS)
Water Fund		14,946,900	11,985,700	2,961,200
Gas Fund		39,395,700	37,401,400	1,994,300
Sewer Fund		19,037,500	17,149,800	1,887,700
Clean Water Surcharge Fund		1,839,400	1,575,300	264,100
Stormwater Fund		4,714,300	4,645,700	68,600
Steam Fund		6,981,600	7,540,400	(558,800)
Golf Fund		2,015,000	2,077,900	(62,900)
Parking Fund		4,860,400	4,462,400	398,000
Street Lighting Utility		2,200,000	1,920,800	279,200
TOTAL ENTERPRISE FUNDS:		95,990,800	88,759,400	7,231,400
TOTAL ALL FUNDS	96,229,209	261,915,500	254,536,200	103,608,509

2014 HIGHLIGHTS BY FUND

General Fund

Revenue Assumptions - The final approved 2014 General Fund revenue budget of \$76,407,900 is \$2,434,900 more than the 2013 approved budget. As the national and local economy continue to impact the fiscal health of the City and the State of Minnesota the trend in reducing revenue budget estimates continues into 2014 with the budget set at \$4.9 million or 6% less than 2009. Major revenue sources in the 2014 General Fund budget include local government aid, other intergovernmental aid and transfers from other funds, sales tax, fines and fees, and earnings on investments.

Due to the economic downturn, and the State's budget deficits, Duluth's **Local Government Aid (LGA)** had been reduced annually 2008 through 2011. Through a process called "unallotment" Duluth's 2008 Local Government Aid was reduced in mid December by a total of \$1.74 million. Following through, LGA was once again reduced by \$1.67 million in 2009; \$5.2 million in 2010; and \$3.5 million in 2011. For 2012 and again in 2013, the State set LGA level with 2011 actuals. Due to economic improvements, in 2013 the State legislature revamped the LGA formula and increased the allocation while stabilizing future funding levels. For 2014 the City received an increase of \$1.59 million in its Local Government Aid. The schedule below shows the changes in revenues by major type along with the assumptions used also noted.

Revenue Bridge Schedule	\$ Variance in Millions		Assumptions
2013 Revenue Budget		\$ 73.973	
Property Tax	\$ 0.203		Shift from the debt levy due to debt becoming revenue supported and savings from refundings
City Sales Tax	\$ 0.400		Based on 2013 projection
Local Government Aid	\$ 1.594		Certified aid from State
All Other Intergovernmental	\$ 0.269		Fire Department Safer Grant
Licenses and Permits	\$ 0.105		Accurately reflect rental license fees
Payment in Lieu of Tax	\$ 0.436		Based on 2013 projected gas sales
Administrative Fines	\$ (0.133)		Based on current projections
Earnings on Investments	\$ 0.135		Higher portfolio and higher rate of return
Expired Grants	\$ (0.527)		Expiration of federal aid for retiree health care expenses and reduced police grants available
All Other Revenues	\$ (0.047)		All other changes
Total revenue changes		\$ 2.435	
2014 Revenue Budget		\$ 76.408	

Expense Assumptions - As with revenues, the final approved 2014 General Fund budget is \$2,435,000 more than the 2013 budget. Primary changes include savings from a state law change no longer requiring local governments to pay state sales tax on purchases, increase in salaries for contract settlements and a state mandated increase in employer contributions to the police and fire retirement plan. There is also a modest increase in operating expenses and health insurance premiums increased 8% over 2013 for actives and non-Medicare eligible retirees.

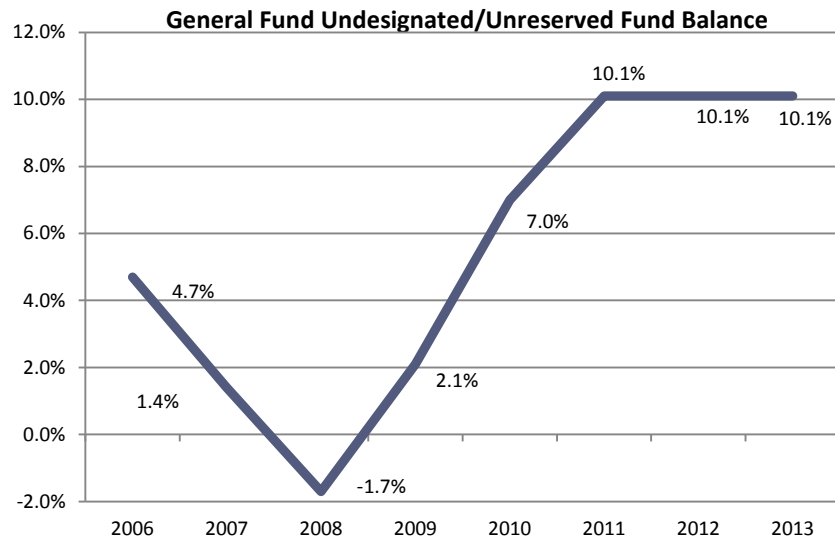
Expense Bridge Schedule	\$ Variance in Millions		Description
2013 Expense Budget		\$ 73.973	
Permanent Salaries	\$ 1.063		Current contracts and increase of 4 fte's
Overtime	\$ 0.106		More accurately reflect usage
Other Wages	\$ 0.090		Increase for Park Rangers and Traffic Maintenance
Sales Tax Savings	\$ (0.250)		State law change
PERA and payroll taxes	\$ 0.388		Due to salary increases and state increase of employer share of Police and Fire PERA
Health Insurance Premiums	\$ 0.733		8% increase in premiums for active and pre-medicare retirees
Medicare Supplement Plan	\$ (0.205)		Continued savings from the medicare supplement plan
All Other Expenses	\$ 0.510		All other expenses
total expense changes		\$ 2.435	
2014 Expense Budget		\$ 76.408	

The number of positions increased 4.0 FTE's over 2013, from 589.3 FTE's to 593.3 FTE's. The changes by department are as follows:

Position Bridge Schedule	Full Time Equivalent Variance	
2013 Fulltime Equivalents (FTE's)		589.3
Legislative & Executive	1.0	
Public Administration	2.15	
Finance	(2.25)	
Planning & Construction Services	-	
Business & Economic Development	(0.75)	
Fire Department	4.0	
Police Department	-	
Public Works	(0.15)	
Total Changes in FTE's		4.0
2014 Fulltime Equivalents (FTE's)		593.3

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 2014 General Fund budget of \$76.4 million, the minimum level (5%) would require a fund balance of \$3.82 million.

Fund balance was in the minimum range at year end 2006; followed by two years of consecutive decline with 2008 ending 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 successful in its efforts to sell assets, with a large land sale, as well as a sale of property to a local electric utility. Other fund balance restoration efforts included using conservative revenue estimates when developing budgets; a hiring freeze with minimal strategic hiring; and other cost saving measures. Most importantly, 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 creation of a street light utility funded by user fees; 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 it off the City's property tax levy; 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.

As a result, **fund balance has improved by \$9.038 million since 2008 with an estimated ending 2014 balance of \$7.588 million.** Restoring fund balance continues to be included as an important and necessary part of the budget recovery strategy.

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 Fund, Capital Equipment, Community Investment Trust, Economic Development, Special (Tourism) Sales Tax, Energy Management, DECC Revenue Fund, Community Development, Job Training, Job Service, Senior Employment, Senior Nutrition, and Community Resource Programs and Other Post Employment Benefits - OPEB 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 have been levied in 2008 and 2009 based on the value of retiring tax increment finance districts. By Council Resolution, if estimated Gas Utility Payments in Lieu of Tax exceed inflation, the difference must be transferred into the OPEB fund. For 2014, contributions will total \$9,248,700 for an estimated fund balance of \$36.3 million accumulated since inception in 2007.

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 2012, due to the fulfillment of bond obligations, .5% of food and beverage and .5% of hotel/motel tax were allowed to sunset. Excluding those taxes, revenue will increase 7.5% over 2013. Funding will remain flat to Visit Duluth, as approved in the latest contract between the City and the agency. The Great Lakes Aquarium will receive an operating subsidy from tourism taxes in the amount of \$350,000. Debt service payments totaling \$3,504,300 funded by the tourism tax fund goes toward DECC improvements and Spirit Mountain. The transfer to the General Fund will increase, for a total allocation of \$827,900. With the renewal of the Business Improvement District in the downtown area, the City will continue to be a funding partner by allocating \$200,000 of tourism taxes to that program.

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 2013 is \$156,427,000. The property tax levy for debt service in 2014 is \$6,261,200. The only property tax supported bond issues proposed for 2014 are for capital equipment, improvements, and trails. Debt is discussed in greater detail in the Debt Service Section of the document.

Capital Project Funds

The Capital Project Funds account for the Street Improvement Program, Special Assessment and Permanent Improvement Projects, and the Capital Improvement Fund. For 2014, a total of \$9.719 million in improvements are planned. Funding will come from intergovernmental contributions from the State of Minnesota and Federal grants; assessments; and bond proceeds.

The Street Improvement Fund accounts for the revenues and expenditures of the 25-year Street Rehabilitation Program. The fund was financed through interest on the Community Investment Fund (where proceeds from the Fond du Lac Casino Agreement are deposited), assessments against benefitting properties, and the increase in tax levy due to new construction. Beginning in 2009, funding was shifted to a direct transfer from the Community Investment Trust Fund's principal and from assessments. In 2013, that funding plan was put on hold until the litigation with the Fond du Lac Tribe casino agreement is complete. The City is hopeful the case will be

resolved this year. The Street Improvement Program will continue with \$400,000 in improvements funded from the utilities and assessments.

The balance of capital improvements scheduled for 2014 are funded in the Permanent Improvement Fund and the Capital Improvement Fund for a total \$9.36 million. All projects are detailed in the separate capital improvement plan found in this document.

Enterprise Funds

Enterprise Funds account for the expenditures of the municipal utilities of Water, Gas, Sewer, Stormwater, Steam; the Golf Division of the Parks and Recreation Department; the Parking Enterprise Fund; and the Street Lighting Fund. Rates are reviewed annually during budget time - with increases approved by the City Council through resolution.

The **Golf Enterprise Fund** accounts for the expenses and revenues associated with municipal golf in the City. The golf fund continues without a subsidy from the General Fund in order to maintain the current level of operations. For 2014, 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 was transferred from the General Fund in mid-2012.

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 departmental business plans. The eventual 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.

Department Business Plans - Beginning in 2010, the City implemented a comprehensive business planning process in each department. The purpose of the plan is three-fold: 1) to provide a tool for communicating with the citizens of Duluth what each department's "business" is and how effective it is in delivering value to its customers; 2) to give decision-makers a broader context for making policy and funding decisions about department programs and services; and 3) to give managers the opportunity and responsibility to critically analyze major business practices; quantify performance; identify issues and opportunities. In other words, to demonstrate how the department's business is currently performing measured against its own past performance, goals, and the business of its peers by benchmarking against others. The department business plans are updated every other year; and are included in a separate tabbed section of the "on-line" budget document. If the reader is interested, the plans can be found at the City of Duluth's website.

Citizen Surveys – The City has contracted with International Cities Management Association (ICMA) to perform a third National Citizens survey to measure citizen opinion on a variety of issues and services provided by the City of Duluth. Results of those surveys can be found on the City of Duluth's website.

Performance Measurement and Management – A team from all departments have been working on implementing performance measurement and management standards and metrics. Data is collected over the year and is analyzed as a starting point in this important process. In addition, a study group comprised of a cross section of citizens met with an independent consultant to discuss performance issues and communication methodology of the City. These results are also available on the City's website.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Duluth
Minnesota**

For the Fiscal Year Beginning

January 1, 2013

Jeffrey R. Egan

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, 2013.

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 it 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.

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. This amount will be shown as "Contingency" in the budget.

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.

In the event a balance larger than the "optimum" amount exists, the excess monies will be committed to capital improvements as identified in the Five Year Capital Improvement Plan and will be considered a one-time source of financing for these or other projects, or it may be used to fund OPEB or other designated need.

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.

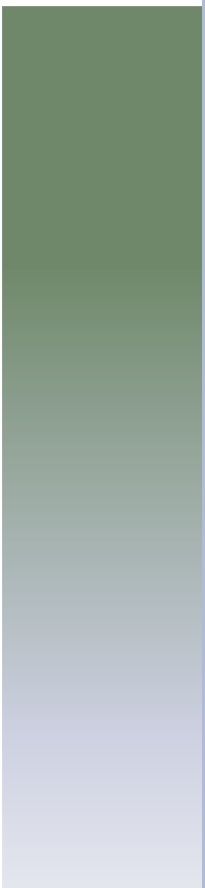
Disclosure and Monitoring - Full disclosure is provided in all financial statements and bond representations. Financial systems are maintained to monitor expenditures and revenues on a daily, monthly, and year end basis. A Comprehensive Annual Financial Report (CAFR) is published by the City within six 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 - 2014 Budget

General Fund

Departments

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

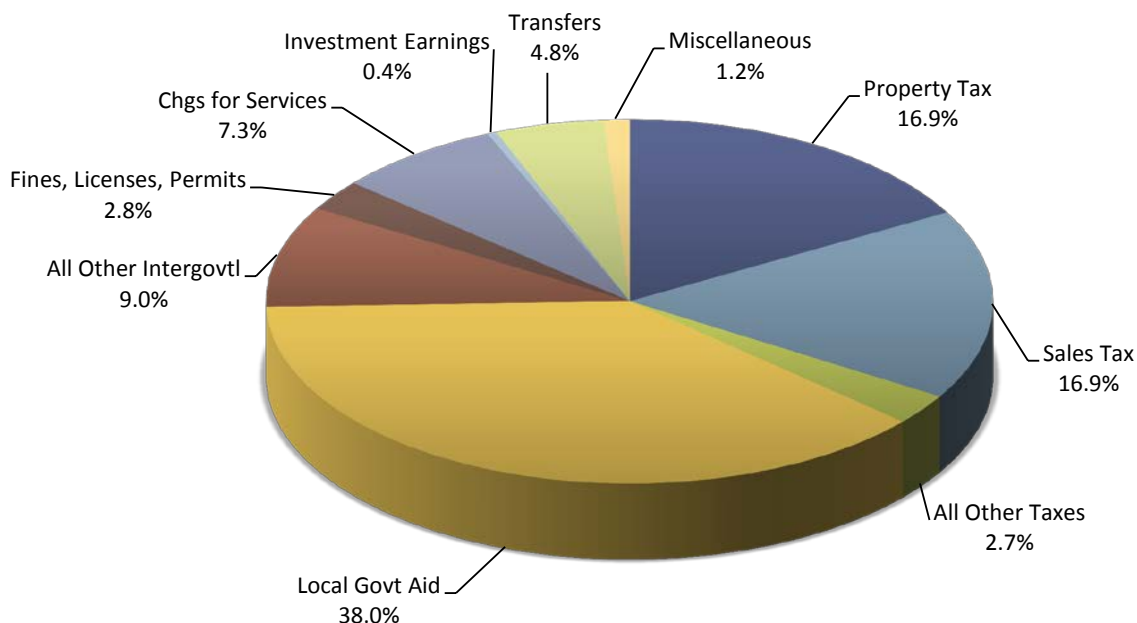
The General Fund provides general purpose government to the citizens of Duluth and accounts for all financial transactions not accounted for in another fund. This fund is used to finance activities such as general government, public safety, public works, libraries, recreation and business and economic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

	2011 Actual	2012 Actual	2013 Approved	2014 Approved
REVENUES				
Property Tax				
General Operations Levy	10,375,029	11,659,980	11,815,700	12,749,800
New Growth		78,900	106,300	
Delinquent Property Taxes	323,758	303,380	150,000	150,000
City Sales Tax	11,872,641	12,444,742	12,500,000	12,900,000
All Other Taxes	2,119,254	2,107,326	2,060,900	2,087,200
Local Government Aid	27,449,555	27,449,555	27,449,000	29,042,600
All Other Intergovernmental	6,998,586	6,805,467	6,180,500	6,886,300
Licenses and Fines	2,972,786	2,633,058	2,119,900	2,091,600
Charges for Services	5,363,700	4,985,569	5,398,400	5,610,000
Earnings on Investments	815,831	(29,991)	174,600	309,600
Transfers from Other Funds	5,004,755	5,194,537	4,839,800	3,687,700
Miscellaneous	1,852,494	1,443,555	1,177,900	893,100
Total Revenues	75,148,389	75,076,078	73,973,000	76,407,900
EXPENDITURES				
Permanent Salaries	37,247,513	36,528,165	36,856,800	37,920,300
Premium Pay	2,247,391	2,145,524	1,102,000	1,207,600
Other Wages	540,904	576,111	404,100	494,100
Employee Benefits	11,990,728	13,486,327	14,191,700	15,313,700
Supplies	4,028,333	4,234,119	3,662,200	3,475,700
Other Services & Charges	8,526,339	8,764,046	8,755,600	9,256,600
Utilities	1,151,002	1,174,565	1,251,000	1,248,400
Retiree Insurance	6,513,304	7,641,560	7,430,100	7,225,000
Capital	1,013,427	602,352	319,500	266,500
Total Expenditures	73,258,941	75,152,769	73,973,000	76,407,900

City of Duluth Minnesota - 2014 Budget

GENERAL FUND APPROVED REVENUES Percent of Total by Major Category



Property Tax - Current & Delinquent	\$	12,899,800
City Sales Tax	\$	12,900,000
All Other Taxes	\$	2,087,200
Local Government Aid	\$	29,042,600
All Other Intergovernmental	\$	6,886,300
Licenses and Fines	\$	2,091,600
Charges for Services	\$	5,610,000
Earnings on Investments	\$	309,600
Transfers from Other Funds	\$	3,687,700
Miscellaneous	\$	893,100
TOTAL 2014 REVENUES	\$	76,407,900

This graph shows the major categories of revenues expressed as a percent of total General Fund revenues estimated for budget fiscal year 2014. 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 detailed within the Revenue Source Summary that follows this graph. 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 38% of all General Fund revenues. For this reason, Local Government Aid is monitored closely at the State Legislature.

City of Duluth Minnesota - 2014 Budget

General Fund Revenues		2011 Actual	2012 Actual	2013 Approved	2014 Approved
CATEGORY 10 - TAXES					
4005	Current Property Tax	10,375,029	11,659,980	11,815,700	12,749,800
	New Growth		78,900	106,300	-
4010	Delinquent Property Tax	323,758	303,380	150,000	150,000
4015	Mobile Home Tax	43,763	46,875	44,000	50,800
4040	City Sales Tax	11,872,641	12,444,742	12,500,000	12,900,000
4050	Charitable Gambling Tax	49,378	53,513	45,000	48,000
4070	MN Power Franchise Fee	1,100,000	1,100,000	1,100,000	1,100,000
4071	Cable Franchise Fee	814,153	821,201	815,300	856,400
4072	No. MN Utility Franchise Fee	8,642	6,948	8,600	7,000
4080	Forfeit Tax Sale	72,958	25,363	28,000	5,000
4090	Other Taxes	30,360	53,426	20,000	20,000
TOTAL TAXES		24,690,682	26,594,328	26,632,900	27,887,000
CATEGORY 20 - LICENSES AND PERMITS					
4101	Liquor License	420,257	430,885	405,000	405,000
4102	Beer License	14,474	11,452	14,000	14,000
4105	Hotel License	6,782	10,099	6,500	6,500
4106	Garbage Collection	15,904	15,904	14,000	14,000
4107	Horse & Carriage	525	682	700	700
4108	Emergency Wrecker License	6,800	6,800	5,000	5,000
4109	Gas Station License	9,076	8,383	8,500	8,500
4111	Pawnbroker License	1,107	1,107	1,300	1,300
4112	Peddler's License	2,006	1,110	500	500
4113	Precious Metal Dealer	3,260	2,214	1,200	1,200
4114	Pet Shop License	1,731	1,250	1,200	1,200
4117	Massage Parlor	8,126	10,095	5,000	5,000
4118	Cigarette License	14,144	13,872	15,000	15,000
4119	Motor Vehicle - Dealer	4,654	4,963	4,400	4,400
4119	Motor Vehicle - Rental	1,792	1,792	1,600	1,600
4120	Taxi Permit	12,303	14,522	5,300	5,300
4121	Coin Operating Device	19,455	265	9,000	9,000
4122	Pool & Bowling	2,896	1,525	2,000	2,000
4124	Tree Service Contractor		-	700	700
4150	Pet License	29,204	22,410	18,000	18,000
4151	Fill Permits	10,739	1,872	1,200	1,200
4152	Excavation Permits	19,660	21,720	15,000	20,000
4153	Multiple Dwell License-3 or more	126,895	220,600	140,000	100,000
4153	Multiple Dwell License-1 or 2 units	544,158	666,388	595,000	735,000
4154	Commercial Use/Occupancy	58,069	63,533	65,000	65,000
4155	Special Event Permit		-	3,000	3,000
4170	Misc. Perm. & Licenses	73,934	92,384	35,700	35,700
TOTAL LICENSE AND PERMITS		1,407,951	1,625,827	1,373,800	1,478,800

City of Duluth Minnesota - 2014 Budget

General Fund Revenues	2011 Actual	2012 Actual	2013 Approved	2014 Approved
CATEGORY 30 - INTERGOVERNMENTAL				
4209 Misc. Federal Grants (Safer Grant)	79,182	48,787		200,000
4220 State of Minnesota	100,436	19,194	-	-
4221 Local Government Aid	27,449,555	27,449,555	27,449,000	29,042,600
4222 State Property Tax Aid	21,965	6,284	-	-
4225 Ski Trail Reimbursement	3,472	-	5,000	5,000
4226 Snowmobile Trail Grants	20,925	26,348	18,000	18,000
4227 Police Training Reimbursement	55,036	46,160	50,000	50,000
4230 PERA Aid	124,428	124,428	124,400	124,400
4232 State Insurance Premium	1,580,030	1,574,915	1,600,000	1,600,000
4240 Municipal State Aid - Maintenance	1,606,208	1,487,672	1,451,800	1,533,400
4260 St. Louis County	161,017	165,605	165,900	148,300
4261 ISD 709	211,000	211,476	211,000	211,000
4262 Housing & Redevelopment Authority	-	-	59,100	60,900
4270 Other Grants	16,750	4,000	-	-
4300 HRA in Lieu of Taxes	44,473	44,423	43,700	47,300
4300 Ordean Foundation	16,086	16,086	16,000	16,000
4731 Gas Utility in Lieu of Taxes	2,778,918	2,889,700	2,289,600	2,726,000
4732 Steam Utility in Lieu of Taxes	178,660	140,389	146,000	146,000
TOTAL INTERGOVERNMENTAL	34,448,141	34,255,022	33,629,500	35,928,900
CATEGORY 40 - CHARGES FOR SERVICES				
4301 Zoning Appeals Fees	1,560	-	6,000	600
4303 Use Permit - Flood & Wetlands	2,184	1,508	5,000	1,000
4304 Special Use - Flood & Wetlands	(156)	-	2,000	-
4305 Variances - Flood & Wetlands		-	2,500	-
4306 Building Appeals Fees		960	-	-
4307 Planning/Zoning Fees	62,098	102,925	60,000	75,000
4310 Assessment Cost Services	63,827	71,326	28,500	33,900
4311 Assessment Certification Fees	26,926	31,290	25,000	30,000
4312 Abatement Processing	3,275	2,245	6,000	-
4313 Garbage Handling Fees	11,328	9,056	10,000	10,000
4315 Stormwater Administrative Service	170,000	150,700	170,000	150,700
4315 Sewer Administrative Service	330,700	306,900	330,700	306,900
4315 Steam Administrative Service	49,500	49,500	49,500	49,500
4315 DECC Administrative Service	25,000	25,000	25,000	25,000
4315 DTA Administrative Service	10,300	10,300	10,300	10,300
4315 Grant Administration Services	91,341	89,500	77,500	77,500
4315 Airport Administrative Service	58,000	45,200	58,000	45,200
4315 DEDA Administrative Service	365,000	365,000	365,000	365,000
4315 Public Utility Admin Service	927,700	872,400	829,300	872,400
4315 Fleet Administrative Service	108,200	108,200	108,200	108,200
4315 Golf Administrative Service	66,800	66,800	66,800	66,800

City of Duluth Minnesota - 2014 Budget

General Fund Revenues	2011 Actual	2012 Actual	2013 Approved	2014 Approved
Category 40 - Charges for Services continued				
4315 Group Health Admin Service	250,000	255,000	255,000	255,000
4315 Self Insurance Admin Service	283,200	283,200	283,200	283,200
4315 Spirit Mt. Administrative Service	37,700	37,700	37,700	37,700
4315 Parking Administrative Service	23,300	23,300	23,300	23,300
4315 Street Lighting System Utility	-	59,000	59,000	59,000
4319 Attorney Fees	-	-	-	10,000
4320 MIS Services	3,092	4,232	5,200	5,200
4322 Animal Shelter Fees	15,758	13,828	20,000	20,000
4323 Garnishment Fees	285	225	100	100
4324 Miscellaneous Services	4,142	7,759	1,400	300
4325 Radio Services	6,500	6,500	6,500	6,500
4326 Criminal History Checks	714	706	2,000	2,000
4328 Pawnbroker Transaction Charge	56,677	69,634	50,000	50,000
4329 False Alarm Fees & Penalties	17,704	21,760	10,000	10,000
4339 Fire Physical Assessment	8,700	-	-	-
4340 Fire Protection Services	5,742	4,200	4,200	4,200
4341 Hydrant Maintenance Service	30,000	30,000	30,000	30,000
4350 Inspection Services	130	-	4,000	4,000
4351 Building Inspection Fees	1,392,354	1,099,302	1,400,000	1,460,000
4352 Plumbing Inspection Fees	157,076	179,062	180,000	180,000
4353 Electric Inspection Fees	178,287	178,589	190,000	190,000
4354 HVAC-R Inspection Fees	156,391	170,852	150,000	150,000
4355 Signs Inspection Fees	13,535	13,390	10,500	10,500
4356 House Moving Inspection Fees	16,274	10,002	5,000	5,000
4357 Mobile Home Inspection Fees	1,054	672	2,000	2,000
4359 CAF Administrative Fee	4,369	12,370	15,000	15,000
4360 Vacant Building Fee	6,400	6,480	5,000	5,000
4361 RZP Registration Fee	11,954	16,108	14,000	14,000
4370 Engineering Services	308,779	172,888	400,000	550,000
TOTAL CHARGES FOR SERVICES	5,363,700	4,985,569	5,398,400	5,610,000
CATEGORY 50 - FINES AND FORFEITS				
4470 License Penalties	9,462	6,095	8,000	18,000
4471 Library Fines	89,961	87,856	90,000	90,000
4472 Miscellaneous Fines	911,204	377,141	-	22,700
4473 Court Fines	554,208	536,139	648,100	482,100
TOTAL FINES AND FORFEITS	1,564,835	1,007,231	746,100	612,800

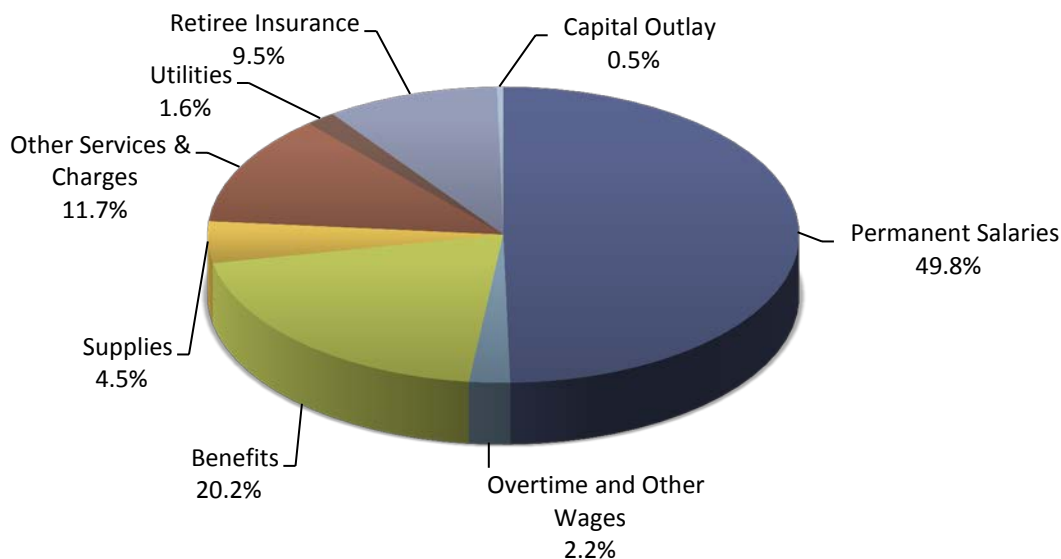
City of Duluth Minnesota - 2014 Budget

General Fund Revenues	2011 Actual	2012 Actual	2013 Approved	2014 Approved
CATEGORY 60 - SPECIAL ASSESSMENTS				
4500 Assessments	60,509	61,022	109,300	107,200
4500 Assessments - Service Charge	307,613	320,122	300,000	300,000
4501 Assessments - Penalty & Interest	32,235	35,882	30,800	32,100
TOTAL SPECIAL ASSESSMENTS	400,357	417,026	440,100	439,300
CATEGORY 70 - MISCELLANEOUS				
4601 Earnings on Investments	815,831	(29,991)	174,600	309,600
4620 Telecommunications Space Rental	9,354	-	10,000	10,000
4622 Rent of Buildings	107,396	90,714	77,000	76,600
4623 Rent of Land	5,913	6,692	5,900	5,900
4624 Rent of Equipment	-	-	300	300
4626 Indian Point Campground	35,394	35,735	-	-
4627 Concessions & Commissions	11,317	9,975	9,000	9,000
4631 Media Sales	27,665	28,411	32,600	28,000
4636 Sale of Materials	5,153	7,936	4,000	4,000
4639 Sale of Equipment	78,866	59,198	100,000	70,000
4640 Sale of Land	151,122	81,618	200,000	57,600
4644 Miscellaneous Sales	122,089	118,912	79,700	54,200
4650 Salary Reimbursement	10,508	19,183	20,000	20,000
4651 Extra Duty Employment Reimbursement	274,931	397,375	-	-
4654 Other Reimbursements	206,944	359,274	130,500	73,700
4660 Gifts & Donations	37,395	2,319	4,700	4,700
4680 Damages Recovered	583	17,736	15,000	15,000
4700 Other Sources	2,185	5,787	47,600	23,300
4701 2% Retention Surtax	1,515	1,156	1,500	1,500
TOTAL MISCELLANEOUS	1,904,161	1,212,030	912,400	763,400
CATEGORY 80 - OTHER FINANCING SOURCES				
4730 Transfer from Special Revenue	75,571	500,000	400,000	-
4730 Transfer from Tourism Tax Fund	747,639	767,659	737,900	827,900
4730 Transfer from Comm Invest Fund	881,189	1,095,136	105,000	145,000
4730 Transfer from Police Grant Funds	822,448	752,493	683,600	410,900
4730 Transfer from Public Utility Funds	955,507	777,426	860,600	947,200
4730 Transfer from Parking Fund	1,464,700	1,293,400	1,952,700	1,326,700
4730 Transfer from Permanent Improvement	19,460	8,423	100,000	30,000
4998 Prior Year Revenue	402,048	(215,492)	-	-
TOTAL OTHER FINANCING SOURCES	5,368,562	4,979,045	4,839,800	3,687,700
GENERAL FUND TOTAL	75,148,389	75,076,078	73,973,000	76,407,900

City of Duluth Minnesota - 2014 Budget

GENERAL FUND APPROVED EXPENSES

Percent of Total by Major Category



Permanent Salaries	\$	37,920,300
Overtime and Other Wages	\$	1,701,700
Benefits	\$	15,313,700
Supplies	\$	3,475,700
Other Services & Charges	\$	9,256,600
Utilities	\$	1,248,400
Retiree Insurance	\$	7,225,000
Capital Outlay	\$	266,500

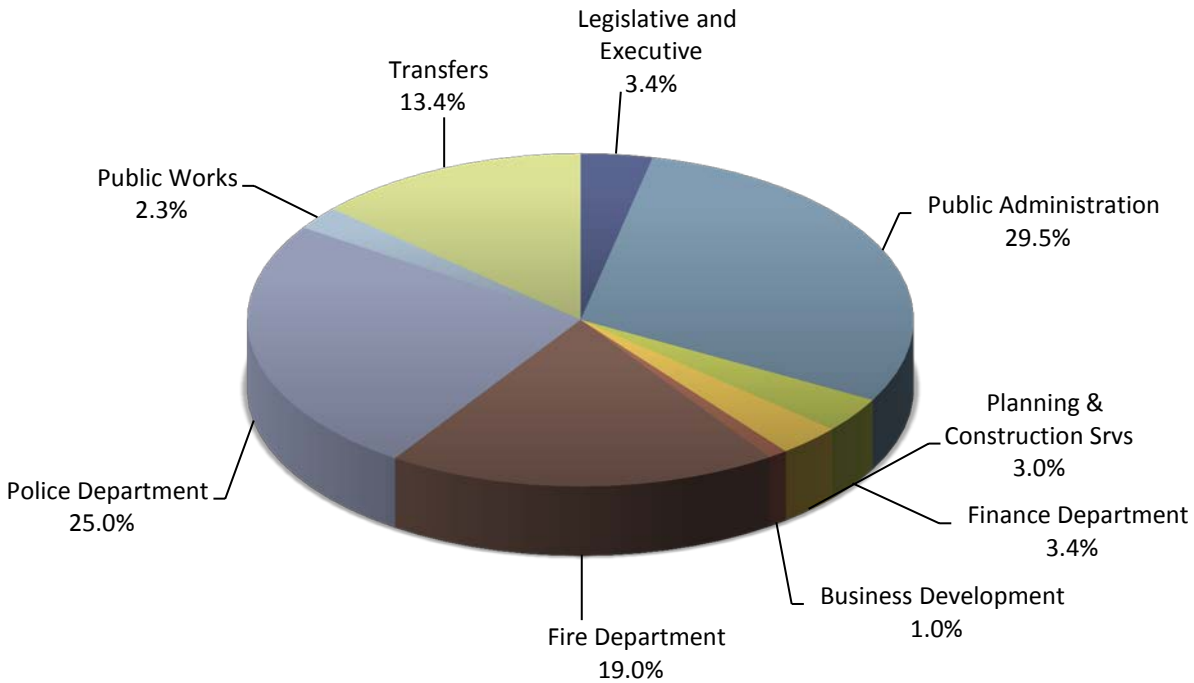
TOTAL 2014 EXPENDITURES \$ 76,407,900

This graph shows the General Fund budget by expense category. The largest single category of expense is Permanent Salaries at 49.8% of all expenses. When the cost of benefits, overtime and other wages is added, the total is 72.2% of all budgeted expenses. Other Services and Charges comprises 11.7% of the total; followed by Retiree Insurance at 9.5%; Supplies at 4.5%; Utilities at 1.6%; and Capital Outlay in the General Fund at .5% of the total expenses.

City of Duluth Minnesota - 2014 Budget

GENERAL FUND APPROVED EXPENSES

Percent of Total by Department



Legislative and Executive	\$ 2,650,500
Public Administration	\$ 22,568,300
Finance Department	\$ 2,597,000
Planning & Construction Svcs	\$ 2,336,500
Business Development	\$ 733,600
Fire Department	\$ 14,492,500
Police Department	\$ 19,071,000
Public Works	\$ 1,732,000
Transfers	\$ 10,226,500

TOTAL 2014 EXPENDITURES \$ 76,407,900

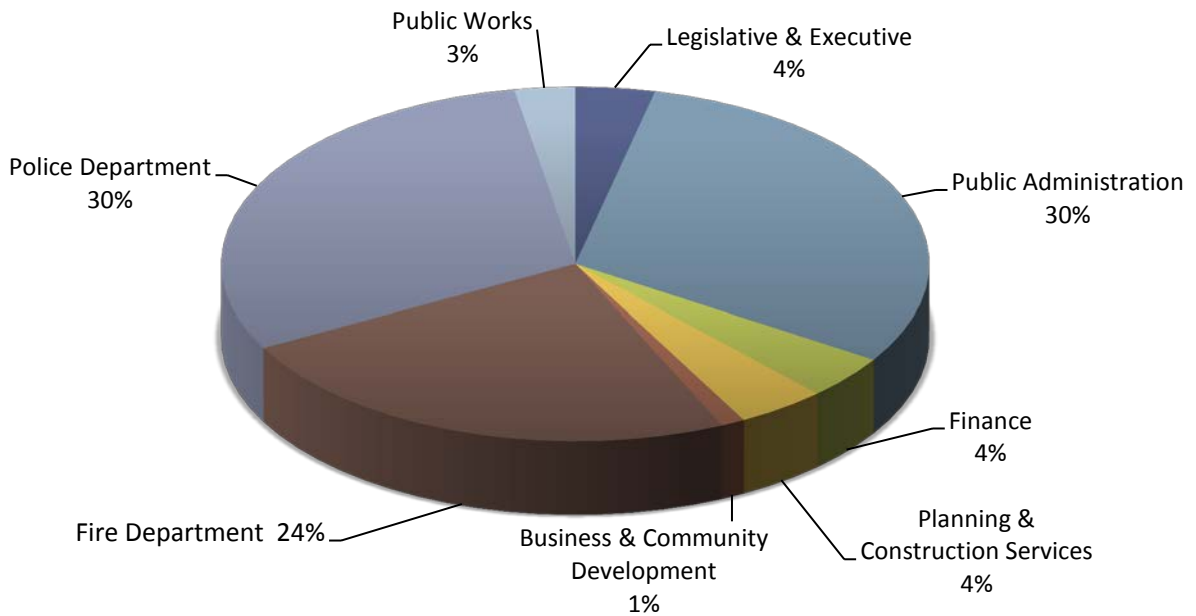
This graph shows the General Fund Departmental budgets as a percent of the total General Fund expenditures for budget fiscal year 2014. The largest category of expense is public safety with the Police and Fire Departments comprising 44% of the total; followed by the Public Administration Department which includes Maintenance Operations, City Clerk, Library, Human Resources, and the past department of Management Information Systems at 29.5%. The Transfers Department comprises 13.4% of the total. The remaining five departments totaled together are 13.1%, with no department exceeding 5%.

General Fund - 2014 Approved Expense Budget

General Fund Expenses	Permanent Salaries	Overtime	Temporary Salaries	Benefits	Other Expense	Capital Outlay	TOTAL
LEGISLATIVE AND EXECUTIVE							
City Council	0	0	90,000	6,500	38,800	0	135,300
Mayor's Office	211,600	0	0	69,700	14,600	0	295,900
Chief Administrative Officer	206,300	0	0	81,900	10,600	0	298,800
Attorney's Office	1,428,700	0	0	450,700	39,100	2,000	1,920,500
DEPARTMENT TOTAL	1,846,600	0	90,000	608,800	103,100	2,000	2,650,500
PUBLIC ADMINISTRATION							
Human Resources	780,000	0	15,000	298,000	68,500	0	1,161,500
Management Info Systems	1,443,000	20,000	23,400	564,200	713,200	0	2,763,800
City Clerks	535,000	1,000	60,000	212,600	43,500	0	852,100
Maintenance Operations	3,576,000	167,000	60,000	1,634,100	4,357,900	0	9,795,000
Library Services	2,587,200	1,000	76,000	932,500	324,600	264,500	4,185,800
Facilities Management	1,093,300	25,000	10,000	439,400	2,242,400	0	3,810,100
DEPARTMENT TOTAL	10,014,500	214,000	244,400	4,080,800	7,750,100	264,500	22,568,300
FINANCE							
Budget Office	266,300	0	0	78,600	7,100	0	352,000
Assessor's Office	0	0	0	0	0	0	0
Auditor's Office	607,400	11,000	0	240,800	313,500	0	1,172,700
Purchasing	134,300	0	9,000	61,100	5,700	0	210,100
Treasurer's Office	600,100	0	0	213,100	49,000	0	862,200
DEPARTMENT TOTAL	1,608,100	11,000	9,000	593,600	375,300	0	2,597,000
PLANNING & CONST. SRVS.							
Physical Planning	499,200	0	0	187,100	48,400	0	734,700
Const. Srvs & Inspection	1,002,800	9,000	0	405,200	184,800	0	1,601,800
DEPARTMENT TOTAL	1,502,000	9,000	0	592,300	233,200	0	2,336,500
BUSINESS DEVELOPMENT	486,800	0	0	171,200	75,600	0	733,600
FIRE DEPARTMENT							
Fire Administration	369,600	0	0	116,900	69,400	0	555,900
Fire Operations	8,372,600	495,000	0	3,540,400	465,800	0	12,873,800
Life Safety	665,800	10,000	0	293,300	93,700	0	1,062,800
DEPARTMENT TOTAL	9,408,000	505,000	0	3,950,600	628,900	0	14,492,500
POLICE DEPARTMENT							
Police Admin/Investigation	5,256,800	110,000	57,700	2,139,600	1,524,900	0	9,089,000
Patrol Division	6,742,200	278,600	75,000	2,750,200	136,000	0	9,982,000
DEPARTMENT TOTAL	11,999,000	388,600	132,700	4,889,800	1,660,900	0	19,071,000
PUBLIC WORKS							
Director's Office	38,700	0	0	9,300	800	0	48,800
Transportation Engineering	1,016,600	80,000	18,000	417,300	151,300	0	1,683,200
DEPARTMENT TOTAL	1,055,300	80,000	18,000	426,600	152,100	0	1,732,000
TRANSFERS	0	0	0	0	10,226,500	0	10,226,500
DEPARTMENT TOTAL	0	0	0	0	10,226,500	0	10,226,500
2014 Approved General Fund	37,920,300	1,207,600	494,100	15,313,700	21,205,700	266,500	76,407,900

City of Duluth Minnesota - 2014 Budget

General Fund Personnel Summary



Department	2013 Approved	2014 Approved
Legislative & Executive	20.50	21.50
Public Administration	178.50	180.65
Finance	25.75	23.50
Planning & Construction Services	24.20	24.20
Business & Community Development	7.25	6.50
Fire Department	138.00	142.00
Police Department	178.50	178.50
Public Works	16.60	16.45
TOTAL	589.30	593.30

City of Duluth Minnesota - 2014 Budget

General Fund Personnel Summary

	2013 Approved	2014 Approved	Difference	Narrative
LEGISLATIVE/EXECUTIVE				
City Council	0.00	0.00	0.00	
Mayor	3.00	3.00	0.00	
Chief Administrative Officer	2.50	2.50	0.00	
City Attorney	15.00	16.00	1.00	Transferred Claims Adjuster from Finance
Department Total	20.50	21.50	1.00	
PUBLIC ADMINISTRATION				
Human Resources	12.00	12.00	0.00	
Mgmt Information Systems	20.00	22.00	2.00	Increased two Application Administrators
City Clerk	8.00	8.00	0.00	
Maintenance Operations	70.50	69.35	-1.15	Reduced 1 Park Maintenance Worker
Library Services	49.00	49.00	0.00	
Facilities Management	19.00	20.30	1.30	Increased 1 Facilities Manager; add .3 Budget Analyst
Department Total	178.50	180.65	2.15	
FINANCE				
Finance Administration	3.25	3.00	-0.25	.25 Contract Admin to Business Development
Assessor	1.00	0.00	-1.00	Reduce City Assessor
Auditor	7.50	8.50	1.00	Increased 1 Financial Analyst
Purchasing	2.00	2.00	0.00	
Treasurer	12.00	10.00	-2.00	Transferred Claims Adjuster to Attorneys; reduce 1 Admin Finance Specialist
Department Total	25.75	23.50	-2.25	
PLANNING & CONSTRUCTION SERVICES				
Physical Planning	7.2	7.2	0.00	
Construction Svcs & Inspection	17	17	0.00	
Department Total	24.2	24.2	0.00	
BUSINESS AND COMMUNITY DEVELOPMENT				
Business & Comm Develop.	7.25	6.50	-0.75	Defer 1 Senior Business Developer; add .25 Contract Administrator
Department Total	7.25	6.50	-0.75	
FIRE				
Fire Administration	3.00	4.00	1.00	Increase 1 Deputy Fire Chief
Firefighting Operations	124.00	127.00	3.00	Increase 3 Firefighters (Safer Grant)
Life Safety	11.00	11.00	0.00	
Department Total	138.00	142.00	4.00	
POLICE				
Police Administration/Patrol	178.50	178.50	0.00	
Department Total	178.50	178.50	0.00	
PUBLIC WORKS				
Director's Office	0.40	0.40	0.00	
Engineering	16.20	16.05	-0.15	Eliminated .15 Engineering Tech
Department Total	16.60	16.45	-0.15	
TOTAL GENERAL FUND FTE'S	589.30	593.30	4.00	

City of Duluth Minnesota - 2014 Budget

Legislative and Executive Department

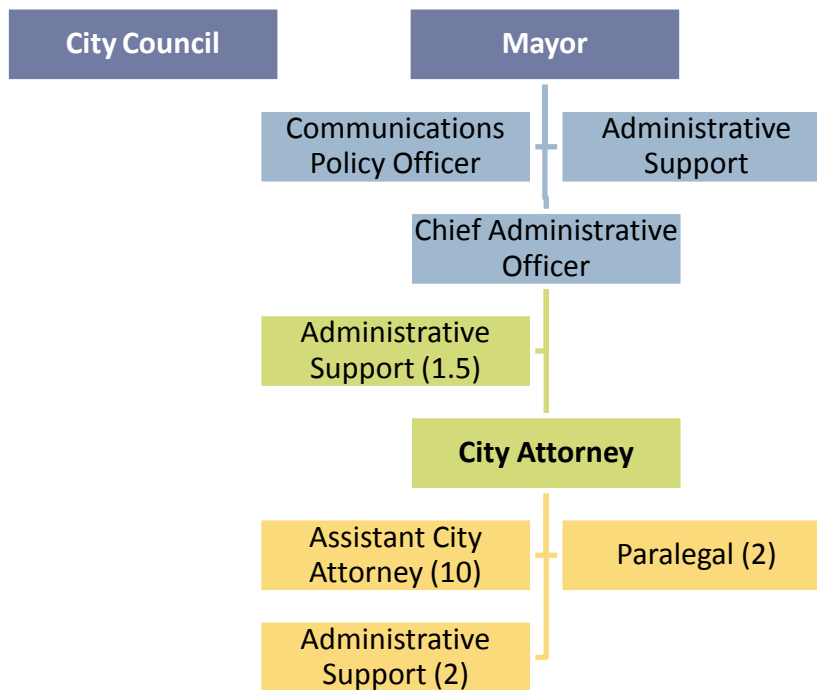
Mission and Vision

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

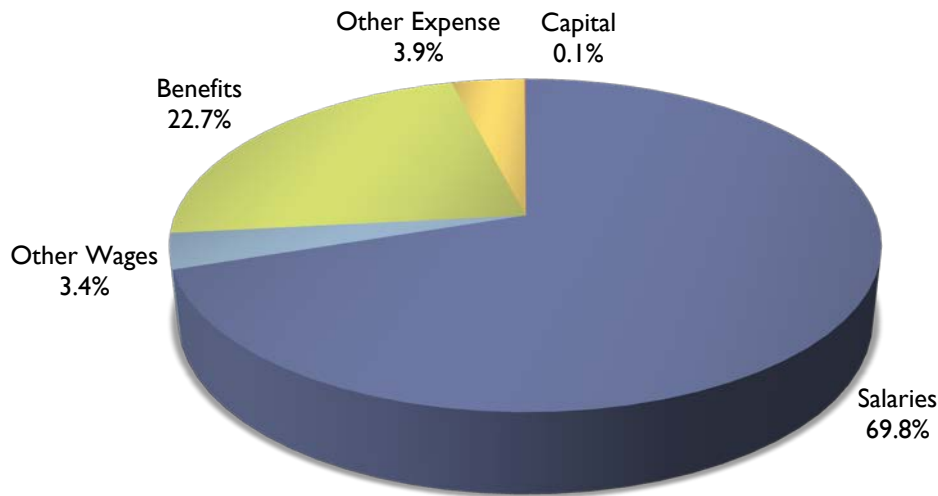
The divisions in this department are responsible for the legislative activity pursuant to City Charter; administration of the organization; enforcement and execution of City ordinances; and legal defense of the City.

Legislative & Executive Department Organization Chart



City of Duluth Minnesota - 2014 Budget

Legislative & Executive Department 2014 Approved Budget by Expense Category



Expenditures by Category	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Permanent Salaries	1,676,417	1,746,429	1,682,800	1,846,600	163,800
Overtime	977	768	-	-	-
Other Wages	92,383	90,364	90,000	90,000	-
Total Personal Services	1,769,777	1,837,561	1,772,800	1,936,600	163,800
Benefits	474,121	567,282	549,300	608,800	59,500
Other Expense	87,924	89,342	115,900	103,100	(12,800)
Capital Outlay	5,222	1,259	5,000	2,000	(3,000)
Department Total	2,337,044	2,495,444	2,443,000	2,650,500	207,500

Expenditures by Division	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
City Council	117,146	118,228	143,300	135,300	(8,000)
Mayor's Office	186,913	254,141	264,400	295,900	31,500
Chief Admin Officer	259,043	279,073	269,300	298,800	29,500
Attorney's Office	1,773,942	1,844,002	1,766,000	1,920,500	154,500
Department Total	2,337,044	2,495,444	2,443,000	2,650,500	207,500

Budgeted FTE's	2011	2012	2013	2014	Difference
	22.50	22.50	20.50	21.50	1.00

City of Duluth Minnesota - 2014 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; 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	2011	2012	2013	2014	Difference
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There are no fulltime, permanent employees assigned to this division.

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	-	-	-	-	-
Overtime	-	-	-	-	-
Other Wages	90,939	90,364	90,000	90,000	-
Total Salaries	90,939	90,364	90,000	90,000	-
Benefits	6,522	6,522	6,500	6,500	-
Other Expense					
Materials & Supplies	-	656	2,800	2,800	-
Services	6,386	3,525	32,000	24,000	(8,000)
Utilities & Maintenance	-	3,924	800	800	-
Other	13,299	13,237	11,200	11,200	-
Total Other Expense	19,685	21,342	46,800	38,800	(8,000)
Division Total	117,146	118,228	143,300	135,300	(8,000)

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
City Council - 110-110-1101				
PERSONAL SERVICES				
5103 Other Wages	90,939	90,364	90,000	90,000
TOTAL	90,939	90,364	90,000	90,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	1,499	1,499	1,500	1,500
5122 FICA - Social Security	3,719	3,719	3,700	3,700
5123 FICA - Medicare	1,304	1,304	1,300	1,300
TOTAL	6,522	6,522	6,500	6,500
OTHER EXPENDITURES				
5200 Office Supplies	-	100	1,000	1,000
5201 Computer Supplies/Software	-	130	1,000	1,000
5202 Audiovisual & Photography	-	-	500	500
5219 Other Miscellaneous Supplies	-	426	300	300
5319 Other Professional Services	-	-	10,000	10,000
5331 Travel/Training	602	2,239	12,000	12,000
5355 Printing & Copying	5,784	1,286	10,000	2,000
5404 Equipment/Machinery Repair & Mtc	-	3,924	800	800
5433 Dues & Subscription	2,974	1,175	1,000	1,000
5441 Other Services & Charges	8,264	2,807	8,000	8,000
5443 Board & Meeting Expenses	2,061	9,255	2,200	2,200
TOTAL	19,685	21,342	46,800	38,800
DIVISION TOTAL	117,146	118,228	143,300	135,300

City of Duluth Minnesota - 2014 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	2011	2012	2013	2014	Difference
Mayor	1.0	1.0	1.0	1.0	-
NREP Comm Relations Officer	1.0	1.0	1.0	1.0	-
126 Information Technician	1.0	1.0	1.0	1.0	-
Division Total	3.0	3.0	3.0	3.0	0.0

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	130,756	178,551	185,600	211,600	26,000
Overtime	-	86	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	130,756	178,637	185,600	211,600	26,000
Benefits	36,956	55,109	64,200	69,700	5,500
Other Expense					
Materials & Supplies	1,825	2,520	1,700	1,700	-
Services	8,813	10,894	5,100	5,100	-
Utilities & Maintenance	-	-	-	-	-
Other	8,563	6,981	7,800	7,800	-
Total Other Expense	19,201	20,395	14,600	14,600	-
Division Total	186,913	254,141	264,400	295,900	31,500

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Mayor's Office - 110-110-1102				
PERSONAL SERVICES				
5100 Permanent Salaries	130,756	178,551	185,600	211,600
5101 Premium Pay	-	86	-	-
5103 Other Wages	-	-	-	-
TOTAL	130,756	178,637	185,600	211,600
EMPLOYEE BENEFITS				
5121 PERA Retirement	6,897	10,110	13,000	14,600
5122 FICA - Social Security	7,714	11,056	11,500	13,100
5123 FICA - Medicare	1,804	2,586	2,700	3,100
5124 Medical Insurance	17,885	-	-	-
5125 Dental Insurance	1,072	1,331	1,200	500
5126 Life Insurance	390	510	500	500
5127 Health Care Savings Plan (HCSP)	1,194	1,637	1,800	2,000
5130 Cafeteria Plan Benefits	-	27,879	33,500	35,900
TOTAL	36,956	55,109	64,200	69,700
OTHER EXPENDITURES				
5200 Office Supplies	1,151	1,063	1,000	1,000
5202 Audiovisual & Photography	572	-	-	-
5219 Other Miscellaneous Supplies	102	29	500	500
5241 Small Equip-Office/Operating	-	1,428	200	200
5320 Data Services	246	23	-	-
5322 Postage	-	10	100	100
5331 Travel/Training	3,656	4,367	3,000	3,000
5355 Printing & Copying	4,911	235	2,000	2,000
5356 Copier, Printer Lease & Supplies	-	6,259	-	-
5433 Dues & Subscription	459	381	300	300
5441 Other Services & Charges	969	278	1,500	1,500
5443 Board & Meeting Expenses	900	1,732	1,000	1,000
5444 Mayor's Contingent Account	6,235	4,590	5,000	5,000
TOTAL	19,201	20,395	14,600	14,600
DIVISION TOTAL: MAYOR'S OFFICE	186,913	254,141	264,400	295,900

City of Duluth Minnesota - 2014 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	2011	2012	2013	2014	Difference
Res Chief Admin Officer	1.0	1.0	1.0	1.0	-
9 Executive Assistant	1.0	1.0	1.0	1.0	-
126 Information Technician	0.5	0.5	0.5	0.5	-
Division Total	2.5	2.5	2.5	2.5	0

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	191,952	193,153	192,200	206,300	14,100
Overtime	977	467	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	192,929	193,620	192,200	206,300	14,100
Benefits	53,716	74,781	66,500	81,900	15,400
Other Expense					
Materials & Supplies	712	2,303	2,000	2,000	-
Services	8,671	7,230	2,300	2,300	-
Utilities & Maintenance	-	-	300	300	-
Other	3,015	1,139	6,000	6,000	-
Total Other Expense	12,398	10,672	10,600	10,600	-
Division Total	259,043	279,073	269,300	298,800	29,500

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Chief Administrative Officer - 110-110-1103				
PERSONAL SERVICES				
5100 Permanent Salaries	191,952	193,153	192,200	206,300
5101 Premium Pay	977	467	-	-
5103 Other Wages	-	-	-	-
TOTAL	192,929	193,620	192,200	206,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	13,571	13,719	13,700	14,700
5122 FICA - Social Security	11,175	11,723	11,900	12,800
5123 FICA - Medicare	2,707	2,791	2,800	3,000
5124 Medical Insurance	22,552	-	-	-
5125 Dental Insurance	1,440	1,440	1,000	400
5126 Life Insurance	450	450	500	500
5127 Health Care Savings Plan (HCSP)	1,821	13,851	1,900	13,300
5130 Cafeteria Plan Benefits	-	30,249	34,700	37,200
5133 Health or Fitness Program	-	558	-	-
TOTAL	53,716	74,781	66,500	81,900
OTHER EXPENDITURES				
5200 Office Supplies	616	700	1,000	1,000
5201 Computer Supplies/Software	-	1,603	500	500
5219 Other Miscellaneous Supplies	96	-	500	500
5321 Phone Service Cellular Phone	-	350	-	-
5331 Travel/Training	3,460	511	2,000	2,000
5356 Copier, Printer Leases & Supplies	-	6,281	-	-
5404 Equipment/Machinery Repair & Mtc	-	-	300	300
5418 Vehicle/Equip Lease (Long-term)	5,211	88	300	300
5433 Dues & Subscription	(25)	-	500	500
5435 Books & Pamphlets	-	-	500	500
5441 Other Services & Charges	1,411	13	4,000	4,000
5443 Board & Meeting Expenses	1,629	1,126	1,000	1,000
TOTAL	12,398	10,672	10,600	10,600
DIVISION TOTAL	259,043	279,073	269,300	298,800

City of Duluth Minnesota - 2014 Budget

City Attorney's Office

Provides legal advice and services to the City and related agencies. In 2013, the EEO Compliance Officer was transferred to to the Human Resources division, and the Claims Adjuster was temporarily assigned to the Finance Department.

Budgeted FTE's	2011	2012	2013	2014	Difference
Res City Attorney	1.0	1.0	1.0	1.0	-
5 Assistant Attorney	10.0	10.0	10.0	10.0	-
10 Claims Adjuster	1.0	1.0	-	1.0	1.0
131 Paralegal	2.0	2.0	2.0	2.0	-
Res EEO Compliance Officer	1.0	1.0	-	-	-
6 Sr Secretarial Spec	1.0	1.0	1.0	1.0	-
129 Admin Legal Assistant	1.0	1.0	1.0	1.0	-
Division Total	17.0	17.0	15.0	16.0	1.0

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	1,353,709	1,374,725	1,305,000	1,428,700	123,700
Overtime	-	215	-	-	-
Other Wages	1,444	-	-	-	-
Total Salaries	1,355,153	1,374,940	1,305,000	1,428,700	123,700
Benefits	376,927	430,870	412,100	450,700	38,600
Other Expense					
Materials & Supplies	4,448	3,705	4,200	4,500	300
Services	11,475	11,520	10,600	12,100	1,500
Utilities & Maintenance	-	-	500	-	(500)
Other	20,717	21,708	28,600	22,500	(6,100)
Total Other Expense	36,640	36,933	43,900	39,100	(4,800)
Capital Outlay	5,222	1,259	5,000	2,000	(3,000)
Division Total	1,773,942	1,844,002	1,766,000	1,920,500	154,500

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
City Attorney's Office - 110-110-1104				
PERSONAL SERVICES				
5100 Permanent Salaries	1,353,709	1,374,725	1,305,000	1,428,700
5101 Premium Pay	-	215	-	-
5103 Other Wages	1,444	-	-	-
TOTAL	1,355,153	1,374,940	1,305,000	1,428,700
EMPLOYEE BENEFITS				
5121 PERA Retirement	87,780	93,236	93,200	101,900
5122 FICA - Social Security	81,584	82,473	80,900	88,600
5123 FICA - Medicare	19,110	19,581	18,900	20,700
5124 Medical Insurance	117,371	-	-	-
5125 Dental Insurance	6,520	6,912	6,000	2,500
5126 Life Insurance	2,925	3,015	2,700	2,900
5127 Health Care Savings Plan (HCSP)	61,637	50,832	12,300	13,500
5130 Cafeteria Plan Benefits	-	174,821	198,100	220,600
TOTAL	376,927	430,870	412,100	450,700
OTHER EXPENDITURES				
5200 Office Supplies	4,448	3,705	4,000	4,500
5241 Small Equip-Office/Operating	-	-	200	-
5304 Legal Services	2,951	364	3,000	3,000
5321 Phone Service Cellular Phone	-	-	-	2,200
5331 Travel/Training	7,084	5,436	5,400	5,400
5335 Local Mileage Reimbursement	1,236	1,108	2,000	1,500
5355 Printing & Copying	204	40	200	-
5356 Copier, Printer Lease & Supplies	-	4,572	-	-
5404 Equipment/Machinery Repair & Mtc	-	-	500	-
5418 Vehicle/Equip Lease (Long-term)	2,099	40	4,000	-
5433 Dues & Subscription	17,980	20,789	21,000	21,000
5441 Other Services & Charges	638	879	3,600	1,500
TOTAL	36,640	36,933	43,900	39,100
CAPITAL OUTLAY				
Library Materials	5,222	1,259	5,000	2,000
TOTAL	5,222	1,259	5,000	2,000
DIVISION TOTAL	1,773,942	1,844,002	1,766,000	1,920,500

City of Duluth Minnesota - 2014 Budget

General Fund Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
City Attorney's Office - 110-110-1104				
REVENUE SOURCE				
4209 Miscellaneous Federal Grants	14,820	16,000	-	-
4319 Attorney Fees	-	-	-	10,000
4644 Miscellaneous Fees, Sales, Services	7,194	13,019	-	-
4654 Other Reimbursements	1,129	222	-	-
4730 Transfer from Police Grant Fund	78,169	67,830	-	-
DIVISION TOTAL	101,312	97,071	-	10,000

City of Duluth Minnesota - 2014 Budget

Public Administration Department

Mission and Vision

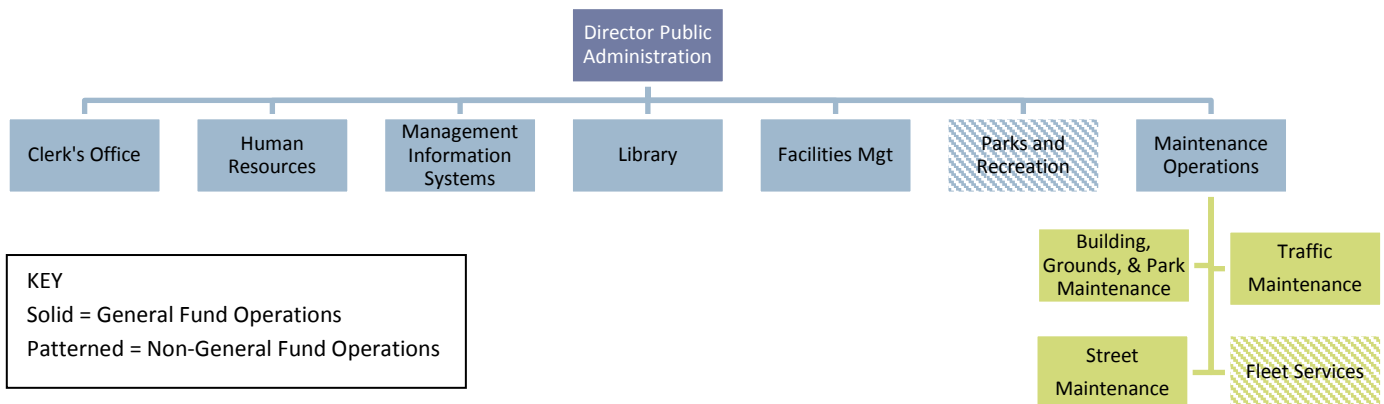
The Department of Public Administration exists to cost-effectively provide a diverse array of high quality services, including direct services for Duluth citizens and visitors, and internal services that enable other City departments to serve the public well. Within the department, each division is guided by unique mission and vision statements which may be found in the respective division business plans.

Structure

The department's general fund operation for 2014 is organized into six divisions: City Clerk's Office, Human Resources, Management Information Services, Maintenance Operations, Library and Facilities Management. The seventh division, Parks & Recreation, is a special revenue fund established to account for property tax monies to be used for city parks as approved by the citizens of Duluth in a special referendum in 2012. The divisions have direct contact with the public on a daily basis, administering services that citizens expect from city government. Our responsibility is to provide the best services in the most efficient, cost effective manner. Our focus is on providing exceptional service at all times.

Fleet Services, an internal service fund, also reports to the Public Administration department.

Public Administration Organization Chart



City of Duluth Minnesota - 2014 Budget

2014 Goals and Objectives

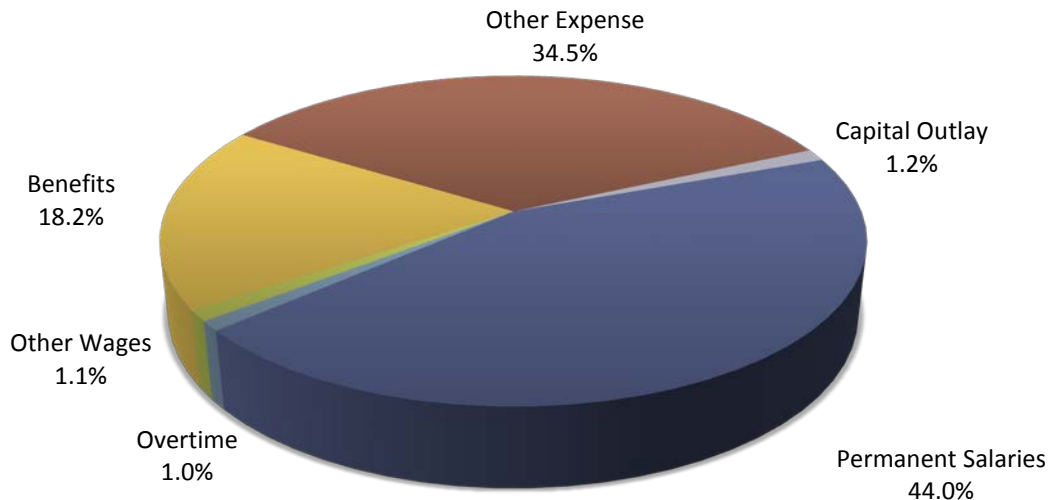
Listed below are a sample of the goals and objectives for the department. Each division has prepared its own comprehensive list which is found in their individual business plans, along with performance measure results.

Goal	Objective	Tactics	Measurement
Implement streaming video and closed captioning for City Council meetings	Provide the public with increased access to local government proceedings	<ol style="list-style-type: none"> 1. Evaluate options available to Cities 2. Receive input from other Cities using the service 3. Choose and implement service 	Increase satisfaction of public access to local government
Study facility needs at the downtown library utilizing citizen committee	Determine the best course of action for addressing long-term facility needs of main library	<ol style="list-style-type: none"> 1. Select committee members 2. Hire consultant to do facility needs assessment 3. Review findings and make recommendations 	Committee recommendation for facility improvements based on community needs
Launch the redesigned City of Duluth website	Create a more user friendly, efficient format to provide information to the public	<ol style="list-style-type: none"> 1. Evaluate other organization's websites and industry best practices 2. Receive input from City departments 3. Design and build new City website 	Increased traffic on web site Decreased requests for information Positive customer feedback
Enhanced Street Maintenance Program	Develop funding mechanism to more adequately address infrastructure needs of Duluth's streets and roadways	<ol style="list-style-type: none"> 1. Review recommendations from working group (City staff and City Councilors) and from the public input process 2. Work with Finance team to determine feasibility of various funding models 3. Develop funding plan 4. Establish maintenance and repair targets 	Development and implementation of funding plan
Complete operational analysis of Fleet Services	Determine most cost effective manner of procuring and maintaining vehicles and other equipment	<ol style="list-style-type: none"> 1. Use RFP process to hire consultant 2. Work with consultant to provide information and data for the analysis 3. Interpret results and determine next steps 	Completed analysis
Begin implementation of asset management and work order systems for Property & Facilities Management and Fleet Services	Increase efficiency by documenting and tracking assets; increase ability to access and share information and data	<ol style="list-style-type: none"> 1. Benchmark all city owned buildings by age, condition, systems, and requirements (deferred and/or pending) 2. Track and manage preventative maintenance and work requests at all facilities 3. Enhance capital and equipment planning with building/system data 	Successful implementation of system to the extent possible in 2014 (multi-year effort for 150 buildings)

<p>Continue the development of the Duluth Traverse Trail</p>	<p>Provide increased recreational opportunities for a variety of users on a trail system within the City of Duluth</p>	<ol style="list-style-type: none"> 1. Continue collaboration with COGGS and other user groups 2. Determine funding sources and apply for grants with our collaboration partners 3. Plan for the western trail system that includes the Traverse Trail as well as trails for other users 4. Develop a trail center at Chambers Grove Park that will be the western anchor of the Duluth Traverse Trail 	<p>Over 15 miles of the Duluth Traverse Trail will be constructed using grant monies and Parks Fund capital monies</p>
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City of Duluth Minnesota - 2014 Budget

Public Administration Department 2014 Approved Budget by Expense Category



Expenditures by Category	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Permanent Salaries	9,601,891	9,098,018	9,574,000	10,014,500	440,500
Overtime	211,694	300,176	214,000	214,000	-
Other Wages	415,771	345,598	229,400	244,400	15,000
Total Personal Services	10,229,356	9,743,792	10,017,400	10,472,900	455,500
Benefits	3,004,087	3,401,705	3,822,800	4,080,800	258,000
Other Expense	7,824,250	8,513,107	7,697,500	7,750,100	52,600
Capital Outlay	335,150	329,311	264,500	264,500	-
Department Total	21,392,843	21,987,915	21,802,200	22,568,300	766,100

Expenditures by Division	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Human Resources	917,146	996,893	1,142,100	1,161,500	19,400
MIS	2,004,887	2,194,104	2,503,700	2,763,800	260,100
City Clerk	703,606	712,192	835,500	852,100	16,600
Maintenance Operations	9,842,139	10,688,376	9,553,200	9,795,000	241,800
Library Services	3,663,185	4,025,774	4,148,800	4,185,800	37,000
Parks & Recreation	799,745	-	-	-	-
Facilities Management	3,462,135	3,370,576	3,618,900	3,810,100	191,200
Department Total	21,392,843	21,987,915	21,802,200	22,568,300	574,900

Budgeted FTE's	2011	2012	2013	2014	Difference
	189.60	177.10	178.50	180.65	2.15

City of Duluth Minnesota - 2014 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, loss control, and Human Rights ordinance compliance.

Budgeted FTE's	2011	2012	2013	2014	Difference
1140 Mgr, Human Resources	1.0	1.0	1.0	1.0	-
Res EEO Compliance Officer	-	-	1.0	1.0	-
131 Personnel Analyst	1.0	-	-	-	-
127 HR Assistant	1.0	2.0	2.0	2.0	-
11 Labor Relations Spec.	1.0	-	-	-	-
11 Sr HR Generalist	1.0	1.0	1.0	1.0	-
10A Employee Benefit Admin	1.0	1.0	1.0	1.0	-
10 HR Generalist	1.0	3.0	3.0	2.0	(1.0)
10 Employee Benefits Rep	1.0	1.0	1.0	1.0	-
9 HR Technician	2.0	2.0	2.0	3.0	1.0
6 Sr Secretarial Specialist	1.0	-	-	-	-
Division Total	11.0	11.0	12.0	12.0	0.0

Expenditures	2011 Actual	2012 Actual Budget	2013	2014 Approved	Difference
Personal Services					
Permanent Salaries	657,223	692,570	775,400	780,000	4,600
Overtime	1,899	12,037	-	-	-
Other Wages	6,818	10,650	15,000	15,000	-
Total Salaries	665,940	715,257	790,400	795,000	4,600
Benefits	217,053	249,268	293,800	298,000	4,200
Other Expense					
Materials & Supplies	5,461	4,292	11,000	9,500	(1,500)
Services	9,682	20,387	25,900	46,000	20,100
Utilities & Maintenance	-	-	4,500	2,500	(2,000)
Other	19,010	7,689	16,500	10,500	(6,000)
Total Other Expense	34,153	32,368	57,900	68,500	10,600
Division Total	917,146	996,893	1,142,100	1,161,500	19,400

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual Budget	2013	2014 Approved
Human Resources - 110-121-1106				
PERSONAL SERVICES				
5100 Permanent Salaries	657,223	692,570	775,400	780,000
5101 Premium Pay	1,899	12,037	-	-
5103 Other Wages	6,818	10,650	15,000	15,000
TOTAL	665,940	715,257	790,400	795,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	44,556	49,510	50,400	55,500
5122 FICA - Social Security	39,611	43,324	49,000	49,300
5123 FICA - Medicare	9,264	10,132	11,500	11,500
5124 Medical Insurance	86,164	-	-	-
5125 Dental Insurance	5,704	6,023	4,600	1,900
5126 Life Insurance	1,875	1,940	2,000	2,200
5127 Health Care Savings Plan (HCSP)	29,879	12,426	19,400	19,500
5130 Cafeteria Plan Benefits	-	124,488	156,900	157,100
5133 Health or Fitness Program	-	1,425	-	1,000
TOTAL	217,053	249,268	293,800	298,000
OTHER EXPENDITURES				
5200 Office Supplies	5,376	3,572	6,000	6,000
5201 Computer Supplies/Software	-	325	2,000	2,000
5219 Other Miscellaneous Supplies	85	395	3,000	1,500
5319 Other Professional Services	-	8,214	9,000	15,000
5321 Phone Service	-	-	900	1,000
5331 Travel/Training	5,669	3,277	5,000	10,000
5355 Printing & Copying	4,013	167	11,000	11,000
5356 Copier, Printer Lease & Supplies	-	8,729	-	9,000
5404 Equipment/Machinery Repair & Mtc	-	-	4,500	2,500
5418 Vehicle/Equip Lease (Long-term)	8,738	-	6,000	-
5433 Dues & Subscription	4,037	2,099	3,000	3,000
5435 Books & Pamphlets	-	-	2,500	2,500
5441 Other Services & Charges	5,102	5,590	5,000	5,000
5446 Tuition Reimbursement	1,133	-	-	-
TOTAL	34,153	32,368	57,900	68,500
DIVISION TOTAL	917,146	996,893	1,142,100	1,161,500

City of Duluth Minnesota - 2014 Budget

Management Information Services

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	2011	2012	2013	2014	Difference
1145 Chief Info Officer	1.0	-	-	-	-
1135 Mgr, Appl Dev/Desktop	1.0	1.0	2.0	2.0	-
1125 Manager, IT	2.0	2.0	1.0	1.0	-
138 Sr System Admin	1.0	-	-	-	-
137 Sr Programmer Analyst	2.0	2.0	2.0	2.0	-
137 Various Administrators	5.0	6.0	4.0	6.0	2.0
136 Programmer Analyst	2.0	3.0	3.0	3.0	-
131 Graphics Coordinator	1.0	1.0	1.0	1.0	-
133 GIS Specialist	2.0	2.0	2.0	2.0	-
133 Mobile App Specialist	1.0	-	-	-	-
131 Support Analyst	3.0	4.0	3.0	3.0	-
129 Help Desk Technician	-	-	1.0	1.0	-
126 Information Technician	1.0	1.0	1.0	1.0	-
Division Total	22.0	22.0	20.0	22.0	2.0

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	999,813	1,137,776	1,241,200	1,443,000	201,800
Overtime	26,275	36,962	20,000	20,000	-
Other Wages	13,218	14,478	23,400	23,400	-
Total Salaries	1,039,306	1,189,216	1,284,600	1,486,400	201,800
Benefits	288,235	387,609	487,200	564,200	77,000
Other Expense					
Materials & Supplies	344,909	343,749	428,000	350,200	(77,800)
Services	245,203	179,655	206,900	254,000	47,100
Utilities & Maintenance	87,234	81,150	89,000	100,000	11,000
Other	-	12,725	8,000	9,000	1,000
Total Other Expense	677,346	617,279	731,900	713,200	(18,700)
Division Total	2,004,887	2,194,104	2,503,700	2,763,800	260,100

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Approved
Management Information Systems - 110-121-1107					
PERSONAL SERVICES					
5100	Permanent Salaries	999,813	1,137,776	1,241,200	1,443,000
5101	Premium Pay	26,275	36,962	20,000	20,000
5103	Other Wages	13,218	14,478	23,400	23,400
	TOTAL	1,039,306	1,189,216	1,284,600	1,486,400
EMPLOYEE BENEFITS					
5121	PERA Retirement	67,535	80,813	91,000	104,200
5122	FICA - Social Security	62,177	72,325	79,600	92,200
5123	FICA - Medicare	14,542	16,915	18,600	21,600
5124	Medical Insurance	124,221	-	-	-
5125	Dental Insurance	5,758	6,752	7,400	3,400
5126	Life Insurance	2,700	3,163	3,500	4,000
5127	Health Care Savings Plan (HCSP)	11,302	20,993	29,800	13,800
5130	Cafeteria Plan Benefits	-	186,648	257,300	325,000
	TOTAL	288,235	387,609	487,200	564,200
OTHER EXPENDITURES					
5200	Office Supplies	4,913	2,571	2,500	2,500
5201	Computer Supplies/Software	332,867	336,347	421,000	343,200
5203	Paper/Stationery/Forms	2,900	1,978	2,000	2,000
5241	Small Equip-Office/Operating	4,229	2,853	2,500	2,500
5309	MIS Services	686	1,469	1,000	1,500
5319	Other Professional Services	185,798	97,007	26,000	56,000
5320	Data Services	42,000	48,124	140,400	162,000
5321	Phone Service	4,384	6,695	11,000	6,000
5331	Travel/Training	9,178	21,908	25,000	25,000
5335	Local Mileage Reimbursement	641	1,089	1,500	1,500
5355	Printing & Copying	2,516	3,363	2,000	2,000
5404	Equipment/Machinery Repair & Mtc	87,234	81,150	89,000	100,000
5433	Dues & Subscription	-	12,725	8,000	9,000
	TOTAL	677,346	617,279	731,900	713,200
DIVISION TOTAL		2,004,887	2,194,104	2,503,700	2,763,800

City of Duluth Minnesota - 2014 Budget

General Fund Revenue Detail	2011 Actual	2012 Actual Budget	2013	2014 Approved
Management Information Systems - 110-121-1107				
REVENUE SOURCE				
4310 Assessment Cost Services	3,841	-	1,500	-
4320 MIS Services	3,092	4,232	5,200	5,200
4730 Transfer in from Public Utility	-	-	-	86,600
DIVISION TOTAL	6,933	4,232	6,700	91,800

City of Duluth Minnesota - 2014 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	2011	2012	2013	2014	Difference
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	-
129 Admin Info Specialist	3.0	2.0	2.0	2.0	-
126 Information Tech	1.0	1.0	1.0	1.0	-
120 Clerical Technician	-	-	1.0	1.0	-
Division Total	7.0	6.0	8.0	8.0	0.0

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	436,310	439,710	517,900	535,000	17,100
Overtime	493	1,371	1,000	1,000	-
Other Wages	55,187	65,600	60,000	60,000	-
Total Salaries	491,990	506,681	578,900	596,000	17,100
Benefits	146,823	163,782	208,100	212,600	4,500
Other Expense					
Materials & Supplies	4,958	4,899	4,600	4,600	-
Services	21,645	8,232	24,000	18,000	(6,000)
Utilities & Maintenance	9,002	15,526	10,000	10,500	500
Other	29,188	13,072	9,900	10,400	500
Total Other Expense	64,793	41,729	48,500	43,500	(5,000)
Division Total	703,606	712,192	835,500	852,100	16,600

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
City Clerk - 110-121-1211				
PERSONAL SERVICES				
5100 Permanent Salaries	436,310	439,710	517,900	535,000
5101 Premium Pay	493	1,371	1,000	1,000
5103 Other Wages	55,187	65,600	60,000	60,000
TOTAL	491,990	506,681	578,900	596,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	30,033	31,036	41,300	38,200
5122 FICA - Social Security	26,407	27,252	35,900	37,000
5123 FICA - Medicare	6,262	6,373	8,400	8,600
5124 Medical Insurance	58,713	-	-	-
5125 Dental Insurance	2,464	2,564	3,100	1,200
5126 Life Insurance	1,155	1,200	1,400	1,400
5127 Health Care Savings Plan (HCSP)	21,789	9,946	4,800	5,000
5130 Cafeteria Plan Benefits	-	85,411	113,200	121,200
TOTAL	146,823	163,782	208,100	212,600
OTHER EXPENDITURES				
5200 Office Supplies	4,247	4,243	2,100	2,100
5201 Computer Supplies/Software	711	375	500	500
5219 Other Miscellaneous Supplies	-	281	2,000	2,000
5331 Travel/Training	582	3,769	2,000	6,000
5335 Local Mileage Reimbursement	-	1,061	-	-
5355 Printing & Copying	21,063	1,243	22,000	10,000
5356 Copier, Printer Lease & Supplies	-	2,159	-	2,000
5404 Equipment/Machinery Repair & Mtc	9,002	15,526	10,000	10,500
5412 Building Rental	900	900	1,000	1,000
5433 Dues & Subscription	631	590	400	400
5441 Other Services & Charges	27,657	11,582	8,500	9,000
TOTAL	64,793	41,729	48,500	43,500
DIVISION TOTAL	703,606	712,192	835,500	852,100

City of Duluth Minnesota - 2014 Budget

General Fund Revenue Detail		2011 Actual	2012 Actual	2013 Budget	2014 Approved
City Clerk - 110-121-1211					
REVENUE SOURCE					
4101	Liquor License	420,257	430,885	405,000	405,000
4102	Beer License	14,474	11,452	14,000	14,000
4105	Hotel License	6,782	10,099	6,500	6,500
4106	Garbage Collection	15,904	15,904	14,000	14,000
4107	Horse & Carriage	525	682	700	700
4108	Emergency Wrecker License	6,800	6,800	5,000	5,000
4109	Gas Station License	9,076	8,383	8,500	8,500
4111	Pawnbroker License	1,107	1,107	1,300	1,300
4112	Peddler's License	2,006	1,110	500	500
4113	Precious Metal Dealer	3,260	2,214	1,200	1,200
4114	Pet Shop License	640	562	500	500
4115	Dog & Cat Hospitals License	646	323	300	300
4116	Dog Kennels License	445	365	400	400
4117	Massage Parlor	8,126	10,095	5,000	5,000
4118	Cigarette License	14,144	13,872	15,000	15,000
4119	Motor Vehicle - Dealer	4,654	4,963	4,400	4,400
4119	Motor Vehicle - Rental	1,792	1,792	1,600	1,600
4120	Taxi Permit	12,303	14,522	5,300	5,300
4121	Coin Operating Device	19,452	265	9,000	9,000
4122	Pool & Bowling	2,896	1,525	2,000	2,000
4124	Tree Service Contractor License	-	-	700	700
4150	Pet License	29,204	22,410	18,000	18,000
4155	Special Event Permit	-	-	3,000	3,000
4170	Misc. Permits & Licenses	5,813	6,760	700	700
4307	Planning/Zoning Fees	350	-	-	-
4470	License Penalties	9,462	6,095	8,000	8,000
4644	Miscellaneous Sales	71,182	12,679	42,000	17,000
4654	Other Reimbursements	-	79	57,000	-
4700	Other Sources	-	-	47,600	23,300
DIVISION TOTAL		661,300	584,943	677,200	570,900

City of Duluth Minnesota - 2014 Budget

Maintenance Operations

Maintenance Operations Division consists of the following functions: Traffic Maintenance, Street Maintenance and Park Maintenance. Fleet Services, which is outside the General Fund, is another maintenance function that reports to this division.

Budgeted FTE's	2011	2012	2013	2014	Difference
1135 Mgr, Fleet/Mtce Ops	0.60	0.60	0.75	0.75	-
1080 St Mtce Supervisor	3.00	2.00	2.00	2.00	-
1080 City Forester	1.00	-	-	-	-
1075 Spvsr FacOptn/Traf/Bldgs	3.00	3.00	3.00	2.00	(1.0)
32 Mtc Optns Leadwkr	1.00	1.00	1.00	2.00	1.0
27 Heavy Equip Operator	27.00	27.00	27.00	33.00	6.0
27 Park Mtceworker	12.00	12.00	12.00	15.00	3.0
27 Traffic Mtceperson	4.00	3.00	3.00	3.00	-
22 Maintenanceworker	18.00	20.00	21.00	11.00	(10.0)
25 Janitorial Supervisor	2.00	2.00	-	-	-
133 Budget Analyst	0.60	0.60	0.75	0.60	(0.2)
21/122 Janitor I and II	6.00	5.00	-	-	-
Division Total	78.20	76.20	70.50	69.35	(1.15)

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	3,743,346	3,619,275	3,528,200	3,576,000	47,800
Overtime	173,665	212,126	167,000	167,000	-
Other Wages	285,280	184,456	50,000	60,000	10,000
Total Salaries	4,202,291	4,015,857	3,745,200	3,803,000	57,800
Benefits	1,257,746	1,508,916	1,556,200	1,634,100	77,900
Other Expense					
Materials & Supplies	2,273,507	2,435,965	1,983,600	1,876,100	(107,500)
Services	119,447	143,794	103,900	106,700	2,800
Utilities & Maintenance	1,245,260	1,759,605	1,409,400	1,600,400	191,000
Other	725,641	809,430	754,900	774,700	19,800
Total Other Expense	4,363,855	5,148,794	4,251,800	4,357,900	106,100
Capital Outlay	18,247	14,809	-	-	-
Division Total	9,842,139	10,688,376	9,553,200	9,795,000	241,800

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Approved
Maintenance Operations - 110-121-1217					
PERSONAL SERVICES					
5100	Permanent Salaries	3,743,346	3,619,275	3,528,200	3,576,000
5101	Premium Pay	173,665	212,126	167,000	167,000
5103	Other Wages	285,280	184,456	50,000	60,000
	TOTAL	4,202,291	4,015,857	3,745,200	3,803,000
EMPLOYEE BENEFITS					
5121	PERA Retirement	264,059	266,296	263,800	264,000
5122	FICA - Social Security	252,364	245,368	232,200	235,800
5123	FICA - Medicare	59,021	57,385	54,300	55,200
5124	Medical Insurance	597,841	-	-	-
5125	Dental Insurance	28,962	28,956	27,100	10,800
5126	Life Insurance	13,568	13,575	12,700	12,500
5127	Health Care Savings Plan (HCSP)	41,931	64,688	54,300	63,600
5130	Cafeteria Plan Benefits	-	832,648	911,800	992,200
	TOTAL	1,257,746	1,508,916	1,556,200	1,634,100
OTHER EXPENDITURES					
5200	Office Supplies	3,232	3,991	3,500	3,500
5201	Computer Supplies/Software	9,432	683	7,800	9,800
5202	Audiovisual & Photography	19	1,873	500	500
5205	Safety & Training Materials	8,320	11,470	5,300	9,300
5210	Plant/Operating Supplies	6,417	7,875	5,500	4,500
5211	Cleaning/Janitorial Supplies	79,951	65,826	43,300	33,300
5212	Motor Fuels	429,716	488,274	410,000	410,000
5218	Uniforms	17,945	19,854	15,200	18,200
5219	Other Miscellaneous Supplies	28,653	34,972	25,900	24,900
5220	Repair & Maintenance Supplies	16,992	9,966	13,900	11,900
5222	Blacktop	360,415	613,433	317,500	297,100
5223	Salt & Sand	983,934	738,609	819,000	791,600
5224	Gravel & Other Mtce Materials	114,668	237,728	165,200	123,700
5225	Park/Landscape Materials	75,469	88,591	50,000	44,200
5226	Sign & Signal Materials	74,463	73,318	79,000	74,100
5228	Painting Supplies	8,695	7,353	6,600	4,100
5240	Small Tools	17,719	22,653	9,400	8,400
5241	Small Equip-Office/Operating	37,467	9,496	6,000	7,000
5305	Medical Svcs/Testing Fees	-	-	1,300	1,300
5310	Contract Services	71,331	83,995	50,000	52,000
5320	Data Services	2,541	9,380	2,900	2,900
5321	Phone Service	5,805	5,768	4,200	4,200

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Approved
Maintenance Operations - 110-120-1217 continued					
5331	Travel/Training	6,566	4,603	8,500	9,500
5335	Local Mileage Reimbursement	32,309	31,600	36,000	31,000
5355	Printing & Copying	895	40	1,000	800
5356	Copier, Printer Lease & Supplies	-	8,408	-	5,000
5384	Refuse Disposal	71,560	39,436	51,500	51,500
5404	Equipment/Machinery Repair & Mtc	924	428	4,000	4,000
5409	Fleet Services Charges	1,172,776	1,719,741	1,353,900	1,544,900
5412	Building Rental	214,461	245,905	225,300	225,300
5415	Vehicle/Equip Rent (Short-term)	26,020	14,570	29,000	29,000
5418	Vehicle/Equip Lease (Long-term)	392,957	416,570	401,900	376,200
5419	Other Rentals	24,938	29,827	28,300	29,500
5433	Dues & Subscription	148	340	1,000	1,000
5435	Books & Pamphlets	-	-	200	200
5438	Licenses	341	367	700	700
5441	Other Services & Charges	22,289	85,849	28,500	70,800
5454	Contract Tree Services	44,487	16,002	40,000	42,000
	TOTAL	4,363,855	5,148,794	4,251,800	4,357,900
CAPITAL OUTLAY					
5580	Capital Equipment	18,247	14,809	-	-
	TOTAL	18,247	14,809	-	-
DIVISION TOTAL		9,842,139	10,688,376	9,553,200	9,795,000

City of Duluth Minnesota - 2014 Budget

General Fund Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Maintenance Operations - 110-121-1217				
REVENUE SOURCE				
4220 State of Minnesota	600	-	-	-
4225 Ski Trails Grant	3,472	(3,472)	5,000	5,000
4226 Snowmobile Trails Grant	20,925	26,348	18,000	18,000
4240 Municipal State Aid - Maintenance	1,606,208	1,487,672	1,451,800	1,533,400
4260 St. Louis County	131,017	131,017	131,000	131,000
4636 Sale of Scrap	5,135	7,936	4,000	4,000
4654 Other Reimbursements	30,170	48,028	31,000	31,000
4680 Damages Recovered	583	2,290	-	-
4730 Transfer from Special Revenue	262,200	1,012,200	300,000	300,000
4730 Transfer from Permanent Improvement	19,460	8,423	100,000	30,000
4730 Transfer from Public Utilities	825,507	777,426	860,600	860,600
DIVISION TOTAL	2,905,277	3,497,868	2,901,400	2,913,000

City of Duluth Minnesota - 2014 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	2011	2012	2013	2014	Difference
1105 Mgr, Library Services	1.0	1.0	1.0	1.0	-
1075 Library Supervisor	-	3.0	3.0	3.0	-
136 Librarian III	5.0	2.0	1.0	1.0	-
133 Librarian II	4.0	4.0	5.0	5.0	-
131 Volunteer Coordinator	-	-	0.5	0.5	-
128 Librarian I	11.0	13.0	13.5	13.5	-
128 Sr. Library Tech	6.0	6.0	4.0	4.0	-
124 Library Technician	15.5	19.5	21.0	21.0	-
119 Library Assistant II	1.0	-	-	-	-
Division Total	43.5	48.5	49.0	49.0	0.0

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	2,308,778	2,471,799	2,566,500	2,587,200	20,700
Overtime	395	1,975	1,000	1,000	-
Other Wages	49,752	68,326	71,000	76,000	5,000
Total Salaries	2,358,925	2,542,100	2,638,500	2,664,200	25,700
Benefits	671,023	833,640	921,200	932,500	11,300
Other Expense					
Materials & Supplies	38,709	41,727	37,600	36,600	(1,000)
Services	39,073	36,289	25,400	31,700	6,300
Utilities & Maintenance	51,650	47,188	50,000	46,500	(3,500)
Other	186,902	210,328	211,600	209,800	(1,800)
Total Other Expense	316,334	335,532	324,600	324,600	-
Capital Outlay	316,903	314,502	264,500	264,500	-
Division Total	3,663,185	4,025,774	4,148,800	4,185,800	37,000

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Library Services - 110-121-1218				
PERSONAL SERVICES				
5100 Permanent Salaries	2,308,778	2,471,799	2,566,500	2,587,200
5101 Premium Pay	395	1,975	1,000	1,000
5103 Other Wages	49,752	68,326	71,000	76,000
TOTAL	2,358,925	2,542,100	2,638,500	2,664,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	155,802	165,874	177,900	179,500
5122 FICA - Social Security	143,258	155,944	163,600	165,200
5123 FICA - Medicare	33,504	36,471	38,300	38,600
5124 Medical Insurance	289,266	-	-	-
5125 Dental Insurance	16,192	17,712	18,600	7,600
5126 Life Insurance	7,800	8,413	8,800	8,800
5127 Health Care Savings Plan (HCSP)	25,201	69,131	41,200	29,100
5130 Cafeteria Plan Benefits	-	380,095	472,800	503,700
TOTAL	671,023	833,640	921,200	932,500
OTHER EXPENDITURES				
5200 Office Supplies	10,843	6,105	10,000	4,500
5201 Computer Supplies/Software	2,671	1,937	500	500
5211 Cleaning/Janitorial Supplies	5,018	4,476	5,000	5,800
5212 Motor Fuels	1,712	1,961	1,500	1,500
5219 Other Miscellaneous Supplies	14,799	23,891	17,000	17,000
5220 Repair & Maintenance Supplies	2,044	2,193	1,500	6,000
5241 Small Equip-Office/Operating	1,622	1,164	2,100	1,300
5319 Other Professional Services	9,058	8,852	5,000	8,000
5321 Phone Service	11,741	12,038	11,000	11,000
5322 Postage	7,564	5,191	5,000	4,000
5355 Printing & Copying	6,250	1,677	900	500
5356 Copier, Printer Lease & Supplies	-	5,331	-	5,000
5384 Refuse Disposal	4,460	3,200	3,500	3,200
5404 Equipment/Machinery Repair & Mtc	46,038	44,237	48,000	45,500
5409 Fleet Services Charges	5,612	2,951	2,000	1,000
5412 Building Rental	128,299	140,327	140,000	140,000
5413 Library Materials/Svcs Rental	54,299	64,136	67,000	67,000
5433 Dues & Subscription	100	100	100	100
5441 Other Services & Charges	4,204	5,765	4,500	2,700
TOTAL	316,334	335,532	324,600	324,600
CAPITAL OUTLAY				
5590 Library Materials	316,903	314,502	264,500	264,500
TOTAL	316,903	314,502	264,500	264,500
DIVISION TOTAL	3,663,185	4,025,774	4,148,800	4,185,800

City of Duluth Minnesota - 2014 Budget

General Fund Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Library Services - 110-121-1218				
REVENUE SOURCE				
4220 State of Minnesota Operating	-	4,672	-	-
4471 Library Fines	89,961	87,856	90,000	90,000
4622 Rent of Buildings	3,065	3,820	2,500	2,100
4631 Media Sales	12,957	16,362	15,200	16,100
4644 Miscellaneous Sales	3,356	3,257	3,500	3,000
4654 Other Reimbursements	53,898	47,546	-	-
4730 Transfer from Special Revenue	38,131	778	-	-
DIVISION TOTAL	201,368	164,291	111,200	111,200

City of Duluth Minnesota - 2014 Budget

Parks and Recreation Services

A referendum creating a dedicated property tax levy for Parks and Recreation was approved by the citizens of Duluth. A new fund was created (205) and can be found in the Special Revenue Funds section.

Budgeted FTE's	2011	2012	2013	2014	Difference
1130 Mgr, Parks and Rec	1.0				
1075 Mgr, Golf Division	1.0				
135 Public Info Coor	1.0				
129 Special Events Coor.	1.0				
124 Sr. Center Coor	1.5				
26 Recreation Specialist	1.0				
129 Admin Info Specialist	1.0				
Division Total	7.5				

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	515,050				
Overtime	-				
Other Wages	2,252				
Total Salaries	517,302				
Benefits	147,511				
Other Expense					
Materials & Supplies	19,122				
Services	48,535				
Utilities & Maintenance	6,635				
Other	60,640				
Total Other Expense	134,932				
Division Total	799,745	-			

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Parks and Recreation - 110-121-1219				
PERSONAL SERVICES				
5100 Permanent Salaries	515,050			
5101 Premium Pay	-			
5103 Other Wages	2,252			
TOTAL	<u>517,302</u>			
EMPLOYEE BENEFITS				
5121 PERA Retirement	34,598			
5122 FICA - Social Security	31,085			
5123 FICA - Medicare	7,270			
5124 Medical Insurance	60,950			
5125 Dental Insurance	3,168			
5126 Life Insurance	1,485			
5127 Health Care Savings Plan (HCSP)	8,955			
TOTAL	<u>147,511</u>			
OTHER EXPENDITURES				
5200 Office Supplies	1,917			
5211 Cleaning/Janitorial Supplies	2,987			
5212 Motor Fuels	610			
5218 Uniforms	883			
5219 Other Miscellaneous Supplies	4,220			
5241 Small Equip-Office/Operating	8,505			
5319 Other Professional Services	19,050			
5320 Data Services	504			
5321 Phone Service	2,132			
5331 Travel/Training	762			
5335 Local Mileage Reimbursement	2,492			
5355 Printing & Copying	3,374			
5384 Refuse Disposal	20,221			
5404 Equipment/Machinery Repair & Mtc	1,033			
5409 Fleet Services Charges	5,602			
5418 Vehicle/Equip Lease (Long-term)	1,161			
5419 Other Rentals	3,418			
5433 Dues & Subscription	3,590			
5441 Other Services & Charges	52,422			
5443 Board & Meeting Expenses	49			
TOTAL	<u>134,932</u>			
DIVISION TOTAL	799,745			

City of Duluth Minnesota - 2014 Budget

General Fund Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Parks & Recreation - 110-121-1219				
REVENUE SOURCE				
4170 Misc. Permits & Licenses	34,150	42,160		
4270 Grants	8,955	-		
4622 Rent of Buildings	18,265	13,273		
4626 Indian Point Campground	35,394	35,735		
4627 Concessions & Commissions	2,664	551		
4644 Miscellaneous Sales	170	68		
4654 Other Reimbursements	615	784		
DIVISION TOTAL	100,213	92,571		

City of Duluth Minnesota - 2014 Budget

Facilities Management

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

Budgeted FTE's	2011	2012	2013	2014	Difference
1135 Mgr, Fleet/Mtce Ops	0.2	0.2	-	-	-
1115 City Architect	1.0	-	-	-	-
1115 Facility Manager	-	-	-	1.0	1.0
1105 Architect	-	-	-	1.0	1.0
1075 Spvsr Facilities Operations	1.0	1.0	1.0	1.0	-
133 Budget Analyst	0.2	0.2	-	0.3	0.3
33 Facilities Project Specialist	1.0	1.0	1.0	-	(1.0)
22 Maintenanceworker	1.0	1.0	3.0	3.0	-
31 Master Plumber/Elect	2.0	1.0	1.0	1.0	-
29 Trades Positions	7.0	5.0	5.0	5.0	-
26 Building Mtceperson	3.0	1.0	1.0	1.0	-
33 Elec Tech Leadworker	1.0	1.0	-	-	-
31 Electronics Technician	1.0	1.0	-	-	-
25 Janitorial Supervisor	-	-	1.0	1.0	-
121/122 Janitor I and II	-	-	5.0	5.0	-
7 Admin Sec Specialist	-	1.0	1.0	1.0	-
Division Total	18.4	13.4	19.0	20.3	1.3

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	941,371	736,888	944,800	1,093,300	148,500
Overtime	8,967	35,705	25,000	25,000	-
Other Wages	3,264	2,088	10,000	10,000	-
Total Salaries	953,602	774,681	979,800	1,128,300	148,500
Benefits	275,696	258,490	356,300	439,400	83,100
Other Expense					
Materials & Supplies	490,912	614,045	399,100	386,300	(12,800)
Services	371,999	284,342	314,600	311,600	(3,000)
Utilities & Maintenance	1,183,306	1,196,195	1,273,000	1,248,400	(24,600)
Other	186,620	242,823	296,100	296,100	-
Total Other Expense	2,232,837	2,337,405	2,282,800	2,242,400	(40,400)
Division Total	3,462,135	3,370,576	3,618,900	3,810,100	191,200

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Approved
Facilities Management - 110-121-1222					
PERSONAL SERVICES					
5100	Permanent Salaries	941,371	736,888	944,800	1,093,300
5101	Premium Pay	8,967	35,705	25,000	25,000
5103	Other Wages	3,264	2,088	10,000	10,000
	TOTAL	953,602	774,681	979,800	1,128,300
EMPLOYEE BENEFITS					
5121	PERA Retirement	64,079	52,345	67,900	78,200
5122	FICA - Social Security	57,448	47,535	60,700	70,000
5123	FICA - Medicare	13,435	11,117	14,200	16,400
5124	Medical Insurance	122,396	-	-	-
5125	Dental Insurance	6,369	5,120	7,300	3,200
5126	Life Insurance	2,893	2,277	3,400	3,700
5127	Health Care Savings Plan (HCSP)	9,076	15,367	14,700	22,200
5130	Cafeteria Plan Benefits	-	124,729	188,100	245,700
	TOTAL	275,696	258,490	356,300	439,400
OTHER EXPENDITURES					
5200	Office Supplies	4,868	3,330	5,000	5,000
5201	Computer Supplies/Software	56	1,378	3,000	3,000
5202	Audiovisual & Photography	-	1,650	-	7,500
5205	Safety & Training Materials	3,117	-	7,500	8,000
5211	Cleaning/Janitorial Supplies	675	1,817	31,500	31,500
5212	Motor Fuels	18,615	18,497	20,000	20,000
5215	Shop Materials	26,513	25,244	25,000	25,000
5218	Uniforms	5,540	3,071	7,500	7,500
5219	Other Miscellaneous Supplies	21,706	13,718	20,000	20,000
5220	Repair & Maintenance Supplies	347,876	472,196	200,000	187,200
5228	Painting Supplies	15,474	40,815	44,600	44,600
5240	Small Tools	13,986	23,121	20,000	12,000
5241	Small Equip-Office/Operating	32,486	9,208	15,000	15,000
5309	Technology Services	6,583	-	-	-
5310	Contract Services	95,436	81,373	81,600	81,600
5319	Other Professional Services	116,689	46,823	88,000	83,000
5321	Phone Service	141,055	138,466	130,000	135,000
5331	Travel/Training	6,226	5,371	6,000	6,000

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Approved
Facilities Management - 110-121-1222 continued					
5335	Local Mileage Reimbursement	4,716	6,625	5,000	5,000
5355	Printing & Copying	1,294	817	1,000	1,000
5356	Copier, Printer Lease & Supplies	-	4,867	3,000	-
5381	Electricity	521,274	520,502	543,000	533,400
5382	Water, Gas & Sewer	457,512	476,097	500,000	485,000
5384	Refuse Disposal	32,304	21,630	22,000	22,000
5385	Oil	7,126	10,917	8,000	8,000
5386	Steam	165,090	167,049	200,000	200,000
5399	Skywalk Expenses	13,206	13,638	30,000	30,000
5401	Bldg/Structure Repair & Mtc	108,899	139,876	150,000	150,000
5404	Equipment/Machinery Repair & Mtc	960	-	10,000	10,000
5409	Fleet Services Charges	34,384	63,739	55,100	55,100
5411	Land Rental/Easements	2,087	2,149	-	-
5415	Vehicle/Equip Rent (Short-term)	4,923	1,890	5,000	5,000
5418	Vehicle/Equip Lease (Long-term)	5,616	-	10,000	10,000
5433	Dues & Subscription	756	814	1,500	1,500
5435	Books & Pamphlets	845	332	300	300
5438	Licenses	3,779	2,200	5,000	5,000
5441	Other Services & Charges	8,341	16,739	25,800	25,800
5450	Laundry	2,824	1,446	3,400	3,400
	TOTAL	2,232,837	2,337,405	2,282,800	2,242,400
DIVISION TOTAL		3,462,135	3,370,576	3,618,900	3,810,100

City of Duluth Minnesota - 2014 Budget

General Fund Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Facilities Management - 110-121-1222				
REVENUE SOURCE				
4620 Telecommunication Rental Fees	9,354	8,220	10,000	10,000
4622 Rent of Buildings	86,066	73,622	74,500	74,500
4623 Rent of Land	5,913	6,692	5,900	5,900
4627 Concessions & Commissions	8,653	9,424	9,000	9,000
4644 Miscellaneous Sales	881	1,081	2,700	2,700
4654 Other Reimbursements	54,204	38,477	40,000	40,000
4730 Transfer from Special Revenue	50,000	50,000	50,000	50,000
4730 Transfer from Enterprise Funds	12,500	-	-	-
4730 Transfer from Public Utilities	130,000	-	-	-
DIVISION TOTAL	357,571	187,516	192,100	192,100

City of Duluth Minnesota - 2014 Budget

Finance Department

Mission and Vision

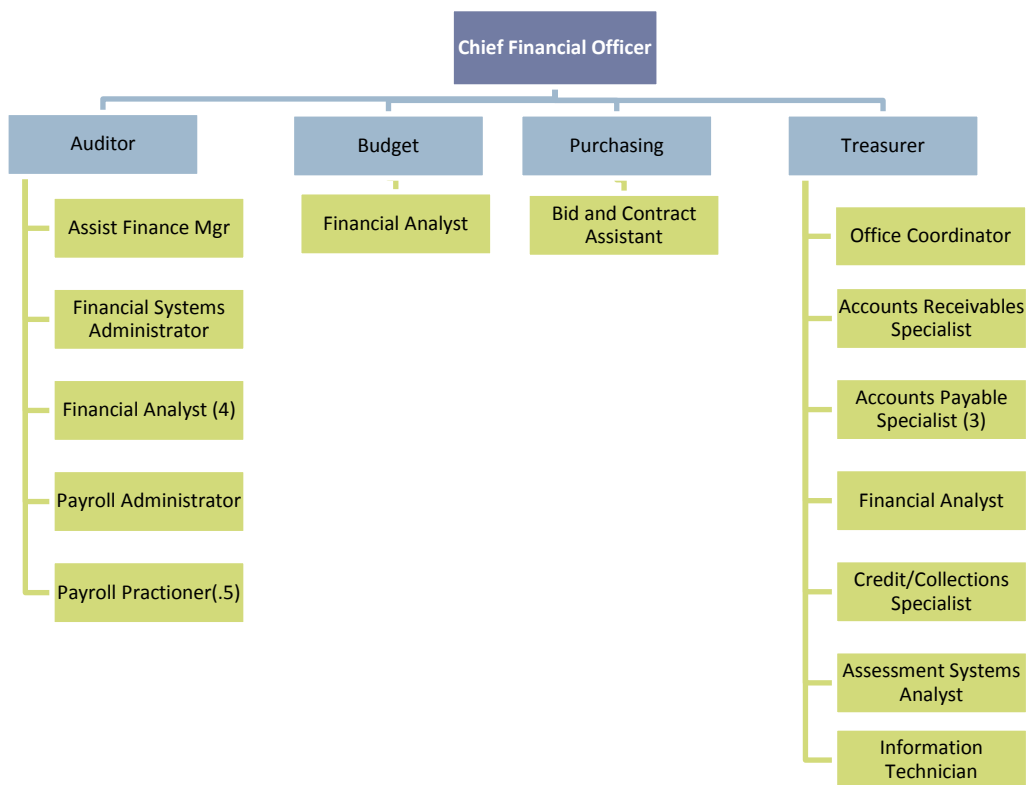
It is the Finance Department's mission to support the City of Duluth's citizens, elected officials and employees by professionally fulfilling its duties of reporting, accounting, buying, billing, safeguarding and disseminating City financial assets and information in a cost effective manner. We accomplish 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, with the exception of one grant accountant funded by the Community Development division.

Finance Department Organization Chart



City of Duluth Minnesota - 2014 Budget

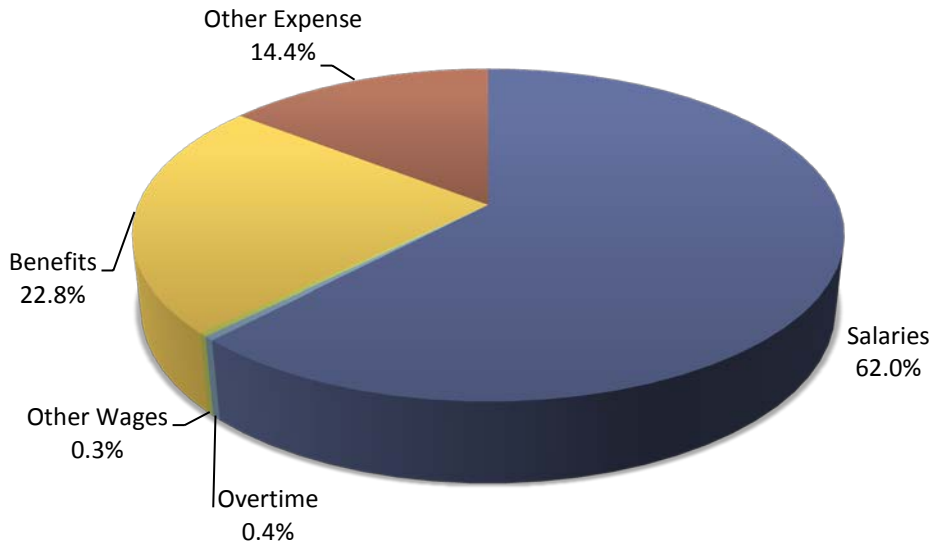
2014 Goals and Objectives

Goal	Objective	Tactics	Measurement
Find a funding solution to the City's OPEB obligation.	Enhance the City's long-term financial health by reducing its obligation for retiree healthcare.	<ol style="list-style-type: none"> 1. Explore alternative funding mechanisms. 2. Evaluate retiree health plan specifications and adjust where able. 	Funding plan is in place.
Continue to administer the FEMA reimbursement process	To fully secure reimbursement of eligible expenses related to the 2012 flood.	<ol style="list-style-type: none"> 1. Working with departments, ensure that all project worksheets are submitted in a timely and accurate fashion to FEMA. 2. Once submitted and accepted, follow through with reimbursement requests as appropriate. 3. Provide timely reports as requested. 	Flood recovery activities are fully funded. Accounting methods and reporting produce clean audits.
Implement and improve financial systems.	Implement the new time and attendance application that will increase efficiencies and reporting capabilities; and improve data.	<ol style="list-style-type: none"> 1. Working with the Fire Department initially, implement FIRES system. 2. Implement POSS system for the Police Department. 3. Implement TIMES for the remaining departments and employees. 	<p>Was project completed?</p> <p>Did it produce expected results? i.e efficiency, data retrieval, reporting capabilities</p>

City of Duluth Minnesota - 2014 Budget

Finance Department

2014 Approved Budget by Expense Category



Expenditures by Category	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Permanent Salaries	2,042,156	2,134,225	1,745,100	1,608,100	(137,000)
Overtime	19,288	13,236	11,000	11,000	-
Other Wages	10,494	18,225	9,000	9,000	-
Total Personal Services	2,071,938	2,165,686	1,765,100	1,628,100	(137,000)
Benefits	603,217	721,222	627,200	593,600	(33,600)
Other Expense	349,790	338,550	774,100	375,300	(398,800)
Capital Outlay	-	-	-	-	-
Department Total	3,024,945	3,225,458	3,166,400	2,597,000	(569,400)

Expenditures by Division	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Budget Office	447,511	427,210	369,300	352,000	(17,300)
Assessor's Office	723,280	863,284	494,600	-	(494,600)
Auditor's Office	1,382,128	1,370,670	1,100,200	1,172,700	72,500
Purchasing	193,868	180,980	207,700	210,100	2,400
Treasurer's Office	278,158	383,314	994,600	862,200	(132,400)
Department Total	3,024,945	3,225,458	3,166,400	2,597,000	(569,400)

Budgeted FTE's	2011	2012	2013	2014	Difference
	32.0	34.0	25.75	23.50	(2.25)

City of Duluth Minnesota - 2014 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	2011	2012	2013	2014	Difference
Chief Financial Officer	1.0	1.0	1.0	1.0	-
1115 Manager, Fiscal Analysis	1.0	1.0	1.0	1.0	-
136 Financial Analyst	1.0	1.0	1.0	1.0	-
135 Contract Administrator	1.0	1.0	0.3	-	(0.3)
135 Credit/Collections Admin	-	1.0	-	-	-
129 Admin Info Specialist	-	1.0	-	-	-
Division Total	4.0	6.0	3.3	3.0	(0.3)

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	317,680	320,552	292,000	266,300	(25,700)
Overtime	-	98	-	-	-
Other Wages	10,494	11,745	-	-	-
Total Salaries	328,174	332,395	292,000	266,300	(25,700)
Benefits	87,218	90,275	72,200	78,600	6,400
Other Expense					
Materials & Supplies	805	86	2,000	2,000	-
Services	27,897	5,424	1,600	3,600	2,000
Utilities & Maintenance	-	-	-	-	-
Other	3,417	(970)	1,500	1,500	-
Total Other Expense	32,119	4,540	5,100	7,100	2,000
Division Total	447,511	427,210	369,300	352,000	(17,300)

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Approved
Budget Office - 110-125-1212					
PERSONAL SERVICES					
5100	Permanent Salaries	317,680	320,552	292,000	266,300
5101	Premium Pay	-	98	-	-
5103	Other Wages	10,494	11,745	-	-
	TOTAL	328,174	332,395	292,000	266,300
EMPLOYEE BENEFITS					
5121	PERA Retirement	20,463	21,825	20,300	18,800
5122	FICA - Social Security	19,719	20,401	18,100	16,500
5123	FICA - Medicare	4,612	4,771	4,300	3,900
5124	Medical Insurance	32,445	-	-	-
5125	Dental Insurance	1,440	1,568	1,200	500
5126	Life Insurance	675	735	600	500
5127	Health Care Savings Plan (HCSP)	7,864	9,649	2,600	2,400
5130	Cafeteria Plan Benefits	-	31,326	25,100	36,000
	TOTAL	87,218	90,275	72,200	78,600
OTHER EXPENDITURES					
5200	Office Supplies	805	86	1,500	1,500
5201	Computer Supplies/Software	-	-	500	500
5306	Collection Services	27,183	4,396	-	-
5331	Travel/Training	531	1,028	1,000	3,000
5355	Printing & Copying	183	-	600	600
5433	Dues & Subscription	2,800	(1,520)	500	500
5434	Grants & Awards	550	550	600	600
5435	Books & Pamphlets	-	-	200	200
5441	Other Services & Charges	67	-	200	200
	TOTAL	32,119	4,540	5,100	7,100
DIVISION TOTAL		447,511	427,210	369,300	352,000

City of Duluth Minnesota - 2014 Budget

City Assessor's Office

By Minnesota State statute, cities of the first class may perform the property assessment function or have those services provided by the County. Beginning in 2013, the City of Duluth merged its Assessor's Office with the St. Louis County Assessor's Office. The county has exercised its authority to levy for this function, thereby saving Duluth taxpayers over \$900,000 annually.

Budgeted FTE's	2011	2012	2013	2014	Difference
1135 City Assessor	1.0	1.0	1.0		(1.0)
129 Assessment Sys Analyst	1.0	1.0	-		-
134 Appraiser Specialist	5.0	7.0	-		-
132 Office Coordinator	1.0	-	-		-
126 Information Technician	1.0	1.0	-		-
Division Total	9.0	10.0	1.0		-1.0

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	535,017	590,863	87,200		(87,200)
Overtime	6,528	2,164	-		-
Other Wages	-	6,480	-		-
Total Salaries	541,545	599,507	87,200		(87,200)
Benefits	157,094	219,797	32,400		(32,400)
Other Expense					
Materials & Supplies	3,247	2,543	-		-
Services	7,324	16,414	-		-
Utilities & Maintenance	4,639	9,472	-		-
Other	9,431	15,551	375,000		(375,000)
Total Other Expense	24,641	43,980	375,000		(375,000)
Division Total	723,280	863,284	494,600		(494,600)

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Approved
City Assessor's Office - 110-125-1213					
PERSONAL SERVICES					
5100	Permanent Salaries	535,017	590,863	87,200	
5101	Premium Pay	6,528	2,164	-	
5103	Other Wages	-	6,480	-	
	TOTAL	541,545	599,507	87,200	
EMPLOYEE BENEFITS					
5121	PERA Retirement	36,645	39,698	6,300	
5122	FICA - Social Security	32,198	35,611	5,400	
5123	FICA - Medicare	7,530	8,328	1,300	
5124	Medical Insurance	68,760	1,000	-	
5125	Dental Insurance	3,296	3,680	400	
5126	Life Insurance	1,545	1,719	200	
5127	Health Care Savings Plan (HCSP)	7,120	29,728	800	
5130	Cafeteria Plan Benefits	0	100,033	18,000	
	TOTAL	157,094	219,797	32,400	
OTHER EXPENDITURES					
5200	Office Supplies	1,305	293	-	
5201	Computer Supplies/Software	-	-	-	
5202	Audiovisual & Photography	291	108	-	
5212	Motor Fuels	1,651	2,142	-	
5331	Travel/Training	3,858	4,478	-	
5335	Local Mileage Reimbursement	1,030	938	-	
5355	Printing & Copying	2,436	4,427	-	
5356	Copier, Printer Lease & Supplies	-	6,571	-	
5409	Fleet Services Charges	4,639	9,472	-	
5418	Vehicle/Equip Lease (Long-term)	5,342	-	-	
5419	Other Rentals	-	-	-	
5433	Dues & Subscription	3,758	540	-	
5435	Books & Pamphlets	-	-	-	
5438	Licenses	275	275	-	
5441	Other Services & Charges	56	14,736	375,000	
	TOTAL	24,641	43,980	375,000	
DIVISION TOTAL		723,280	863,284	494,600	

City of Duluth Minnesota - 2014 Budget

General Fund Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
City Assessor's Office - 110-125-1213				
REVENUE SOURCE				
4310 Assessment Cost Services	18,200	20,657	-	
4312 Abatement Processing Fees	3,275	2,245	6,000	
4324 Miscellaneous Services	3,854	7,759	1,000	
4631 Media Sales	-	-	2,500	
DIVISION TOTAL	25,329	30,661	9,500	

City of Duluth Minnesota - 2014 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	2011	2012	2013	2014	Difference
1115 City Auditor	1.0	1.0	1.0	1.0	-
1085 Asst City Auditor	1.0	-	-	-	-
1085 Financial Systems Admin	-	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	4.0	3.0	4.0	1.0
129 Financial Specialist	4.0	4.0	-	-	-
129 Admin Specialist	2.0	1.0	0.5	0.5	-
Division Total	13.0	12.0	7.5	8.5	1.0

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	855,488	811,383	532,500	607,400	74,900
Overtime	12,760	10,909	11,000	11,000	-
Other Wages	-	-	-	-	-
Total Salaries	868,248	822,292	543,500	618,400	74,900
Benefits	261,086	293,594	235,900	240,800	4,900
Other Expense					
Materials & Supplies	8,221	8,644	8,000	8,000	-
Services	222,994	228,855	301,200	302,900	1,700
Utilities & Maintenance	476	-	300	300	-
Other	21,103	17,285	11,300	2,300	(9,000)
Total Other Expense	252,794	254,784	320,800	313,500	(7,300)
Division Total	1,382,128	1,370,670	1,100,200	1,172,700	72,500

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
City Auditor's Office - 110-125-1214				
PERSONAL SERVICES				
5100 Permanent Salaries	855,488	811,383	532,500	607,400
5101 Premium Pay	12,760	10,909	11,000	11,000
5103 Other Wages	-	-	-	-
TOTAL	868,248	822,292	543,500	618,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	54,806	59,661	39,200	44,200
5122 FICA - Social Security	50,975	49,240	33,700	38,300
5123 FICA - Medicare	11,921	11,516	7,900	9,000
5124 Medical Insurance	110,538	-	-	-
5125 Dental Insurance	5,232	5,324	2,900	1,300
5126 Life Insurance	2,340	2,359	1,300	1,500
5127 Health Care Savings Plan (HCSP)	25,274	14,218	17,200	6,100
5130 Cafeteria Plan Benefits	-	151,276	133,700	140,400
TOTAL	261,086	293,594	235,900	240,800
OTHER EXPENDITURES				
5200 Office Supplies	5,690	4,562	5,000	5,000
5203 Paper/Stationery/Forms	2,531	4,082	3,000	3,000
5301 Auditing Services	114,199	111,966	125,000	125,000
5309 MIS Services	105,032	110,445	137,300	150,400
5331 Travel/Training	1,706	5,237	36,400	25,000
5355 Printing & Copying	2,057	1,207	2,500	2,500
5404 Equipment/Machinery Repair & Mtc	476	-	300	300
5418 Vehicle/Equip Lease (Long-term)	8,227	10,044	9,000	-
5433 Dues & Subscription	1,783	945	1,300	1,300
5435 Books & Pamphlets	123	732	500	500
5441 Other Services & Charges	10,970	5,564	500	500
TOTAL	252,794	254,784	320,800	313,500
DIVISION TOTAL	1,382,128	1,370,670	1,100,200	1,172,700

City of Duluth Minnesota - 2014 Budget

General Fund Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
City Auditor's Office - 110-125-1214				
REVENUE SOURCE				
4005 Current Property Tax	10,375,029	11,738,880	11,922,000	12,749,800
4010 Delinquent Property Tax	309,252	287,934	150,000	150,000
4015 Mobile Home Tax	43,763	46,875	44,000	50,800
4070 MN Power Franchise Fee	1,100,000	1,100,000	1,100,000	1,100,000
4071 Cable Franchise Fee	814,153	821,201	815,300	856,400
4072 No. MN Utility Franchise Fee	8,642	6,948	8,600	7,000
4080 Forfeit Tax Sale	72,958	25,363	28,000	5,000
4090 Other Taxes	30,360	53,426	20,000	20,000
4220 State of MN Perf Measurement Reimb	12,000	12,000	12,000	12,000
4221 Local Government Aid	27,437,555	27,437,555	27,437,000	29,030,600
4222 State Property Tax Aid	21,965	6,284	-	-
4230 PERA Aid	124,428	124,428	124,400	124,400
4300 HRA in Lieu of Taxes	44,473	44,423	43,700	47,300
4300 Ordean Foundation	16,086	16,086	16,000	16,000
4310 Assessment Cost Services	12,675	14,248	2,000	8,900
4315 Stormwater Administrative Service	170,000	150,700	170,000	150,700
4315 Sewer Administrative Service	330,700	306,900	330,700	306,900
4315 Steam Administrative Service	49,500	49,500	49,500	49,500
4315 DECC Administrative Service	25,000	25,000	25,000	25,000
4315 DTA Administrative Service	10,300	10,300	10,300	10,300
4315 Grant Administration Services	91,341	89,500	77,500	77,500
4315 Airport Administrative Service	58,000	45,200	58,000	45,200
4315 DEDA Administrative Service	365,000	365,000	365,000	365,000
4315 Public Utility Admin Service	927,700	872,400	829,300	872,400
4315 Fleet Administrative Service	108,200	108,200	108,200	108,200
4315 Golf Administrative Service	66,800	66,800	66,800	66,800
4315 Group Health Admin Service	250,000	255,000	255,000	255,000
4315 Self Insurance Admin Service	283,200	283,200	283,200	283,200
4315 Spirit Mt. Administrative Service	37,700	37,700	37,700	37,700
4315 Parking Administrative Service	23,300	23,300	23,300	23,300
4315 Street Lighting System Utility	-	59,000	59,000	59,000
4472 Administrative Fines	911,204	377,141	-	22,700
4473 Court Fines	554,208	536,139	648,100	482,100
4500 Assessments	51,540	50,925	53,100	51,000
4501 Assessments - Penalty & Interest	30,160	32,128	30,800	32,100
4602 Interest on Temporary Loans	17,731	38,516	4,600	4,600
4700 Other Sources	2,395	3,452	-	-
4730 Transfer from Parking Fund	1,452,200	1,293,400	1,952,700	1,326,700
4731 Gas Utility in Lieu of Taxes	2,778,918	2,889,700	2,289,600	2,726,000
4732 Steam Utility in Lieu of Taxes	178,660	140,389	146,000	146,000
4998 Prior Year Revenue	402,048	(215,492)		
DIVISION TOTAL	49,599,144	49,629,649	49,596,400	51,705,100

City of Duluth Minnesota - 2014 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.

Budgeted FTE's	2011	2012	2013	2014	Difference
1100 Purchasing Agent	1.0	1.0	1.0	1.0	-
129 Bid & Contract Assistant	1.0	1.0	1.0	1.0	-
Division Total	2.0	2.0	2.0	2.0	0.0

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	140,245	124,761	129,500	134,300	4,800
Overtime	-	20	-	-	-
Other Wages	-	-	9,000	9,000	-
Total Salaries	140,245	124,781	138,500	143,300	4,800
Benefits	46,216	52,401	58,400	61,100	2,700
Other Expense					
Materials & Supplies	1,831	573	2,300	2,300	-
Services	1,233	339	2,000	1,400	(600)
Utilities & Maintenance	-	-	-	-	-
Other	4,343	2,886	6,500	2,000	(4,500)
Total Other Expense	7,407	3,798	10,800	5,700	(5,100)
Division Total	193,868	180,980	207,700	210,100	2,400

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Approved
City Purchasing Office - 110-125-1215					
PERSONAL SERVICES					
5100	Permanent Salaries	140,245	124,761	129,500	134,300
5101	Premium Pay	-	20	-	-
5103	Other Wages	-	-	9,000	9,000
	TOTAL	140,245	124,781	138,500	143,300
EMPLOYEE BENEFITS					
5121	PERA Retirement	9,618	9,170	9,400	9,700
5122	FICA - Social Security	8,295	7,624	8,600	8,900
5123	FICA - Medicare	1,940	1,783	2,000	2,100
5124	Medical Insurance	23,798	-	-	-
5125	Dental Insurance	858	774	800	300
5126	Life Insurance	402	360	400	400
5127	Health Care Savings Plan (HCSP)	1,305	1,246	1,200	1,300
5130	Cafeteria Plan Benefits	-	31,444	36,000	38,400
	TOTAL	46,216	52,401	58,400	61,100
OTHER EXPENDITURES					
5200	Office Supplies	1,831	573	2,000	2,000
5201	Computer Supplies/Software	-	-	300	300
5331	Travel/Training	-	-	-	-
5340	Advertising & Promotion	811	339	1,500	900
5355	Printing & Copying	422	-	500	500
5418	Vehicle/Equip Lease (Long-term)	3,798	2,405	4,500	-
5433	Dues & Subscription	-	226	1,000	1,000
5441	Other Services & Charges	545	255	1,000	1,000
	TOTAL	7,407	3,798	10,800	5,700
DIVISION TOTAL		193,868	180,980	207,700	210,100

City of Duluth Minnesota - 2014 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	2011	2012	2013	2014	Difference
1100 City Treasurer	1.0	1.0	1.0	1.0	-
1085 Asst City Treasurer	1.0	1.0	-	-	-
10 Claims Adjuster	-	-	1.0	-	(1.0)
136 Financial Analyst	-	-	1.0	1.0	-
135 Credit/Collections Admin	-	-	1.0	1.0	-
133 Finance Office Coor.	-	-	-	1.0	1.0
129 Assessment Sys Analyst	-	-	1.0	1.0	-
129 Admin Financial Spec.	2.0	2.0	6.0	4.0	(2.0)
126 Information Technician	-	-	1.0	1.0	-
Division Total	4.0	4.0	12.0	10.0	(2.0)

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	193,726	286,666	703,900	600,100	(103,800)
Overtime	-	45	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	193,726	286,711	703,900	600,100	(103,800)
Benefits	51,603	65,155	228,300	213,100	(15,200)
Other Expense					
Materials & Supplies	1,067	373	1,500	1,500	-
Services	594	1,778	6,000	13,500	7,500
Utilities & Maintenance	-	151	500	500	-
Other	31,168	29,146	54,400	33,500	(20,900)
Total Other Expense	32,829	31,448	62,400	49,000	(13,400)
Division Total	278,158	383,314	994,600	862,200	(132,400)

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
City Treasurer's Office - 110-125-1216				
PERSONAL SERVICES				
5100 Permanent Salaries	193,726	286,666	703,900	600,100
5101 Premium Pay	-	45	-	-
5103 Other Wages	-	-	-	-
TOTAL	193,726	286,711	703,900	600,100
EMPLOYEE BENEFITS				
5121 PERA Retirement	13,172	15,477	48,900	42,100
5122 FICA - Social Security	11,954	17,754	43,700	37,200
5123 FICA - Medicare	2,795	4,152	10,200	8,700
5124 Medical Insurance	17,103	-	-	-
5125 Dental Insurance	1,152	1,216	4,800	1,600
5126 Life Insurance	540	570	2,100	1,800
5127 Health Care Savings Plan (HCSP)	4,887	5,225	6,500	5,500
5130 Cafeteria Plan Benefits	-	20,761	112,100	116,200
TOTAL	51,603	65,155	228,300	213,100
OTHER EXPENDITURES				
5200 Office Supplies	1,067	373	1,500	1,500
5306 Collection Services	-	-	-	7,500
5331 Travel/Training	-	450	2,000	2,000
5355 Printing & Copying	594	1,328	4,000	4,000
5404 Equipment/Machinery Repair & Mtc	-	151	500	500
5430 Bank Charges	30,999	28,969	53,400	32,500
5433 Dues & Subscription	114	117	500	500
5441 Other Services & Charges	55	60	500	500
TOTAL	32,829	31,448	62,400	49,000
DIVISION TOTAL	278,158	383,314	994,600	862,200

City of Duluth Minnesota - 2014 Budget

General Fund Revenue Detail		2011 Actual	2012 Actual	2013 Budget	2014 Approved
City Treasurer's Office - 110-125-1216					
REVENUE SOURCE					
4040	City Sales Tax	11,872,641	12,444,742	12,500,000	12,900,000
4050	Charitable Gambling Tax	49,378	53,513	45,000	48,000
4310	Assessment Cost Services	29,110	32,056	25,000	25,000
4311	Assessment Certificate Fee	26,925	31,290	25,000	30,000
4313	Garbage Handling Fee	11,328	9,056	10,000	10,000
4323	Garnishment Fees	75	-	100	100
4601	Earning on Investments	815,831	(29,991)	170,000	305,000
4644	Miscellaneous Fees	2,466	46,290	1,000	1,000
4730	Transfer from Tourism Taxes	87,239	96,837	94,000	94,000
DIVISION TOTAL		12,894,993	12,683,793	12,870,100	13,413,100

City of Duluth Minnesota - 2014 Budget

Planning & Construction Services Department

Mission and Vision

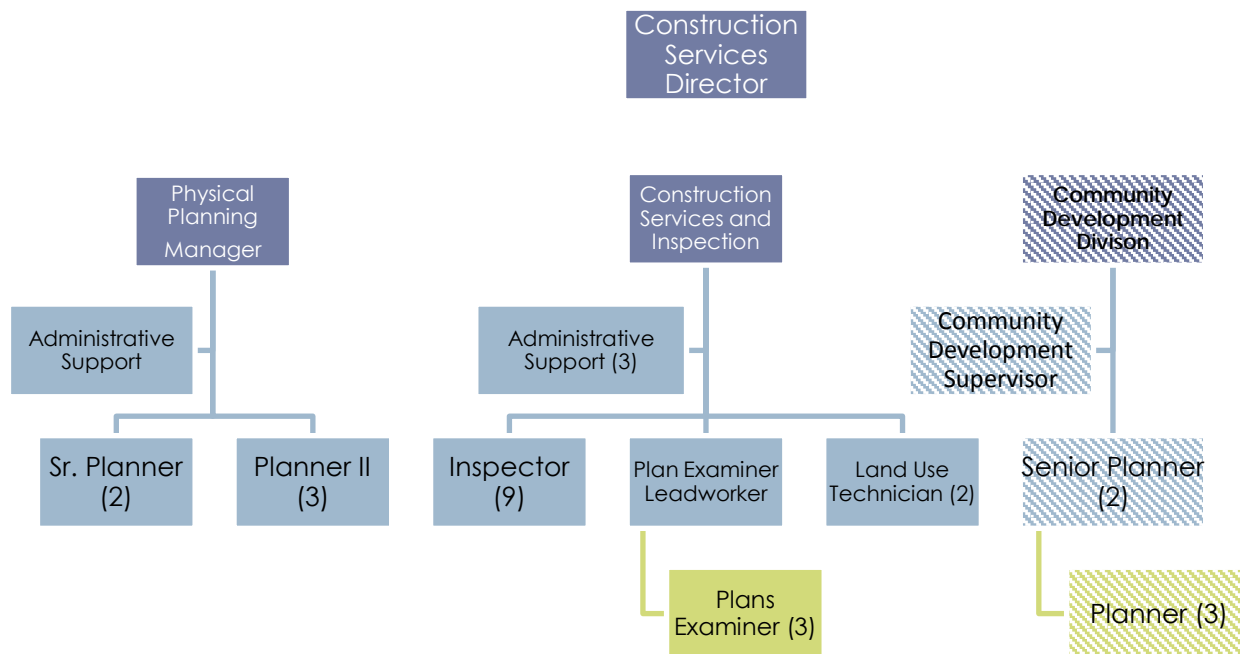
The Planning and Construction Services Department consists of the Planning Division and the Construction Services Division and the Community Development Division all working together to make the City of Duluth a desirable and safe place to live by developing and implementing community development plans, and 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 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 for the general fund is comprised of two divisions, Planning and Construction Services & Inspection, who work closely with the Community Development Division which is in a special revenue fund. 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.

Planning & Construction Services Organization Chart



Key
 Solid = General Fund
 Pattern = Special Revenue

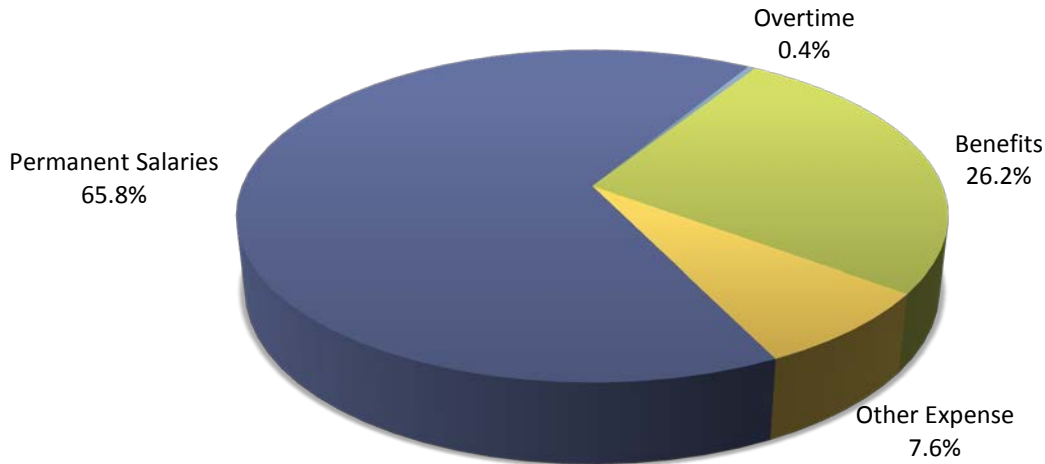
City of Duluth Minnesota - 2014 Budget

2014 Goals and Objectives

Goal	Objective	Tactics	Measurement
Continue to implement the Unified Development Code – the UDC	Process land use applications.	Assist customers to develop or redevelop their property.	# of zoning applications that are completed prior to the State mandated review time line
Streamline Permitting process and continue implementation of One Stop Shop	Review and improve procedures for permit review to improve efficiencies	Conduct process and flow analysis to achieve efficiencies within the process Update UDC to achieve redevelopment goals	# of permits and plan reviews that exceed base performance measure
Implement the Comprehensive Land Use Plan	Bring existing zoning into compliance with the Comprehensive Plan. Prepare Small area plans.	2010 – 2013 – UDC Rezoning process Implement Small Area Plans	All of the City is rezoned to match Comprehensive Plan Small Area Plans are implemented
Update the Comprehensive Land Use Plan	Revise and modify the Comprehensive Plan every 10 years (current comp plan was adopted in 2006).	Initiate update process in 2014/2015 for completion in 2016 Develop strategies for Comp. Plan from Economic Development Strategic Plan Include citywide transportation element	# of participants in process. Recommended adoption of Comprehensive Plan by Planning Commission and City Council.
Implement the Consolidated Plan	Invest funds to achieve strategic community development goals	Provide safe and decent affordable housing Improve the economic self-sufficiency of low income persons Meet basic needs for persons who are homeless	# of units rehabilitated or created # of persons who increase their incomes # of persons served

City of Duluth Minnesota - 2014 Budget

Planning & Construction Services Department 2014 Approved Budget by Expense Category



Expenditures by Category	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Permanent Salaries	1,458,405	1,373,392	1,463,700	1,502,000	38,300
Overtime	17,113	20,136	9,000	9,000	-
Other Wages	450	7,522	-	-	-
Total Personal Services	1,475,968	1,401,050	1,472,700	1,511,000	38,300
Benefits	448,610	487,650	520,400	592,300	71,900
Other Expense	307,140	250,196	239,200	233,200	(6,000)
Capital Outlay	-	-	-	-	-
Department Total	2,231,718	2,138,896	2,232,300	2,336,500	104,200

Expenditures by Division	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Planning	692,076	701,998	705,000	734,700	29,700
Construction Srv&Inspect	1,539,642	1,436,898	1,527,300	1,601,800	74,500
Department Total	2,231,718	2,138,896	2,232,300	2,336,500	104,200

Budgeted FTE's	2011	2012	2013	2014	Difference
	26.0	25.0	24.2	24.2	0.0

City of Duluth Minnesota - 2014 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	2011	2012	2013	2014	Difference
Dir, Plng & Develop.	-	-	0.7	0.7	-
1135 Mgr, Physical Planning	-	1.0	-	-	-
1080 Land Use Supervisor	1.0	-	1.0	1.0	-
136 Senior Planner	1.0	2.0	2.0	2.0	-
133 Planner II	4.0	3.0	3.0	3.0	-
129 Admin Info Specialist	1.0	1.0	0.5	0.5	-
Division Total	7.0	7.0	7.2	7.2	0.0

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	437,325	413,844	474,700	499,200	24,500
Overtime	3,408	920	-	-	-
Other Wages	450	675	-	-	-
Total Salaries	441,183	415,439	474,700	499,200	24,500
Benefits	140,669	145,458	161,800	187,100	25,300
Other Expense					
Materials & Supplies	10,860	2,302	8,000	4,500	(3,500)
Services	84,870	111,438	45,500	38,600	(6,900)
Utilities & Maintenance	8,748	10,702	9,000	-	(9,000)
Other	5,746	16,659	6,000	5,300	(700)
Total Other Expense	110,224	141,101	68,500	48,400	(20,100)
Division Total	692,076	701,998	705,000	734,700	29,700

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Planning - 110-132-1301				
PERSONAL SERVICES				
5100 Permanent Salaries	437,325	413,844	474,700	499,200
5101 Premium Pay	3,408	920	-	-
5103 Other Wages	450	675	-	-
TOTAL	441,183	415,439	474,700	499,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	29,770	27,597	33,400	35,400
5122 FICA - Social Security	26,301	25,149	29,400	31,000
5123 FICA - Medicare	6,151	5,881	6,900	7,200
5124 Medical Insurance	58,378	-	-	-
5125 Dental Insurance	2,752	2,527	2,800	1,100
5126 Life Insurance	1,290	1,181	1,300	1,300
5127 Health Care Savings Plan (HCSP)	16,027	12,212	4,500	16,700
5130 Cafeteria Plan Benefits	-	70,911	83,500	94,400
TOTAL	140,669	145,458	161,800	187,100
OTHER EXPENDITURES				
5200 Office Supplies	4,561	1,998	5,000	3,200
5201 Computer Supplies/Software	6,289	304	2,000	1,000
5241 Small Equip-Office/Operating	10	-	1,000	300
5309 Technology Services	-	-	-	11,000
5310 Contract Services	46,808	56,922	-	-
5319 Other Professional Services	29,900	49,201	35,000	20,000
5321 Phone Service	-	200	500	600
5322 Postage	-	-	1,000	1,000
5331 Travel/Training	3,647	2,975	7,000	4,000
5335 Local Mileage Reimbursement	-	-	500	500
5355 Printing & Copying	4,515	2,140	1,500	1,500
5404 Equipment/Machinery Repair & Mtc	266	-	2,500	-
5418 Vehicle/Equip Lease (Long-term)	8,482	10,702	6,500	-
5419 Other Rentals	125	-	300	-
5433 Dues & Subscription	2,845	1,220	3,500	3,000
5435 Books & Pamphlets	228	25	200	200
5441 Other Services & Charges	1,836	14,920	1,000	1,500
5443 Board & Meeting Expenses	712	494	1,000	600
TOTAL	110,224	141,101	68,500	48,400
DIVISION TOTAL	692,076	701,998	705,000	734,700

City of Duluth Minnesota - 2014 Budget

General Fund Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Planning - 110-132-1301				
REVENUE SOURCE				
4220 State of Minnesota				
4307 Planning/Zoning Fees	61,748	102,925	60,000	75,000
4631 Media Sales	-	480	200	200
4644 Miscellaneous Sales	1,205	31,350		
4654 Other Reimbursements	46,808	56,819		
DIVISION TOTAL	109,761	191,574	60,200	75,200

City of Duluth Minnesota - 2014 Budget

Construction Services & Inspection

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

Budgeted FTE's	2011	2012	2013	2014	Difference
1085 Permit Process Supervisor	-	-	1.0	1.0	-
36 Lead Construction Inspect	-	-	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	4.0	4.0	3.0	3.0	-
31 HVAC Inspector	1.0	1.0	1.0	1.0	-
32 Plans Exam Leadworker	1.0	1.0	1.0	-	(1.0)
29 Plans Examiner	3.0	3.0	2.0	3.0	1.0
28 Land Use Technician	2.0	2.0	2.0	3.0	1.0
30 Zoning Coordinator	1.0	-	-	-	-
129 Admin Information Spec	1.0	1.0	1.0	-	(1.0)
126 Information Technician	2.0	2.0	1.0	1.0	-
Division Total	19.0	18.0	17.0	17.0	0.0

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	1,021,080	959,548	989,000	1,002,800	13,800
Overtime	13,705	19,216	9,000	9,000	-
Other Wages	-	6,847	-	-	-
Total Salaries	1,034,785	985,611	998,000	1,011,800	13,800
Benefits	307,941	342,192	358,600	405,200	46,600
Other Expense					
Materials & Supplies	24,218	22,561	34,700	30,700	(4,000)
Services	20,682	35,031	28,500	61,000	32,500
Utilities & Maintenance	25,414	16,354	15,800	11,600	(4,200)
Other	13,907	35,149	31,700	21,500	(10,200)
Building Demolition	112,695	-	60,000	60,000	-
Total Other Expense	196,916	109,095	170,700	184,800	14,100
Division Total	1,539,642	1,436,898	1,527,300	1,601,800	74,500

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Construction Services & Inspection - 110-132-1304				
PERSONAL SERVICES				
5100 Permanent Salaries	1,021,080	959,548	989,000	1,002,800
5101 Premium Pay	13,705	19,216	9,000	9,000
5103 Other Wages	-	6,847	-	-
TOTAL	1,034,785	985,611	998,000	1,011,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	69,386	68,132	70,200	71,500
5122 FICA - Social Security	61,885	60,224	61,900	62,700
5123 FICA - Medicare	14,473	14,085	14,500	14,700
5124 Medical Insurance	140,975	-	-	-
5125 Dental Insurance	6,825	6,528	6,500	2,700
5126 Life Insurance	3,203	3,061	3,100	3,100
5127 Health Care Savings Plan (HCSP)	11,194	17,209	9,300	21,500
5130 Cafeteria Plan Benefits	-	172,953	193,100	229,000
TOTAL	307,941	342,192	358,600	405,200
OTHER EXPENDITURES				
5200 Office Supplies	5,170	5,834	5,000	3,300
5202 Audiovisual & Photography	80	391	300	-
5205 Safety & Training Materials	625	867	900	900
5212 Motor Fuels	15,800	14,001	25,000	25,000
5219 Other Miscellaneous Supplies	1,325	1,132	900	900
5241 Small Equip-Office/Operating	1,218	336	2,600	600
5309 Technology Services	-	-	-	20,000
5321 Phone Service	-	3,596	4,000	4,500
5331 Travel/Training	12,534	17,926	15,000	14,000
5335 Local Mileage Reimbursement	1,489	165	3,000	1,500
5355 Printing & Copying	6,659	7,324	6,500	12,500
5356 Copier, Printer Lease & Supplies	-	6,020	-	8,500
5404 Equipment/Machinery Repair & Mtc	1,335	1,461	1,600	1,600
5409 Fleet Services Charges	24,079	14,893	14,200	10,000
5418 Vehicle/Equip Lease (Long-term)	8,953	1,284	10,000	-
5427 Credit Card Commissions	396	11,800	-	9,500
5433 Dues & Subscription	1,631	1,332	2,000	1,500
5435 Books & Pamphlets	935	3,619	4,000	5,500
5441 Other Services & Charges	1,977	17,114	15,500	5,000
5443 Board & Meeting Expenses	15	-	200	-
5453 Building Demolition	112,695	-	60,000	60,000
TOTAL	196,916	109,095	170,700	184,800
DIVISION TOTAL	1,539,642	1,436,898	1,527,300	1,601,800

City of Duluth Minnesota - 2014 Budget

General Fund Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Construction Services & Inspection - 110-132-1304				
REVENUE SOURCE				
4151 Fill Permits	10,738	1,872	1,200	1,200
4301 Zoning Appeals Fees	1,200	-	6,000	600
4303 Use Permit - Flood & Wetlands	2,184	1,508	5,000	1,000
4304 Special Use - Flood & Wetlands	(156)	-	2,000	-
4305 Variances - Flood & Wetlands	-	-	2,500	-
4350 Inspection Services	130	-	4,000	4,000
4351 Building Inspection Fees	1,392,354	1,099,302	1,400,000	1,460,000
4352 Plumbing Inspection Fees	157,076	179,062	180,000	180,000
4353 Electric Inspection Fees	178,287	178,589	190,000	190,000
4354 HVAC-R Inspection Fees	156,391	170,852	150,000	150,000
4355 Signs Inspection Fees	13,535	13,390	10,500	10,500
4356 House Moving Inspection Fee	16,274	10,002	-	-
4357 Mobile Home Inspection Fees	1,054	672	2,000	2,000
4359 CAF Administrative Fee	4,369	12,370	15,000	15,000
4361 RZP Registration Fee	11,954	16,108	14,000	14,000
4500 Assessments	8,969	10,097	56,200	56,200
4501 Assessments - Penalty & Interest	890	1,696	-	-
4631 Media Sales	1,176	1,153	3,700	3,700
4644 Miscellaneous Sales	-	173	500	500
4701 2% Retention Surtax	1,515	1,156	1,500	1,500
DIVISION TOTAL	1,957,940	1,698,002	2,044,100	2,090,200

City of Duluth Minnesota - 2014 Budget

Business & Economic Development

Mission and Vision

The Mission of the Business & Economic Development Department is to strategically invest resources contributing to the prosperity, sustainable growth and development of the City of Duluth. The Business & Economic Development Department combines the resources of two inter-related business, economic and workforce divisions into one department that fuels economic development in the City.

Business Development creates a supportive business environment by leveraging public and private investments that support business retention and growth.

Workforce development receives funding from federal and state sources to operate employment and training programs and provide tools necessary for career development.

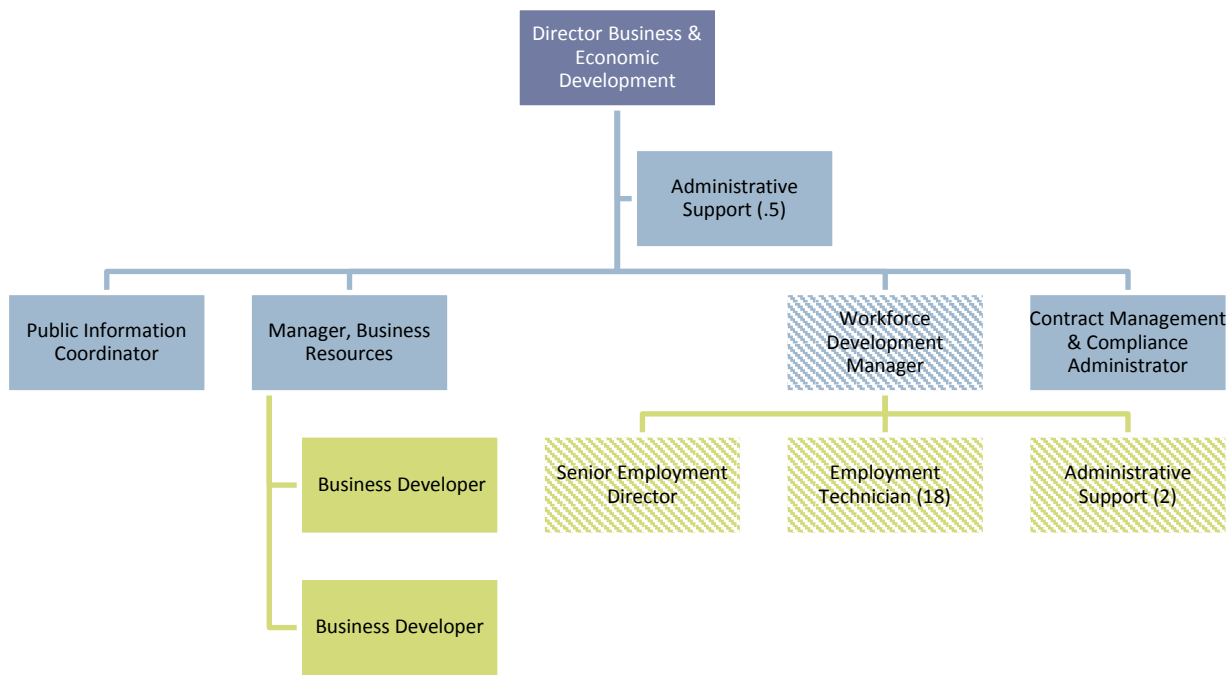
In order to accomplish our Mission, we:

- Encourage business growth and job creation by facilitating access to City services and investing in private development.
- Support tax base growth and effective land use by facilitating private access to publicly-owned land and assembling an inventory of development sites to meet future growth needs.
- Invest in infrastructure development and the redevelopment of challenged sites by attracting appropriate State and Federal investment to our community.
- Manage City and Economic Development Authority assets, land and buildings.
- 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 Funds which is Workforce Development. The Department Director also serves as the Executive Director of the Duluth Economic and Development Authority or DEDA.

Business & Economic Development Organization Chart



KEY
 Solid = General Fund Operations
 Pattern = Non-General Fund

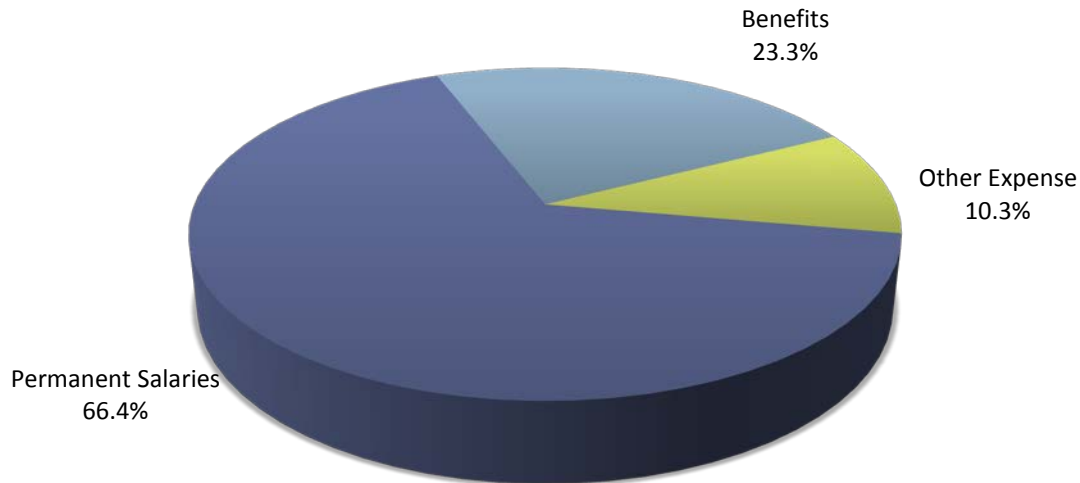
City of Duluth Minnesota - 2014 Budget

2014 Goals and Objectives

Goal	Outcome and Results	Output	Measurement
<p>Promote and facilitate development and redevelopment within the industrial, commercial and housing sectors.</p>	<p>Leverage for other public and private funding sources. Professional talent recruitment.</p>	<p>Apply for no less than 5 grants. No less than 3 funded.</p> <p>10 companies assisted.</p> <p>10 properties identified and reviewed. No less than one sale closed.</p>	<p>Identify appropriate grant funding sources. Apply for 5 grants annually, and receive funding for at least 3.</p> <p>Identify and assist up to 10 companies annually with expansion activities.</p> <p>Annually identify and internally review 10 City or DEDA owned properties for potential sale, transfer or preservation. Lead sales process.</p>

City of Duluth Minnesota - 2014 Budget

Business & Economic Development Department 2014 Approved Budget by Expense Category



Expenditures by Category	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Permanent Salaries	445,716	403,994	484,400	486,800	2,400
Overtime	820	715	-	-	-
Other Wages	-	19,634	-	-	-
Total Personal Services	446,536	424,343	484,400	486,800	2,400
Benefits	118,869	117,588	155,400	171,200	15,800
Other Expense	38,636	15,723	85,000	75,600	(9,400)
Capital Outlay	-	-	-	-	-
Department Total	604,041	557,654	724,800	733,600	8,800

Budgeted FTE's	2011	2012	2013	2014	Difference
	6.5	6.5	7.25	6.50	(0.75)

City of Duluth Minnesota - 2014 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	2011	2012	2013	2014	Difference
Dir., Business & ED	1.0	1.0	1.0	1.0	-
1125 Business Dev Manager	1.0	1.0	1.0	1.0	-
1135 Property Manager	1.0	1.0	-	-	-
1080 Supervisor, Real Property	1.0	1.0	-	-	-
138 Sr Business Developer	-	-	2.0	1.0	(1.0)
136 Financial Analyst	1.0	1.0	-	-	-
135 Business Developer	-	-	1.0	1.0	-
135 Contract Administrator	-	-	0.75	1.0	0.25
135 Public Info Coordinator	1.0	1.0	1.0	1.0	-
126 Information Tech	0.5	0.5	0.5	0.5	-
Division Total	6.5	6.5	7.25	6.50	(0.75)

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	445,716	403,994	484,400	486,800	2,400
Overtime	820	715	-	-	-
Other Wages	0	19,634	-	-	-
Total Salaries	446,536	424,343	484,400	486,800	2,400
Benefits	118,869	117,588	155,400	171,200	15,800
Other Expense					
Materials & Supplies	1,071	1,268	3,500	3,500	-
Services	31,767	7,982	71,400	65,000	(6,400)
Utilities & Maintenance	-	-	-	-	-
Other	5,798	6,473	10,100	7,100	(3,000)
Total Other Expense	38,636	15,723	85,000	75,600	(9,400)
Division Total	604,041	557,654	724,800	733,600	8,800

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Business & Economic Development - 110-135-1310				
PERSONAL SERVICES				
5100 Permanent Salaries	445,716	403,994	484,400	486,800
5101 Premium Pay	820	715	-	-
5103 Other Wages	-	19,634	-	-
TOTAL	446,536	424,343	484,400	486,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	30,795	27,580	34,100	34,700
5122 FICA - Social Security	27,382	25,180	30,000	30,200
5123 FICA - Medicare	6,404	6,073	7,000	7,100
5124 Medical Insurance	40,549	-	-	-
5125 Dental Insurance	2,048	1,821	2,500	1,000
5126 Life Insurance	960	855	1,200	1,200
5127 Health Care Savings Plan (HCSP)	10,731	3,678	4,700	4,700
5130 Cafeteria Plan Benefits	-	52,401	75,900	92,300
TOTAL	118,869	117,588	155,400	171,200
OTHER EXPENDITURES				
5200 Office Supplies	1,071	1,268	3,500	3,500
5319 Other Professional Service	25,421	244	53,600	47,200
5321 Phone Service	859	877	3,000	3,000
5331 Travel/Training	2,320	4,228	8,000	8,000
5335 Local Mileage Reimbursement	1,743	2,139	2,900	2,900
5355 Printing & Copying	1,424	494	3,900	3,900
5418 Vehicle/Equip Lease (Long-term)	2,619	1,290	3,000	-
5433 Dues & Subscription	897	2,311	1,700	1,700
5441 Other Services & Charges	856	1,244	3,000	3,000
5443 Board & Meeting Expenses	1,426	1,628	2,400	2,400
TOTAL	38,636	15,723	85,000	75,600
DIVISION TOTAL	604,041	557,654	724,800	733,600

City of Duluth Minnesota - 2014 Budget

General Fund Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Business & Economic Development - 110-135-1310				
REVENUE SOURCE				
4644 Miscellaneous Sales	30,419	27	24,000	24,000
DIVISION TOTAL	30,419	27	24,000	24,000

City of Duluth Minnesota - 2014 Budget

Fire Department

Mission and Vision

“Dedicated to save life and property by safeguarding our citizens through progressive building inspection, fire prevention, public education, responding to emergencies, and adapting to meet the changing needs of our community.”

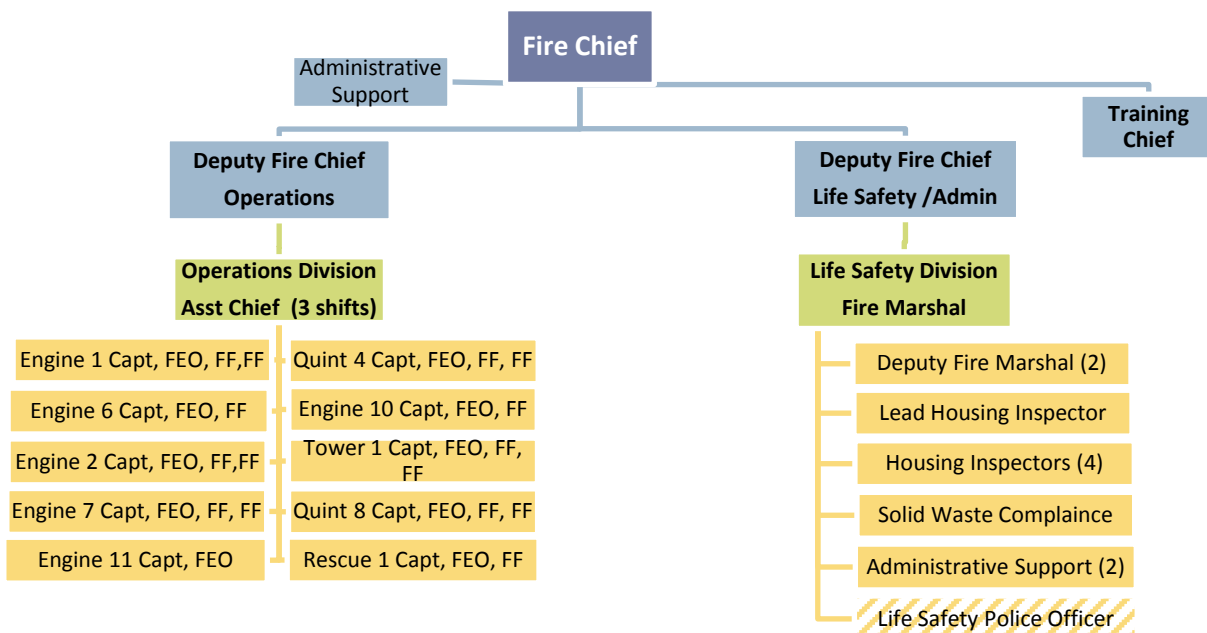
For over 140 years, the Duluth Fire Department has been responding to meet the public safety needs of our community. We provide this service through a well-trained staff, up-to-date and well-maintained equipment, and our ability to adapt to the changing emergency response expectations of our citizens. 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 structure of the Fire Department has four main components: Fire Administration, Emergency Operations, Safety Services (Prevention, Plan Review, and Inspection Services), and Emergency Management. From these business lines, we provide programs that support our mission. The following are the primary programs the Fire Department provides:

- * Fire, EMS, Hazmat, and Rescue Emergency Response
- * Fire Code Management and Inspection
- * Housing Code and Rental Licensing Programs
- * Nuisance & Blight Abatement – Quality of Life
- * Public Safety & School Fire Safety Programs
- * Fire and Arson Investigation
- * Emergency Management and Preparedness

Fire Department Organization Chart



City of Duluth Minnesota - 2014 Budget

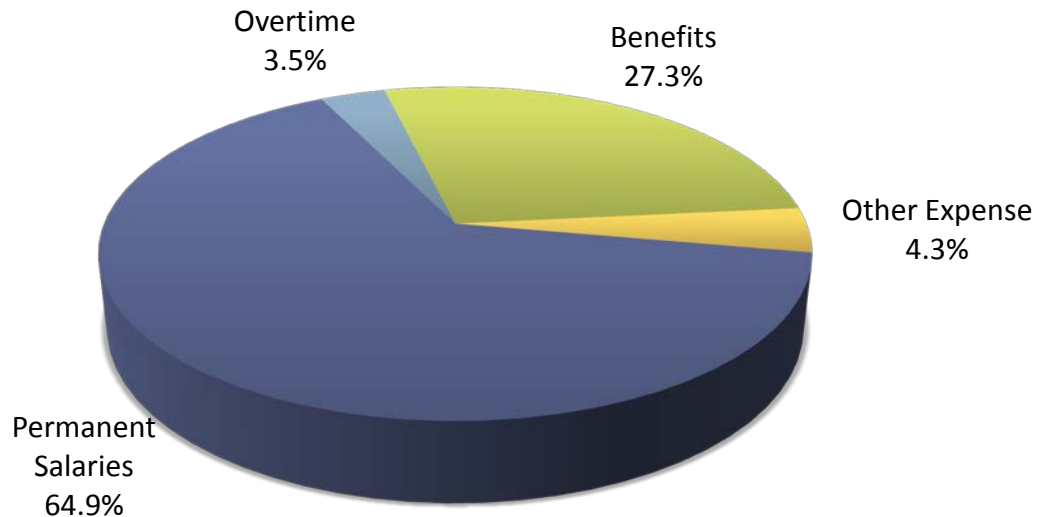
2014 Goals and Objectives

Goal	Objective	Tactics	Measure
Reduce risk to employees	Reduce firefighter injuries	<ul style="list-style-type: none"> * Review all fire fighter accidents and make recommendations * Review all vehicle accidents and make recommendations 	<ul style="list-style-type: none"> * # of firefighter injuries * # of firefighters that receive an annual health review * # of Fire Department vehicle accidents * # of workdays lost to injury
Strengthen the workforce	Recruit and retain a diverse workforce	<ul style="list-style-type: none"> * Review procedures for fire fighter recruiting and testing to be used for future hiring * Work with HR to increase under represented population candidate pool 	<ul style="list-style-type: none"> * % of applicants for Fire Fighter that are women * % of applicants that are from under represented population * % of workforce that are women * % of workforce that are from represented population
	Prepare employees for leadership positions	<ul style="list-style-type: none"> * Encourage officers to attend college courses until they complete a four-year fire-related degree. Examine funding 	<ul style="list-style-type: none"> * % of workforce that continue their education * % of workforce who receive an annual performance review
	Improve employer-employee relationships	<ul style="list-style-type: none"> * Increase department wide communications * Give job satisfaction survey to all employees 	<ul style="list-style-type: none"> * % increase in employee job satisfaction * Job evaluations
Provide good value to the taxpayers	<p>Capture revenue from sources outside the General Fund</p> <p>Costs Savings in employee back to work program</p> <p>Implement Study Recommendations</p>	<ul style="list-style-type: none"> * Apply for all available grant funds to hire and train personnel as well as purchase new equipment * Consider purchasing From fire consortium * Work with medical provider to have fire fighters return to work as soon as possible * Continuing Department Reorganization 	<ul style="list-style-type: none"> * Value of grants obtained vs. the annual budget. * % of revenue derived from housing inspection revenue * % of revenue derived from commercial inspections program * Amount of Savings through group purchasing. * Numbers of days employees are off due to injuries/Illnesses * Actual savings due to rig station and rig reduction
Planning	Implement remaining Fire Department Study recommendations	<ul style="list-style-type: none"> * Strengthen Management Structure of the department * Consolidate Station 4 & Station 11 or alternate staffing plan. * Expand and improve performance measures 	<ul style="list-style-type: none"> * Evaluate progress through incident data, staff evaluation, and public input

City of Duluth Minnesota - 2014 Budget

Fire Department

2014 Approved Budget by Expense Category



Expenditures by Category	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Permanent Salaries	9,017,410	9,031,402	9,132,000	9,408,000	276,000
Overtime	881,226	714,670	405,000	505,000	100,000
Other Wages	-	4,828	-	-	-
Total Personal Services	9,898,636	9,750,900	9,537,000	9,913,000	376,000
Benefits	3,102,284	3,422,274	3,546,200	3,950,600	404,400
Other Expense	647,819	752,422	683,300	628,900	(54,400)
Capital Outlay	-	-	-	-	-
Department Total	13,648,739	13,925,596	13,766,500	14,492,500	726,000

Expenditures by Division	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Fire Administration	480,690	425,098	415,300	555,900	140,600
Fire Operations	12,346,994	12,421,462	12,307,500	12,873,800	566,300
Life Safety	821,055	1,079,036	1,043,700	1,062,800	19,100
Department Total	13,648,739	13,925,596	13,766,500	14,492,500	726,000

Budgeted FTE's	2011	2012	2013	2014	Difference
	140.0	138.0	138.0	142.0	4.0

City of Duluth Minnesota - 2014 Budget

Fire Administration

The Fire Chief and Deputy Chief make up the administration division. Together, they 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	2011	2012	2013	2014	Difference
Fire Chief	1.0	1.0	1.0	1.0	-
1130 Deputy Fire Chief	1.0	1.0	1.0	2.0	1.0
129 Admin Info Specialist	1.0	1.0	1.0	1.0	-
126 Information Specialist	1.0	-	-	-	-
Division Total	4.0	3.0	3.0	4.0	1.0

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	314,646	278,844	271,200	369,600	98,400
Overtime	992	3,129	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	315,638	281,973	271,200	369,600	98,400
Benefits	84,871	74,096	65,600	116,900	51,300
Other Expense					
Materials & Supplies	19,792	17,978	24,900	20,100	(4,800)
Services	18,457	18,665	17,300	16,200	(1,100)
Utilities & Maintenance	2,577	1,477	4,500	4,000	(500)
Other	39,355	30,909	31,800	29,100	(2,700)
Total Other Expense	80,181	69,029	78,500	69,400	(9,100)
Division Total	480,690	425,098	415,300	555,900	140,600

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Approved
Fire Administration - 110-150-1501					
PERSONAL SERVICES					
5100	Permanent Salaries	314,646	278,844	271,200	369,600
5101	Premium Pay	992	3,129	-	-
5103	Other Wages	-	-	-	-
	TOTAL	315,638	281,973	271,200	369,600
EMPLOYEE BENEFITS					
5121	PERA Retirement	36,240	33,456	34,100	51,300
5122	FICA - Social Security	6,048	3,688	3,400	3,500
5123	FICA - Medicare	1,414	863	800	2,200
5124	Medical Insurance	28,337	-	-	-
5125	Dental Insurance	1,536	1,168	1,200	600
5126	Life Insurance	720	540	500	700
5127	Health Care Savings Plan (HCSP)	10,576	10,264	2,400	3,400
5130	Cafeteria Plan Benefits	-	24,117	23,200	55,200
	TOTAL	84,871	74,096	65,600	116,900
OTHER EXPENDITURES					
5200	Office Supplies	1,786	2,531	2,500	2,500
5202	Audiovisual & Photography	-	-	200	200
5210	Plant/Operating Supplies	2,787	2,346	2,000	2,000
5211	Cleaning/Janitorial Supplies	7,646	6,985	7,500	7,500
5212	Motor Fuels	985	2,799	5,000	-
5219	Other Miscellaneous Supplies	3,524	1,774	2,500	3,000
5220	Repair & Maintenance Supplies	676	256	1,600	1,100
5228	Painting Supplies	446	413	700	700
5229	Ground Mtc Supplies	66	163	200	200
5240	Small Tools	145	-	200	400
5241	Small Equip-Office/Operating	1,731	711	2,500	2,500
5321	Phone Service	9,197	9,337	8,000	7,000
5322	Postage	615	604	500	500
5331	Travel/Training	5,208	4,785	4,300	5,000
5335	Local Mileage Reimbursement	1,061	-	-	-
5355	Printing & Copying	2,376	849	2,000	1,200
5356	Copier, Printer Lease & Supplies	-	3,090	2,500	2,500
5400	Misc Repair & Mtc Service	1,737	1,477	2,500	2,000
5401	Bldg/Structure Repair & Mtc	840	-	2,000	2,000
5418	Vehicle/Equip Lease (Long-term)	1,500	-	-	-
5433	Dues & Subscription	2,122	2,497	2,500	2,500
5440	Emergency Management	31,946	24,770	25,000	25,000
5441	Other Services & Charges	1,287	1,142	1,500	1,500
5443	Board & Meeting Expenses	-	-	300	100
5490	Donations to Civic Organizations	2,500	2,500	2,500	-
	TOTAL	80,181	69,029	78,500	69,400
DIVISION TOTAL		480,690	425,098	415,300	555,900

City of Duluth Minnesota - 2014 Budget

General Fund Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Fire Administration - 110-150-1501				
REVENUE SOURCE				
4209 Misc. Federal Grants (Safer Grant)	-	-	-	200,000
4220 State of Minnesota	1,200	-	-	-
4232 State Insurance Premium	429,514	460,930	425,000	425,000
4339 Fire Physical Assessment	8,700	-	-	-
4340 Fire Protection Services	5,742	4,200	4,200	4,200
4341 Hydrant Maintenance Services	30,000	30,000	30,000	30,000
4624 Rent of Equipment	-	-	300	300
4644 Miscellaneous Sales	6,661	6,890	6,000	6,000
4654 Other Reimbursements	3,028	2,049	2,500	2,500
4660 Gifts and Donations	2,995	2,219	4,700	4,700
4730 Transfer from Special Revenue	-	-	-	10,000
DIVISION TOTAL	487,840	506,288	472,700	682,700

City of Duluth Minnesota - 2014 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	2011	2012	2013	2014	Difference
233 Assistant Chief	3.0	3.0	3.0	3.0	-
231 Training Officer	1.0	1.0	1.0	1.0	-
228 Captain	36.0	36.0	36.0	33.0	(3.0)
227 Equipment Operator	39.0	39.0	39.0	33.0	(6.0)
226 Firefighter	48.0	45.0	45.0	57.0	12.0
Division Total	127.0	124.0	124.0	127.0	3.0

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	8,129,213	8,096,211	8,194,300	8,372,600	178,300
Overtime	862,435	699,613	395,000	495,000	100,000
Other Wages	-	-	-	-	-
Total Salaries	8,991,648	8,795,824	8,589,300	8,867,600	278,300
Benefits	2,831,584	3,093,506	3,208,500	3,540,400	331,900
Other Expense					
Materials & Supplies	196,232	179,375	168,500	181,000	12,500
Services	48,201	49,083	80,100	57,800	(22,300)
Utilities & Maintenance	240,759	273,999	228,100	193,000	(35,100)
Other	38,570	29,675	33,000	34,000	1,000
Total Other Expense	523,762	532,132	509,700	465,800	(43,900)
Division Total	12,346,994	12,421,462	12,307,500	12,873,800	566,300

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Fire Operations - 110-150-1502				
PERSONAL SERVICES				
5100 Permanent Salaries	8,129,213	8,096,211	8,194,300	8,372,600
5101 Premium Pay	862,435	699,613	395,000	495,000
5103 Other Wages	-	-	-	-
TOTAL	8,991,648	8,795,824	8,589,300	8,867,600
EMPLOYEE BENEFITS				
5121 PERA Retirement	1,218,797	1,224,138	1,186,400	1,336,100
5122 FICA - Social Security	-	-	-	-
5123 FICA - Medicare	113,849	113,554	124,500	128,600
5124 Medical Insurance	1,070,774	461	-	-
5125 Dental Insurance	47,118	47,314	47,600	19,800
5126 Life Insurance	21,914	21,991	22,300	22,900
5127 Health Care Savings Plan (HCSP)	246,132	220,142	119,400	113,800
5130 Cafeteria Plan Benefits	-	1,465,253	1,708,300	1,919,200
5133 Health or Fitness Program	-	590	-	-
5137 Fire Pension Contribution	113,000	63	-	-
TOTAL	2,831,584	3,093,506	3,208,500	3,540,400
OTHER EXPENDITURES				
5205 Safety & Training Materials	5,087	7,352	8,000	7,500
5210 Plant/Operating Supplies	3,869	1,550	2,500	3,500
5212 Motor Fuels	70,338	74,819	55,000	68,000
5218 Uniforms	13,986	10,832	15,000	13,000
5219 Other Miscellaneous Supplies	16,624	26,631	25,000	25,000
5220 Repair & Maintenance Supplies	1,604	946	3,000	3,000
5241 Small Equip-Office/Operating	84,724	57,245	60,000	61,000
5305 Medical Svcs/Testing Fees	-	-	10,000	5,000
5319 Other Professional Services	19,100	24,210	40,000	22,500
5320 Data Services	10,274	15,222	17,500	18,000
5321 Phone Service	12,229	6,068	7,000	7,000
5322 Postage	-	-	600	300
5384 Refuse Disposal	6,598	3,583	5,000	5,000
5409 Fleet Services Charges	240,759	273,999	228,100	193,000
5441 Other Services & Charges	1,986	9,895	6,000	7,000
5446 Tuition Reimbursement	16,909	608	12,000	10,000
5450 Laundry	19,675	19,172	15,000	17,000
TOTAL	523,762	532,132	509,700	465,800
DIVISION TOTAL	12,346,994	12,421,462	12,307,500	12,873,800

City of Duluth Minnesota - 2014 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	2011	2012	2013	2014	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	4.0	4.0	4.0	-
28 Solid Waste Compliance	1.0	1.0	1.0	1.0	-
129 Admin Information Spec	1.0	1.0	1.0	1.0	-
126 Information Specialist	-	1.0	1.0	1.0	-
Division Total	9.0	11.0	11.0	11.0	0.0

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	573,551	656,347	666,500	665,800	(700)
Overtime	17,799	11,928	10,000	10,000	-
Other Wages	-	4,828	-	-	-
Total Salaries	591,350	673,103	676,500	675,800	(700)
Benefits	185,829	254,672	272,100	293,300	21,200
Other Expense					
Materials & Supplies	12,779	12,515	17,200	17,100	(100)
Services	27,285	28,483	32,200	32,000	(200)
Utilities & Maintenance	80	13,239	12,400	11,300	(1,100)
Other	3,732	97,024	33,300	33,300	-
Total Other Expense	43,876	151,261	95,100	93,700	(1,400)
Division Total	821,055	1,079,036	1,043,700	1,062,800	19,100

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Life Safety - 110-150-1503				
PERSONAL SERVICES				
5100 Permanent Salaries	573,551	656,347	666,500	665,800
5101 Premium Pay	17,799	11,928	10,000	10,000
5103 Other Wages	-	4,828	-	-
TOTAL	591,350	673,103	676,500	675,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	57,922	63,047	65,900	67,500
5122 FICA - Social Security	20,459	25,712	26,700	27,200
5123 FICA - Medicare	7,116	8,373	9,800	9,800
5124 Medical Insurance	84,094	-	-	-
5125 Dental Insurance	3,521	4,094	4,200	1,700
5126 Life Insurance	1,651	1,933	2,000	2,000
5127 Health Care Savings Plan (HCSP)	11,066	15,419	6,600	6,300
5130 Cafeteria Plan Benefits	-	135,914	156,900	178,800
5133 Health or Fitness Program	-	180	-	-
TOTAL	185,829	254,672	272,100	293,300
OTHER EXPENDITURES				
5200 Office Supplies	2,763	2,308	3,000	3,000
5202 Audiovisual & Photography	241	22	1,700	1,000
5205 Safety & Training Materials	783	14	1,100	1,000
5212 Motor Fuels	7,096	8,294	9,000	9,000
5219 Other Miscellaneous Supplies	1,505	1,393	2,000	1,500
5241 Small Equipment-Office Operating	391	484	400	1,600
5321 Phone Service	-	2,930	2,200	2,600
5331 Travel/Training	13,532	12,472	15,000	15,000
5335 Local Mileage Reimbursement	4,583	3,660	5,000	4,000
5355 Printing & Copying	2,387	2,559	5,000	5,000
5356 Copier, Printer Lease & Supplies	6,783	6,862	5,000	5,400
5400 Misc Repair & Mtc Service	-	-	400	300
5409 Fleet Services Charges	80	13,239	12,000	11,000
5433 Dues and Subscriptions	200	460	500	500
5435 Books & Pamphlets	1,473	2,369	2,500	2,500
5441 Other Services and Charges	885	3,558	30,000	30,000
5443 Board & Meeting Expenses	-	-	300	300
5446 Tuition Reimbursement	360	-	-	-
5453 Building Demolition	-	87,751	-	-
5459 Fire Safety Education Account	814	2,886	-	-
TOTAL	43,876	151,261	95,100	93,700
DIVISION TOTAL	821,055	1,079,036	1,043,700	1,062,800

City of Duluth Minnesota - 2014 Budget

General Fund Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Life Safety - 110-150-1503				
REVENUE SOURCE				
4153 Multiple Dwelling License - 3 or more	126,895	220,600	140,000	100,000
4153 Multiple Dwelling License - 1 or 2	544,158	666,388	595,000	735,000
4154 Commercial Use/Occupancy Permit	58,069	63,533	65,000	65,000
4306 Building Appeals Fees	-	960	-	-
4356 House Moving Inspection Fee	-	-	5,000	5,000
4360 Vacant Building Fee	6,400	6,480	5,000	5,000
4470 License Penalties	-	-	-	10,000
4680 Damages or Losses Recovered	-	15,446	15,000	15,000
DIVISION TOTAL	735,522	973,407	825,000	935,000

City of Duluth Minnesota – 2014 Budget

Police Department

Mission

The Mission of the Duluth Police Department is to provide the highest level of service through partnerships and problem solving in a professional, ethical, and timely manner.

Vision

We envision successful crime prevention and crime reduction while increasing citizen's sense of safety through greater visibility and good relations.

Values

- Accountability – We hold each other accountable to maintain the highest of standards in our profession.
- Collaboration – We place tremendous value on our relationships with our colleagues and community, which in turn strengthens our ability to solve problems and build trust.
- Communication – We communicate in a transparent manner amongst ourselves, our community, and partners. We never look to avoid conflict, but instead seek to resolve it.
- Leadership – We guide, mentor, teach, solve problems, and maintain an ethical, positive, flexible, and professional demeanor.

Structure

The department consists of approximately 150 sworn police officers and a support staff of about 35 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
- Violent Crimes
- Property/Financial Crimes
- Crash Investigations
- Lake Superior Drug & Gang Task Force
- Personnel, Training & Licensing
- Juvenile Services/School Resource
- Sex Crimes, Abuse, Domestic Violence
- Records Support
- Forensic Computer Examiner
- Internal Investigations
- Fleet, MIS, Facilities, Grants

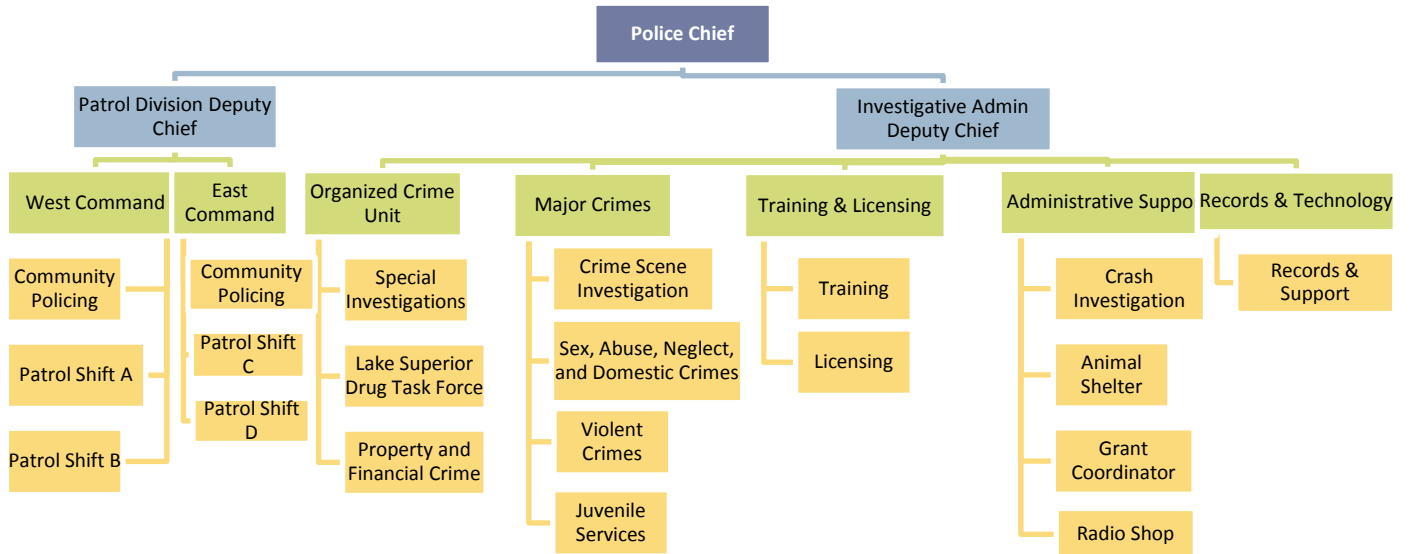
The **Patrol Division** is divided into two geographic patrol areas. Each area is under the command of a lieutenant. The Patrol Division consists of the following units:

- Patrol
- Community Policing
- Bike Patrol Unit
- Canine Unit

City of Duluth Minnesota - 2014 Budget

2014 Goals and Objectives

Police Department Organization

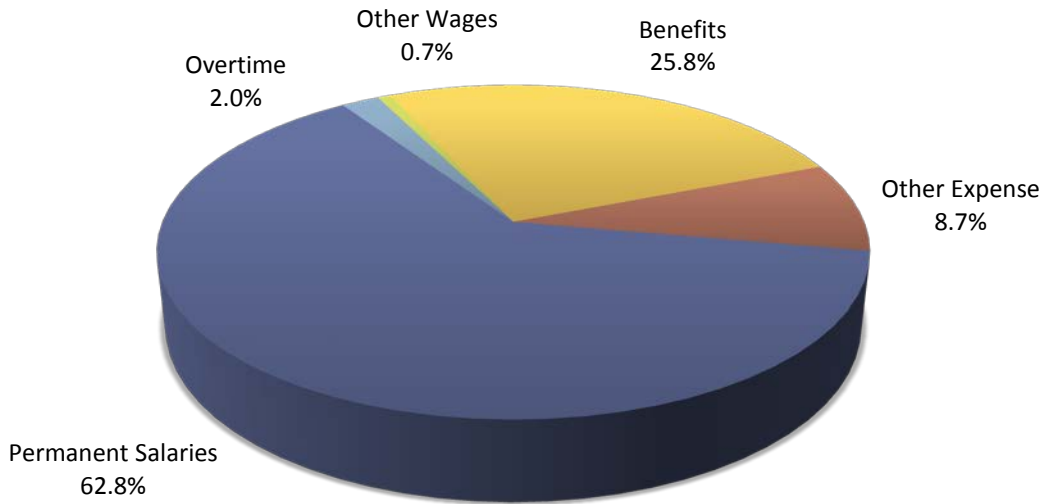


Goal	Objective	Tactics	Measurement
Succession Planning (promotional and lateral)	To ensure a smooth transition for critical positions due to an increase in retirements	Identify, guide, mentor, develop and train future department leaders. Reinstitute the police enrichment program (P.E.P.).	Qualified and trained pool of exceptional candidates ready to step into their next role.
Improve or replace current records management system (RMS)	To improve usability and functionality of our RMS system	Implement CJIN field based reporting to eliminate duplication of efforts.	Duplication issues, system responsiveness, functionality and usability improved to meet the needs of a progressive, busy urban police department.
Increase the Perception of Safety Downtown	Ensure people feel safe while working or enjoying Downtown	Increase visibility with mounted, foot, and bike patrol. Communicate effectively that Downtown statistically is safe. Collaborate with partners (GDC, Chamber, CHUM, etc.)	Citizen survey, feedback from community partners, businesses, and elected officials.
Prevent crime utilizing real time data and intelligence	Create an intelligence unit using existing staff and increase the use and accessibility of analysts	Build a new unit by reassigning existing analysts with input from staff Train staff on how analysts can further assist with investigations and reduction of crime and disorder	Improved investigations and police response to problem through the use of intelligence and crime analysis
Implement body cameras for Patrol Officers	Outfit patrol officers with durable and dependable body cameras	Create an effective policy for body cameras and have officers utilize this tool.	Body cameras utilized by patrol officers

City of Duluth Minnesota - 2014 Budget

Police Department

2014 Approved Budget by Expense Category



Expenditures by Category	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Permanent Salaries	11,781,453	11,706,175	11,703,500	11,999,000	295,500
Overtime	1,046,551	1,044,185	383,000	388,600	5,600
Other Wages	16,900	70,150	57,700	132,700	75,000
Total Personal Services	12,844,904	12,820,510	12,144,200	12,520,300	376,100
Benefits	3,853,517	4,386,538	4,553,700	4,889,800	336,100
Other Expense	1,256,314	1,612,839	1,635,400	1,660,900	25,500
Capital Outlay	-	-	-	-	-
Department Total	17,954,735	18,819,887	18,333,300	19,071,000	737,700

Expenditures by Division	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Admin & Investigation	8,633,191	8,931,854	8,967,500	9,089,000	121,500
Patrol	9,321,544	9,888,033	9,365,800	9,982,000	616,200
Department Total	17,954,735	18,819,887	18,333,300	19,071,000	737,700

Budgeted FTE's	2011	2012	2013	2014	Difference
	185.0	185.0	178.5	178.5	-

City of Duluth Minnesota - 2014 Budget

Police Administration and Investigation

This 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.

Budgeted FTE's	2011	2012	2013	2014	Difference
Chief of Police	1.0	1.0	1.0	1.0	-
1130 Deputy Chief	2.0	2.0	2.0	2.0	-
1100 Lieutenant	4.0	4.0	4.0	4.0	-
328 Sergeant	11.0	11.0	11.0	11.0	-
327 Police Investigator	34.0	35.0	35.0	34.0	(1.0)
1090 Police Records & Tech Mgr	-	-	1.0	1.0	-
133 Sr Police Records Tech	-	-	2.0	2.0	-
131 Grant Writer	1.0	1.0	1.0	1.0	-
132 Police Records Coord.	1.0	1.0	-	-	-
129 Admin Info Specialist	3.0	3.0	2.0	2.0	-
128 Police Records Tech II	-	-	5.0	5.0	-
126 Information Technician	12.0	12.0	5.0	3.0	(2.0)
124 Police Records Tech I	-	-	1.0	3.0	2.0
121 Clerical Support Tech	5.0	3.5	-	-	-
32 Budget Analyst	1.0	1.0	1.0	1.0	-
33 Elec Tech Leadworker	-	-	1.0	1.0	-
31 Electronics Technician	-	-	1.0	1.0	-
30 Animal Shelter Leadwrkr	1.0	1.0	1.0	1.0	-
24 Animal Shelter Tech	2.0	1.5	1.5	1.5	-
131 Criminal Intell Analyst	2.0	2.0	2.0	2.0	-
22 Evidence Technician	2.0	2.0	2.0	2.0	-
18 Parking Monitor	5.0	5.0	-	-	-
Division Total	87.0	86.0	79.5	78.5	(1.0)

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	5,417,650	5,069,119	5,252,200	5,256,800	4,600
Overtime	390,903	427,746	110,000	110,000	-
Other Wages	16,900	70,150	57,700	57,700	-
Total Salaries	5,825,453	5,567,015	5,419,900	5,424,500	4,600
Benefits	1,714,804	1,868,879	2,048,200	2,139,600	91,400
Other Expense					
Materials & Supplies	368,393	385,397	360,000	360,000	-
Services	128,308	166,342	150,000	125,500	(24,500)
Utilities & Maintenance	454,868	515,332	560,100	560,100	-
Other	141,365	428,889	429,300	479,300	50,000
Total Other Expense	1,092,934	1,495,960	1,499,400	1,524,900	25,500
Division Total	8,633,191	8,931,854	8,967,500	9,089,000	121,500

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Approved
Police Admin & Investigations - 110-160-1610					
PERSONAL SERVICES					
5100	Permanent Salaries	5,417,650	5,069,119	5,252,200	5,256,800
5101	Premium Pay	300,955	289,305	110,000	110,000
5102	Extra Duty Employment	89,948	138,441	-	-
5103	Other Wages	16,900	70,150	57,700	57,700
	TOTAL	5,825,453	5,567,015	5,419,900	5,424,500
EMPLOYEE BENEFITS					
5121	PERA Retirement	681,521	678,157	674,300	701,800
5122	FICA - Social Security	85,016	81,743	86,800	87,700
5123	FICA - Medicare	80,997	77,919	78,600	78,700
5124	Medical Insurance	719,956	-	-	-
5125	Dental Insurance	32,064	29,315	30,300	12,200
5126	Life Insurance	15,119	13,797	14,200	14,100
5127	Health Care Savings Plan (HCSP)	100,131	89,546	52,600	52,800
5130	Cafeteria Plan Benefits	-	898,111	1,111,400	1,192,300
5133	Health or Fitness Program	-	291	-	-
	TOTAL	1,714,804	1,868,879	2,048,200	2,139,600
OTHER EXPENDITURES					
5200	Office Supplies	24,214	22,052	24,000	24,000
5201	Computer Supplies/Software	2,563	3,888	2,000	2,000
5202	Audiovisual & Photography	251	494	2,000	2,000
5211	Cleaning/Janitorial Supplies	32	-	500	500
5212	Motor Fuels	307,360	304,618	301,200	301,200
5214	Food for Animals	372	531	4,000	4,000
5218	Uniforms	9,779	22,962	9,100	9,100
5219	Other Miscellaneous Supplies	9,581	14,739	5,200	5,200
5220	Repair & Maintenance Supplies	10,616	13,384	9,000	9,000
5241	Small Equip-Office/Operating	3,625	2,729	3,000	3,000
5305	Medical Svcs/Testing Fees	8,896	262	19,500	1,000
5319	Other Professional Services	16,680	21,273	30,000	30,000
5320	Data Services	5,536	13,441	4,500	4,500
5321	Phone Service	88,567	98,880	71,000	71,000
5322	Postage	324	383	1,000	1,000
5331	Travel/Training	2,711	4,946	5,000	5,000
5355	Printing & Copying	1,952	3,729	3,000	3,000
5356	Copier, Printer Lease & Supplies	-	21,864	10,000	4,000

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Police Admin & Investigations - 110-160-1610 continued				
5384 Refuse Disposal	3,642	1,564	6,000	6,000
5401 Bldg/Structure Repair & Mtc	300	16,078	11,700	11,700
5404 Equipment/Machinery Repair & Mtc	147,503	142,450	155,100	155,100
5409 Fleet Services Charges	307,065	356,804	393,300	393,300
5411 Land Rental/Easements	1,000	1,000	1,000	1,000
5412 Building Rental	13,796	4,599	-	-
5418 Vehicle/Equip Lease (Long-term)	30,080	-	-	-
5433 Dues & Subscription	2,928	4,900	4,000	4,000
5435 Books & Pamphlets	1,226	508	-	-
5437 Automated Pawn System	21,254	26,177	22,500	22,500
5438 Licenses	6,242	5,925	5,500	5,500
5441 Other Services & Charges	9,206	41,510	28,000	28,000
5443 Board & Meeting Expenses	975	509	800	800
5448 Police Training	49,194	46,397	65,000	65,000
5460 New Police Station Expenses	2,964	294,864	300,000	350,000
5490 Donations to Civic Organizations	2,500	2,500	2,500	2,500
TOTAL	1,092,934	1,495,960	1,499,400	1,524,900
DIVISION TOTAL	8,633,191	8,931,854	8,967,500	9,089,000

City of Duluth Minnesota - 2014 Budget

General Fund Revenue Detail		2011 Actual	2012 Actual	2013 Budget	2014 Approved
Police Admin & Investigations - 110-160-1610					
REVENUE SOURCE					
4209	Federal Grant	63,157	48,855	-	-
4220	State of Minnesota	45,924	14,522	-	-
4227	Police Training Reimbursement	55,037	46,160	50,000	50,000
4232	State Insurance Premium	1,150,516	1,113,986	1,175,000	1,175,000
4260	St. Louis County	30,000	34,588	34,900	17,300
4261	ISD 709	211,000	211,000	211,000	211,000
4262	Housing & Redevelopment Authority	-	-	59,100	60,900
4270	Other Grants	-	4,000	-	-
4322	Animal Shelter Fees	15,758	13,828	20,000	20,000
4325	Radio Services	6,500	6,500	6,500	6,500
4326	Criminal History Checks	714	706	2,000	2,000
4328	Pawnbroker Transaction Surcharge	56,677	69,634	50,000	50,000
4329	False Alarm Fees & Penalties	17,704	21,760	10,000	10,000
4631	Media Sales	4,566	3,261	5,000	5,000
4650	Salaries Reimbursement	10,508	19,183	20,000	20,000
4651	Extra Duty Employment Reimbursement	274,931	397,375	-	-
4654	Other Reimbursements	7,972	73,333	-	-
4660	Gifts and Donations	4,500	-	-	-
4700	Other Sources	-	2,335	-	-
4730	Transfer from Tourism Taxes	198,200	232,200	236,900	316,900
4730	Transfer from Police Grant Fund	667,040	615,229	506,200	370,900
4730	Transfer from Police Grant Fund - OT	77,239	69,435	177,400	40,000
DIVISION TOTAL		2,897,943	2,997,890	2,564,000	2,355,500

City of Duluth Minnesota - 2014 Budget

Police Patrol

This 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	2011	2012	2013	2014	Difference
1100 Lieutenant	6.0	6.0	6.0	6.0	-
328 Sergeant	10.0	10.0	10.0	10.0	-
327 Police Investigator	19.0	19.0	19.0	19.0	-
326 Police Officer	63.0	64.0	64.0	65.0	1.0
Division Total	98.0	99.0	99.0	100.0	1.0

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	6,363,803	6,637,056	6,451,300	6,742,200	290,900
Overtime	655,648	616,439	273,000	278,600	5,600
Other Wages	-	-	-	75,000	75,000
Total Salaries	7,019,451	7,253,495	6,724,300	7,095,800	371,500
Benefits	2,138,713	2,517,659	2,505,500	2,750,200	244,700
Other Expense					
Materials & Supplies	147,255	98,680	105,000	105,000	-
Services	-	-	-	-	-
Utilities & Maintenance	-	-	-	-	-
Other	16,125	18,199	31,000	31,000	-
Total Other Expense	163,380	116,879	136,000	136,000	-
Division Total	9,321,544	9,888,033	9,365,800	9,982,000	616,200

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Police Patrol - 110-160-1620				
PERSONAL SERVICES				
5100 Permanent Salaries	6,363,803	6,637,056	6,451,300	6,742,200
5101 Premium Pay	536,734	438,260	273,000	278,600
5102 Extra Duty Employment	118,914	178,179	-	-
5103 Other Wages	-	-	-	75,000
TOTAL	7,019,451	7,253,495	6,724,300	7,095,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	972,366	1,015,568	949,100	1,051,700
5122 FICA - Social Security	1,040	-	-	4,700
5123 FICA - Medicare	92,122	99,421	97,500	102,900
5124 Medical Insurance	826,377	-	-	-
5125 Dental Insurance	35,615	37,506	37,200	15,300
5126 Life Insurance	16,591	17,568	17,500	17,600
5127 Health Care Savings Plan (HCSP)	194,602	246,982	140,800	238,100
5130 Cafeteria Plan Benefits	-	1,099,459	1,263,400	1,318,700
5133 Health or Fitness Program	-	1,155	-	1,200
TOTAL	2,138,713	2,517,659	2,505,500	2,750,200
OTHER EXPENDITURES				
5205 Safety & Training Materials	1,917	1,116	1,500	1,500
5211 Cleaning/Janitorial Supplies	14,018	13,785	15,000	15,000
5217 Ammunition	34,824	36,703	40,000	40,000
5218 Uniforms	79,669	30,452	30,000	30,000
5219 Other Miscellaneous Supplies	14,697	16,333	16,000	16,000
5241 Small Equip-Office/Operating	2,130	291	2,500	2,500
5441 Other Services & Charges	5,428	5,025	6,000	6,000
5448 Police Training	10,697	13,174	25,000	25,000
TOTAL	163,380	116,879	136,000	136,000
DIVISION TOTAL	9,321,544	9,888,033	9,365,800	9,982,000

City of Duluth Minnesota - 2014 Budget

Public Works & Utilities Department – General Fund

Mission and Vision

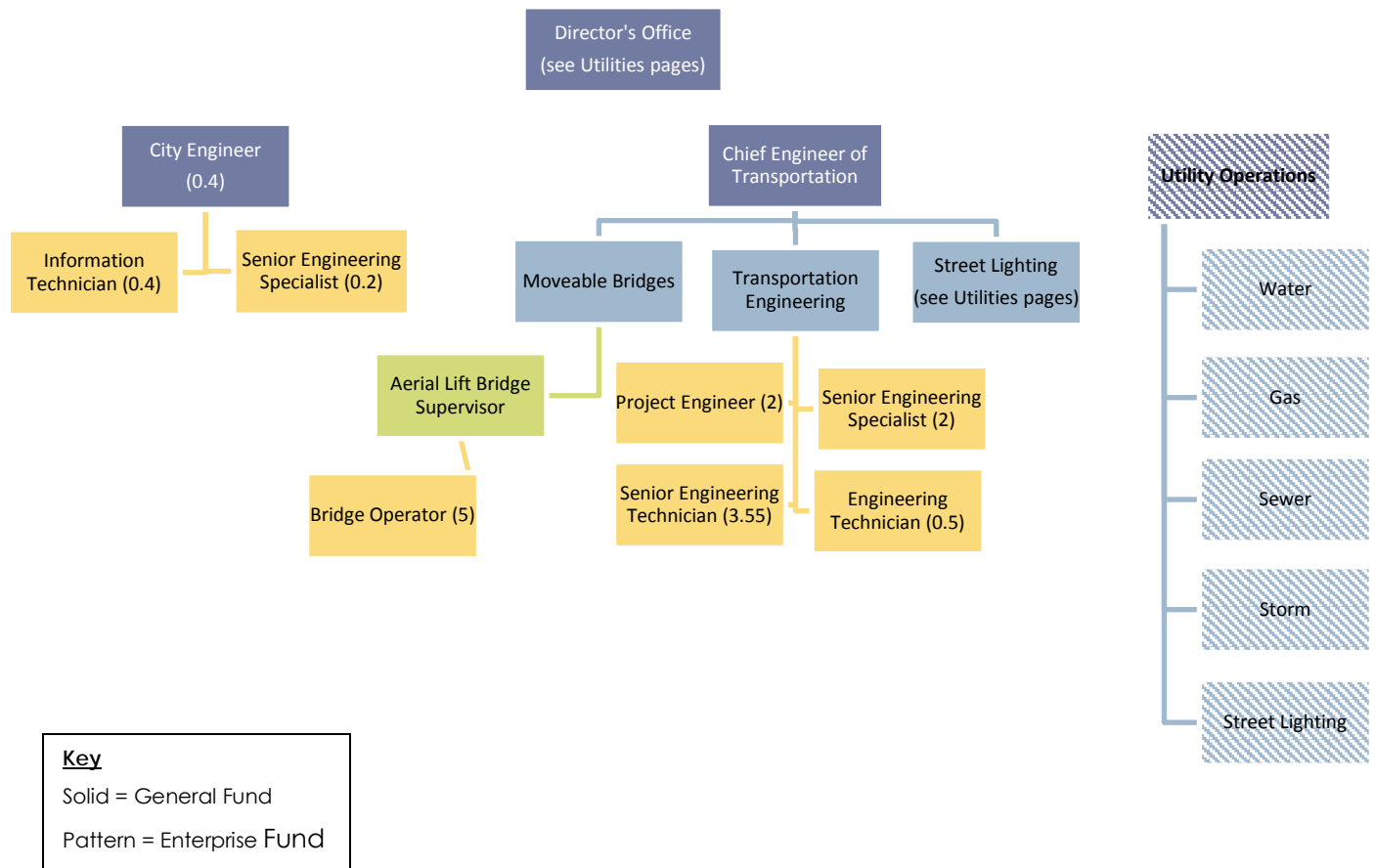
The mission of the Public Works and Utilities Department is to provide: professional engineering services, and water, sanitary sewer, natural gas, storm water, and street lighting utilities to Duluth's businesses and residents in a safe, cost-effective and environmentally sound manner through skilled, safety oriented and customer focused employees. The General Fund provides Transportation Engineering services and moveable bridge operations in the Public Works and Utilities Department.

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 Public Works and Utilities Department is located entirely within the Engineer Division and broken down into two primary areas of responsibility: Transportation Engineering and Moveable Bridges.

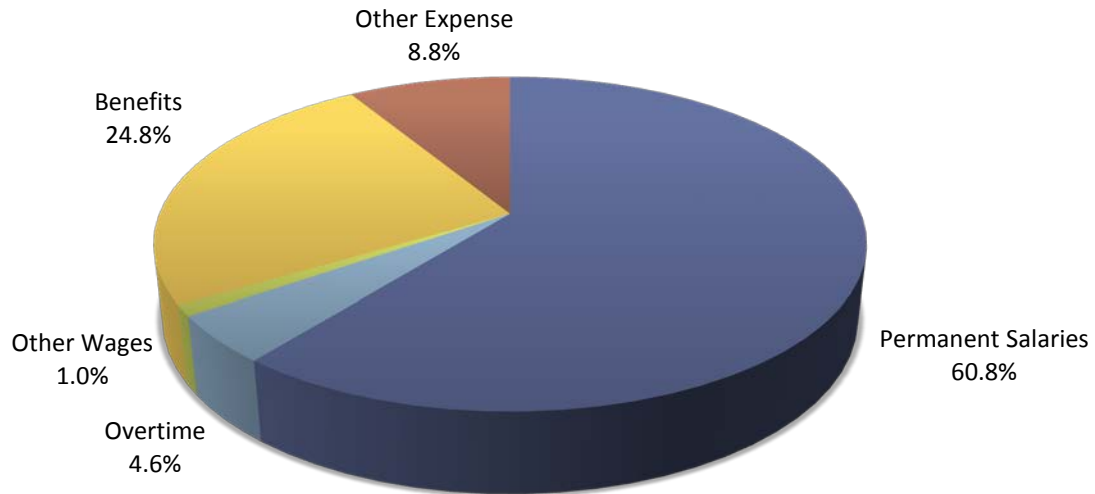
Public Works & Utilities Department – General Fund Organization Chart



City of Duluth Minnesota - 2014 Budget

Public Works & Utilities - General Operations

2014 Approved Budget by Expense Category



Expenditures by Category	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Permanent Salaries	1,224,065	1,034,530	1,071,300	1,055,300	(16,000)
Overtime	69,722	51,638	80,000	80,000	-
Other Wages	4,906	19,790	18,000	18,000	-
Total Personal Services	1,298,693	1,105,958	1,169,300	1,153,300	(16,000)
Benefits	386,023	383,068	416,700	426,600	9,900
Other Expense	152,781	144,678	140,800	152,100	11,300
Capital Outlay	-	-	-	-	-
Department Total	1,837,497	1,633,704	1,726,800	1,732,000	5,200

Expenditures by Division	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Director's Office	45,072	47,012	46,600	48,800	2,200
Engineering	1,792,425	1,586,692	1,680,200	1,683,200	3,000
Department Total	1,837,497	1,633,704	1,726,800	1,732,000	5,200

Budgeted FTE's	2011	2012	2013	2014	Difference
	22.0	17.0	16.6	16.5	(0.1)

City of Duluth Minnesota - 2014 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	2011	2012	2013	2014	Difference
Director	0.2	0.2	0.2	0.2	-
32 Project Coordinator	0.2	0.2	0.2	0.2	-
Division Total	0.4	0.4	0.4	0.4	0

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	35,875	37,151	37,000	38,700	1,700
Overtime	244	418	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	36,119	37,569	37,000	38,700	1,700
Benefits	8,593	9,222	8,800	9,300	500
Other Expense					
Materials & Supplies	104	91	200	200	-
Services	75	130	400	400	-
Utilities & Maintenance	-	-	-	-	-
Other	181	-	200	200	-
Total Other Expense	360	221	800	800	
Division Total	45,072	47,012	46,600	48,800	2,200

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Public Works Director - 110-500-1900				
PERSONAL SERVICES				
5100 Permanent Salaries	35,875	37,151	37,000	38,700
5101 Premium Pay	244	418	-	-
5103 Other Wages	-	-	-	-
TOTAL	36,119	37,569	37,000	38,700
EMPLOYEE BENEFITS				
5121 PERA Retirement	2,562	2,569	2,300	2,400
5122 FICA - Social Security	2,221	2,232	2,300	2,400
5123 FICA - Medicare	520	531	500	600
5124 Medical Insurance	2,576	-	-	-
5125 Dental Insurance	164	154	100	100
5126 Life Insurance	75	72	100	100
5127 Health Care Savings Plan (HCSP)	475	1,041	400	400
5130 Cafeteria Plan Benefits	-	2,623	3,100	3,300
TOTAL	8,593	9,222	8,800	9,300
OTHER EXPENDITURES				
5200 Office Supplies	88	91	100	100
5241 Small Equip-Office/Operating	16	-	100	100
5321 Phone Service	-	130	100	100
5331 Travel/Training	75	-	300	300
5433 Dues & Subscription	181	-	200	200
TOTAL	360	221	800	800
DIVISION TOTAL	45,072	47,012	46,600	48,800

City of Duluth Minnesota - 2014 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	2011	2012	2013	2014	Difference
1140 City Engineer	0.4	0.4	0.4	0.4	-
1130 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	9.0	5.0	5.0	5.0	-
129 Admin Info Specialist	0.6	0.6	0.4	0.4	-
126 Information Technician	0.4	0.4	-	-	-
36 Transportation Engineer	1.0	-	-	-	-
36 Project Engineer	2.0	2.0	2.0	2.0	-
34 Sr. Engineering Spec.	2.0	2.0	2.2	2.2	-
31 Sr. Engineering Tech.	3.2	3.2	3.2	3.6	0.4
28 Engineering Technician	1.0	1.0	1.0	0.5	(0.5)
Division Total	21.6	16.6	16.2	16.1	(0.1)

Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Personal Services					
Permanent Salaries	1,188,190	997,379	1,034,300	1,016,600	(17,700)
Overtime	69,478	51,220	80,000	80,000	-
Other Wages	4,906	19,790	18,000	18,000	-
Total Salaries	1,262,574	1,068,389	1,132,300	1,114,600	(17,700)
Benefits	377,430	373,846	407,900	417,300	9,400
Other Expense					
Materials & Supplies	48,433	48,153	51,800	65,500	13,700
Services	42,197	30,918	41,900	40,200	(1,700)
Utilities & Maintenance	18,785	17,121	34,100	34,100	-
Other	43,006	48,265	12,200	11,500	(700)
Total Other Expense	152,421	144,457	140,000	151,300	11,300
Division Total	1,792,425	1,586,692	1,680,200	1,683,200	3,000

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Engineering - 110-500-1930				
PERSONAL SERVICES				
5100 Permanent Salaries	1,188,190	997,379	1,034,300	1,016,600
5101 Premium Pay	69,478	51,220	80,000	80,000
5103 Other Wages	4,906	19,790	18,000	18,000
TOTAL	1,262,574	1,068,389	1,132,300	1,114,600
EMPLOYEE BENEFITS				
5121 PERA Retirement	86,528	74,199	78,900	78,100
5122 FICA - Social Security	74,950	64,755	70,200	69,100
5123 FICA - Medicare	17,528	15,145	16,400	16,200
5124 Medical Insurance	172,685	-	-	-
5125 Dental Insurance	7,352	6,106	6,200	2,500
5126 Life Insurance	3,511	2,862	2,900	2,900
5127 Health Care Savings Plan (HCSP)	14,876	22,107	13,500	9,600
5130 Cafeteria Plan Benefits	-	188,672	219,800	238,900
TOTAL	377,430	373,846	407,900	417,300
OTHER EXPENDITURES				
5200 Office Supplies	6,039	5,159	2,800	3,400
5201 Computer Supplies/Software	11,604	9,827	18,300	27,500
5203 Paper/Stationery/Forms	204	602	500	400
5205 Safety & Training Materials	1,046	282	800	1,200
5211 Cleaning/Janitorial Supplies	33	247	300	300
5212 Motor Fuels	7,776	9,937	11,600	12,600
5219 Other Miscellaneous Supplies	3,319	3,302	300	300
5220 Repair & Maintenance Supplies	12,979	7,817	8,500	8,500
5240 Small Tools	748	947	500	1,200
5241 Small Equip-Office/Operating	4,685	6,068	3,500	4,200
5242 Survey Equipment and Supplies	-	3,965	4,700	5,900
5303 Engineering Services	22,422	3,352	12,000	12,000
5319 Other Professional Services	200	858	500	500
5320 Data Services	-	-	500	800
5321 Phone Service	9,538	8,134	6,700	5,200
5322 Postage	21	31	300	300
5331 Travel/Training	8,193	8,472	12,900	12,600

City of Duluth Minnesota - 2014 Budget

General Fund Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Engineering - 110-500-1930 continued				
5335 Local Mileage Reimbursement	1,007	732	1,500	1,500
5355 Printing & Copying	354	3,005	800	800
5356 Copier, Printer Lease & Supplies	-	6,100	6,100	6,100
5384 Refuse Disposal	462	234	600	400
5404 Equipment/Machinery Repair & Mtc	3,252	2,445	19,500	19,500
5409 Fleet Services Charges	15,533	14,676	14,600	14,600
5418 Vehicle/Equip Lease (Long-term)	2,886	-	-	-
5433 Dues & Subscription	1,430	2,023	1,700	2,100
5435 Books & Pamphlets	420	657	700	700
5438 Licenses	-	-	-	700
5441 Other Services & Charges	2,491	8,573	8,600	7,400
5450 Laundry	605	283	1,200	600
5455 Pedestrian Bridge Operations	35,174	36,729	-	-
TOTAL	152,421	144,457	140,000	151,300
DIVISION TOTAL	1,792,425	1,586,692	1,680,200	1,683,200

City of Duluth Minnesota - 2014 Budget

General Fund Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Engineering - 110-500-1930				
REVENUE SOURCE				
4152 Excavation Permits	19,660	21,720	15,000	20,000
4170 Miscellaneous Permits	33,971	43,464	35,000	35,000
4324 Miscellaneous Services	288	-	400	300
4370 Engineering Services	308,779	172,888	400,000	550,000
4631 Media Sales	7,521	7,059	6,000	3,000
4654 Other Reimbursements	736	259	-	200
4730 Transfer from Tourism Taxes	105,000	105,000	57,000	57,000
DIVISION TOTAL	475,955	350,390	513,400	665,500

City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
EXPENDITURES				
Citywide Dues & Lobbying	89,668	94,700	78,000	128,000
Citywide Communications	102,676	202,583	141,000	245,700
Miscellaneous	537,258	130,186	180,000	155,000
Civic Events and Awards	99,213	11,092	85,000	85,000
Business Improvement Dist.	309,818	322,180	300,000	300,000
Public Access Television	162,000	162,000	182,000	182,000
Sales Tax Administration	117,252	133,370	125,000	125,000
Parking Fine Administration	140,058	-	-	-
Capital Program - CIP	541,192	138,502	-	-
Facility Maintenance Program	112,545	114,069	-	-
Capital Program - CEP	19,318	19,211	50,000	50,000
Community Inv Trust Projects	181,550	180,750	174,800	295,800
Unemployment Compensation	31,080	22,652	50,000	50,000
Benefits Administration	170,447	96,360	100,000	235,000
Retiree Insurance	6,513,304	7,641,560	7,430,100	7,225,000
Accruals	-	-	381,800	500,000
Self Insurance Contribution	1,100,000	1,100,000	500,000	650,000
Department Total	10,227,379	10,369,215	9,777,700	10,226,500

City of Duluth Minnesota - 2014 Budget

General Fund Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
Transfers and Other Functions				
REVENUE SOURCE				
4010 Delinquent Property Tax	14,505	15,446	-	-
4500 Assessments - Service Charge	308,797	322,180	300,000	300,000
4639 Sale of Equipment	78,866	59,198	100,000	70,000
4640 Sale of Land	151,122	81,618	200,000	57,600
4654 Other Reimbursements	7,243	90,389	-	-
4660 Gifts and Donations	21,013	100	-	-
4730 Transfer from Special Revenue	-	500,821	400,000	-
4730 Transfer from Tourism Taxes	120,680	-	-	-
4730 Transfer from CIT Fund	881,189	345,136	105,000	145,000
DEPARTMENT TOTAL	1,583,415	1,414,888	1,105,000	572,600

Special Revenue Funds

City of Duluth Minnesota - 2014 Budget

Special Revenue Funds

Funds

Lake Superior Zoo
 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

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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	65,379,444	60,016,260	59,340,065	59,920,065
REVENUES				
Taxes	8,198,813	10,981,135	9,755,000	10,338,400
Intergovernmental	14,299,479	11,675,273	10,078,100	7,658,300
Miscellaneous	11,774,007	21,295,357	19,624,600	22,078,800
TOTAL REVENUES	34,272,299	43,951,765	39,457,700	40,075,500
EXPENSES				
Personal Services	3,685,370	13,359,845	13,789,700	12,783,900
Other Services and Charges	4,588,195	5,057,612	4,245,600	3,820,600
Transfers	16,379,932	12,812,237	7,905,800	7,429,800
Miscellaneous	14,981,987	13,398,266	12,986,400	12,090,500
TOTAL EXPENSES	39,635,483	44,627,960	38,927,500	36,124,800
FUND BALANCE - DECEMBER 31	60,016,260	59,340,065	59,920,065	63,870,765

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	142,488	(106,500)	(99,689)	(99,689)
REVENUES				
Intergovernmental, State of MN	160,000	350,882	160,000	160,000
Admissions	696,618	570,507	696,000	696,000
Concessions & Commissions, Misc	208,043	152,686	208,000	208,000
Gifts and Donations	2,585	20,528	2,500	2,500
Other Sources	134,418	40,538	60,000	60,000
Transfer from Tourism Tax	520,000	520,000	510,000	510,000
TOTAL REVENUES	1,721,664	1,655,141	1,636,500	1,636,500
EXPENSES				
Contract Services	1,666	-	1,600	1,600
Contract Services, Zoo Personnel	921,227	857,532	921,200	921,200
Contract Services, Op Expenses	871,535	703,624	703,200	703,200
Capital Outlay	165,556	84,382	-	-
Bank Charges	10,668	2,792	10,500	10,500
TOTAL EXPENSES	1,970,652	1,648,330	1,636,500	1,636,500
FUND BALANCE - DECEMBER 31	(106,500)	(99,689)	(99,689)	(99,689)

City of Duluth Minnesota - 2014 Budget

Parks Fund

205

Special Revenue fund established to account for the property tax money received that is to be used for City parks only, as approved by the citizens of Duluth on a special referendum.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1		-	455,846	455,846
REVENUES				
Property Tax Levy		2,536,938	2,600,000	2,600,000
Licenses and Permits		-	34,000	69,500
Miscellaneous		7,000	48,500	14,000
TOTAL REVENUES		<u>2,543,938</u>	<u>2,682,500</u>	<u>2,683,500</u>
EXPENSES				
Personal Services		1,061,420	1,162,100	1,164,800
Other Services and Charges		389,087	462,900	561,500
Supplies		146,658	233,400	292,200
Miscellaneous		54,076	104,100	100,000
Capital Outlay		436,851	720,000	565,000
TOTAL EXPENSES		<u>2,088,092</u>	<u>2,682,500</u>	<u>2,683,500</u>
FUND BALANCE - DECEMBER 31		455,846	455,846	455,846

BUDGETED FTE'S	2011	2012	2013	2014
1130 Manager, Parks & Recreation		1	1	1
1070 Operations Coordinator		1	1	1
135 Public Information Coordinator		1	1	1
131 Volunteer Coordinator		0.5	0.5	0.5
129 Special Events Coordinator		1.5	1.5	1.5
129 Admin Information Specialist		1	1	1
124 Senior Center Coordinator		1	1	1
28 Trails Coordinator		1	1	1
26 Recreation Specialist		1	1	1
22 Maintenance Worker		-	1	1
Division Total		9	10	10

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	359,474	457,699	625,237	625,237
REVENUES				
Intergovernmental	1,618,415	1,028,616	210,300	210,300
Miscellaneous	457,769	271,184	524,300	747,900
Transfers In	24,735	-	-	190,000
TOTAL REVENUES	<u>2,100,919</u>	<u>1,299,800</u>	<u>734,600</u>	<u>1,148,200</u>
EXPENSES				
Personal Services	931,720	7,763	222,700	218,700
Personal Services- Police Extra Duty Pay	-	-	320,000	533,600
Other Services and Charges	255,987	204,600	94,900	305,700
Transfers Out	179,419	1,599	-	-
Miscellaneous	214,503	345,808	97,000	90,200
Capital Equipment	421,065	572,492	-	-
TOTAL EXPENSES	<u>2,002,694</u>	<u>1,132,262</u>	<u>734,600</u>	<u>1,148,200</u>
FUND BALANCE - DECEMBER 31	457,699	625,237	625,237	625,237

BUDGETED FTE'S	2011	2012	2013	2014
226 Firefighter	-	-	3	-
Division Total	-	-	3	-

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	47,140	42,858	(8,660)	(8,660)
REVENUES				
Intergovernmental	1,268,580	1,856,433	1,223,100	741,100
Felony Forfeitures	114,103	20,142	130,000	130,000
TOTAL REVENUES	<u>1,382,683</u>	<u>1,876,575</u>	<u>1,353,100</u>	<u>871,100</u>
EXPENSES				
Other Services and Charges	334,990	262,074	355,900	188,400
Transfer to General Fund	822,448	752,494	748,200	471,700
Miscellaneous	229,527	138,568	212,400	193,500
Capital Equipment	-	774,957	36,600	17,500
TOTAL EXPENSES	<u>1,386,965</u>	<u>1,928,093</u>	<u>1,353,100</u>	<u>871,100</u>
FUND BALANCE - DECEMBER 31	42,858	(8,660)	(8,660)	(8,660)

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	1,592,081	1,572,493	1,883,209	1,883,209
REVENUES				
Other Reimbursements	87	-	-	-
Earnings on Investments	17,882	9027	-	-
Bond Proceeds	3,175,717	3,510,499	4,600,000	3,938,500
TOTAL REVENUES	<u>3,193,686</u>	<u>3,519,526</u>	<u>4,600,000</u>	<u>3,938,500</u>
EXPENSES				
Bond Issuance Costs	34,622	40,537	180,700	50,000
Capital Equipment - Parking				1,075,500
Capital Equipment - Nonrolling	1,683,086	1,396,067	2,037,000	1,129,000
Capital Equipment - Rolling	1,495,566	1,772,206	2,382,300	1,684,000
TOTAL EXPENSES	<u>3,213,274</u>	<u>3,208,810</u>	<u>4,600,000</u>	<u>3,938,500</u>
FUND BALANCE - DECEMBER 31	1,572,493	1,883,209	1,883,209	1,883,209

City of Duluth Minnesota - 2014 Budget

Economic Development

255

Fund accounts for monies received from the U.S. Department of Housing and Urban Development Action Grant Program, and monies received for bond service fees from the issuance of Industrial Revenue Bonds. Such monies are to be used for the revitalization of the economy of the City of Duluth.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	55,944	(27,220)	(8,727)	1,273
REVENUES				
Intergovernmental Revenues	1,177,839	1,127,911	597,200	-
Other Reimbursements	14,239	15,111	-	-
Other Miscellaneous	16,584	16,919	27,100	17,900
TOTAL REVENUES	<u>1,208,662</u>	<u>1,159,941</u>	<u>624,300</u>	<u>17,900</u>
EXPENSES				
Economic Development	<u>1,291,826</u>	<u>1,141,448</u>	<u>614,300</u>	<u>17,900</u>
TOTAL EXPENSES	<u>1,291,826</u>	<u>1,141,448</u>	<u>614,300</u>	<u>17,900</u>
FUND BALANCE - DECEMBER 31	(27,220)	(8,727)	1,273	1,273

City of Duluth Minnesota - 2014 Budget

Community Investment Fund

256

Fund accounts for monies 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	34,023,423	25,201,315	21,351,493	21,351,493
REVENUES				
Casino Proceeds/Misc	-	-	-	-
Investment Earnings	1,241,805	217,051	105,000	145,000
TOTAL REVENUES	<u>1,241,805</u>	<u>217,051</u>	<u>105,000</u>	<u>145,000</u>
EXPENSES				
Legal Services	322,376	58,555	-	-
Transfer to Capital Project	6,000,000	-	-	-
Transfer to Debt Service	2,860,348	2,913,182	-	-
Transfer to General Fund (annual)	881,189	1,095,136	105,000	145,000
TOTAL EXPENSES	<u>10,063,913</u>	<u>4,066,873</u>	<u>105,000</u>	<u>145,000</u>
FUND BALANCE - DECEMBER 31	25,201,315	21,351,493	21,351,493	21,351,493

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	286,839	242,803	289,461	281,461
REVENUES				
Intergovernmental Revenues	579,131	41,159	-	-
Transfer From Enterprise Funds	-	-	-	26,200
Other Reimbursements	7,159	9,505	-	-
From Public Utility	75,000	75,000	75,000	95,000
TOTAL REVENUES	661,290	162,132	75,000	121,200
EXPENSES				
Personal Services	80,847	80,691	83,000	86,400
Other Services & Charges	76,379	11,300	-	2,200
Miscellaneous	500	23,483	-	40,200
Capital Equipment	547,600	-	-	-
TOTAL EXPENSES	705,326	115,474	83,000	128,800
FUND BALANCE - DECEMBER 31	242,803	289,461	281,461	273,861

BUDGETED FTE'S	2011	2012	2013	2014
33 Energy Coordinator	1	1	1	1

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	1,973,477	2,104,158	1,120,558	230,158
REVENUES				
Hotel Motel 3%	1,814,783	1,936,744	1,880,000	2,075,600
Hotel Motel 1%	604,928	645,581	627,000	691,900
Add'l. 2.0% Hotel Motel Tax	1,133,201	1,177,009	1,190,000	1,291,500
Add'l. .5% Hotel Motel Tax	283,300	294,252	-	-
Food & Beverage Tax 1.0%	1,938,934	1,951,383	1,976,000	2,102,500
Food & Beverage Tax .75%	1,454,200	1,463,537	1,482,000	1,576,900
Food & Beverage Tax .5%	969,467	975,691	-	-
TOTAL REVENUES	8,198,813	8,444,197	7,155,000	7,738,400
EXPENSES				
Duluth Entertainment & Convention Center	1,120,629	50,000	86,700	88,000
Visit Duluth	1,480,800	1,675,000	1,600,000	1,600,000
Other Promotional Programs	-	-	88,400	234,000
Business Improvement District	200,000	200,000	200,000	200,000
Great Lakes Aquarium	300,000	429,241	410,000	350,000
Lake Superior Zoological Gardens	520,000	520,000	510,000	510,000
St. Louis County Heritage & Arts Center	151,800	151,800	176,800	176,800
Public Arts	30,000	30,000	50,000	50,000
Duluth Sister Cities International	20,000	20,000	30,000	30,000
Lake Superior & Mississippi Railroad	-	20,000	20,000	20,000
Rail Alliance	38,000	30,875	12,500	12,500
Miscellaneous	-	-	187,000	-
Transfer to General Fund	747,639	746,237	815,900	827,900
Transfer to Capital Projects	402,330	200,000	705,000	100,000
Transfer for Debt Service				
- DECC	2,505,734	4,169,298	2,642,900	2,858,600
- Lake Superior Center	201,200	763,778	-	-
- Spirit Mountain	350,000	421,568	560,000	645,700
TOTAL EXPENSES	8,068,132	9,427,797	8,095,200	7,703,500
Increase Undesignated Fund Balance	-	-	49,800	34,900
FUND BALANCE - DECEMBER 31	2,104,158	1,120,558	230,158	265,058

City of Duluth Minnesota - 2014 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 2014 budget figures represent preliminary estimates only.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	-	(49,987)	(129,888)	(129,888)
REVENUES				
Home Grant	908,194	548,356	615,200	505,800
TOTAL REVENUES	<u>908,194</u>	<u>548,356</u>	<u>615,200</u>	<u>505,800</u>
EXPENSES				
Tenant Based Rental Assistance	107,801	109,533	85,900	85,000
Community Housing Devel Program	377,036	368,805	200,300	200,000
Home Ownership Program	415,511	111,217	-	-
Rehabilitation	-	-	229,000	170,200
Administration	57,832	38,702	100,000	50,600
TOTAL EXPENSES	<u>958,181</u>	<u>628,257</u>	<u>615,200</u>	<u>505,800</u>
FUND BALANCE - DECEMBER 31	(49,987)	(129,888)	(129,888)	(129,888)

City of Duluth Minnesota - 2014 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 2014 budget figures represent preliminary estimates only, awaiting the allocation of HUD funds.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	(41,366)	9,509	(211,882)	(211,882)
REVENUES				
State of Minnesota	783,929	646,432	-	-
Community Development				
Block Grant	2,760,926	2,131,330	2,235,600	2,263,100
Emergency Shelter Grant	116,073	100,355	222,400	156,000
CDBG-R (ARRA)	25,340	80,182	-	-
Homeless Prevention & Rehousing	560,417	37,004	-	-
Neighborhood Stabilization	561,331	-	2,000	2,000
EPA Showcase Grant	36,232	218,957	166,700	130,400
Lead Remediation Grant	185,376	173,242	425,000	817,000
State Legacy Grant	225,000	168,525	178,000	-
Miscellaneous reimbursements	9,983	-	-	-
TOTAL REVENUES	5,264,607	3,556,027	3,229,700	3,368,500
EXPENSES				
Economic Development	424,229	320,992	336,800	339,500
Housing	2,494,324	2,150,999	1,400,900	1,676,700
Physical Improvements	517,807	409,424	514,800	452,600
Public Service Projects	1,121,159	353,239	336,700	339,500
Program Administration	656,213	542,764	640,500	560,200
TOTAL EXPENSES	5,213,732	3,777,418	3,229,700	3,368,500
FUND BALANCE - DECEMBER 31	9,509	(211,882)	(211,882)	(211,882)

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	-	-	-	-
REVENUES				
Community Development				
Block Grant	489,517	446,453	623,800	531,500
Home Grant	41,709	25,517	57,200	50,600
CDBG-R (ARRA)	19,349	11,698	-	-
Homeless Prevention & Rehousing	17,293	1,933	-	-
Neighborhood Stabilization	45,345	11,345	2,000	2,000
Lead Paint Abatement Grant	7,376	3,360	10,000	15,000
Emergency Shelter Grant	3,629	6,854	16,700	11,700
TOTAL REVENUES	624,218	507,160	709,700	610,800
EXPENSES				
Personal Services	550,454	448,218	604,000	502,100
OPEB	25,300	9,200	9,200	9,200
Other Services and Charges	48,464	49,742	96,500	99,500
TOTAL EXPENSES	624,218	507,160	709,700	610,800
FUND BALANCE - DECEMBER 31	-	-	-	-

BUDGETED FTE'S	2011	2012	2013	2014
1150 Director, Planning & Const Services	-	-	0.33	0.33
1085 Manager, CD/Housing	1	1	1	1
136 Senior Planner	2	2	2	2
133 Planner II	3	3	3	3
126 Information Technician	1	1	0.5	0.5
Division Total	7	7	6.83	6.83

City of Duluth Minnesota - 2014 Budget

Workforce Investment Act

268

Special Revenue fund which accounts for monies received through the Minnesota Department's of Economic Security and Trade, Economic Development, and Human Services to provide workforce development services for unemployed and underemployed persons. The 2014 budget figures represent preliminary estimates only and are subject to change as grants are appropriated by the State and approved by the City Council.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	385,120	466,175	260,307	260,307
REVENUES				
Miscellaneous	5,730	6,699	5,000	5,000
Building Rent	-	95,413	216,000	216,000
MN Family Investment Program	1,060,036	965,266	863,600	895,500
Federal Grant	984,461	821,392	1,568,200	576,200
State Grant	255,296	294,543	260,100	246,300
TOTAL REVENUES	2,305,523	2,183,313	2,912,900	1,939,000
EXPENSES				
Personal Services	1,580,521	1,667,328	2,538,400	1,200,000
OPEB	75,900	34,500	34,500	34,500
Other Services and Charges	568,047	687,353	340,000	704,500
TOTAL EXPENSES	2,224,468	2,389,181	2,912,900	1,939,000
FUND BALANCE - DECEMBER 31	466,175	260,307	260,307	260,307
BUDGETED FTE'S				
1085 Mgr, Employment & Training	1	1	1	1
134 Sr Comm Service Emp Dir	1	1	1	1
131 Employment Technician	18	18	18	18
126 Information Technician	2	2	2	2
Division Total	22	22	22	22

City of Duluth Minnesota - 2014 Budget

Senior Programs

270

Special Revenue fund which accounts for monies received through the Minnesota Department of Economic Security and the National Council of Senior Citizens under Title V of the Older Americans Act to provide useful part-time employment for low-income elderly and to improve community services where needed.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	-	(72,080)	686	686
REVENUES				
Senior Employment Program - State	99,992	198,684	300,000	111,600
Senior Aides Program - Federal	308,693	283,431	125,000	232,200
TOTAL REVENUES	<u>408,685</u>	<u>482,115</u>	<u>425,000</u>	<u>343,800</u>
EXPENSES				
Personal Services	465,927	404,312	425,000	343,800
Other Services and Charges	14,837	5,037	-	-
TOTAL EXPENSES	<u>480,765</u>	<u>409,349</u>	<u>425,000</u>	<u>343,800</u>
FUND BALANCE - DECEMBER 31	(72,080)	686	686	686

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	25,690,642	28,819,295	31,743,134	32,900,034
REVENUES				
Investment Earnings	826,617	881,208	950,000	900,000
Change in Fair Value	125,286	2,501,714	-	2,000,000
Trsf from Special Rev Funds (Grants)	-	-	43,700	43,700
Contributions- Employer	2,178,463	9,699,313	8,965,200	9,205,000
TOTAL REVENUES	<u>3,130,366</u>	<u>13,082,235</u>	<u>9,958,900</u>	<u>12,148,700</u>
EXPENSES				
Administrative Expenses	1,713	2,783	2,000	3,000
Benefits	-	9,655,613	8,400,000	8,700,000
Other Expenses	-	500,000	400,000	-
TOTAL EXPENSES	<u>1,713</u>	<u>10,158,396</u>	<u>8,802,000</u>	<u>8,703,000</u>
FUND BALANCE - DECEMBER 31	28,819,295	31,743,134	32,900,034	36,345,734

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	864,182	1,355,741	2,068,979	2,380,479
REVENUES				
Other Reimbursements	466,984	-	-	-
Transfer from Special Revenue Funds	1,454,200	2,714,258	2,640,300	2,858,600
TOTAL REVENUES	<u>1,921,184</u>	<u>2,714,258</u>	<u>2,640,300</u>	<u>2,858,600</u>
EXPENSES				
Miscellaneous	-	252,075	-	-
Transfer to Debt Service	1,429,625	1,748,945	2,328,800	2,380,900
TOTAL EXPENSES	<u>1,429,625</u>	<u>2,001,020</u>	<u>2,328,800</u>	<u>2,380,900</u>
FUND BALANCE - DECEMBER 31	1,355,741	2,068,979	2,380,479	2,858,179

Debt Service Funds

City of Duluth Minnesota - 2014 Budget

Debt Service Funds

Funds

GO Debt Service - Tax Levy
 GO Debt Service - Other Sources
 Special Assessment Debt
 Street Improvement Debt
 Transit Bond Fund

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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	19,144,190	17,274,179	15,673,111	17,377,411
REVENUES				
Taxes	5,406,309	6,514,783	7,161,500	6,261,200
Intergovernmental	11,298	3,402	-	-
Special Assessments	1,735,627	1,601,910	1,441,500	1,264,300
Miscellaneous	326,457	277,044	241,700	239,700
Other Financing Sources	7,006,535	23,543,754	6,504,300	3,985,600
TOTAL REVENUES	<u>14,486,226</u>	<u>31,940,893</u>	<u>15,349,000</u>	<u>11,750,800</u>
EXPENSES				
Debt Service Payments	15,748,886	32,692,811	12,872,500	14,538,400
Miscellaneous	607,351	849,150	772,200	11,900
TOTAL EXPENSES	<u>16,356,237</u>	<u>33,541,961</u>	<u>13,644,700</u>	<u>14,550,300</u>
FUND BALANCE - DECEMBER 31	17,274,179	15,673,111	17,377,411	14,577,911

City of Duluth Minnesota - 2014 Budget

Debt Service Funds Narrative

2013 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, 2013 as it pertains to the City of Duluth is estimated as follows:

Total Gross Bonded Debt		\$156,427,000
Less:		
City Revenue Bonds	\$	415,000
City - general obligation bonds paid by parking revenues		11,520,000
City - general obligation bonds paid by other revenues		49,235,000
Tax Abatement Bonds		7,290,000
Utility bonds paid from Enterprise Funds		25,785,000
Special assessment bonds		20,901,294
Net Direct Bonded Debt		<u>\$41,280,706</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 \$101 million.

<u>Year</u>	<u>Amount (in Thousands)</u>	<u>Percent of Market Value</u>	<u>Dollars Per Capita</u>
2014	\$41,281	0.8	\$479
2013	\$40,540	0.8	\$470
2012	\$41,874	0.7	\$485
2011	\$40,949	0.7	\$471
2010	\$41,410	0.7	\$476
2009	\$22,420	0.4	\$258
2008	\$28,986	0.5	\$333
2007	\$29,284	0.6	\$337
2006	\$26,802	0.6	\$308
2005	\$19,208	0.5	\$221
2004	\$21,365	0.6	\$245

The preceding table used an estimated taxable market value of \$5,064,580,000 and a population of 86,265, as reported in the 2010 census.

City of Duluth Minnesota - 2014 Budget

Debt Service Funds Narrative

During 2013, the City of Duluth will issue an estimated \$10,490,000 in bonds and retire \$12,295,000 in bond principal. The 2014 issues consist of a \$3,900,000 bond for capital equipment purchases: \$1,700,000 for capital improvements; \$5,745,000 for water improvements; \$820,000 for sanitary sewer improvements; \$600,000 for trail improvements; and \$8,500,000 for a proposed corporate tower project.

The following table provides more detailed information concerning the changes in debt which will occur during 2013, and also the anticipated 2014 issues.

	2013 ISSUED	2013 RETIRED	ANTICIPATED ISSUE
General Obligation	\$10,490,000	\$5,338,265	\$6,200,000
Special Assessment		3,041,735	
Revenue		150,000	8,500,000
Revenue & General Obligation		3,765,000	6,565,000
 Total Issued/Retired in 2013 and anticipated Issues for 2014	 <u>\$10,490,000</u>	 <u>\$12,295,000</u>	 <u>\$21,265,000</u>

Bonds funded by Other Financing Sources:

	Issue Date	Outstanding 12/31/13	Debt Requirements
<u>General Fund Debt Requirements</u>			
SIP-1998 Project Year (refunding)	12/19/06	444,000	452,900
SIP-1999 Project Year (refunding)	12/09/08	856,300	447,800
SIP-2000 Project Year (refunding)	12/19/06	1,003,000	356,700
SIP-2003-2005 Project Year (refunding)	11/27/12	5,444,900	700,200
SIP-2005 Project Year	10/01/05	225,000	229,500
SIP-2006 Project Year	9/07/06	1,795,000	233,500
SIP-2007 Project Year	12/13/07	1,325,000	160,800
SIP-2008 Project Year	8/07/08	1,350,000	156,300
Funded by Community Investment Fund			<u>\$2,737,700</u>

Transfer from Special Revenue Funds

Duluth Entertainment Center	8/21/08	40,005,000	2,380,900
Spirit Mountain	2/23/12	7,055,000	500,000
Funded by Tourism Taxes			<u>\$2,880,900</u>

Funded by Others

Seaway Port - Airpark	9/01/04	520,000	87,000
Airport - Cirrus	2/01/02	1,260,000	393,300
Airport	5/24/12	7,650,000	624,400
Funded by Others			<u>1,104,700</u>

City of Duluth Minnesota - 2014 Budget

Debt Service Funds Narrative

The following tables provide specific information relative to the 2013 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 12/31/2013</u>	<u>2014 Levy Requirements</u>
West Michigan St.	12/19/09	173,700	31,300
Aerial Lift Bridge	8/07/08	945,000	183,000
DEDA - Cirrus	4/20/07	0	14,000
Police Station	12/17/09	17,720,000	1,416,000
Lakewalk & Cross City	2013	1,550,000	181,800
Equipment	12/17/09	1,065,000	556,200
Equipment	11/23/2010	1,395,000	478,100
Equipment	11/29/2011	2,510,000	658,000
Equipment	11/27/2012	3,275,000	720,100
Equipment	2013	3,952,000	838,500
Capital Improvement Projects	6/01/05	320,000	171,100
Capital Improvement Projects	9/07/06	335,000	119,000
Capital Improvement Projects	12/13/07	605,000	168,600
Capital Improvement Projects	12/07/08	960,000	216,500
Capital Improvement Projects	11/23/2010	1,790,000	255,400
Capital Improvement Projects	11/29/2011	1,715,000	221,400
Capital Improvement Projects	2013	1,875,000	219,800
TOTAL DEBT SERVICE			6,448,800
5% Additional required by law (1)			322,400
			<u>6,771,200</u>
Less: Cash Reserve			(510,000)
NET DEBT LEVY - Total required by taxation			<u>6,261,200</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 - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	4,023,707	4,964,098	5,855,638	6,553,138
REVENUES				
Current Property Taxes	5,294,720	6,383,295	7,161,500	6,261,200
Delinquent Property Taxes	109,564	130,643	-	-
State Property Tax Aid	11,298	3,402	-	-
Other Sources	321,824	273,799	238,800	238,800
Transfer from General Fund	250,000	-	-	-
Transfer from Debt Service	-	151,383	-	-
Transfer from Capital Project	4,167	27,421	-	-
TOTAL REVENUES	5,991,573	6,969,943	7,400,300	6,500,000
EXPENSES				
Debt Service Payments:				
Bond Principal	3,063,095	4,014,052	4,568,300	4,873,100
Bond Interest	1,388,676	1,382,140	1,370,800	1,258,400
Other Expenditures:				
Transfer to SA Debt Service	182,091	-	-	-
Transfer to Enterprise Fund	399,100	662,185	757,400	-
Bond Fees	18,220	20,026	6,300	5,400
TOTAL EXPENSES	5,051,182	6,078,403	6,702,800	6,136,900
FUND BALANCE - DECEMBER 31	4,964,098	5,855,638	6,553,138	6,916,238

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	1,811,139	2,002,078	1,611,310	2,728,810
REVENUES				
Sale of Bonds	-	7,650,000	-	-
Bond Premium	-	22,104	-	-
Transfer from Special Revenue -				
Lake Superior Center	201,200	763,778	-	-
DECC Expansion and Parking	720,400	1,455,040	-	-
DECC Improvement	1,429,625	1,748,945	2,328,800	2,380,900
Spirit Mountain	-	201,546	500,000	500,000
Transfer from Capital Projects -				
DECC Improvement	854,105	4,704	-	-
Transfer from Debt Service -				
Lakewalk Homes	41,775	46,964	40,000	-
Funded by Others -				
Airport	-	621,981	923,300	624,400
Spirit Mountain	-	-	15,900	-
Seaway Port - Airpark	83,876	86,781	84,400	87,000
Airport - Cirrus	378,948	383,651	388,400	393,300
TOTAL REVENUES	<u>3,709,929</u>	<u>12,985,494</u>	<u>4,280,800</u>	<u>3,985,600</u>
EXPENSES				
Bond Principal	1,380,000	3,545,000	795,000	1,635,000
Bond Interest	2,136,890	2,274,946	2,365,500	2,289,400
Bond Discount/Issuance	-	55,425	-	-
Payment to Other Gov't Agency	-	7,490,075	-	-
Fiscal Agents	2,100	10,816	2,800	2,500
TOTAL EXPENSES	<u>3,518,990</u>	<u>13,376,262</u>	<u>3,163,300</u>	<u>3,926,900</u>
FUND BALANCE - DECEMBER 31	2,002,078	1,611,310	2,728,810	2,787,510

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	1,827,946	2,295,525	2,221,429	2,037,329
REVENUES				
Construction Assessments	1,064,353	1,017,865	909,900	807,500
Earnings on Investments	1,614	1,034	800	300
Transfer from Debt Service Funds	182,091	-	-	-
TOTAL REVENUES	<u>1,248,058</u>	<u>1,018,899</u>	<u>910,700</u>	<u>807,800</u>
EXPENSES				
Bond Principal	576,905	890,948	916,700	956,900
Bond Interest	203,574	202,047	176,300	150,900
Fiscal Agents	-	-	1,800	1,400
TOTAL EXPENSES	<u>780,479</u>	<u>1,092,995</u>	<u>1,094,800</u>	<u>1,109,200</u>
FUND BALANCE - DECEMBER 31	2,295,525	2,221,429	2,037,329	1,735,929

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	11,251,070	7,861,940	5,984,734	6,058,134
REVENUES				
Construction Assessments	671,274	584,045	531,600	456,800
Earnings on Investments	3,019	2,211	2,100	600
Sale of Bonds	-	6,905,000	-	-
Bond Premium	-	561,274	-	-
Transfer from Special Revenue	2,860,348	2,913,182	2,223,500	-
TOTAL REVENUES	<u>3,534,641</u>	<u>10,965,712</u>	<u>2,757,200</u>	<u>457,400</u>
EXPENSES				
Fiscal Agent Fees	4,025	4,740	3,900	2,600
Bond Principal	5,890,000	4,380,000	2,150,000	2,875,000
Bond Interest	1,029,746	1,007,169	529,900	499,700
Payment to Escrow	-	7,363,043	-	-
Bond Discount/Issuance	-	87,966	-	-
TOTAL EXPENSES	<u>6,923,771</u>	<u>12,842,918</u>	<u>2,683,800</u>	<u>3,377,300</u>
FUND BALANCE - DECEMBER 31	7,861,940	5,984,734	6,058,134	3,138,234

City of Duluth Minnesota - 2014 Budget

Transit Bond

345

This Debt Service Fund is for the payment of interest payments and principal payments for bonds issued by the City for the Duluth Transit System.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	230,328	150,538		
REVENUES				
Current Property Taxes	2,025	845		
TOTAL REVENUES	<u>2,025</u>	<u>845</u>		
EXPENSES				
Bond Redemption	80,000	-		
Transfer to GO Debt Service	1,815	151,383		
TOTAL EXPENSES	<u>81,815</u>	<u>151,383</u>		
FUND BALANCE - DECEMBER 31	150,538	-		

Capital Project Funds

City of Duluth Minnesota - 2014 Budget

Capital Project Funds

Funds

Special Assessment Capital
 Permanent Improvements
 Street Improvement Program
 Capital Improvement

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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	20,941,933	13,582,414	5,699,339	3,883,039
REVENUES				
Taxes	390,830	148,466	207,500	280,000
Intergovernmental	10,809,755	4,225,019	5,578,000	5,890,000
Miscellaneous	1,102,753	926,606	378,700	407,100
Other Financing Sources	9,289,949	355,558	5,065,000	3,188,500
TOTAL REVENUES	<u>21,593,287</u>	<u>5,655,649</u>	<u>11,229,200</u>	<u>9,765,600</u>
EXPENSES				
Current	84,732	27,421	-	50,000
Capital Outlay	28,868,074	13,511,303	13,045,500	9,718,500
TOTAL EXPENSES	<u>28,952,806</u>	<u>13,538,724</u>	<u>13,045,500</u>	<u>9,768,500</u>
FUND BALANCE - DECEMBER 31	13,582,414	5,699,339	3,883,039	3,880,139

City of Duluth Minnesota - 2014 Budget

Special Assessment Capital Project

410

Capital Project fund established to account for improvements which are financed by special assessments. The 2014 budget figures represent preliminary estimates only.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	27,486	23,719	32,102	30,802
REVENUES				
Assessment Collections	9,340	8,365	8,700	7,100
Earnings on Investments	15	18	-	-
Transfer from Debt Service	6,380	-	-	-
TOTAL REVENUES	<u>15,735</u>	<u>8,383</u>	<u>8,700</u>	<u>7,100</u>
EXPENSES				
Improvements Other Than Buildings	<u>19,502</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
TOTAL EXPENSES	<u>19,502</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
FUND BALANCE - DECEMBER 31	23,719	32,102	30,802	27,902

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	1,463,537	3,107,938	369,110	193,110
REVENUES				
Current Property Taxes	381,812	138,344	207,500	280,000
Delinquent Property Taxes	9,018	10,122	-	-
Miscellaneous Federal Grants	3,137,267	497,911	1,400,000	2,390,000
State of Minnesota	2,576,527	626,798	-	-
State Property Tax Aid	808	73	-	-
Municipal State Aid	4,779,695	3,062,041	4,178,000	3,500,000
Other Share of Improvements	-	1,750	-	-
Public Utility Funds	-	-	1,215,000	1,454,500
TOTAL REVENUES	10,885,127	4,337,039	7,000,500	7,624,500
EXPENSES				
Buildings and Structures Improvements Other Than Buildings	9,214,886	7,067,444	7,116,500	7,594,500
Transfer to General Fund	19,460	8,423	60,000	30,000
Transfer to Special Assessment	6,380	-	-	-
TOTAL EXPENSES	9,240,726	7,075,867	7,176,500	7,624,500
FUND BALANCE - DECEMBER 31	3,107,938	369,110	193,110	193,110

City of Duluth Minnesota - 2014 Budget

Street Improvement Program

440

Capital Project Fund established to account for improvements to be made as part of the City's Street Improvement Program.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	884,041	2,397,541	1,643,346	4,346
REVENUES				
Public Utility	-	-	2,025,000	-
Investment Earnings	34,290	885	-	-
Transfer from Special Revenue	6,029,785	29,250	-	-
Assessment Collections	692,305	857,295	370,000	400,000
TOTAL REVENUES	6,756,380	887,430	2,395,000	400,000
EXPENSES				
Improvements Other than Buildings	5,209,420	1,641,625	4,034,000	400,000
Transfer to General Fund	33,460	-	-	-
TOTAL EXPENSES	5,242,880	1,641,625	4,034,000	400,000
FUND BALANCE - DECEMBER 31	2,397,541	1,643,346	4,346	4,346

City of Duluth Minnesota - 2014 Budget

Capital Improvement

450

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

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	18,566,869	8,053,216	3,654,781	3,654,781
REVENUES				
Federal Grant	315,458	38,196	-	-
Gifts and Donations	113,860	-	-	-
Earnings on Investments	252,943	58,293	-	-
Transfer from General Fund	143,505	126,308	-	-
Transfer from Special Revenue	412,226	200,000	-	-
Transfer from DEDA	744,931	-	-	-
Bond Proceeds	1,870,000	-	1,825,000	1,734,000
Premium on bonds	83,122	-	-	-
TOTAL REVENUES	<u>3,936,045</u>	<u>422,797</u>	<u>1,825,000</u>	<u>1,734,000</u>
CAPITAL OUTLAY EXPENDITURES				
Transfer to Debt Service	4,167	27,421	-	-
Bond Issuance Costs	47,105	-	-	50,000
Capital Improvements	<u>14,398,426</u>	<u>4,793,811</u>	<u>1,825,000</u>	<u>1,684,000</u>
TOTAL EXPENSES	<u>14,449,698</u>	<u>4,821,232</u>	<u>1,825,000</u>	<u>1,734,000</u>
FUND BALANCE - DECEMBER 31	8,053,216	3,654,781	3,654,781	3,654,781

Enterprise Funds

City of Duluth Minnesota - 2014 Budget

Golf Fund

503

The Golf Fund is a self supporting enterprise fund which 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 user fees through daily admissions, season passes, and concession sales.

Estimated Revenues/Expenses	2011 Actual	2012 Actual	2013 Budget	2014 Approved
REVENUE				
Operating	1,860,077	1,926,394	2,013,000	2,015,000
Non-Operating	(29,065)	540	-	-
	<u>1,831,012</u>	<u>1,926,934</u>	<u>2,013,000</u>	<u>2,015,000</u>
EXPENSES				
Personal Services	102	86	-	-
Supplies	68,996	72,433	60,000	65,000
Other Services and Charges	1,366,474	1,536,615	1,445,600	1,443,700
Utilities	47,294	40,130	41,500	38,500
Depreciation and Amortization	217,224	223,935	211,000	219,000
Cost of Sales	301,190	298,249	310,000	307,500
Debt Service - Interest	25,802	21,111	8,200	4,200
	<u>2,027,082</u>	<u>2,192,559</u>	<u>2,076,300</u>	<u>2,077,900</u>
ESTIMATED OPERATING INCOME / (LOSS)				
	(196,070)	(265,625)	(63,300)	(62,900)

City of Duluth Minnesota - 2014 Budget

Golf Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2013 Budget	2014 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	(1,249,116)	(1,101,366)
Estimated Net Income (Loss)	(63,300)	(62,900)
<u>Other Sources</u>		
Depreciation	<u>211,000</u>	<u>219,000</u>
Total Other Sources	<u>147,700</u>	<u>156,100</u>
<u>Other Uses</u>		
Capital Lease Payments	(110,718)	(115,538)
Bond Principal Payments	<u>-</u>	<u>-</u>
Total Other Uses	<u>(110,718)</u>	<u>(115,538)</u>
ESTIMATED BUDGETARY YEAR END CASH BALANCE	<u><u>(1,212,134)</u></u>	<u><u>(1,060,804)</u></u>

City of Duluth Minnesota - 2014 Budget

Lester Golf Course

Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
OPERATING REVENUES:				
4440 Daily Admission	251,828	255,891	275,000	275,000
4441 Unlimited Season - Golf	50,700	46,200	205,000	205,000
4441 Family Season	34,060	29,050	-	-
4441 Restricted Season	67,050	72,850	-	-
4441 Junior Unlimited	16,847	15,077	-	-
4441 College Season	19,285	13,953	-	-
4441 Patron Card	14,060	17,020	-	-
4442 Motor Cart	131,121	145,199	140,000	150,000
4443 Driving Range Fees	25,797	25,159	28,000	26,000
4443 Other Rentals	5,604	9,298	4,500	9,500
4627 Concessions & Commissions	233,124	239,527	250,000	245,000
TOTAL OPERATING REVENUES	849,476	869,224	902,500	910,500
NON-OPERATING REVENUES				
4601 Earnings on Investments	9	3	-	-
4639 Loss on Sale of Equipment	(17,132)	-	-	-
4644 Misc Fees, Sales & Service	-	267	-	-
TOTAL NON-OPERATING REVENUES	(17,123)	270	-	-
TOTAL REVENUE - LESTER	832,353	869,494	902,500	910,500

City of Duluth Minnesota - 2014 Budget

Enger Golf Course

Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
OPERATING REVENUES:				
4440 Daily Admission	307,380	312,083	345,000	345,000
4441 Unlimited Season - Golf	70,200	86,460	265,000	255,000
4441 Family Season	32,180	27,450	-	-
4441 Restricted Season	77,875	75,193	-	-
4441 Junior Unlimited	17,025	16,325	-	-
4441 College Season	23,495	22,493	-	-
4441 Patron Card	16,650	24,596	-	-
4442 Motor Cart	166,681	176,150	175,000	180,000
4443 Driving Range Fees	39,550	44,533	46,000	45,000
4443 Other Rentals	5,596	4,450	4,500	4,500
4622 Rent of Buildings	1,565	-	-	-
4627 Concessions & Commissions	252,404	267,437	275,000	275,000
TOTAL OPERATING REVENUES	1,010,601	1,057,170	1,110,500	1,104,500
NON-OPERATING REVENUES				
4601 Earnings on Investments	9	3	-	-
4639 Loss on Sale of Equipment	(11,951)	-	-	-
4644 Misc. Fees, Sales & Services, Donations	-	267	-	-
TOTAL NON-OPERATING REVENUES	(11,942)	270	-	-
TOTAL REVENUE - ENGER	998,659	1,057,440	1,110,500	1,104,500

City of Duluth Minnesota - 2014 Budget

Lester Golf Course

Operating Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Approved
OTHER EXPENDITURES					
5133	Life Insurance	51	43	-	-
5212	Motor Fuels	31,446	36,701	27,500	30,000
5285	Food & Beverage for Resale	60,652	65,777	65,000	65,000
5286	Golf Merchandise for Resale	93,135	97,308	95,000	95,000
5310	Contract Services	577,963	703,829	640,000	640,000
5321	Telephone	876	869	800	900
5381	Electricity	10,875	11,397	10,500	11,000
5384	Refuse Disposal	2,687	-	2,500	-
5385	Oil	8,473	7,498	6,000	7,500
5415	Equipment Rental	35,851	35,562	35,600	35,600
5420	Depreciation	99,540	103,855	100,000	104,000
5427	Credit Card Commissions	9,413	8,992	10,000	9,500
5441	Other Services & Charges	(982)	1,046	1,500	1,500
5493	Cost Allocation Charges	33,400	33,400	33,400	33,400
5611	Bond Interest	5,097	2,525	-	-
5614	Capital Lease Interest	7,492	7,709	3,900	2,000
5622	Bond Cost Amortization	2,925	2,682	-	-
TOTAL		978,894	1,119,193	1,031,700	1,035,400
TOTAL - LESTER		978,894	1,119,193	1,031,700	1,035,400

City of Duluth Minnesota - 2014 Budget

Enger Golf Course

Operating Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Approved
OTHER EXPENDITURES					
5133	Life Insurance	51	43	-	-
5212	Motor Fuels	37,550	35,732	32,500	35,000
5284	Liquor Purchases	12,317	8,543	15,000	12,500
5285	Food & Beverage for Resale	81,728	77,570	85,000	85,000
5286	Golf Merchandise for Resale	53,358	49,051	50,000	50,000
5310	Contract Services	629,650	669,516	640,000	640,000
5321	Telephone	876	869	800	800
5381	Electricity	20,916	21,235	20,000	20,000
5384	Refuse Disposal	3,351	-	2,500	-
5385	Oil	992	-	-	-
5415	Equipment Rental	35,851	35,562	35,600	35,600
5420	Depreciation	111,834	114,716	111,000	115,000
5427	Credit Card Commissions	11,510	10,385	12,500	11,000
5441	Other Services & Charges	(1,334)	3,185	2,000	2,000
5493	Cost Allocation Charges	33,400	33,400	33,400	33,400
5611	Bond Interest	5,097	2,526	-	-
5614	Capital Lease Interest	8,116	8,351	4,300	2,200
5622	Bond Cost Amortization	2,925	2,682	-	-
	TOTAL	<u>1,048,188</u>	<u>1,073,366</u>	<u>1,044,600</u>	<u>1,042,500</u>
	TOTAL - ENGER	1,048,188	1,073,366	1,044,600	1,042,500

City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
REVENUES				
Operating Revenue	2,567,129	2,660,839	2,810,800	3,259,400
Non-Operating	869,364	1,697,062	2,265,600	1,601,000
	<u>3,436,493</u>	<u>4,357,901</u>	<u>5,076,400</u>	<u>4,860,400</u>
EXPENSES				
Personal Services	161,557	502,396	504,300	515,900
Supplies	74,047	61,582	119,300	127,000
Other Services and Charges	276,616	644,336	861,900	1,117,700
Utilities	155,603	149,575	165,100	165,100
Depreciation and Amortization	512,035	499,808	500,300	534,600
Improvements - Non-Capital	115,540	493,311	135,200	411,700
Debt Service - Interest	637,165	573,113	560,500	261,800
Transfers Out	1,452,200	1,323,052	1,952,700	1,328,600
	<u>3,384,763</u>	<u>4,247,173</u>	<u>4,799,300</u>	<u>4,462,400</u>
ESTIMATED OPERATING INCOME (LOSS)	51,730	110,728	277,100	398,000

BUDGETED FTE'S	2011	2012	2013	2014
1100 Parking Manager	-	-	1	1
121 Clerical Support Technician	-	-	1	1
24 Parking Ramp Leadworker	1	1	1	1
18 Parking Monitors	-	-	5	5
22 Maintenance Worker	-	1	-	-
15 Parking Ramp Attendant	3	1	-	-
Division Total	4	3	8	8

City of Duluth Minnesota - 2014 Budget

Parking Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2013 Projected	2014 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	3,830,698	3,748,098
Estimated Operating Income (Loss)	277,100	398,000
<u>Other Sources</u>		
Depreciation	483,400	518,200
Bond Amortization	16,900	16,400
	<hr/>	<hr/>
Total Other Sources	500,300	534,600
<u>Other Uses</u>		
Bond Principal Payments	860,000	1,045,000
	<hr/>	<hr/>
Total Other Uses	860,000	1,045,000
 ESTIMATED BUDGETARY YEAR END CASH BALANCE	 <u><u>3,748,098</u></u>	 <u><u>3,635,698</u></u>

City of Duluth Minnesota - 2014 Budget

Parking Fund

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Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
OPERATING REVENUES:				
4371 Parking Meter Revenues	796,839	822,811	881,900	1,100,000
4373 Transient Parking	889,707	940,570	1,016,900	998,500
4374 Contract Parking	880,583	897,458	912,000	1,160,900
TOTAL OPERATING REVENUE	2,567,129	2,660,839	2,810,800	3,259,400
NON-OPERATING REVENUES:				
4472 Administrative Parking Fines	-	523,289	1,025,000	1,102,200
4601 Earnings on Investments	680	31,053	-	-
4730 Transfer in from DEDA	469,584	480,535	483,200	498,800
4730 Transfer in from Debt Service	399,100	662,185	757,400	-
TOTAL NON-OPERATING REVENUES	869,364	1,697,062	2,265,600	1,601,000
TOTAL REVENUE	3,436,493	4,357,901	5,076,400	4,860,400

City of Duluth Minnesota - 2014 Budget

Parking Administration

505-015-1479

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular		131,970	125,200	134,300
5101 Permanent Employees - Overtime		412	-	-
5103 Temporary Employees - Regular		12,738	-	-
TOTAL		<u>145,120</u>	<u>125,200</u>	<u>134,300</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.		8,325	8,900	9,500
5122 F.I.C.A. Social Security		8,735	7,800	8,300
5123 F.I.C.A. Medicare		2,043	1,800	1,900
5125 Dental Insurance		768	800	300
5126 Life Insurance		420	400	400
5127 Health Care Savings Plan		1,075	1,200	1,300
5130 Cafeteria Plan Benefits		22,404	25,700	27,600
TOTAL		<u>43,770</u>	<u>46,600</u>	<u>49,300</u>
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies		376	2,000	2,000
5307 Admin/Management Fees		-	39,400	39,300
5321 Phone Service		120	700	700
5335 Mileage Reimbursement		57	400	900
5441 Other Services and Charges		41	7,000	9,000
5700 Transfer to Special Revenue		-	-	1,900
TOTAL		<u>594</u>	<u>49,500</u>	<u>53,800</u>
2512 TOTAL - ADMINISTRATION		189,484	221,300	237,400

City of Duluth Minnesota - 2014 Budget

Technology Center Parking Ramp

505-015-1480-2510

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	57,914	1,854		
5101 Permanent Employees - Overtime	1,332	-		
5103 Temporary Employees - Regular	3,996	-		
TOTAL	<u>63,242</u>	<u>1,854</u>		
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,923	-		
5122 F.I.C.A. Social Security	3,847	(252)		
5123 F.I.C.A. Medicare	900	(59)		
5124 Health Insurance	8,552	-		
5125 Dental Insurance	544	-		
5126 Life Insurance	270	60		
5127 Health Care Savings Plan	483	-		
5130 Cafeteria Plan Benefits	-	2,049		
5141 Unemployment Compensation	1,276	-		
TOTAL	<u>19,795</u>	<u>1,798</u>		
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	9,646	223	-	-
5220 Repair & Maintenance Supplies	3,689	190	-	-
5310 Contract Services	-	105,807	150,200	225,000
5319 Other Professional Service	661	208	-	-
5320 Data Services	900	375	-	-
5321 Phone Service	352	290	-	-
5335 Mileage Reimbursement	223	68	-	-
5381 Electricity	45,680	44,066	50,000	50,000
5382 Water, Gas & Sewer	2,781	2,355	2,000	2,000
5384 Refuse Disposal	864	585	100	100
5386 Steam	10,328	8,618	8,000	8,000
5404 Equipment Maintenance/Repair	3,138	-	1,100	1,100
5405 Parking Lot Maintenance	2,062	1,627	75,200	101,700
5420 Depreciation	171,629	173,257	173,300	206,700
5427 Credit Card commissions	3,155	1,302	-	-
5441 Other Services and Charges	11,942	2,039	-	-
5450 Laundry	2,128	2,030	-	-
5493 Cost Allocation	4,700	4,700	4,700	4,700
5580 Capital Equipment	-	-	175,000	-
5611 Bond Interest	42,542	36,609	21,300	9,600
5613 Interest From Bond Discount	-	(4,543)	-	-
5620 Fiscal Agents Fees	249	263	-	-
5622 Bond Amortization	8,414	8,444	8,400	8,400
TOTAL	<u>325,083</u>	<u>388,513</u>	<u>669,300</u>	<u>617,300</u>
2510 TOTAL - TECHNOLOGY CENTER RAMP	408,120	392,165	669,300	617,300

City of Duluth Minnesota - 2014 Budget

East Superior Street Parking Ramp

505-015-1480-2511

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
OPERATING EXPENSES				
5220 Repair & Maintenance Supplies	38,420	28,248	-	-
5310 Contract Services	200,417	208,177	228,900	290,800
5381 Electricity	16,028	12,872	15,000	15,000
5382 Water, Gas & Sewer	1,933	2,233	2,000	2,000
5405 Parking Lot Maintenance	5,416	45,931	10,000	260,000
5420 Depreciation	39,766	39,766	39,800	39,800
5441 Other Services and Charges	100	1,254	-	-
5493 Cost Allocation	4,700	4,700	4,700	4,700
5611 Bond Interest	3,619	3,014	1,700	800
5620 Fiscal Agent Fees	-	175	-	-
5622 Bond Amortization	662	665	700	700
5730 Transfer to General Fund	303,300	335,184	308,700	-
TOTAL	<u>614,361</u>	<u>682,219</u>	<u>611,500</u>	<u>613,800</u>
2511 TOTAL - E SUPERIOR ST PARKING RAMP	614,361	682,219	611,500	613,800

City of Duluth Minnesota - 2014 Budget

Medical District Parking Ramp

505-015-1480-2512

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	57,912	1,854		
5101 Permanent Employees - Overtime	1,332	-		
5103 Temporary Employees - Regular	-	-		
TOTAL	<u>59,244</u>	<u>1,854</u>		
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,714	-		
5122 F.I.C.A. Social Security	3,599	(252)		
5123 F.I.C.A. Medicare	841	(59)		
5124 Health Insurance	8,551	-		
5125 Dental Insurance	544	-		
5126 Life Insurance	270	60		
5127 Health Care Savings Plan	482	-		
5130 Cafeteria Plan Benefits	-	2,049		
5141 Unemployment Compensation	1,276	-		
TOTAL	<u>19,277</u>	<u>1,798</u>		
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	7,045	188	-	-
5310 Contract Services	-	97,355	155,000	211,300
5319 Other Professional Service	234	208	-	-
5320 Data Services	900	375	-	-
5335 Mileage Reimbursement	235	71	-	-
5381 Electricity	46,373	51,135	45,000	45,000
5382 Water, Gas & Sewer	23,087	21,060	35,000	35,000
5404 Equipment Maintenance/Repair	2,803	100	2,000	2,000
5405 Parking Lot Maintenance	6,207	2,086	25,000	25,000
5420 Depreciation	227,016	227,016	227,000	227,000
5427 Credit Card commissions	2,580	1,102	-	-
5441 Other Services and Charges	10,761	5,170	-	-
5481 Property Taxes	3,323	3,699	3,500	3,500
5493 Cost Allocation	4,700	4,700	4,700	4,700
5611 Bond Interest	591,103	533,314	537,500	251,400
5613 Interest From Bond Discount	-	4,719	-	-
5620 Fiscal Agents Fees	350	903	400	-
5622 Bond Amortization	7,815	683	7,800	7,300
5730 Transfer to General Fund	292,926	408,382	262,200	-
TOTAL	<u>1,227,458</u>	<u>1,362,266</u>	<u>1,305,100</u>	<u>812,200</u>
2512 TOTAL - MEDICAL DISTRICT PARKING RAMP	1,305,979	1,365,918	1,305,100	812,200

City of Duluth Minnesota - 2014 Budget

Library and Coney Island Parking Ramps

505-015-1480-2513

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
OPERATING EXPENSES				
5310 Contract Services	-	38,556	84,800	137,600
5381 Electricity	8,529	7,236	8,000	8,000
5405 Parking Lot Maintenance	101,855	443,667	25,000	25,000
5420 Depreciation	32,161	32,161	32,200	32,200
5493 Cost Allocation	4,600	4,600	4,600	4,600
5730 Transfer to General Fund	-	-	42,400	-
TOTAL	147,145	526,220	197,000	207,400
2513 TOTAL - LIBRARY & CONEY ISLAND PARKING RAMPS	147,145	526,220	197,000	207,400

City of Duluth Minnesota - 2014 Budget

Parking Meters and Enforcement

505-015-1481

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular		207,977	216,100	221,000
5101 Permanent Employees - Overtime		-	-	-
5103 Temporary Employees - Regular		-	-	-
TOTAL		<u>207,977</u>	<u>216,100</u>	<u>221,000</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.		13,669	15,000	15,000
5122 F.I.C.A. Social Security		12,783	13,400	13,700
5123 F.I.C.A. Medicare		2,989	3,100	3,200
5125 Dental Insurance		2,204	2,300	900
5126 Life Insurance		1,031	1,100	1,100
5127 Health Care Savings Plan		1,811	4,300	8,000
5130 Cafeteria Plan Benefits		63,411	77,200	69,400
5141 Unemployment Compensation		327	-	-
TOTAL		<u>98,225</u>	<u>116,400</u>	<u>111,300</u>
OPERATING EXPENSES				
5212 Motor Fuels	-	1,271	7,000	10,000
5218 Uniforms	-	-	4,500	5,000
5219 Other Miscellaneous Supplies	6,254	6,717	800	5,000
5241 Small Equipment	8,994	24,369	105,000	105,000
5306 Collection Services	-	13,334	-	-
5310 Contract Services	-	126,071	150,000	150,000
5409 Fleet Service Charges	1,151	1,890	4,000	12,000
5420 Depreciation	24,572	17,816	11,100	12,500
5427 Credit Card Commissions	926	2,220	-	-
5441 Other Services and Charges	6,687	7,245	11,200	11,200
5493 Cost Allocation	4,600	4,600	4,600	4,600
5580 Capital Equipment	-	-	35,000	-
5730 Transfer to General Fund	933,587	579,486	1,339,400	1,326,700
TOTAL	<u>986,771</u>	<u>785,019</u>	<u>1,672,600</u>	<u>1,642,000</u>
2512 TOTAL - METERS & ENFORCEMENT	986,771	1,091,221	2,005,100	1,974,300

City of Duluth Minnesota - 2014 Budget

Public Works & Utilities Department – Utilities

Mission and Vision

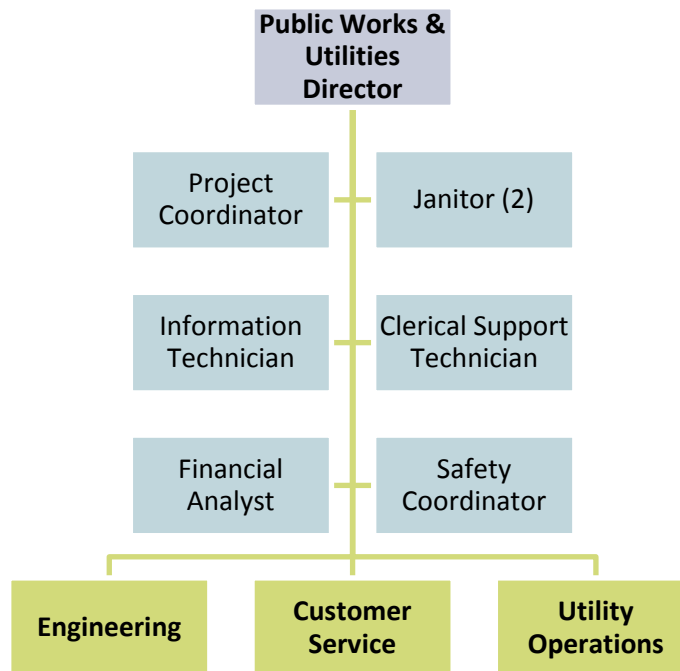
The mission of the Public Works and Utilities Department is to provide: professional engineering services, and water, natural gas, sanitary sewer, storm water, and street lighting utilities to Duluth's businesses and residents in a safe, cost effective and environmentally sound manner through skilled, safety oriented and customer focused employees. The utilities side of this department accounts for the operations of the City's utilities of Water, Gas, Sewer, Stormwater and Street Lighting, budgeted as Enterprise Funds.

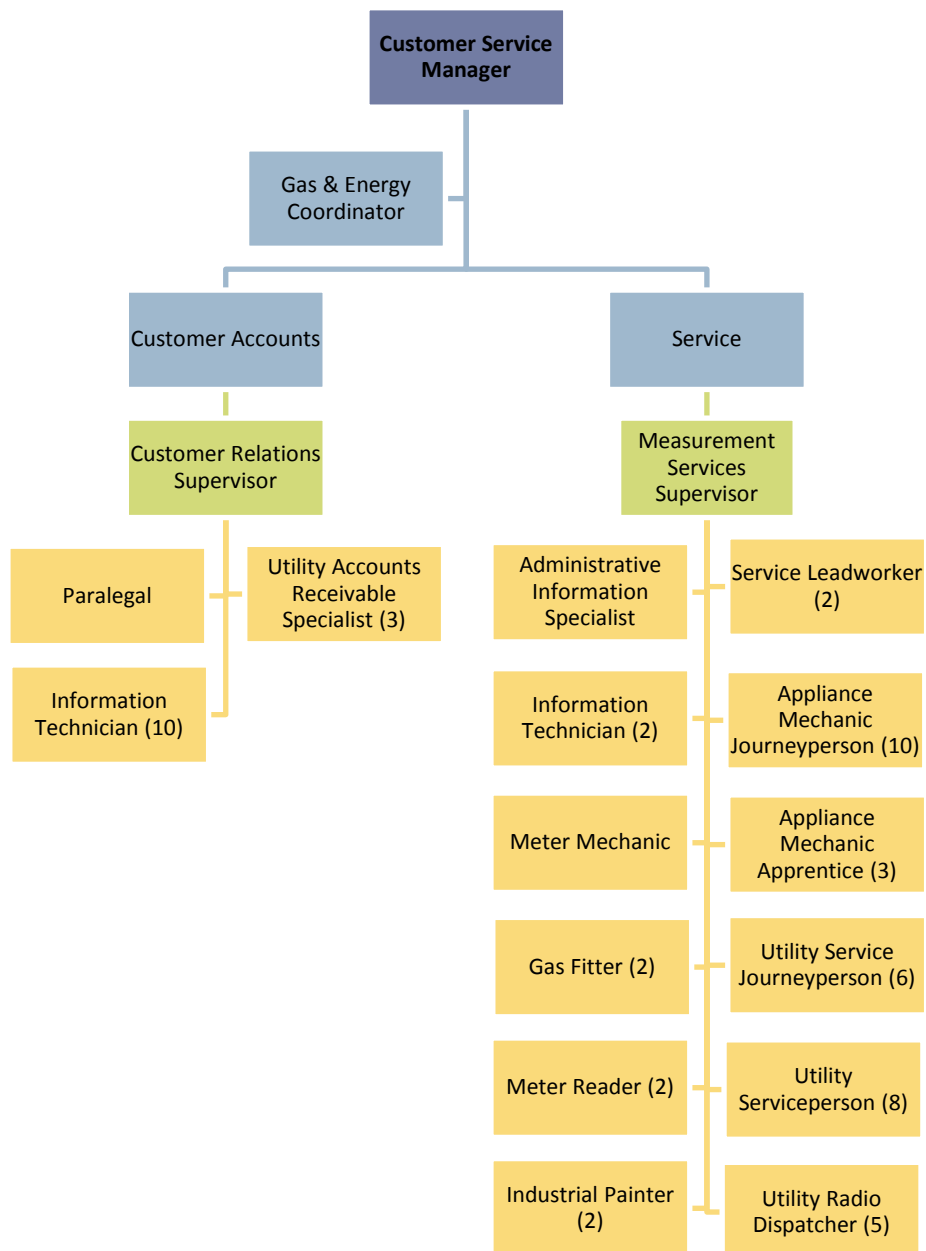
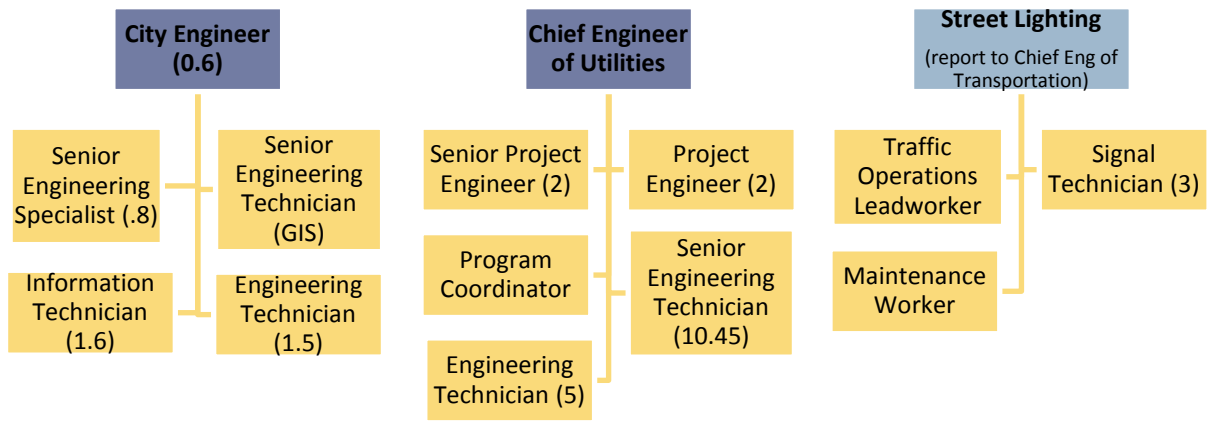
The Department's vision is to become a functionally integrated organization operating at optimum efficiencies and providing cost-effective and reliable service for all Duluthians.

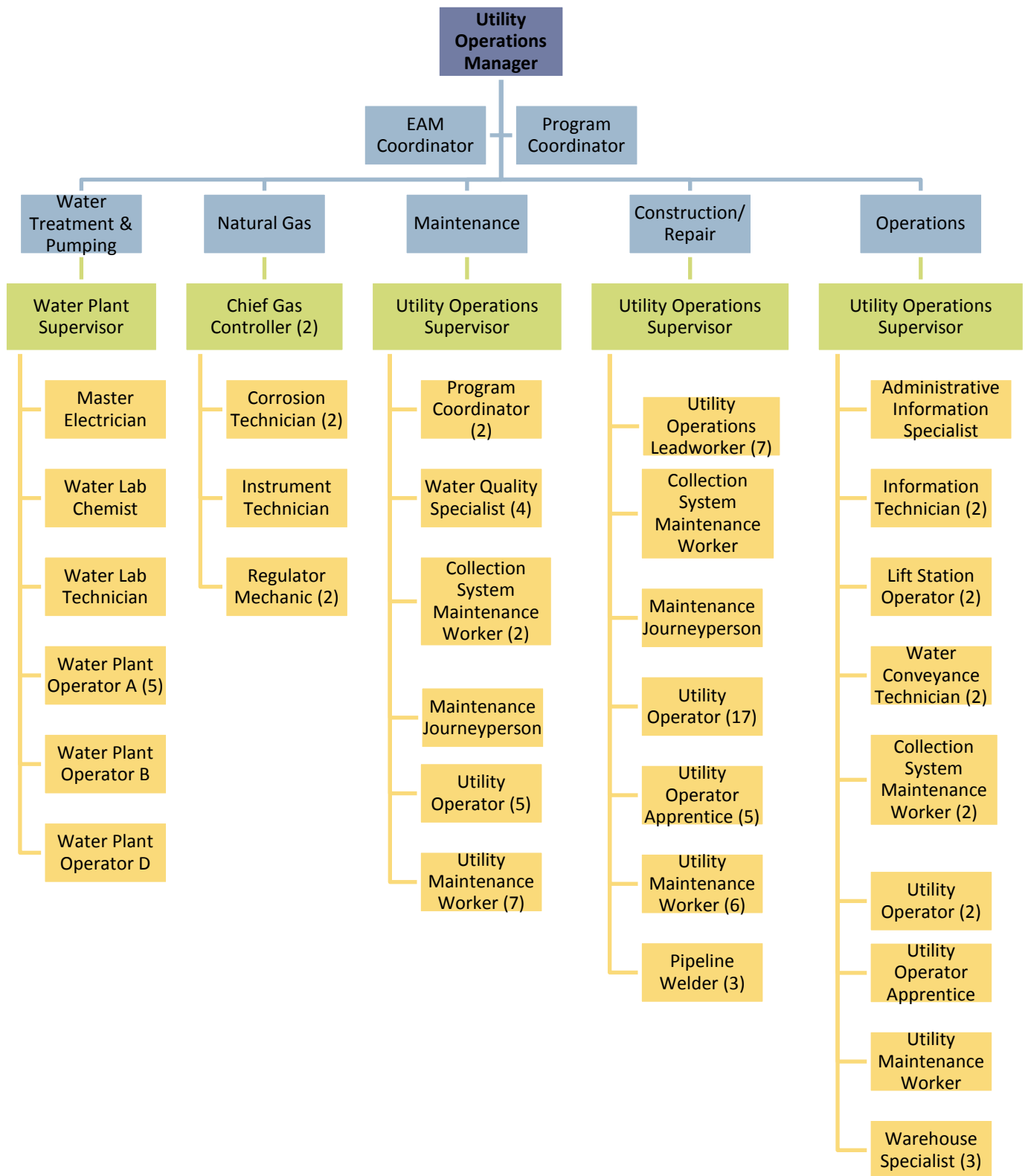
Structure

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 transportation section of the Engineering Division.

Public Works & Utilities Department – Utilities Organization Charts







City of Duluth Minnesota - 2014 Budget

Five-Year Goals & Objectives

- **Elimination of Sanitary Sewer Overflows:** The City of Duluth is currently ahead of schedule to eliminate sanitary sewer overflows into Lake Superior by the end of 2016. This will require the continued effort between the City and all the residents of Duluth. Together we will eliminate overflows by the disconnection of footing drains and the installation of sump pumps, removal of house traps, private service line rehabilitation, and the construction of 5 storage tanks.
- **Expansion of an Enterprise Asset Management (EAM) program:** EAM has been active in Utility Operations for the past two year. It has given the department the ability to more accurately track internal work orders, track citizen work requests, conduct preventive and predictive maintenance, and fully modernize warehouse operations. The EAM program has been used on remote construction sites by wireless computers. The Department will soon implement the EAM program in the Customer Service Division, Engineering Division, Aerial Lift Bridge and potentially other Departments throughout the City.
- **Decrease the Number of Water Main Breaks:** The Duluth Public Utilities Commission has approved a long range capital improvement plan that will expand the amount of water main replacements, targeting the worst areas first. The goal is to show continued improvement each year and reach a manageable number of breaks.
- **Infrastructure Repair/Replacement:** The Public Works and Utilities Department has a fairly aggressive infrastructure replacement and repair plan for all utilities. The plan is ongoing and typically involves projects such as water reservoir rehabilitation, water booster station upgrades, water line replacement, sanitary sewer replacement or lining, and bridge reconstruction. Natural gas customers continue to be added to the system as the costs for other fuel sources continues to grow. Outdated portions of the gas system are replaced on an annual basis.
- **Downtown Superior Street Reconstruction:** The City is currently in the public input gather phase for the reconstruction of downtown Superior Street. The Engineering Division will soon begin the design phase using the public input as their guide. Construction will begin in the following years that will consist of new utilities and new roadway surface.
- **Utility Customer Service Electronic Billing:** The Customer Service Division will begin the process of implementing an electronic billing and payment option to its customers. This will take the place of the current paper and mail billing system. This new option will also let customers view their historical data and make other changes on-line.

City of Duluth Minnesota - 2014 Budget

Divisions

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

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 operation 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.

	2011	2012	2013	2014	Difference
Budgeted FTE's	190.75	196.15	199.15	197.45	(1.70)
Expenditures	2011 Actual	2012 Actual	2013 Budget	2014 Approved	Difference
Salaries and Benefits	16,561,084	18,127,206	18,648,500	18,726,200	77,700
Supplies	27,739,177	22,245,001	23,953,900	25,733,800	1,779,900
Other Services & Charges	18,213,361	16,110,918	16,891,600	17,236,100	344,500
Utilities	1,356,774	1,442,314	1,476,200	1,496,000	19,800
Depreciation/Amortization	4,443,103	4,672,743	5,416,900	5,627,500	210,600
Grants & Awards	1,819,772	2,499,994	2,080,000	2,048,000	(32,000)
Improvements -Non-Capital	410,424	109,704	404,900	627,500	222,600
Debt Service - Interest	1,078,263	1,052,372	1,120,300	963,600	(156,700)
Debt Service - Other	23,944	33,059	33,500	42,500	9,000
Capital Lease Interest	318,019	298,367	278,000	256,700	(21,300)
Total Operating	71,963,921	66,591,678	70,303,800	72,757,900	2,454,100
Non-Operating	24,876,772	11,564,867	11,703,100	9,825,000	(1,878,100)
Total Appropriation Budget	96,840,693	78,156,545	82,006,900	82,582,900	576,000

City of Duluth Minnesota - 2014 Budget

Utilities - Personnel Summary

		2011 Budget	2012 Budget	2013 Budget	2014 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
1115-1130	Operations Mgr, W&G Supply	1.00	1.00	1.00	-
1080-1095	Utility Operations Supervisor	3.00	3.00	3.00	3.00
1045-1055	Customer Relations Supervisor	1.00	1.00	1.00	1.00
1090	Measurement Services Supervisor	1.00	1.00	1.00	1.00
1075	Chief Gas Controller	1.00	1.00	1.00	2.00
1075	Water Plant Supervisor	1.00	1.00	1.00	1.00
136	Financial Analyst	-	-	1.00	1.00
135	Safety & Training Specialist	0.75	0.75	0.75	-
133	Safety & Training Coordinator	-	-	-	1.00
132	Utility Accounts Receivable Specialist	3.00	3.00	3.00	3.00
131	Paralegal	1.00	1.00	1.00	1.00
129	Administrative Information Specialist	1.40	1.40	1.40	2.00
126	Information Technician	15.60	16.60	16.60	16.50
121	Clerical Support Technician	3.00	2.00	2.00	1.00
121	Janitor	-	2.00	2.00	2.00
39	Senior Project Engineer	-	-	-	2.00
36	Project Engineer	4.00	5.00	5.00	2.00
34	Chief Water Plant Operator	1.00	-	-	-
34	Senior Engineering Specialist	-	0.80	0.80	0.80
33	Program Coordinator	-	-	-	3.00
32	Corrosion Technician	1.00	1.00	2.00	2.00
32	Gas & Energy Coordinator	1.00	1.00	1.00	1.00
32	Project Coordinator	3.80	2.80	2.80	0.80
32	FOG Project Coordinator	-	-	1.00	1.00
32	Utility Operations Leadworker	7.00	7.00	7.00	7.00
32	W & G 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
31	Pipeline Welder	3.00	3.00	3.00	3.00
31	Senior Engineering Technician	14.80	12.20	12.20	11.45
31	Water Plant Operator A	4.00	5.00	5.00	5.00
31	Water Quality Specialist	7.00	6.00	5.00	4.00
30	Appliance Mechanic Apprentice	-	-	-	3.00
30	Appliance Mechanic Journey person	15.00	15.00	15.00	10.00
30	Instrument Technician	-	-	-	1.00
30	Senior Gas Control Operator	1.00	1.00	1.00	-
30	Warehouse Specialist	2.00	3.00	3.00	3.00
29	Gas Fitter	2.00	2.00	2.00	2.00
29	Lift Station Operator	2.00	2.00	2.00	2.00

City of Duluth Minnesota - 2014 Budget

Utilities - Personnel Summary - continued

		2011 Budget	2012 Budget	2013 Budget	2014 Approved
29	Meter Mechanic	1.00	1.00	1.00	1.00
29	Painter	2.00	2.00	2.00	2.00
29	Regulator Mechanic	2.00	3.00	3.00	2.00
29	Water Conveyance Technician	-	-	-	2.00
28	Collection System Maintenance Worker	8.00	9.00	9.00	5.00
28	EAM Coordinator	1.00	1.00	1.00	1.00
28	Engineering Technician	-	2.20	3.20	6.50
28	Gas Control Operator II	1.00	1.00	1.00	-
28	Utility Operator	17.00	17.00	17.00	24.00
28	Utility Operator Apprentice	14.00	12.00	12.00	6.00
28	Utility Service Journeyperson	11.00	11.00	11.00	6.00
28	Utility Serviceperson	-	-	-	8.00
28	W & G Maintenance Journey Person	5.00	6.00	6.00	2.00
28	Water Plant Operator B	-	-	-	1.00
27	Water Lab Technician	1.00	1.00	1.00	1.00
26	Gas Control Operator I	1.00	1.00	1.00	-
26	Utility Service Dispatcher	6.00	6.00	5.00	5.00
26	Water Plant Operator C	1.00	-	-	-
24	Water Plant Operator D	-	1.00	2.00	1.00
23	Utility Maintenance Worker	8.00	9.00	9.00	14.00
22	Meter Reader	3.00	3.00	3.00	2.00
	DEPARTMENT TOTAL	190.75	196.15	199.15	197.45

City of Duluth Minnesota - 2014 Budget

Water Fund

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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 for this fund is metered water sales, representing 98.5% of total revenues for 2014. Significant categories of expense include: personnel and benefits at 48.1% of the 2014 total; and the combined categories of Supplies, Utilities, and Other Services and Charges representing 31.1% of the 2014 proposed expenses.

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

Estimated Income and Expense	2011 Actual	2012 Actual	2013 Budget	2014 Approved
REVENUE				
Operating	11,743,509	13,911,617	14,779,100	14,896,500
Non-Operating	11,379	58,461	63,300	50,400
	<u>11,754,888</u>	<u>13,970,078</u>	<u>14,842,400</u>	<u>14,946,900</u>
EXPENSES				
Personal Services	5,251,569	5,442,646	5,656,400	5,771,700
Supplies	1,220,447	1,156,032	1,225,400	1,305,600
Other Services & Charges	1,475,062	1,097,870	1,249,000	1,158,500
Utilities	1,151,790	1,224,696	1,262,900	1,271,000
Depreciation/Amortization	1,414,602	1,487,132	1,597,000	1,689,800
Improvements -Non-Capital	68,650	29,726	20,600	25,000
Debt Service - Interest	184,103	190,209	219,900	230,500
Debt Service - Other	5,563	5,759	5,700	5,700
Capital Lease Interest	114,487	107,412	100,100	92,400
Transfers	613,646	238,758	428,000	435,500
	<u>11,499,919</u>	<u>10,980,240</u>	<u>11,765,000</u>	<u>11,985,700</u>
ESTIMATED OPERATING INCOME (LOSS)	254,969	2,989,838	3,077,400	2,961,200
Other Sources of Cash	2,454,254	2,141,869	1,729,600	1,844,800
Other Uses of Cash	<u>(4,513,402)</u>	<u>(4,331,520)</u>	<u>(4,184,500)</u>	<u>(4,681,200)</u>
Increase (Decrease) in Cash	<u>(1,804,179)</u>	<u>800,187</u>	<u>622,500</u>	<u>124,800</u>

City of Duluth Minnesota - 2014 Budget

Water Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2013 Budget	2013 Projected	2014 Approved
ESTIMATED OPERATING INCOME (LOSS)	3,077,400	3,668,200	2,961,200
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,597,000	1,546,800	1,689,800
Bond Amortization	5,700	5,700	5,700
Due from Other Funds	-	36,300	-
Special Assessment Principal	126,900	149,300	149,300
Total Other Sources of Cash	<u>1,729,600</u>	<u>1,738,100</u>	<u>1,844,800</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	-	326,900	-
Capital Improvements from Current Revenues	400,000	590,200	-
Infrastructure Improvements	2,118,000	2,115,800	2,964,000
Capital Equipment Purchases	224,300	211,200	295,800
Bond Principal Payments	1,245,900	1,205,100	1,217,600
AMR Lease Principal Payments	196,300	196,300	203,800
Total Other Uses of Cash	<u>4,184,500</u>	<u>4,645,500</u>	<u>4,681,200</u>
INCREASE (DECREASE) IN CASH	622,500	760,800	124,800
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH- BEGINNING	<u>804,053</u>	<u>800,187</u>	<u>1,560,987</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH- ENDING	<u><u>1,426,553</u></u>	<u><u>1,560,987</u></u>	<u><u>1,685,787</u></u>

City of Duluth Minnesota - 2014 Budget

Water Fund

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Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
OPERATING REVENUES:				
4636 Sale of Scrap	23,233	13,478	12,000	12,000
4680 Damage or Losses Recovered	-	678	-	-
4800 Meter Repair	6,629	17,440	10,000	14,000
4801 Off/On Charge	(99)	20,115	14,000	25,000
4802 Interest - Customer Accounts	48,360	44,478	42,000	44,000
4805 Reimbursements	6,805	22,422	8,000	6,000
4807 Water Tower Lease	137,458	139,661	140,000	110,000
4809 Miscellaneous Operating	45,768	8,835	8,000	10,000
4810 Metered Water Sales	9,102,381	10,195,823	10,946,600	11,020,000
4811 Water for Resale	1,046,560	1,120,054	1,268,000	1,302,000
4831 Fixed Rate Charges	1,326,414	2,328,633	2,330,500	2,353,500
TOTAL OPERATING REVENUES	11,743,509	13,911,617	14,779,100	14,896,500
NON-OPERATING REVENUES:				
4230 Pera Aid	16,919	16,919	16,900	16,900
4806 Connection Fees	2,000	17,926	8,000	8,000
4850 Earnings on Investments	294	401	400	800
4851 Interest Income	(7,602)	8,856	10,000	10,000
4853 Gain on Sale of Assets	(2,363)	1,273	-	1,000
4854 Utility Assessment	2,131	2,426	28,000	3,000
4730 Tranfers from Enterprise Funds	-	10,660	-	10,700
TOTAL NON-OPERATING REVENUES	11,379	58,461	63,300	50,400
TOTAL REVENUE	11,754,888	13,970,078	14,842,400	14,946,900

City of Duluth Minnesota - 2014 Budget

Director's Office

510-500-1900

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	46,070	55,163	62,700	64,400
5101 Permanent Employees - Overtime	400	654	500	500
TOTAL	46,470	55,817	63,200	64,900
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,236	3,791	4,400	4,500
5122 F.I.C.A. Social Security	2,857	3,316	3,900	4,000
5123 F.I.C.A. Medicare	668	784	900	900
5124 Health Insurance	4,000	-	-	-
5125 Dental Insurance	260	306	300	100
5126 Life Insurance	120	143	200	200
5127 Health Care Savings	567	2,707	600	600
5130 Cafeteria Plan Benefits	-	6,546	9,800	7,100
TOTAL	11,708	17,593	20,100	17,400
OPERATING EXPENSES				
5200 Office Supplies	50	77	100	100
5241 Small Equipment	254	194	-	300
5321 Telephone	219	155	100	100
5331 Training Expense	270	50	300	500
5335 Mileage Reimbursement - Local	26	-	100	100
5356 Copier, Printer Lease & Supplies	-	72	-	100
5438 Licenses	-	101	-	-
5441 Other Services and Charges	102	-	-	-
TOTAL	921	649	600	1,200
1900 TOTAL - DIRECTOR'S OFFICE	59,099	74,059	83,900	83,500

City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
OPERATING EXPENSES				
5420 Depreciation	1,414,602	1,487,132	1,597,000	1,689,800
5535 Improvements (Non-Capital)	68,650	29,726	20,600	25,000
5540 Equipment (Non-Capital)	13,281	-	-	-
5611 Bond Interest	184,103	190,209	219,900	230,500
5613 Interest from Bond Amortization	(1,455)	(1,459)	(1,500)	(1,500)
5614 Capital Lease Interest	114,487	107,412	100,100	92,400
5620 Fiscal Agents Fee	481	613	600	400
5622 Bond Amortization	7,018	7,218	7,200	7,200
TOTAL	1,801,167	1,820,851	1,943,900	2,043,800
NON-OPERATING EXPENSES				
5532 Capital Improvements - Bonds	2,916,441	417,555	5,000,000	-
5533 Capital Improvements - Revenue Financing	916,949	1,169,974	400,000	-
5536 Utility Infrastructure Replacmt Proj	685,663	986,331	2,118,000	2,964,000
5580 Capital Equipment	344,072	56,347	224,300	295,800
TOTAL	4,863,125	2,630,207	7,742,300	3,259,800
1905 TOTAL - CAPITAL	6,664,292	4,451,058	9,686,200	5,303,600

City of Duluth Minnesota - 2014 Budget

Utility General Expense

510-500-1915

This represents 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	3,885	39,319	43,400	50,500
5101 Permanent Employees - Overtime	-	655	-	-
TOTAL	3,885	39,974	43,400	50,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	-	2,776	3,000	3,500
5122 F.I.C.A. Social Security	241	2,401	2,700	3,100
5123 F.I.C.A. Medicare	56	561	600	700
5125 Dental Insurance	-	321	400	200
5126 Life Insurance	3,803	4,189	200	200
5127 Health Care Savings	-	350	400	500
5130 Cafeteria Plan Benefits	-	5,473	8,900	11,400
5134 Other Post Retirement Benefits	(1,373)	149,837	-	-
5135 Retiree Health Insurance	530,988	600,220	537,900	587,200
5151 Worker's Compensation	140,700	99,800	61,400	40,800
TOTAL	674,415	865,928	615,500	647,600
OPERATING EXPENSES				
5200 Office Supplies	36	73	500	500
5201 Computer Supplies/Software	19,438	27,494	28,600	29,800
5205 Safety & Training	767	365	1,000	1,000
5211 Cleaning & Janitorial Supplies	3,828	1,859	3,000	3,200
5241 Small Equipment	3,207	3,088	500	700
5301 Auditing Services	1,797	1,258	2,000	1,600
5305 Medical Services/Testing Fees	3,552	2,008	1,000	1,400
5310 Contract Services	2,028	2,229	-	-
5320 Data Services	9,230	10,396	12,300	14,200
5321 Telephone	10,849	10,793	11,000	11,000
5331 Training Expense	1,839	4,495	1,400	1,600
5335 Mileage Reimbursement - Local	48	-	100	100
5356 Copier, Printer Lease & Supplies	6,046	4,691	3,900	5,900
5360 Insurance	412,000	192,700	131,100	74,900
5381 Electricity	16,865	16,502	12,000	12,000
5382 Water, Gas & Sewer	16,478	14,672	20,200	21,000
5384 Refuse Disposal	4,176	2,687	3,200	3,500
5401 Building Repair & Maintenance	6,583	8,951	7,500	9,100
5404 Equipment Repair & Maintenance	112	475	-	-
5433 Dues and Subscriptions	-	5,220	-	-
5441 Other Services & Charges	7,516	21,178	18,500	17,000
5450 Laundry	3,149	2,638	2,000	2,200
5457 Hydrant Maintenance	30,000	30,000	30,000	30,000
5493 Cost Allocation	408,200	383,200	383,200	383,200
5700 Transfer to General Fund	57,300	-	-	21,700
5700 Transfer to Special Revenue Funds	-	-	-	13,800
5700 Transfer to Internal Service Funds	277,350	-	148,000	120,000
TOTAL	1,302,394	746,972	821,000	779,400
1915 TOTAL - GENERAL EXPENSE	1,980,694	1,652,874	1,479,900	1,477,500

City of Duluth Minnesota - 2014 Budget

Engineering

510-500-1930

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	298,320	297,329	285,000	338,200
5101 Permanent Employees - Overtime	12,619	17,347	20,000	20,000
5103 Temporary Wages	1,090	1,668	4,500	18,700
TOTAL	312,029	316,344	309,500	376,900
EMPLOYEE BENEFITS				
5121 P.E.R.A.	21,411	22,045	20,200	24,100
5122 F.I.C.A. Social Security	18,546	19,142	19,200	23,400
5123 F.I.C.A. Medicare	4,338	4,477	4,500	5,500
5124 Health Insurance	39,435	-	-	-
5125 Dental Insurance	1,837	1,878	1,800	800
5126 Life Insurance	861	881	800	1,000
5127 Health Care Savings	5,102	4,123	6,800	4,700
5130 Cafeteria Plan Benefits	-	53,481	66,400	81,400
TOTAL	91,530	106,027	119,700	140,900
OPERATING EXPENSES				
5200 Office Supplies	13	181	300	300
5201 Computer Supplies	3,841	7,773	11,800	13,500
5203 Paper, Stationery and Forms	523	516	300	300
5205 Safety and Training Materials	64	160	200	200
5212 Motor Fuel	6,229	5,923	5,000	6,500
5219 Other Miscellaneous Supplies	760	62	-	-
5240 Small Tools	-	421	200	600
5241 Small Equipment	5,643	2,860	2,200	5,000
5242 Survey Equipment and Supplies	-	6,665	4,700	5,100
5320 Data Services	-	-	500	800
5321 Telephone	1,720	1,772	1,600	1,100
5322 Postage	10	13	100	100
5331 Training Expenses	762	2,819	4,800	3,300
5335 Mileage Reimbursement	50	114	200	300
5355 Printing and Copying	523	369	900	600
5356 Copier, Printer Lease & Supplies	-	3,408	3,900	4,000
5404 Equipment Maintenance Repair	292	416	600	600
5409 Fleet Services	3,988	8,939	5,500	5,500
5418 Vehicle/Equipment Lease	818	-	-	-
5433 Dues and Subscriptions	140	451	600	600
5435 Books and Pamphlets	-	-	200	200
5438 Licenses	-	-	-	100
5441 Other Services and Charges	2,059	1,500	5,300	10,300
5486 One Call System	2,870	2,953	2,600	3,000
TOTAL	30,305	47,315	51,500	62,000
1930 TOTAL - ENGINEERING	433,864	469,686	480,700	579,800

City of Duluth Minnesota - 2014 Budget

Customer Services

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 checks the integrity of customer utility connections.

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	769,837	770,576	771,400	801,700
5101 Permanent Employees - Overtime	33,823	35,349	42,000	41,500
5103 Temporary Wages	3,043	35	-	-
5118 Meal Allowance	46	152	-	-
TOTAL	806,749	806,112	813,400	843,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	54,498	55,744	54,200	56,700
5122 F.I.C.A. Social Security	48,225	49,275	50,400	52,300
5123 F.I.C.A. Medicare	11,279	11,524	11,800	12,300
5124 Health Insurance	118,929	-	-	-
5125 Dental Insurance	5,603	5,579	5,600	2,300
5126 Life Insurance	2,666	2,648	2,600	2,700
5127 Health Care Savings	8,415	18,248	11,100	8,100
5130 Cafeteria Plan Benefits	-	153,260	184,700	211,000
TOTAL	249,615	296,278	320,400	345,400
OPERATING EXPENSES				
5200 Office Supplies	7,716	3,408	4,300	3,300
5201 Computer Supplies	-	257	400	400
5203 Paper/Stationery	1,092	1,561	2,300	2,300
5212 Motor Fuel	18,171	14,849	23,100	23,100
5218 Uniforms	3,256	2,488	2,500	2,500
5219 Other Miscellaneous Supplies	29	1,233	-	-
5220 Repair & Maintenance Supplies	41,101	27,839	44,000	44,000
5227 Utility System	17,348	48,663	65,400	65,400
5228 Painting Supplies	2,633	1,960	3,000	3,000
5240 Small Tools	637	2,610	1,500	1,500
5241 Small Equipment	7,813	3,261	6,900	5,100
5310 Contract Services	37,279	32,802	32,500	37,200
5320 Data Services	972	43	-	-
5321 Telephone	2,766	2,912	3,200	3,200
5322 Postage	46,473	40,320	48,900	48,900
5331 Training Expenses	1,328	485	1,700	2,200
5339 Armored Pickup	1,190	1,295	1,200	1,200
5355 Printing & Copying	1,709	905	700	700
5356 Copier, Printer Lease & Supplies	-	844	600	500
5401 Building Repair & Maintenance	94	37	-	-
5404 Equipment Maintenance & Repair	3,297	2,785	4,100	3,500
5409 Fleet Services	10,954	16,614	16,800	16,800
5427 Credit Card Commission	8,264	10,234	8,300	9,100
5432 Uncollectible Accounts	94,417	(107,274)	15,000	15,000
5441 Other Services & Charges	1,516	2,620	2,400	2,400
TOTAL	310,055	112,751	288,800	291,300
1940 TOTAL - CUSTOMER SERVICE	1,366,419	1,215,141	1,422,600	1,479,900

City of Duluth Minnesota - 2014 Budget

Utility Operations

510-500-1945

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,500,786	1,385,656	1,499,000	1,454,000
5101 Permanent Employees - Overtime	268,319	219,472	300,000	275,000
5118 Meal Allowance	1,005	5,190	3,000	3,000
TOTAL	1,770,110	1,610,318	1,802,000	1,732,000
EMPLOYEE BENEFITS				
5121 P.E.R.A.	119,751	110,820	105,400	102,200
5122 F.I.C.A. Social Security	105,967	97,910	111,500	107,200
5123 F.I.C.A. Medicare	24,824	22,982	26,100	25,100
5124 Health Insurance	216,664	-	-	-
5125 Dental Insurance	10,018	9,458	10,500	4,100
5126 Life Insurance	4,696	4,396	4,900	4,700
5127 Health Care Savings	16,195	15,699	26,100	26,500
5130 Cafeteria Plan Benefits	-	253,104	345,300	335,500
5141 Unemployment Compensation	5,130	-	-	-
TOTAL	503,245	514,369	629,800	605,300
OPERATING EXPENSES				
5200 Office Supplies	1,199	1,553	2,000	2,000
5201 Computer Supplies/Software	2,100	246	-	4,200
5205 Safety & Training Materials	3,044	9,052	2,100	3,000
5210 Plant/Operating Supplies	13,164	13,811	10,300	11,000
5212 Motor Fuel	74,666	80,183	73,000	75,000
5215 Shop Materials	1,654	1,932	2,300	2,500
5218 Uniforms	2,016	1,701	6,000	4,000
5220 Repair & Maintenance Supplies	2,817	7,831	2,500	3,500
5222 Paving Materials	31,450	6,533	25,000	20,000
5224 Gravel & Other Maintenance Mtls	20,934	39,867	70,000	60,000
5227 Utility Maintenance Supply	355,212	265,930	187,000	262,000
5228 Painting Supplies	-	368	300	300
5240 Small Tools	8,147	9,997	5,300	8,000
5241 Small Equipment	6,722	2,783	10,500	12,000
5310 Contract Services	24,995	32,714	28,500	23,000
5321 Telephone	2,578	2,196	2,000	2,500
5331 Training Expenses	8,805	11,803	9,000	9,000
5335 Mileage Reimbursement	3,794	4,712	5,500	5,000
5355 Printing and Copying	1,861	212	500	500
5356 Copier, Printer Lease & Supplies	-	-	1,000	1,000
5382 Water/Sewer/Gas	6,650	3,673	7,500	6,000
5384 Refuse Disposal	8,863	5,151	9,000	8,500
5404 Equipment Maintenance/Repair	500	1,233	400	2,700
5409 Fleet Service Charges	102,296	130,865	100,000	110,000
5415 Vehicle/Equipment Rental	15,750	13,884	5,000	10,000
5419 Other Rentals	1,197	3,410	-	-
5438 License	69	437	500	500
5441 Other Services & Charges	1,609	13,082	2,000	3,000
5450 Laundry	8,651	9,481	9,700	9,700
5700 Transfer to General Fund	278,996	238,758	280,000	280,000
TOTAL	989,739	913,398	856,900	938,900
1945 TOTAL - UTILITY OPERATIONS	3,263,094	3,038,085	3,288,700	3,276,200

City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	582,551	573,638	635,400	642,900
5101 Permanent Employees - Overtime	18,152	31,683	20,000	20,000
5118 Meal Allowance	40	-	-	-
TOTAL	600,743	605,321	655,400	662,900
EMPLOYEE BENEFITS				
5121 P.E.R.A.	40,859	42,281	45,000	45,700
5122 F.I.C.A. Social Security	35,592	36,415	40,600	41,100
5123 F.I.C.A. Medicare	8,324	8,516	9,500	9,600
5124 Health Insurance	84,104	-	-	-
5125 Dental Insurance	3,802	3,799	4,300	1,700
5126 Life Insurance	1,782	1,774	2,000	2,000
5127 Health Care Savings	6,607	5,255	5,800	19,300
5130 Cafeteria Plan Benefits	-	110,525	156,800	165,300
TOTAL	181,070	208,565	264,000	284,700
OPERATING EXPENSES				
5200 Office Supplies	2,024	1,945	1,000	1,200
5210 Plant/Operating Supplies	17,325	5,479	10,000	12,000
5212 Motor Fuel	4,144	4,730	2,500	4,500
5216 Treatment Chemicals	427,619	459,677	513,000	513,000
5218 Uniforms	2,055	2,308	2,800	2,800
5219 Other Miscellaneous Supplies	7,966	13,328	12,000	12,000
5220 Repair & Maintenance Supplies	72,328	42,592	63,000	63,000
5228 Painting Supplies	1,793	1,100	3,000	1,500
5240 Small Tools	1,123	1,073	3,000	1,500
5241 Small Equipment	3,215	16,173	7,000	8,900
5310 Contract Services	16,717	19,283	20,000	20,000
5319 Other Professional Services	15,518	1,721	50,000	15,000
5320 Data Services	785	594	5,400	5,400
5321 Telephone	2,288	2,403	2,700	2,700
5322 Postage	103	224	200	300
5331 Training Expenses	5,766	5,000	7,100	7,000
5335 Local Mileage Reimbursement	6,795	6,475	6,000	6,000
5355 Printing and Copying	386	694	1,000	1,000
5356 Copier, Printer Lease & Supplies	-	100	2,200	1,700
5381 Electricity	1,018,638	1,118,063	1,120,000	1,140,000
5382 Water & Sewer	80,120	63,948	91,000	80,000
5401 Building Repair & Maintenance	2,266	2,969	41,200	35,100
5404 Equipment Maintenance/Repair	51,895	48,868	100,000	80,000
5409 Fleet Services	4,228	3,482	5,000	5,000
5433 Dues and Subscriptions	5,334	72	5,000	5,000
5438 Licenses	23	145	300	300
5441 Other Services & Charges	57,995	68,217	65,500	65,500
5450 Laundry	4,200	4,995	4,000	5,000
5483 Water Testing Fees	1,120	-	2,000	2,000
TOTAL	1,813,769	1,895,658	2,145,900	2,097,400
1955 TOTAL-WATER TRMT & PUMPING	2,595,582	2,709,544	3,065,300	3,045,000

City of Duluth Minnesota - 2014 Budget

Gas Fund

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

The major funding source for this fund is metered gas sales which represents 97.1% of total revenues for 2014. The major category of expense is purchased gas, representing 61.4% of all expenses proposed.

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

Estimated Income and Expense	2011 Actual	2012 Actual	2013 Budget	2014 Approved
REVENUE				
Operating Revenues	1,313,925	1,527,261	1,357,700	1,451,000
Gas Sales	39,967,501	32,412,635	33,717,600	37,844,800
Non-Operating Revenues	58,191	79,374	83,400	99,900
	<u>41,339,617</u>	<u>34,019,270</u>	<u>35,158,700</u>	<u>39,395,700</u>
EXPENSES				
Personal Services	6,425,261	7,199,041	7,559,800	7,252,500
Supplies	797,567	991,903	745,300	796,500
Other Services & Charges	4,223,843	4,280,572	4,018,300	4,240,100
Natural Gas Purchases	25,207,873	19,376,845	21,395,800	22,986,200
Utilities	45,591	43,628	46,200	48,400
Depreciation/Amortization	1,240,613	1,272,122	1,369,800	1,435,400
Improvements -Non-Capital	168,634	4,450	3,100	242,500
Debt Service - Interest	195,807	197,328	185,600	161,800
Debt Service - Other	1,887	(7,890)	(7,900)	(7,900)
Capital Lease Interest	104,946	98,461	91,700	84,700
Transfers	609,612	10,129	157,700	161,200
	<u>39,021,634</u>	<u>33,466,589</u>	<u>35,565,400</u>	<u>37,401,400</u>
ESTIMATED OPERATING INCOME (LOSS)	2,317,983	552,681	(406,700)	1,994,300
Other Sources of Cash	1,278,447	3,890,899	1,551,300	1,607,900
Other Uses of Cash	(4,327,489)	(2,470,413)	(4,046,000)	(4,323,200)
Increase (Decrease) in Cash	<u>(731,059)</u>	<u>1,973,167</u>	<u>(2,901,400)</u>	<u>(721,000)</u>

City of Duluth Minnesota - 2014 Budget

Gas Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2013 Budget	2013 Projected	2014 Approved
ESTIMATED OPERATING INCOME (LOSS)	(406,700)	2,407,100	1,994,300
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,369,800	1,328,300	1,435,400
Bond Amortization	(7,900)	(7,900)	(7,900)
Due from Other Funds	-	79,000	-
Energy Fund Loan Repayment	150,000	150,000	150,000
Special Assessment Principal	39,400	30,400	30,400
Total Other Sources of Cash	<u>1,551,300</u>	<u>1,579,800</u>	<u>1,607,900</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	-	111,700	-
Capital Improvements from Current Revenues	2,690,000	2,276,400	2,923,000
Capital Equipment Purchases	318,100	243,000	317,400
Bond Principal Payments	858,000	858,000	896,000
AMR Lease Principal Payment	179,900	179,900	186,800
Total Other Uses of Cash	<u>4,046,000</u>	<u>3,669,000</u>	<u>4,323,200</u>
INCREASE (DECREASE) IN CASH	(2,901,400)	317,900	(721,000)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>404,642</u>	<u>2,888,655</u>	<u>3,206,555</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u>(2,496,758)</u>	<u>3,206,555</u>	<u>2,485,555</u>

City of Duluth Minnesota - 2014 Budget

Gas Fund

520

Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
OPERATING REVENUES:				
4636 Sale of Scrap	657	437	1,000	1,000
4801 Off/On Charge	69,940	20,115	20,000	25,000
4802 Interest Earned on Customer Accts	136,597	107,130	135,000	130,000
4805 Reimbursements	238,545	408,231	250,000	225,000
4809 Miscellaneous Operating Revenue	102,638	97,322	78,000	80,000
4818 Servicing Appliances	292,763	299,645	280,000	285,000
4819 Comfort Policy	351,377	395,357	375,000	385,000
4820 Residential Firm	22,129,714	18,254,163	19,141,400	21,306,500
4822 Comm/Industrial Firm Large	9,839,027	7,748,214	7,915,500	9,044,000
4824 Comm/Industrial Interruptible Large	4,788,958	3,165,778	3,382,600	3,695,200
4827 Gas-Interruptible Transport	121,408	199,024	218,700	320,000
4831 Fixed Rate Charges	3,209,802	3,244,480	3,278,100	3,799,100
TOTAL OPERATING REVENUES	41,281,426	33,939,896	35,075,300	39,295,800
NON-OPERATING REVENUES:				
4220 State of Minnesota	-	-	-	-
4230 Pera Aid	23,365	23,365	23,400	23,400
4829 Two Tier Rate	27,827	30,827	45,000	48,000
4850 Earnings on Investments	2,969	3,759	3,700	3,700
4851 Interest Income - Other Sources	1,662	1,633	1,800	1,800
4853 Gain on Sale of Assets	(7,787)	3,349	2,000	2,000
4854 Utility Special Assessments	10,155	451	7,500	5,000
4730 Transfers In from Enterprise Funds	-	15,990	-	16,000
TOTAL NON-OPERATING REVENUES	58,191	79,374	83,400	99,900
TOTAL REVENUE	41,339,617	34,019,270	35,158,700	39,395,700

City of Duluth Minnesota - 2014 Budget

Director's Office

520-500-1900

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	53,666	63,159	70,900	73,200
5101 Permanent Employees - Overtime	525	740	500	500
TOTAL	54,191	63,899	71,400	73,700
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,735	4,312	5,000	5,100
5122 F.I.C.A. Social Security	3,333	3,817	4,400	4,600
5123 F.I.C.A. Medicare	780	902	1,000	1,100
5124 Health Insurance	5,140	-	-	-
5125 Dental Insurance	336	382	400	200
5126 Life Insurance	156	179	200	200
5127 Health Care Savings	635	3,978	700	700
5130 Cafeteria Plan Benefits	-	7,857	11,300	8,700
TOTAL	14,115	21,427	23,000	20,600
OPERATING EXPENSES				
5200 Office Supplies	113	62	100	100
5241 Small Equipment	457	194	-	300
5321 Telephone	219	155	100	100
5331 Training/Travel	-	390	300	500
5335 Mileage Reimbursement Local	-	27	100	100
5356 Copier, Printer Lease & Supplies	-	63	-	100
5438 Licenses	-	101	-	-
5441 Other Services & Charges	102	-	-	-
TOTAL	891	992	600	1,200
1900 TOTAL - DIRECTOR'S OFFICE	69,197	86,318	95,000	95,500

City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
OPERATING EXPENSES				
5420 Depreciation	1,240,613	1,272,122	1,369,800	1,435,400
5441 Other Services and Charges	3,082	-	-	-
5535 Improvements (Non-Capital)	168,634	4,450	3,100	242,500
5540 Equipment (Non-Capital)	22,502	870	-	-
5611 Bond Interest	195,807	197,328	185,600	161,800
5613 Interest - Bond Amortization	(5,442)	(21,579)	(21,500)	(21,500)
5614 Capital Lease Interest	104,946	98,461	91,700	84,700
5620 Fiscal Agents Fee	656	321	600	600
5622 Bond Amortization	7,329	13,689	13,600	13,600
TOTAL	<u>1,738,127</u>	<u>1,565,662</u>	<u>1,642,900</u>	<u>1,917,100</u>
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue Financing	1,397,352	1,603,761	2,690,000	2,923,000
5580 Capital Equipment	294,811	170,921	318,100	317,400
TOTAL	<u>1,692,163</u>	<u>1,774,682</u>	<u>3,008,100</u>	<u>3,240,400</u>
1905 TOTAL - CAPITAL	3,430,290	3,340,344	4,651,000	5,157,500

City of Duluth Minnesota - 2014 Budget

Utility General Expense

520-500-1915

This represents 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	9,618	36,342	53,900	59,700
5101 Permanent Employees - Overtime	222	475	-	-
TOTAL	9,840	36,817	53,900	59,700
EMPLOYEE BENEFITS				
5121 P.E.R.A.	533	2,577	3,800	4,200
5122 F.I.C.A. Social Security	608	2,196	3,300	3,700
5123 F.I.C.A. Medicare	142	514	800	900
5124 Health Insurance	1,140	-	-	-
5125 Dental Insurance	77	293	400	200
5126 Life Insurance	4,019	4,393	200	200
5127 Health Care Savings	68	327	500	600
5130 Cafeteria Plan Benefits	-	5,353	14,000	15,500
5134 Other Post Retirement Benefits	(225,129)	137,882	-	-
5135 Retiree Health Insurance	799,517	938,548	869,400	898,500
5151 Worker's Compensation	186,800	132,500	81,100	51,100
TOTAL	767,775	1,224,583	973,500	974,900
OPERATING EXPENSES				
5200 Office Supplies	4,287	3,066	2,000	2,000
5201 Computer Supplies/Software	30,465	41,360	43,100	45,200
5205 Safety & Training	2,885	3,814	1,100	1,300
5211 Cleaning & Janitorial Supplies	5,326	11,266	3,200	2,700
5241 Small Equipment	5,721	3,510	500	700
5301 Auditing Services	1,797	1,258	2,000	1,600
5305 Medical Services/Testing Fees	4,318	4,708	4,000	4,000
5319 Other Professional Services	1,000	47,935	-	-
5320 Data Services	12,945	16,464	15,800	18,000
5321 Telephone	24,315	14,797	22,700	22,700
5331 Training Expense	28,013	29,929	20,800	21,600
5335 Mileage Reimbursement	784	795	100	200
5356 Copier, Printer Lease & Supplies	-	4,222	3,400	4,700
5360 Insurance	67,300	62,000	62,000	62,000
5381 Electricity	14,904	14,428	15,100	15,100
5382 Water, Gas & Sewer	14,723	12,437	15,600	16,500
5384 Refuse Disposal	2,404	1,351	2,500	2,300
5401 Building Repair & Maintenance	7,977	9,601	6,500	8,000
5404 Equipment/Machinery Repair	2,485	1,760	-	-
5418 Vehicle/Equipment Rental	6,021	-	-	-
5433 Dues and Subscriptions	6,145	6,676	8,300	6,600
5438 Licenses	-	-	100	100
5441 Other Services & Charges	34,651	60,752	52,600	49,600
5450 Laundry	3,149	2,638	2,000	2,200
5452 Pipe Line Safety	16,532	8,677	12,000	12,000
5493 Cost Allocation	519,500	489,200	489,200	489,200
5711 Payment in Lieu of Taxes	2,778,918	2,889,700	2,289,600	2,726,000
5700 Transfer to General Fund	41,400	-	-	21,700
5700 Transfer to Special Revenue Fund	-	-	-	16,500
5700 Transfer to Internal Service Funds	539,325	-	137,700	103,000
TOTAL	4,177,290	3,742,344	3,211,900	3,655,500
1915 TOTAL - GENERAL EXPENSE	4,954,905	5,003,744	4,239,300	4,690,100

City of Duluth Minnesota - 2014 Budget

Engineering

520-500-1930

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	503,408	589,079	600,300	583,400
5101 Permanent Employees - Overtime	37,238	38,987	50,000	45,000
5103 Temporary Wages	1,090	1,687	4,500	4,500
TOTAL	541,736	629,753	654,800	632,900
EMPLOYEE BENEFITS				
5121 P.E.R.A.	36,908	43,868	42,500	41,500
5122 F.I.C.A. Social Security	32,477	38,192	40,600	39,200
5123 F.I.C.A. Medicare	7,596	8,932	9,500	9,200
5124 Health Insurance	60,630	-	-	-
5125 Dental Insurance	2,829	3,494	3,700	1,500
5126 Life Insurance	1,327	1,646	1,700	1,700
5127 Health Care Savings	9,128	6,630	10,900	7,000
5130 Cafeteria Plan Benefits	-	97,547	127,300	137,900
TOTAL	150,895	200,309	236,200	238,000
OPERATING EXPENSES				
5200 Office Supplies	163	283	300	300
5201 Computer Supplies	4,131	7,973	19,100	13,600
5203 Paper, Stationery and Forms	244	583	300	300
5205 Safety & Training Materials	232	111	500	500
5212 Motor Fuel	10,319	10,533	7,000	9,000
5219 Other Miscellaneous Supplies	2,467	240	-	-
5240 Small Tools	-	405	200	600
5241 Small Equipment	7,835	4,368	4,400	10,800
5242 Survey Equipment and Supplies	-	6,965	4,700	5,100
5303 Engineering Services	12,032	5,879	40,000	40,000
5320 Data Services	-	-	500	800
5321 Telephone	2,167	3,991	1,800	3,800
5322 Postage	10	13	100	100
5331 Training Expenses	1,524	2,674	9,600	11,300
5335 Mileage Reimbursement	81	127	200	300
5355 Printing and Copying	523	369	1,100	500
5356 Copier, Printer Lease & Supplies	-	3,353	4,000	4,100
5404 Equipment Maintenance Repair	2,343	767	600	600
5409 Fleet Services	9,514	14,360	6,000	9,000
5418 Vehicle/Equipment Lease	203	-	-	-
5433 Dues and Subscriptions	140	451	600	600
5435 Books and Pamphlets	-	123	200	200
5438 Licenses	3,076	-	-	100
5441 Other Services and Charges	3,063	2,098	2,500	12,500
5486 One Call System	2,898	2,979	2,600	2,900
TOTAL	62,965	68,645	106,300	127,000
1930 TOTAL - ENGINEERING	755,596	898,707	997,300	997,900

City of Duluth Minnesota - 2014 Budget

Customer Services

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 checks 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	2,074,558	2,112,656	2,193,800	2,222,800
5101 Permanent Employees - Overtime	114,221	107,533	143,000	133,500
5103 Temporary Wages	22,894	17,257	14,500	20,100
5118 Meal Allowance	170	386	-	-
TOTAL	2,211,843	2,237,832	2,351,300	2,376,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	148,370	153,871	154,600	157,300
5122 F.I.C.A. Social Security	132,724	136,933	145,900	147,300
5123 F.I.C.A. Medicare	31,040	32,025	34,100	34,500
5124 Health Insurance	308,494	-	-	-
5125 Dental Insurance	14,451	14,747	15,600	6,300
5126 Life Insurance	6,863	6,980	7,200	7,300
5127 Health Care Savings	21,482	43,344	45,600	26,200
5130 Cafeteria Plan Benefits	-	409,380	525,400	563,300
TOTAL	663,424	797,280	928,400	942,200
OPERATING EXPENSES				
5200 Office Supplies	10,360	4,114	4,900	3,900
5201 Computer Supplies/Software	-	528	600	600
5203 Paper/Stationery	1,468	2,099	3,500	3,500
5210 Plant/Operating Supplies	4,674	3,935	7,500	7,500
5212 Motor Fuel	59,130	56,438	62,400	62,400
5215 Shop Materials	2,418	8,199	7,000	7,000
5218 Uniforms	6,168	6,186	5,800	5,800
5219 Other Miscellaneous Supplies	114,995	67,909	86,000	86,000
5220 Repair & Maintenance Supplies	23,021	69,983	22,000	22,000
5227 Utility System Maintenance Supply	79,098	53,067	120,600	118,600
5228 Painting Supplies	6,462	8,242	7,500	7,500
5240 Small Tools	6,522	15,338	8,000	8,000
5241 Small Equipment	21,282	14,127	23,500	23,200
5310 Contract Services	55,950	49,001	48,800	55,800
5320 Data Services	3,887	171	-	-
5321 Telephone	8,641	9,878	7,600	7,600
5322 Postage	69,575	59,105	73,500	73,500
5331 Training / Travel	4,506	2,940	9,000	9,700
5339 Armored Pickup	1,785	1,895	1,800	1,800
5340 Advertising and Promotion	130,597	120,156	134,700	134,700
5355 Printing & Copying	2,513	1,129	1,400	1,400
5356 Copier, Printer Lease & Supplies	-	1,304	1,000	700
5404 Equipment Repair & Maintenance	4,942	4,268	6,000	5,100
5409 Fleet Services	38,350	57,415	46,600	46,600
5427 Credit Card Commissions	28,046	35,982	28,000	30,800
5432 Uncollectible Accounts	55,685	(20,758)	65,000	65,000
5433 Dues and Subscriptions	-	505	800	800
5438 Licenses	-	-	100	100
5441 Other Services & Charges	2,083	4,783	3,700	3,700
5487 Conservation Improvement	70,130	28,103	305,900	60,000
5615 Customer Deposit Refund Interest	3,872	1,393	-	-
TOTAL	816,160	667,435	1,093,200	853,300
1940 TOTAL - CUSTOMER SERVICES	3,691,427	3,702,547	4,372,900	4,171,900

City of Duluth Minnesota - 2014 Budget

Utility Operations

520-500-1945

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,037,664	1,012,252	1,070,100	947,500
5101 Permanent Employees - Overtime	146,929	116,529	175,000	175,000
5103 Temporary Wages	-	-	-	-
5118 Meal Allowance	542	3,222	2,000	2,400
TOTAL	1,185,135	1,132,003	1,247,100	1,124,900
EMPLOYEE BENEFITS				
5121 P.E.R.A.	80,355	77,380	75,100	66,500
5122 F.I.C.A. Social Security	71,544	69,080	77,200	69,600
5123 F.I.C.A. Medicare	16,746	16,240	18,100	16,300
5124 Health Insurance	138,936	-	-	-
5125 Dental Insurance	6,833	6,768	7,300	2,600
5126 Life Insurance	3,212	3,139	3,400	3,000
5127 Health Care Savings	11,452	11,558	18,700	17,800
5130 Cafeteria Plan Benefits	-	167,008	227,300	203,000
5141 Unemployment Compensation	5,130	-	-	-
TOTAL	334,208	351,173	427,100	378,800
OPERATING EXPENSES				
5200 Office Supplies	6,799	3,251	1,600	2,000
5201 Computer Supplies/Software	1,816	106	-	4,200
5205 Safety & Training Materials	23,059	48,209	3,800	3,800
5210 Plant Operations Supplies	9,393	33,097	7,400	8,400
5212 Motor Fuel	63,679	64,637	70,000	70,000
5215 Shop Materials	3,198	13,240	3,500	6,000
5218 Uniforms	6,479	7,590	4,900	5,700
5219 Other Miscellaneous Supplies	47	1,078	-	-
5220 Repair and Maintenance Supplies	9,336	28,514	3,300	4,000
5222 Paving Materials	23,593	14,380	8,000	10,000
5223 Salt & Sand	-	240	-	-
5224 Gravel & Other Maintenance Supplies	30,255	61,234	12,000	22,000
5227 Utility Maintenance Supply	114,863	205,082	130,500	135,500
5228 Painting Supplies	-	-	400	500
5240 Small Tools	12,478	22,732	5,300	8,600
5241 Small Equipment	5,823	9,327	7,200	7,000
5310 Contract Services	3,594	1,916	16,100	7,600
5321 Telephone	4,484	3,007	3,000	3,000
5331 Training Expense	521	192	9,000	4,600
5335 Mileage Reimbursement	3,795	3,587	4,000	4,000
5355 Printing and Copying	2,119	212	500	500
5356 Copier, Printer Lease & Supplies	-	1,570	700	1,000
5382 Water, Gas & Sewer	-	-	500	-
5384 Refuse Disposal	4,720	7,374	3,000	5,000
5404 Equipment Repair & Maintenance	8,445	2,258	1,000	1,000
5409 Fleet Service Charges	83,521	122,784	80,000	90,000
5415 Vehicle/Equipment Rental	7,972	2,496	3,000	3,000
5419 Other Rentals	1,266	921	-	-
5441 Other Services & Charges	1,091	11,605	1,000	1,500
5450 Laundry	5,146	5,619	5,800	6,700
5700 Transfer to General Fund	28,887	10,129	20,000	20,000
TOTAL	466,379	686,387	405,500	435,600
1945 TOTAL - UTILITY OPERATIONS	1,985,722	2,169,563	2,079,700	1,939,300

City of Duluth Minnesota - 2014 Budget

Natural Gas

520-500-1960

The Natural Gas Division is responsible for the purchase and odorizing of natural gas and 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	374,776	378,884	430,800	300,000
5101 Permanent Employees - Overtime	8,279	3,029	8,000	5,000
5118 Meal Allowance	-	10	-	-
TOTAL	383,055	381,923	438,800	305,000
EMPLOYEE BENEFITS				
5121 P.E.R.A. Contribution	25,770	27,189	30,400	21,500
5122 F.I.C.A. Social Security	23,022	23,363	27,200	18,900
5123 F.I.C.A. Medicare	5,384	5,464	6,400	4,400
5124 Health Insurance	43,914	-	-	-
5125 Dental Insurance	2,150	2,217	2,500	700
5126 Life Insurance	1,008	1,027	1,200	800
5127 Health Care Savings	7,796	8,505	3,800	7,600
5130 Cafeteria Plan Benefits	-	54,277	82,800	71,500
TOTAL	109,044	122,042	154,300	125,400
OPERATING EXPENSES				
5200 Office Supplies	843	293	500	500
5201 Computer Supplies/Software	249	17	-	-
5210 Plant Operations Supplies	17,190	15,361	15,900	19,200
5212 Motor Fuel	5,479	5,828	6,500	6,500
5218 Uniforms	474	1,282	700	900
5219 Other Miscellaneous Supplies	893	527	1,000	1,000
5220 Repair & Maintenance Supplies	24,572	45,954	15,500	27,400
5228 Painting Supplies	-	-	500	500
5241 Small Equipment	4,304	4,156	1,000	4,300
5280 Natural Gas Purchases	25,207,873	19,376,845	21,395,800	22,986,200
5319 Other Professional Services	869	1,345	20,000	10,000
5320 Data Services	30,947	29,246	30,500	31,600
5321 Telephone	1,728	3,643	4,200	4,200
5331 Training Expense	9,546	5,345	14,000	14,000
5335 Local Mileage Reimbursement	1,109	1,082	2,000	2,000
5355 Printing and Copying	130	-	400	400
5356 Copier, Printer Lease & Supplies	-	-	1,000	1,000
5381 Electricity	7,643	6,998	7,500	7,500
5382 Water/Sewer/Gas	1,197	1,040	2,000	2,000
5400 Miscellaneous Repair & Maint	-	-	2,000	2,000
5404 Equipment Maintenance Repair	6,846	24,137	13,000	25,500
5409 Fleet Services Charges	3,210	5,738	5,000	5,000
5433 Dues and Subscriptions	4,565	4,480	4,200	4,500
5441 Other Services & Charges	4,894	2,766	2,000	3,000
TOTAL	25,334,561	19,536,083	21,545,200	23,159,200
1960 TOTAL - NATURAL GAS	25,826,660	20,040,048	22,138,300	23,589,600

City of Duluth Minnesota - 2014 Budget

Sewer Fund

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

The major expense category is for contractual services and charges paid to the Sanitary District of WLSSD, constituting 50.4% of total approved expenses. Presented below is a tabular summary of the major categories of revenues and expenses over a four year period.

Estimated Income and Expense	2011 Actual	2012 Actual	2013 Budget	2014 Approved
REVENUE				
Operating Revenue	17,155,686	18,517,152	18,500,000	19,001,800
Non-Operating Revenue	91,585	463,202	32,700	35,700
	17,247,271	18,980,354	18,532,700	19,037,500
EXPENSES				
Personal Services	3,110,709	3,494,359	3,284,100	3,524,600
Supplies	265,311	394,291	343,600	389,900
Other Services & Charges	1,182,169	949,340	1,031,100	1,051,700
WLSSD Treatment	8,520,657	8,504,062	8,820,600	8,656,300
Utilities	122,534	133,492	128,400	137,000
Depreciation/ Amortization	1,265,599	1,278,670	1,384,000	1,401,800
Sanitary Sewer -Grants	821,963	1,213,307	1,280,000	1,248,000
Improvements -Non-Capital	86,109	38,715	53,100	62,500
Debt Service - Interest	512,610	427,177	444,700	316,800
Debt Service - Other	12,355	30,933	31,500	40,100
Capital Lease Interest	98,586	92,494	86,200	79,600
Transfers	229,265	29,747	197,700	241,500
	16,227,867	16,586,587	17,085,000	17,149,800
ESTIMATED OPERATING INCOME (LOSS)				
	1,019,404	2,393,767	1,447,700	1,887,700
Other Sources of Cash	1,955,411	1,626,572	1,518,900	1,579,100
Other Uses of Cash	(5,393,058)	(3,642,799)	(3,642,900)	(3,868,100)
Increase (Decrease) in Cash	(2,418,243)	377,540	(676,300)	(401,300)

City of Duluth Minnesota - 2014 Budget

Sewer Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2013 Budget	2013 Projected	2014 Approved
ESTIMATED OPERATING INCOME (LOSS)	1,447,700	2,198,700	1,887,700
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,384,000	1,325,400	1,401,800
Bond Amortization	31,500	40,000	40,100
Due from Other Funds	-	248,700	-
Special Assessment Principal	103,400	137,200	137,200
Total Other Sources of Cash	<u>1,518,900</u>	<u>1,751,300</u>	<u>1,579,100</u>
<u>Other Uses of Cash</u>			
Capital Grants	-	102,700	-
Due to Other Funds	-	77,500	-
Infrastructure System Replacement Fund	-	12,000	51,500
Capital Improvements from Current Revenues	-	50,800	-
Infrastructure Improvements	1,635,000	560,000	1,742,000
Capital Equipment Purchases	187,800	120,000	180,300
Bond Principal Payments	1,651,100	1,652,100	1,718,800
AMR Lease Principal Payment	169,000	169,000	175,500
Total Other Uses of Cash	<u>3,642,900</u>	<u>2,744,100</u>	<u>3,868,100</u>
INCREASE (DECREASE) IN CASH	(676,300)	1,205,900	(401,300)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>1,291,962</u>	<u>1,199,316</u>	<u>2,405,216</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>615,662</u></u>	<u><u>2,405,216</u></u>	<u><u>2,003,916</u></u>

City of Duluth Minnesota - 2014 Budget

Sewer Fund

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Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
OPERATING REVENUES:				
4636 Sale of Materials	81	2,017	1,500	1,500
4805 Reimbursements	2,238	30,066	27,700	28,700
4833 Sewer Revenues	15,085,218	16,408,556	16,407,000	16,911,200
4809 Misc. Operating Revenue	4,134	631	1,000	1,000
4802 Interest Earned on Customer Accounts	64,758	65,726	60,000	56,000
4831 Fixed Rate Charges	1,920,954	1,920,833	1,922,800	1,921,400
4834 Fond du Lac Grinder Pump Surcharge	11,767	11,694	12,000	12,000
4839 Point of Sale Inspection Fee	66,536	77,629	68,000	70,000
TOTAL OPERATING REVENUES	17,155,686	18,517,152	18,500,000	19,001,800
NON-OPERATING REVENUES:				
4220 Minnesota Grants - Capital	52,008	388,727	-	-
4220 Minnesota Grants - Operating	-	-	-	-
4230 Pera Aid	8,283	8,283	8,300	8,300
4806 Connection Fees	9,000	11,970	4,500	4,500
4850 Earnings on Investments	768	493	900	500
4851 Interest Income - Other Sources	21,547	7,834	6,000	3,000
4853 Gain on Sale of Assets	-	1,001	-	-
4854 Utility Special Assessments	(21)	35,464	13,000	10,000
4730 Transfer from Enterprise Funds	-	9,430	-	9,400
TOTAL NON-OPERATING REVENUES	91,585	463,202	32,700	35,700
TOTAL REVENUE	17,247,271	18,980,354	18,532,700	19,037,500

City of Duluth Minnesota - 2014 Budget

Director's Office

530-500-1900

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	42,272	51,226	58,500	62,300
5101 Permanent Employees - Overtime	338	612	500	500
TOTAL	42,610	51,838	59,000	62,800
EMPLOYEE BENEFITS				
5121 P.E.R.A.	2,987	3,531	4,100	4,400
5122 F.I.C.A. Social Security	2,618	3,069	3,700	3,900
5123 F.I.C.A. Medicare	612	727	900	900
5124 Health Insurance	3,430	-	-	-
5125 Dental Insurance	221	267	300	100
5126 Life Insurance	102	125	100	100
5127 Health Care Savings	534	2,072	500	600
5130 Cafeteria Plan Benefits	-	5,891	9,000	6,700
TOTAL	10,504	15,682	18,600	16,700
OPERATING EXPENSES				
5200 Office Supplies	53	95	-	100
5241 Small Equipment	152	194	-	300
5321 Telephone	219	155	100	100
5331 Training Expense	461	525	300	500
5335 Mileage Reimbursement	-	47	100	100
5356 Copier, Printer Lease & Supplies	-	85	100	100
5438 Licenses	-	101	-	-
5441 Other Services & Charges	102	-	-	-
TOTAL	987	1,202	600	1,200
1900 TOTAL - DIRECTOR'S OFFICE	54,101	68,722	78,200	80,700

City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
OPERATING EXPENSES				
5420 Depreciation	1,265,599	1,278,670	1,384,000	1,401,800
5535 Improvements (Non-Capital)	86,109	38,715	53,100	62,500
5540 Equipment (Non-Capital)	4,464	-	-	15,000
5611 Bond Interest	512,610	427,177	444,700	316,800
5613 Interest - from Amortization	(5,767)	8,344	7,400	12,200
5614 Capital Lease Interest	98,586	92,494	86,200	79,600
5620 Fiscal Agents Fee	1,794	2,594	2,000	2,400
5622 Bond Amortization	18,122	22,589	24,100	27,900
TOTAL	1,981,517	1,870,583	2,001,500	1,918,200
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue	2,115,163	443,190	-	-
5536 Utility Infrastructure Replace. Proj.	983,575	600,595	1,635,000	1,742,000
5580 Capital Equipment	25,638	78,619	187,800	180,300
TOTAL	3,124,376	1,122,404	1,822,800	1,922,300
1905 TOTAL - CAPITAL	5,105,893	2,992,987	3,824,300	3,840,500

City of Duluth Minnesota - 2014 Budget

Utility General Expense

530-500-1915

This represents 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	8,887	26,404	35,600	39,600
5101 Permanent Employees - Overtime	222	373	-	-
TOTAL	9,109	26,777	35,600	39,600
EMPLOYEE BENEFITS				
5121 P.E.R.A.	533	1,845	2,400	2,700
5122 F.I.C.A. Social Security	563	1,582	2,200	2,500
5123 F.I.C.A. Medicare	132	370	500	600
5124 Health Insurance	1,140	-	-	-
5125 Dental Insurance	77	216	300	100
5126 Life Insurance	859	1,203	100	200
5127 Health Care Savings	68	235	300	400
5130 Cafeteria Plan Benefits	-	3,734	7,300	8,700
5134 Other Post Retirement Benefits	10,069	186,865	-	-
5135 Retiree Health Insurance	163,592	213,439	254,500	182,900
5151 Worker's Compensation	89,100	8,900	27,700	31,000
TOTAL	266,133	418,389	295,300	229,100
OPERATING EXPENSES				
5200 Office Supplies	87	-	500	500
5201 Computer Supplies/Software	20,363	28,685	29,300	30,600
5205 Safety & Training	834	445	800	800
5211 Cleaning & Janitorial Supplies	2,852	908	3,100	2,700
5219 Other Miscellaneous Supplies	2,022	91	-	-
5241 Small Equipment	3,141	3,183	500	700
5301 Auditing Services	1,797	1,258	2,000	1,600
5305 Medical Services/Testing Fees	1,659	1,415	2,000	2,000
5310 Contract Services	324	772	1,500	1,500
5320 Data Services	9,973	11,433	11,700	10,300
5321 Telephone	15,652	15,711	13,000	14,000
5331 Training / Travel	1,439	12,436	1,400	1,600
5335 Mileage Reimbursement - Local	-	-	100	100
5356 Copier, Printer Lease & Supplies	-	3,832	3,300	4,700
5360 Insurance	226,700	36,500	75,700	88,000
5381 Electricity	16,160	15,659	14,600	14,600
5382 Water, Gas & Sewer	11,678	9,183	15,700	16,800
5384 Refuse Disposal	2,281	1,231	2,400	2,200
5401 Building Repair & Maintenance	6,179	6,566	6,300	7,800
5418 Vehicle/Equipment Lease	5,895	-	-	-
5441 Other Services & Charges	7,167	14,086	11,700	10,500
5450 Laundry	3,149	2,638	2,000	2,200
5493 Cost Allocation	330,700	306,900	306,900	306,900
5700 Transfer to General Fund	26,000	-	-	21,600
5700 Transfer to Special Revenue Funds	-	-	-	8,900
5700 Transfer to Internal Service Funds	196,050	-	147,700	161,000
TOTAL	892,102	472,932	652,200	711,600
1915 TOTAL - UTILITY GENERAL	1,167,344	918,098	983,100	980,300

City of Duluth Minnesota - 2014 Budget

Engineering

530-500-1930

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	317,419	319,229	298,600	344,700
5101 Permanent Employees - Overtime	13,013	15,446	15,000	15,000
5103 Temporary Wages	1,090	1,668	4,500	4,500
TOTAL	<u>331,522</u>	<u>336,343</u>	<u>318,100</u>	<u>364,200</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	22,514	23,356	21,200	24,600
5122 F.I.C.A. Social Security	19,695	20,338	19,700	22,600
5123 F.I.C.A. Medicare	4,606	4,757	4,600	5,300
5124 Health Insurance	41,413	-	-	-
5125 Dental Insurance	1,920	1,995	1,900	900
5126 Life Insurance	900	935	900	1,000
5127 Health Care Savings	5,312	4,304	5,700	4,700
5130 Cafeteria Plan Benefits	-	56,923	69,200	81,400
TOTAL	<u>96,360</u>	<u>112,608</u>	<u>123,200</u>	<u>140,500</u>
OPERATING EXPENSES				
5200 Office Supplies	13	126	300	300
5201 Computer Supplies	3,939	8,327	12,100	14,000
5203 Paper, Stationary & Forms	165	516	300	300
5205 Safety & Training Materials	64	181	500	500
5212 Motor Fuels	2,358	2,565	1,400	2,800
5219 Other Miscellaneous Supplies	856	52	-	-
5240 Small Tools	221	357	200	600
5241 Small Equipment	6,168	2,353	2,900	4,200
5242 Survey Equipment and Supplies	-	5,132	4,600	5,100
5320 Data Services	-	-	500	800
5321 Telephone	1,221	1,548	1,100	1,000
5322 Postage	10	13	100	100
5331 Training Expenses	492	2,448	6,000	7,200
5335 Mileage Reimbursement - Local	50	114	100	200
5355 Printing and Copying	1,372	428	700	700
5356 Copier, Printer Lease & Supplies	-	2,934	3,900	4,000
5404 Equipment Maintenance/Repair	495	652	600	600
5409 Fleet Services Charges	3,124	3,359	1,500	3,000
5433 Dues & Subscriptions	370	562	600	800
5435 Books & Pamphlets	-	-	200	200
5438 Licenses	-	-	-	300
5441 Other Services and Charges	3,266	3,047	2,500	12,800
5486 One Call System	2,870	2,953	2,600	2,900
TOTAL	<u>27,054</u>	<u>37,667</u>	<u>42,700</u>	<u>62,400</u>
1930 TOTAL - ENGINEERING	454,936	486,618	484,000	567,100

City of Duluth Minnesota - 2014 Budget

Customer Services

530-500-1940

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	247,370	236,596	248,100	240,900
5101 Permanent Employees - Overtime	2,851	3,374	2,500	2,500
5103 Temporary Wages	-	-	-	-
5118 Meal Allowance	9	34	-	-
TOTAL	250,230	240,004	250,600	243,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	16,822	16,371	17,400	16,900
5122 F.I.C.A. Social Security	14,904	14,679	15,500	15,100
5123 F.I.C.A. Medicare	3,486	3,433	3,600	3,500
5124 Health Insurance	40,060	-	-	-
5125 Dental Insurance	1,945	1,828	1,900	700
5126 Life Insurance	912	857	900	800
5127 Health Care Savings	3,200	8,036	2,200	2,200
5130 Cafeteria Plan Benefits	-	45,258	60,800	63,300
TOTAL	81,329	90,462	102,300	102,500
OPERATING EXPENSES				
5200 Office Supplies	5,242	1,408	1,200	1,200
5201 Computer Supplies	-	79	300	300
5203 Paper/Stationery	866	1,238	2,100	2,100
5212 Motor Fuel	516	677	700	700
5241 Small Equipment	1,118	1,074	1,200	1,000
5310 Contract Services	32,722	33,227	28,800	32,900
5321 Telephone	247	186	400	400
5322 Postage	40,636	38,577	43,300	43,300
5331 Training Expense	737	407	700	1,100
5339 Armored Pickup	1,053	1,157	1,100	1,100
5355 Printing & Copying	255	681	200	200
5356 Copier, Printer Lease & Supplies	-	469	400	400
5401 Building Repair & Maintenance	94	63	-	-
5404 Equipment Repair & Maintenance	2,586	1,983	3,200	2,800
5409 Fleet Services	448	866	600	600
5427 Credit Card Commission	12,038	14,951	11,200	12,300
5432 Uncollectible Accounts	16,347	(71,174)	25,000	25,000
5441 Other Services & Charges	15	647	800	800
TOTAL	114,920	26,516	121,200	126,200
1940 TOTAL-CUSTOMER SERVICES	446,479	356,982	474,100	472,100

City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	957,049	1,049,134	883,600	978,500
5101 Permanent Employees - Overtime	111,499	100,756	140,000	130,000
5103 Temporary Wages	-	503	-	-
5118 Meal Allowance	287	2,461	2,000	2,000
TOTAL	1,068,835	1,152,854	1,025,600	1,110,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	72,170	80,187	63,100	69,900
5122 F.I.C.A. Social Security	64,199	70,082	63,500	68,700
5123 F.I.C.A. Medicare	15,015	16,474	14,800	16,100
5124 Health Insurance	144,146	-	-	-
5125 Dental Insurance	6,559	7,645	6,600	3,000
5126 Life Insurance	3,077	3,561	3,100	3,400
5127 Health Care Savings	11,478	18,897	9,600	22,500
5130 Cafeteria Plan Benefits	-	244,863	273,700	310,200
5141 Unemployment Compensation	497	-	-	-
TOTAL	317,141	441,709	434,400	493,800
OPERATING EXPENSES				
5200 Office Supplies	8,664	6,800	2,000	2,000
5201 Computer Supplies	4,954	2,316	2,300	6,900
5205 Safety & Training Materials	12,739	3,695	4,000	4,000
5210 Plant Operations Supplies	11,839	4,404	20,900	22,900
5212 Motor Fuel	54,531	66,821	60,000	60,000
5215 Shop Materials	-	1,432	1,000	1,000
5218 Uniforms	5,246	4,109	6,100	5,700
5219 Other Miscellaneous Supplies	257	1,501	-	-
5220 Repair and Maintenance Supplies	14,493	22,756	13,300	12,800
5222 Paving Materials	33,142	6,534	13,000	17,000
5224 Gravel and other Mtc Materials	34,401	49,884	50,000	45,000
5227 Utility Maintenance Supply	2,940	126,939	48,500	67,000
5240 Small Tools	6,307	3,551	5,500	5,500
5241 Small Equipment	14,270	26,943	18,100	22,600
5310 Contract Services	10,478	36,356	27,500	19,000
5320 Data Services	5,998	8,217	6,800	6,800
5321 Telephone	2,062	1,435	2,100	2,100
5331 Training Expense	17,020	14,703	15,700	15,700
5333 Freight/Delivery Charges	330	176	500	500
5335 Mileage Reimbursement	22,439	19,361	6,600	8,000
5355 Printing and Copying	3,481	8,147	1,500	2,000
5356 Copier, Printer Lease & Supplies	-	464	2,000	2,000
5381 Electricity	66,119	73,974	66,000	75,000
5382 Water, Gas & Sewer	12,265	10,246	16,000	14,000
5384 Refuse Disposal	14,031	23,199	13,700	14,400
5404 Equipment Maintenance/Repair	679	11,747	3,300	11,500
5409 Fleet Service Charges	102,368	109,079	110,000	100,000
5410 Fond Du Lac Grinder Pump	1,084	2,669	2,500	3,000
5415 Vehicle/Equipment Rental	1,601	731	3,000	3,000
5433 Dues and Subscriptions	782	122	500	500
5438 Licenses	533	477	400	500
5441 Other Services & Charges	14,921	28,210	8,000	8,500
5450 Laundry	10,242	11,237	6,500	6,700
5700 Transfer to General Fund	7,215	29,747	50,000	50,000
TOTAL	497,431	717,982	587,300	615,600
1945 TOTAL - UTILITY OPERATIONS	1,883,407	2,312,545	2,047,300	2,219,900

City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
5484 Western Lake Superior Sanitary District Srv Charge	8,520,657	8,504,062	8,820,600	8,656,300
5485 Western Lake Superior Sanitary District Testing	222,455	221,620	221,600	218,800
0575 TOTAL- SEWER TREATMENT	8,743,112	8,725,682	9,042,200	8,875,100

City of Duluth Minnesota - 2014 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		2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	465,532	430,121	416,800	508,600
5101	Permanent Employees - Overtime	39,893	25,692	40,000	35,000
5103	Temporary Wages	-	476	-	-
5111	Long-Term Disability Wages	-	6	-	-
5118	Meal Allowance	10	280	300	300
	TOTAL	505,435	456,575	457,100	543,900
EMPLOYEE BENEFITS					
5121	P.E.R.A.	34,413	30,651	29,300	35,600
5122	F.I.C.A. Social Security	30,886	28,917	28,300	33,700
5123	F.I.C.A. Medicare	7,223	6,765	6,600	7,900
5124	Health Insurance	50,423	-	-	-
5125	Dental Insurance	2,992	2,785	2,900	1,400
5126	Life Insurance	1,429	1,486	1,400	1,500
5127	Health Care Savings	4,135	3,701	3,800	4,700
5130	Cafeteria Plan Benefits	-	76,813	92,000	92,800
	TOTAL	131,501	151,118	164,300	177,600
OPERATING EXPENSES					
5200	Office Supplies	156	-	700	500
5201	Computer Supplies	-	-	500	500
5205	Safety & Training	-	-	300	400
5212	Motor Fuels	5,287	6,184	6,000	6,000
5218	Uniforms	416	213	1,700	1,500
5220	Repair & Maintenance Supplies	127	-	500	500
5227	Utility System Maintenance Supplies	-	-	1,600	1,600
5240	Small Tools	48	-	300	300
5241	Small Equipment	-	2,523	25,300	22,400
5320	Data Services	822	-	1,700	1,700
5321	Telephone	6,496	2,283	3,000	2,500
5322	Postage	571	717	500	500
5331	Training Expense	4,712	3,452	6,200	4,700
5335	Mileage Reimbursement	-	-	10,000	10,000
5355	Printing & Copying	-	951	1,500	1,000
5356	Copier, Printer Lease & Supplies	-	-	500	500
5404	Equipment Maintenance Repair	-	-	4,500	2,300
5409	Fleet Services	10,768	8,010	4,000	6,000
5441	Other Services and Charges	8,669	-	1,500	1,500
5450	Laundry	-	2,024	2,900	2,500
5482	Private Property Sewer Grants	821,963	1,213,307	1,280,000	1,248,000
	TOTAL	860,035	1,239,664	1,353,200	1,314,900
1970	TOTAL INFLOW & INFILTRATION	1,496,971	1,847,357	1,974,600	2,036,400

City of Duluth Minnesota - 2014 Budget

Clean Water Surcharge Fund

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In order to protect the 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
REVENUE				
Operating Revenue	2,885,307	1,833,354	1,865,500	1,839,000
Non-Operating Revenue	4,457,943	2,389,571	2,401,600	400
	<u>7,343,250</u>	<u>4,222,925</u>	<u>4,267,100</u>	<u>1,839,400</u>
EXPENSES				
Supplies	-	-	-	-
Other Services & Charges	12,639	10,793	14,600	10,400
Depreciation/ Amortization	70,141	156,849	495,400	564,400
Grants & Awards	997,809	1,286,687	800,000	800,000
Improvements - Non-Capital	-	875	-	-
Debt Service - Interest	114,213	171,809	207,800	198,400
Debt Service - Other	1,705	1,816	1,700	2,100
	<u>1,196,507</u>	<u>1,628,829</u>	<u>1,519,500</u>	<u>1,575,300</u>
ESTIMATED OPERATING INCOME (LOSS)	6,146,743	2,594,096	2,747,600	264,100
Other Sources of Cash	71,845	158,665	497,100	566,500
Other Uses of Cash	(5,806,941)	(3,709,674)	(3,507,200)	(1,154,200)
Increase (Decrease) in Cash	<u>411,647</u>	<u>(956,913)</u>	<u>(262,500)</u>	<u>(323,600)</u>

City of Duluth Minnesota - 2014 Budget

Clean Water Fund Estimated Unrestricted Cash Balance

<u>OPERATING FUND</u>	<u>2013 Budget</u>	<u>2013 Projected</u>	<u>2014 Approved</u>
ESTIMATED OPERATING INCOME (LOSS)	2,747,600	2,885,600	264,100
<u>Other Sources of Cash</u>			
Depreciation and Amortization	495,400	335,200	564,400
Bond Amortization	1,700	2,100	2,100
Total Other Sources of Cash	<u>497,100</u>	<u>337,300</u>	<u>566,500</u>
<u>Other Uses of Cash</u>			
Capital Grants	2,400,700	2,400,700	-
Budget Carry-Over for Encumbrances	-	-	-
Capital Improvements from Current Revenues	-	52,700	-
Infrastructure Replacement	-	5,100	-
Bond Principal Payments	1,106,500	1,118,700	1,154,200
Total Other Uses of Cash	<u>3,507,200</u>	<u>3,577,200</u>	<u>1,154,200</u>
INCREASE (DECREASE) IN CASH	(262,500)	(354,300)	(323,600)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>2,034,547</u>	<u>1,338,833</u>	<u>984,533</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>1,772,047</u></u>	<u><u>984,533</u></u>	<u><u>660,933</u></u>

City of Duluth Minnesota - 2014 Budget

Clean Water Surcharge Fund

532

Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
OPERATING REVENUES				
4836 I & I Surcharge	52,273	14,290	30,000	14,000
4837 Clean Water Surcharge	2,833,034	1,819,064	1,835,500	1,825,000
TOTAL	2,885,307	1,833,354	1,865,500	1,839,000
NON-OPERATING REVENUES				
4209 Federal Grants - Capital	-	1,050,680	-	-
4220 Minnesota Grants - Capital	4,457,016	1,337,951	2,400,700	-
4850 Earnings on Investments	927	940	900	400
TOTAL	4,457,943	2,389,571	2,401,600	400
TOTAL REVENUE	7,343,250	4,222,925	4,267,100	1,839,400

City of Duluth Minnesota - 2014 Budget

Clean Water Surcharge Fund

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Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
OPERATING EXPENSES				
5201 Computer Supplies/Software	-	-	-	-
5301 Auditing Services	2,916	4,499	2,200	3,000
5420 Depreciation	70,141	156,849	495,400	564,400
5427 Credit Card Commissions	1,969	2,514	2,400	2,400
5432 Uncollectible Accounts	7,754	3,780	10,000	5,000
5434 Grants & Awards	997,809	1,286,687	800,000	800,000
5535 Non-Capital Improvements	-	875	-	-
5611 Bond Interest	114,213	171,809	207,800	198,400
5622 Bond Amortization	1,705	1,816	1,700	2,100
TOTAL	<u>1,196,507</u>	<u>1,628,829</u>	<u>1,519,500</u>	<u>1,575,300</u>
NON-OPERATING EXPENSES				
5532 Capital Improvements-Bond	13,705,047	5,066,655	3,000,900	-
5533 Capital Improvements-Revenue	190,677	102,040	-	-
5536 Utility Infrastructure Replacement	49,573	2,188	-	-
TOTAL	<u>13,945,297</u>	<u>5,170,883</u>	<u>3,000,900</u>	<u>-</u>
TOTAL EXPENSES	15,141,804	6,799,712	4,520,400	1,575,300

City of Duluth Minnesota - 2014 Budget

Stormwater Fund

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

The Stormwater utility was created mid 1998. The primary funding source is user charges to all residential and business property owners.

Estimated Income and Expense	2011 Actual	2012 Actual	2013 Budget	2014 Approved
REVENUE				
Stormwater Sewer Service	4,598,436	4,777,794	4,686,000	4,690,000
Miscellaneous Revenue	34,106	20,372	17,800	18,300
Non-Operating	105,898	69,252	700	6,000
	<u>4,738,440</u>	<u>4,867,418</u>	<u>4,704,500</u>	<u>4,714,300</u>
EXPENSES				
Personal Services	1,773,546	1,991,160	2,148,200	2,177,400
Supplies	247,979	325,930	243,800	255,600
Other Services and Charges	699,283	490,855	627,800	634,500
Utilities	36,859	40,498	38,700	39,600
Depreciation and Amortization	452,148	477,970	570,700	536,100
Improvements - Non-Capital	87,031	35,938	328,100	297,500
Debt Service - Interest	71,530	65,849	62,300	56,100
Bond Amortization	2,434	2,441	2,500	2,500
Transfers Out	641,885	498,792	346,800	646,400
	<u>4,012,695</u>	<u>3,929,433</u>	<u>4,368,900</u>	<u>4,645,700</u>
ESTIMATED OPERATING INCOME (LOSS)				
	725,745	937,985	335,600	68,600
Other Sources of Cash	506,831	1,007,354	573,200	539,200
Other Uses of Cash	(1,998,328)	(1,215,150)	(1,333,600)	(1,612,900)
Increase (Decrease) in Cash	<u>(765,752)</u>	<u>730,189</u>	<u>(424,800)</u>	<u>(1,005,100)</u>

City of Duluth Minnesota - 2014 Budget

Stormwater Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2013 Budget	2013 Projected	2014 Approved
ESTIMATED OPERATING INCOME (LOSS)	335,600	675,100	68,600
<u>Other Sources of Cash</u>			
Depreciation and Amortization	570,700	496,900	536,100
Bond Amortization	2,500	2,500	2,500
Due from Other Funds	-	21,200	-
Special Assessment Principal	-	600	600
Total Other Sources of Cash	<u>573,200</u>	<u>521,200</u>	<u>539,200</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	-	62,100	-
Capital Improvements from Current Revenues	1,014,000	696,100	1,108,000
Capital Equipment Purchases	115,000	65,000	294,500
Bond Principal Payments	204,600	204,600	210,400
Total Other Uses of Cash	<u>1,333,600</u>	<u>1,027,800</u>	<u>1,612,900</u>
INCREASE (DECREASE) IN CASH	(424,800)	168,500	(1,005,100)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>1,591,221</u>	<u>2,379,526</u>	<u>2,548,026</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>1,166,421</u></u>	<u><u>2,548,026</u></u>	<u><u>1,542,926</u></u>

City of Duluth Minnesota - 2014 Budget

Stormwater Fund

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Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
OPERATING REVENUES:				
4636 Sale of Materials	2,895	4,545	1,500	3,000
4835 Stormwater Revenues	4,598,436	4,777,794	4,686,000	4,690,000
4802 Interest Earned on Customer Accounts	27,752	12,666	14,000	14,000
4805 Reimbursements	2,153	3,161	2,000	1,000
4809 Miscellaneous Operating Revenues	1,306	-	300	300
TOTAL OPERATING REVENUE	4,632,542	4,798,166	4,703,800	4,708,300
NON-OPERATING REVENUES:				
4210 Federal Grants - Capital	80,940	1,566	-	-
4210 Federal Grants - Operating	-	2,705	-	-
4850 Earnings on Investments	981	1,090	700	600
4851 Interest - Other Sources	538	643	-	500
4853 Gain/Loss - Sales of Fixed Assets	(1,621)	50,000	-	-
4854 Utility Assessments	25,060	8,328	-	-
4730 Transfers from Enterprise Funds	-	4,920	-	4,900
TOTAL NON-OPERATING REVENUES	105,898	69,252	700	6,000
TOTAL REVENUE	4,738,440	4,867,418	4,704,500	4,714,300

City of Duluth Minnesota - 2014 Budget

Director's Office

535-500-1900

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

Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	42,272	51,225	58,500	62,300
5101	Permanent Employees - Overtime	338	612	500	500
	TOTAL	42,610	51,837	59,000	62,800
EMPLOYEE BENEFITS					
5121	P.E.R.A.	2,987	3,531	4,100	4,400
5122	F.I.C.A. Social Security	2,618	3,069	3,700	3,900
5123	F.I.C.A. Medicare	612	727	900	900
5124	Health Insurance	3,431	-	-	-
5125	Dental Insurance	221	267	300	100
5126	Life Insurance	102	125	100	100
5127	Health Care Savings	533	2,072	500	600
5130	Cafeteria Plan Benefits	-	5,890	9,000	6,700
	TOTAL	10,504	15,681	18,600	16,700
OPERATING EXPENSES					
5200	Office Supplies	50	84	-	100
5241	Small Equipment	152	194	-	300
5321	Telephone	219	225	100	100
5331	Training Expense	-	-	300	500
5335	Mileage Reimbursement-Local	-	-	100	100
5336	Copier, Printer Lease & Spplies	-	-	100	-
5441	Other Services & Charges	102	1,401	-	-
	TOTAL	523	1,904	600	1,100
1900	TOTAL - DIRECTOR'S OFFICE	53,637	69,422	78,200	80,600

City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
OPERATING EXPENSES				
5420 Depreciation	452,148	477,970	570,700	536,100
5535 Improvements (Non-Capital)	87,031	35,938	328,100	297,500
5540 Equipment (Non-Capital)	2,928	-	-	-
5611 Bond Interest	71,530	65,849	62,300	56,100
5613 Interest from Amortization	(746)	(748)	(700)	(700)
5620 Fiscal Agent Fees	394	438	400	400
5622 Bond Amortization	3,180	3,189	3,200	3,200
TOTAL	<u>616,465</u>	<u>582,636</u>	<u>964,000</u>	<u>892,600</u>
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue	1,229,640	612,870	1,014,000	1,108,000
5580 Capital Equipment	22,171	253,821	115,000	294,500
TOTAL	<u>1,251,811</u>	<u>866,691</u>	<u>1,129,000</u>	<u>1,402,500</u>
1905 TOTAL - CAPITAL	1,868,276	1,449,327	2,093,000	2,295,100

City of Duluth Minnesota - 2014 Budget

Utility General Expense

535-500-1915

This represents 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	4,740	21,451	35,600	39,600
5101 Permanent Employees - Overtime	111	373	-	-
TOTAL	4,851	21,824	35,600	39,600
EMPLOYEE BENEFITS				
5121 P.E.R.A.	267	1,454	2,400	2,700
5122 F.I.C.A. Social Security	300	1,275	2,200	2,500
5123 F.I.C.A. Medicare	70	298	500	600
5124 Health Insurance	571	-	-	-
5125 Dental Insurance	38	179	300	100
5126 Life Insurance	18	85	100	200
5127 Health Care Savings	34	189	300	400
5130 Cafeteria Plan Benefits	-	3,159	7,300	8,700
5134 Other Post Retirement Benefits	7,677	137,298	-	-
5135 Retiree Health Insurance	2,529	11,623	29,700	10,300
5151 Worker's Compensation	1,800	2,100	600	7,500
TOTAL	13,304	157,660	43,400	33,000
OPERATING EXPENSES				
5200 Office Supplies	87	-	500	500
5201 Computer Supplies/Software	9,883	15,581	16,400	16,900
5205 Safety & Training Materials	727	318	700	700
5211 Cleaning and Janitorial Supplies	2,954	908	2,200	2,700
5241 Small Equipment	3,010	2,056	500	700
5301 Auditing Services	598	418	1,000	1,000
5305 Medical Services/Testing Fees	400	440	400	400
5310 Contract Services	95,000	24,284	-	-
5320 Data Services	7,707	8,321	8,700	9,300
5321 Telephone	4,644	4,339	4,500	4,500
5331 Training Expenses	1,039	4,495	1,400	1,500
5335 Mileage Reimbursement - Local	-	-	100	100
5336 Copier, Printer Lease & Spplies	-	2,688	2,300	4,700
5360 Insurance	2,200	3,100	-	-
5381 Electricity	12,049	11,679	10,400	10,400
5382 Water & Gas	7,286	5,696	11,200	11,900
5384 Refuse Disposal	5,883	8,542	5,400	5,600
5401 Building Repair & Maintenance	4,571	5,426	4,600	6,200
5418 Vehicle/Equipment Lease	4,887	-	-	-
5439 Special Projects	38,801	4,500	-	-
5441 Other Services and Charges	28,496	23,527	8,200	6,700
5450 Laundry	3,149	2,638	2,000	2,200
5493 Cost Allocation Charges	170,000	150,700	150,700	150,700
5700 Transfer to General Fund	5,300	-	-	21,600
5700 Transfer to Special Revenue Funds	-	-	-	5,800
5700 Transfer to Internal Service Funds	131,475	-	131,800	121,000
TOTAL	540,146	279,656	363,000	385,100
1915 TOTAL - UTILITY EXPENSE	558,301	459,140	442,000	457,700

City of Duluth Minnesota - 2014 Budget

Engineering

535-500-1930

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	342,260	328,308	368,000	438,000
5101 Permanent Employees - Overtime	13,410	12,530	13,000	25,000
5103 Temporary Wages	16,815	1,957	4,500	4,500
TOTAL	372,485	342,795	385,500	467,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	24,170	23,950	26,200	31,500
5122 F.I.C.A. Social Security	21,873	20,481	23,900	29,000
5123 F.I.C.A. Medicare	5,115	4,790	5,600	6,800
5124 Health Insurance	47,043	-	-	-
5125 Dental Insurance	2,076	2,075	2,200	1,100
5126 Life Insurance	972	971	1,000	1,200
5127 Health Care Savings	5,581	4,418	6,400	5,800
5130 Cafeteria Plan Benefits	-	63,921	83,000	113,000
5141 Unemployment Compensation	-	546	-	-
TOTAL	106,830	121,152	148,300	188,400
OPERATING EXPENSES				
5200 Office Supplies	13	126	300	300
5201 Computer Supplies	4,462	8,464	14,900	15,800
5203 Paper, Stationery and Forms	165	517	300	300
5205 Safety & Training Materials	221	111	400	400
5212 Motor Fuel	1,702	1,999	1,400	2,000
5219 Other Miscellaneous Supplies	298	52	-	-
5240 Small Tools	244	357	200	600
5241 Small Equipment	6,482	2,353	2,700	4,200
5242 Survey Equipment and Supplies	-	3,965	4,600	5,100
5303 Engineering Services	48,439	5,940	135,000	135,000
5310 Contract Services	-	-	5,000	5,000
5320 Data Services	-	-	500	1,200
5321 Telephone	417	1,496	800	1,600
5322 Postage	10	13	100	100
5331 Training Expenses	2,775	4,490	8,600	13,500
5335 Mileage Reimbursement	50	114	200	200
5355 Printing and Copying	550	-	300	5,800
5336 Copier, Printer Lease & Spplies	-	3,408	3,800	3,900
5404 Equipment Maintenance Repair	292	416	600	600
5409 Fleet Services	2,640	2,638	1,800	2,600
5418 Vehicle/Equipment Lease	203	238	-	-
5433 Dues and Subscriptions	1,155	369	400	900
5435 Books and Pamphlets	100	-	200	200
5438 Licenses	-	136	-	100
5441 Other Services and Charges	995	1,309	30,900	68,600
5486 One Call system	2,870	2,953	2,600	3,000
TOTAL	74,083	41,464	215,600	271,000
1930 TOTAL - ENGINEERING	553,398	505,411	749,400	926,900

City of Duluth Minnesota - 2014 Budget

Customer Services

535-500-1940

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	102,952	100,759	106,500	108,100
5101 Permanent Employees - Overtime	1,496	1,801	1,200	1,500
5103 Temporary Wages	-	-	-	-
5118 Meal Allowance	5	18	-	-
TOTAL	104,453	102,578	107,700	109,600
EMPLOYEE BENEFITS				
5121 P.E.R.A.	6,956	6,994	7,500	7,600
5122 F.I.C.A. Social Security	6,219	6,275	6,700	6,800
5123 F.I.C.A. Medicare	1,454	1,467	1,600	1,600
5124 Health Insurance	16,183	-	-	-
5125 Dental Insurance	780	768	800	300
5126 Life Insurance	365	360	400	400
5127 Health Care Savings	1,428	3,830	1,000	1,000
5130 Cafeteria Plan Benefits	-	19,270	25,800	28,000
TOTAL	33,385	38,964	43,800	45,700
OPERATING EXPENSES				
5200 Office Supplies	2,497	660	600	600
5201 Computer Supplies	-	-	200	200
5203 Paper/Stationery	339	484	1,100	1,100
5241 Small Equipment	600	563	600	600
5310 Contract Services	17,048	18,818	15,000	17,200
5321 Telephone	174	100	200	200
5322 Postage	21,075	19,184	22,700	22,700
5331 Training Expense	386	212	400	600
5339 Armored Pickup	549	649	600	600
5355 Printing & Copying	100	380	100	100
5356 Copier, Printer Lease & Spplies	-	183	200	200
5401 Building Repair & Maintenance	94	85	-	-
5404 Equipment Repair & Maintenance	138	98	400	300
5427 Credit Card Commission	3,286	4,037	2,500	2,700
5432 Uncollectible Accounts	10,858	(16,441)	5,000	5,000
5441 Other Services & Charges	-	113	500	500
TOTAL	57,144	29,125	50,100	52,600
1940 TOTAL - CUSTOMER SERVICES	194,982	170,667	201,600	207,900

City of Duluth Minnesota - 2014 Budget

Utility Operations

535-500-1945

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	758,282	766,626	863,400	787,900
5101 Permanent Employees - Overtime	87,929	78,483	90,000	80,000
5118 Meal Allowance	367	1,292	1,000	1,000
TOTAL	846,578	846,401	954,400	868,900
EMPLOYEE BENEFITS				
5121 P.E.R.A.	57,639	58,503	60,600	55,400
5122 F.I.C.A. Social Security	51,085	50,938	59,100	53,800
5123 F.I.C.A. Medicare	11,946	11,996	13,800	12,600
5124 Health Insurance	101,632	-	-	-
5125 Dental Insurance	5,068	5,331	6,200	2,400
5126 Life Insurance	2,369	2,517	2,900	2,700
5127 Health Care Savings	8,807	15,133	8,700	20,300
5130 Cafeteria Plan Benefits	-	147,850	200,600	198,000
TOTAL	238,546	292,268	351,900	345,200
OPERATING EXPENSES				
5200 Office Supplies	2,762	2,524	1,500	1,500
5201 Computer Supplies/Software	3,300	1,587	1,400	5,600
5202 Audiovisual & Photography	-	142	-	-
5205 Safety & Training Materials	3,820	1,568	3,100	2,300
5210 Plant Operating Supplies	6,396	2,709	12,000	9,500
5212 Motor Fuels	64,856	64,668	54,000	60,000
5218 Uniforms	1,276	1,421	4,100	4,100
5220 Repair and Maintenance Supplies	3,962	15,006	4,800	5,800
5222 Blacktop	28,203	6,013	12,000	12,000
5224 Gravel and Other Maintenance Materials	30,264	54,170	27,700	27,700
5227 Utility Maintenance Supplies	34,477	122,348	53,000	53,000
5240 Small Tools	1,964	422	5,000	3,600
5241 Small Equipment	29,885	14,560	17,600	17,400
5310 Contract Services	24,737	7,714	16,300	9,300
5320 Data Services	847	367	400	-
5321 Telephone	2,416	2,390	2,300	2,000
5322 Postage	-	-	200	200
5331 Training Expense	13,329	8,272	12,100	8,100
5333 Freight and Delivery Charges	-	-	300	300
5335 Mileage Reimbursement	14,153	14,404	15,000	10,000
5355 Printing & Copying	8,899	5,304	5,500	-
5336 Copier, Printer Lease & Spplies	-	120	500	500
5382 Water /Sewer/Gas	569	561	800	800
5384 Refuse Disposal	11,072	14,020	10,900	10,900
5404 Equipment/Maintenance Repair	9,803	4,800	6,300	6,000
5409 Fleet Services	123,089	125,130	100,000	100,000
5415 Vehicle/Equip Rent	14,639	25,088	7,000	7,000
5419 Other Rentals	2,124	-	-	-
5433 Dues and Subscriptions	550	550	1,000	400
5438 Licenses	-	-	500	500
5441 Other Services & Charges	273	60	31,100	3,400
5450 Laundry	8,013	8,778	6,000	6,000
5700 Transfer to General Fund	510,410	498,792	215,000	498,000
TOTAL	956,088	1,003,488	627,400	865,900
1945 TOTAL - UTILITY OPERATIONS	2,041,212	2,142,157	1,933,700	2,080,000

City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
REVENUE				
Operating	6,934,461	6,993,784	7,904,300	6,701,900
Miscellaneous	2,535,054	246,170	244,700	279,700
	9,469,515	7,239,954	8,149,000	6,981,600
EXPENSES				
Duluth Steam Co-op				
Management Contract	1,921,869	2,110,561	2,459,900	2,476,700
Fuel Expense	3,193,518	3,051,564	3,924,200	2,675,900
Other Operating &				
Maintenance Expense	588,549	456,814	507,300	1,087,100
Depreciation	1,008,522	998,705	1,029,600	1,070,400
In Lieu of Taxes	178,660	140,389	152,800	152,800
Bond Interest	261,006	227,635	221,700	77,500
	7,152,124	6,985,668	8,295,500	7,540,400
ESTIMATED OPERATING INCOME/(LOSS)	2,317,391	254,286	(146,500)	(558,800)

City of Duluth Minnesota - 2014 Budget

Steam Utility Fund

540

Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
OPERATING REVENUES:				
4801 Off/On Charge	96	284	400	-
4840 Energy Charge	3,356,855	3,180,498	3,924,200	2,623,000
4841 Steam Flat Rate	144	24	100	-
4842 Capacity Charge	3,220,824	3,438,477	3,609,600	3,084,000
4843 Steam Repair - Labor	2,060	2,410	2,400	2,400
4844 Steam Repair - Materials	3,987	3,632	2,400	2,400
4845 Hot Water Sales	85,268	78,368	79,200	109,700
4846 Chilled Water Capacity Charge	198,253	198,253	186,000	198,300
4847 Chilled Water Energy Charge	66,974	91,838	100,000	682,100
TOTAL OPERATING REVENUES	6,934,461	6,993,784	7,904,300	6,701,900
MISCELLANEOUS REVENUES:				
4855 DECC Capacity Charge	192,918	219,751	222,100	222,100
4850 Earnings on Investments	494	751	600	600
4802 Interest Earned on Customer Accounts	31,679	15,762	13,200	13,200
4809 Misc Non-Operating Income	2,309,963	9,906	8,800	43,800
TOTAL MISCELLANEOUS REVENUES	2,535,054	246,170	244,700	279,700
TOTAL REVENUE	9,469,515	7,239,954	8,149,000	6,981,600

City of Duluth Minnesota - 2014 Budget

Steam Utility Fund

540

Expense Detail by Division		2011 Actual	2012 Actual	2013 Budget	2014 Approved
1490	Production	3,193,518	3,051,564	3,924,200	2,675,900
1491	Chiller Production	67,113	48,235	100,000	629,200
1492	Production Maintenance	218,259	166,563	160,800	129,600
1493	Transmission & Distribution	146,045	222,444	114,500	192,500
1494	Customer Accounting	2,400	2,400	2,700	7,600
1495	Administration & General	3,225,020	3,364,386	3,771,600	3,828,100
1499	Debt Service & Capital	299,769	130,076	221,700	77,500
TOTAL EXPENSES		7,152,124	6,985,668	8,295,500	7,540,400

City of Duluth Minnesota - 2014 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		2011 Actual	2012 Actual	2013 Budget	2014 Approved
5216	Chemicals	35,038	33,408	-	48,000
5310	Contract Services	3,093	-	-	-
5311	Security Services	-	417	-	-
5220	Repair and Mtc Supplies	3,892	3,533	-	-
5381	Electricity	187,593	207,387	-	228,400
5382	Water, Gas and Sewer	169,166	192,411	-	179,800
5383	Natural Gas	5,794	6,618	-	5,400
5384	Refuse Disposal	1,254	1,220	-	1,800
5385	Oil	53,872	52,204	-	14,500
5387	Coal	2,663,905	2,493,029	3,924,200	2,133,000
5388	Ash Handling	69,911	61,337	-	65,000
1490	TOTAL - PRODUCTION	3,193,518	3,051,564	3,924,200	2,675,900

City of Duluth Minnesota - 2014 Budget

Chiller Production

540-1491

Records the variable cost of producing and distributing chilled water.

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
5216 Chemicals	3,224	2,317	-	3,000
5220 Repair & Mntc Supplies	-	8	-	4,000
5310 Contract Services	38,531	7,808	-	25,200
5381 Electricity	20,868	31,633	100,000	591,300
5382 Water, Gas & Sewer	4,490	6,469	-	5,700
1491 TOTAL - PRODUCTION	67,113	48,235	100,000	629,200

City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
5205 Safety Equipment & Supplies	3,491	2,883	-	12,100
5216 Chemicals	6,436	1,375	-	-
5220 Repair Materials & Supplies	131,903	107,441	160,800	57,000
5310 Contract Services	76,429	54,864	-	60,500
1492 TOTAL - PRODUCTION MAINTENANCE	218,259	166,563	160,800	129,600

City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
5220 Repair Materials & Supplies	43,058	60,759	114,500	58,500
5310 Contract Services	102,987	161,685	-	134,000
1493 TOTAL - TRANSMISSIONS & DISTRIBUTION	146,045	222,444	114,500	192,500

City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
5200 Office Supplies	-	-	-	500
5322 Postage	-	-	-	1,100
5432 Uncollectible Accounts	2,400	2,400	2,700	6,000
1494 TOTAL - CUSTOMER ACCOUNTING	2,400	2,400	2,700	7,600

City of Duluth Minnesota - 2014 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		2011 Actual	2012 Actual	2013 Budget	2014 Approved
5200	Office Supplies	-	4,001	-	3,800
5301	Audit Fees	4,573	1,454	-	1,100
5304	Legal Services	-	-	-	3,000
5307	Management Contract	1,921,869	2,110,561	2,459,900	2,476,700
5319	Other Professional Services	-	504	-	-
5321	Telephone Service	4,957	6,682	-	6,000
5361	General Liability Boiler Insurance	3,166	2,912	-	4,000
5420	Depreciation	1,008,522	998,705	1,029,600	1,070,400
5438	Licenses Operating	53,773	49,583	-	53,000
5441	Other Services & Charges	-	95	-	7,800
5480	Payment in Lieu of Taxes	178,660	140,389	152,800	152,800
5493	Cost Allocation	49,500	49,500	129,300	49,500
1495	TOTAL - ADMINISTRATION & GENERAL	3,225,020	3,364,386	3,771,600	3,828,100

City of Duluth Minnesota - 2014 Budget

Debt Service

540-1499

To pay the interest expense on the outstanding bond issues and the DEDA storefront loan.

Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Approved
5611	Bond Interest	252,532	217,509	215,100	54,600
5613	Interest from Bond Discount	-	-	-	16,800
5614	Capital Lease Interest	-	-	5,400	5,400
5620	Fiscal Agents Fee	1,575	1,225	1,200	700
5622	Bond Amortization	6,899	8,901	-	-
5530	Improvements Other than Bldgs	38,763	(97,559)		
1499	TOTAL - DEBT SERVICE	299,769	130,076	221,700	77,500

City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Approved
REVENUE				
Operating Revenue	1,894,038	2,272,395	2,150,700	2,200,000
	<u>1,894,038</u>	<u>2,272,395</u>	<u>2,150,700</u>	<u>2,200,000</u>
EXPENSE				
Personal Services	393,154	389,757	422,400	441,800
Supplies	151,634	175,779	151,500	309,800
Other Services and Charges	60,142	125,926	190,500	182,200
Utilities	650,583	669,240	750,000	721,000
Depreciation	222,685	224,421	225,000	223,800
Transfers	-	41,000	-	42,200
	<u>1,478,198</u>	<u>1,626,123</u>	<u>1,739,400</u>	<u>1,920,800</u>
ESTIMATED OPERATING INCOME / (LOSS)	415,840	646,272	411,300	279,200
Other Sources of Cash	222,685	224,421	225,000	223,800
Other Uses of Cash	<u>(108,456)</u>	<u>(142,036)</u>	<u>(450,000)</u>	<u>(529,500)</u>
Increase (Decrease) in Cash	<u><u>530,069</u></u>	<u><u>728,657</u></u>	<u><u>186,300</u></u>	<u><u>(26,500)</u></u>

BUDGETED FTE'S	2011	2012	2013	2014
32 Traffic Operations Leadworker	1.0	1.0	1.0	1.0
30 Electrician	1.0	1.0	1.0	-
30 Signal Technician	2.0	2.0	2.0	3.0
22 Maintenance Worker	-	1.0	1.0	1.0
126 Information Technician	-	-	-	0.1
Division Total	4.0	5.0	5.0	5.1

City of Duluth Minnesota - 2014 Budget

Street Lighting Fund Estimated Unrestricted Cash Balance

	2013 Budget	2013 Projected	2014 Approved
OPERATING FUND			
ESTIMATED OPERATING INCOME (LOSS)	411,300	489,200	279,200
<u>Other Sources of Cash</u>			
Depreciation and Amortization	225,000	223,600	223,800
Total Other Sources of Cash	<u>225,000</u>	<u>223,600</u>	<u>223,800</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	-	4,700	-
Capital Improvements from Current Revenues	-	36,200	400,000
Capital Equipment Purchases	450,000	344,100	129,500
Total Other Uses of Cash	<u>450,000</u>	<u>385,000</u>	<u>529,500</u>
INCREASE (DECREASE) IN CASH	186,300	327,800	(26,500)
EST. UNRESTRICTED CASH AND DEBT SERVICE CASH- BEGINNING	<u>254,223</u>	<u>1,243,251</u>	<u>1,571,051</u>
EST. UNRESTRICTED CASH AND DEBT SERVICE CASH- ENDING	<u><u>440,523</u></u>	<u><u>1,571,051</u></u>	<u><u>1,544,551</u></u>

City of Duluth Minnesota - 2014 Budget

Street Lighting Fund

550

Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
OPERATING REVENUES:				
4838 Street Lighting Fee	1,873,843	2,140,481	2,134,700	2,136,000
4636 Sale of Scrap	3,888	615	-	1,000
4654 Other Reimbursements	10	28,011	10,000	15,000
4680 Damages or Losses Recovered	7,828	93,451	-	40,000
4802 Interest Earned	8,469	9,837	6,000	8,000
TOTAL OPERATING REVENUES	1,894,038	2,272,395	2,150,700	2,200,000
TOTAL REVENUE	1,894,038	2,272,395	2,150,700	2,200,000

City of Duluth Minnesota - 2014 Budget

Street Lighting Fund

550

Operating Expense Detail		2011	2012	2013	2014
		Actual	Actual	Budget	Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	261,217	249,211	264,300	273,000
5101	Permanent Employees - Overtime	38,726	30,358	40,000	40,000
5103	Temporary Employees - Regular	-	-	-	-
	TOTAL	299,943	279,569	304,300	313,000
EMPLOYEE BENEFITS					
5121	P.E.R.A.	20,590	19,851	21,600	19,400
5122	F.I.C.A. Social Security	17,671	16,912	18,900	19,400
5123	F.I.C.A. Medicare	4,133	3,955	4,400	4,500
5124	Health Insurance	45,895	-	-	-
5125	Dental Insurance	1,758	1,830	1,900	800
5126	Life Insurance	818	860	900	900
5127	Health Care Savings Plan	2,346	8,372	2,500	8,600
5130	Cafeteria Plan Benefits	-	58,408	67,900	75,200
	TOTAL	93,211	110,188	118,100	128,800
OPERATING EXPENSES					
5200	Office Supplies	1,703	2,129	1,000	1,000
5201	Computer Supplies	2,781	135	500	500
5205	Safety & Training	1,750	1,935	1,500	1,500
5211	Cleaning/Janitorial Supplies	1,851	949	1,000	1,000
5212	Motor Fuels	6,970	7,883	35,000	12,000
5218	Uniforms	1,136	1,066	2,000	2,300
5219	Other Miscellaneous Supplies	2,272	7,092	2,500	3,000
5226	Sign & Signal Supplies	60,548	90,686	50,000	65,400
5230	Street Lighting Supplies	49,869	41,942	50,000	213,100
5240	Small Tools	6,544	10,550	4,000	4,000
5241	Small Equipment	16,210	11,412	4,000	6,000
5310	Contract Services	-	-	-	25,000
5319	Other Professional Services	-	-	15,000	15,000
5321	Telephone	876	2,156	700	2,000
5331	Travel/Training	1,767	3,489	1,000	1,500
5335	Mileage Reimbursement - Local	3,454	3,377	3,500	3,500
5381	Electricity	650,583	669,240	750,000	721,000
5389	Street Lighting	22,152	17,716	15,000	18,000
5401	Bldg/Structure Repair & Maintenance	43	924	1,000	1,000
5404	Equipment Repair & Maintenance	315	-	500	500
5409	Fleet Service Charges	23,696	28,904	50,000	45,000

City of Duluth Minnesota - 2014 Budget

Street Lighting Fund

550

Operating Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Approved
OPERATING EXPENSES CONTINUED				
5415 Equipment Rental	-	185	500	500
5420 Depreciation	222,685	224,421	225,000	223,800
5432 Uncollectible Accounts	5,164	6,229	-	6,000
5433 Dues & Subscriptions	80	80	100	100
5435 Books	-	-	100	100
5438 Licenses	79	75	200	200
5441 Other Services & Charges	1,234	2,345	1,000	2,900
5450 Laundry	1,282	1,446	1,900	1,900
5493 Cost Allocation	-	59,000	100,000	59,000
5700 Interfund Transfers Out	-	41,000	-	42,200
TOTAL	1,085,044	1,236,366	1,317,000	1,479,000
TOTAL OPERATING EXPENSES	1,478,198	1,626,123	1,739,400	1,920,800
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue Financing	-	-	300,000	400,000
5580 Capital Equipment	32,077	119,913	150,000	129,500
TOTAL NON-OPERATING EXPENSES	32,077	119,913	450,000	529,500
TOTAL STREET LIGHT UTILITY	1,510,275	1,746,036	2,189,400	2,450,300

Internal Service Funds

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	10,907,638	8,670,137	8,507,569	7,460,969
REVENUES				
Participation from Other Funds	18,916,631	11,494,449	21,245,000	22,008,400
Charges for Services	3,602,574	4,452,600	3,944,300	4,118,100
Miscellaneous	2,224,746	2,855,381	3,167,400	1,798,400
TOTAL REVENUES	<u>24,743,951</u>	<u>18,802,430</u>	<u>28,356,700</u>	<u>27,924,900</u>
EXPENSES				
Personal Services	1,848,588	1,898,721	2,219,600	1,917,300
Other Expenditures	4,291,233	4,952,985	4,561,600	4,556,700
Claims	20,841,631	12,113,292	22,622,100	22,451,300
TOTAL EXPENSES	<u>26,981,452</u>	<u>18,964,998</u>	<u>29,403,300</u>	<u>28,925,300</u>
FUND BALANCE - DECEMBER 31	8,670,137	8,507,569	7,460,969	6,460,569

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	1,094,083	1,347,819	1,732,424	1,359,824
REVENUES				
Transfer from City Funds:				
General	700,000	700,000	500,000	500,000
Public Utility	418,400	243,300	170,800	130,500
Spirit Mountain	8,810	-	-	-
Duluth Airport	27,855	-	-	-
Other Reimbursements	96,819	155,992	50,000	50,000
TOTAL REVENUES	<u>1,251,884</u>	<u>1,099,292</u>	<u>720,800</u>	<u>680,500</u>
EXPENSES				
Personal Services	313,154	325,059	407,400	259,600
Claims:				
Worker's Compensation	388,681	97,370	378,200	567,600
Other Services and Charges	296,313	292,258	307,800	197,500
TOTAL EXPENSES	<u>998,148</u>	<u>714,687</u>	<u>1,093,400</u>	<u>1,024,700</u>
FUND BALANCE - DECEMBER 31	1,347,819	1,732,424	1,359,824	1,015,624

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	1,316,033	1,816,621	1,864,524	1,474,124
REVENUES				
Transfer from City Funds:				
General	400,000	400,000	-	150,000
Public Utility	708,200	294,300	268,800	225,100
Duluth Steam	3,166	2,912	2,900	3,100
Spirit Mountain	20,667	-	21,800	21,800
Duluth Airport	58	-	100	100
DEDA	20,655	21,754	21,800	20,500
Other Reimbursements	30,977	32,154		
TOTAL REVENUES	<u>1,183,723</u>	<u>751,120</u>	<u>315,400</u>	<u>420,600</u>
EXPENSES				
Claims: Liability	391,193	423,238	391,500	385,900
Property/Boiler Insurance	110,494	112,588	104,400	108,000
Other Services and Charges	181,448	167,391	209,900	207,200
TOTAL EXPENSES	<u>683,135</u>	<u>703,217</u>	<u>705,800</u>	<u>701,100</u>
FUND BALANCE - DECEMBER 31	1,816,621	1,864,524	1,474,124	1,193,624

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	7,656,073	4,876,328	4,041,835	4,045,935
REVENUES				
City Employer/Employee Premiums	15,925,200	9,120,839	19,573,800	20,661,200
Sub-Group Employer/Employee Premium	1,294,637	1,472,544	1,603,600	1,722,900
Miscellaneous	733,055	1,125,553	1,448,800	-
TOTAL REVENUES	<u>17,952,892</u>	<u>11,718,936</u>	<u>22,626,200</u>	<u>22,384,100</u>
EXPENSES				
Personal Services	250,000	255,000	405,000	255,000
Claims	19,453,643	10,953,267	21,097,300	20,836,900
Other Services and Charges	1,028,994	1,345,162	1,119,800	1,275,400
TOTAL EXPENSES	<u>20,732,637</u>	<u>12,553,429</u>	<u>22,622,100</u>	<u>22,367,300</u>
FUND BALANCE - DECEMBER 31	4,876,328	4,041,835	4,045,935	4,062,735

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	307,435	403,689	492,040	435,140
REVENUES				
City Employer/Employee Premiums	683,620	711,344	685,000	296,100
Sub-Group Employer/Employee Premiums	69,258	69,138	65,000	25,500
TOTAL REVENUES	752,878	780,482	750,000	321,600
EXPENSES				
Claims	608,114	639,417	755,100	660,900
Other Services and Charges	48,510	52,714	51,800	53,200
TOTAL EXPENSES	656,624	692,131	806,900	714,100
FUND BALANCE - DECEMBER 31	403,689	492,040	435,140	42,640

City of Duluth Minnesota - 2014 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.

	2011 Actual	2012 Actual	2013 Budget	2014 Approved
FUND BALANCE - JANUARY 1	534,014	225,680	376,746	145,946
REVENUES				
Fleet Services				
General Fund	2,632,199	3,330,053	2,925,000	3,070,200
Parks Fund	-	9,015	7,500	9,500
Golf Fund	68,996	72,434	60,000	65,000
Parking Fund	1,151	3,161	11,000	22,000
Water and Gas	497,875	603,317	514,400	544,900
Sewer	179,400	197,562	184,200	179,100
Stormwater	192,286	194,436	157,200	164,600
Street Light Utility	30,667	36,787	85,000	57,000
Other	-	5,835	-	5,800
TOTAL REVENUES	3,602,574	4,452,600	3,944,300	4,118,100
EXPENSES				
Personal Services	981,003	956,576	1,019,700	1,001,100
Benefits	304,431	362,086	387,500	401,600
Other Expenses	2,625,474	2,982,872	2,767,900	2,715,400
TOTAL EXPENSES	3,910,908	4,301,534	4,175,100	4,118,100
FUND BALANCE - DECEMBER 31	225,680	376,746	145,946	145,946
BUDGETED FTE'S				
1115 Manager, Maintenance Operations	0.2	0.2	0.25	0.25
1050 Mgr, Maintenance & Supply	1	1	1	1
133 Budget Analyst	0.2	0.2	0.25	0.1
32 Fleet Services Leadworker	2	2	2	2
28 Fleet Assistant	0	0	0	1
28 Mechanic	5	6	6	6
28 Welder	2	2	2	2
27 Storekeeper	1	1	1	1
27 Industrial Equipment Technician	1	1	1	1
25 Equipment Maintenance Spec	2	2	2	2
24 Assistant Storekeeper	2	2	2	1
22 Maintenance Worker	1	1	1	1
Division Total	17.4	18.4	18.5	18.35

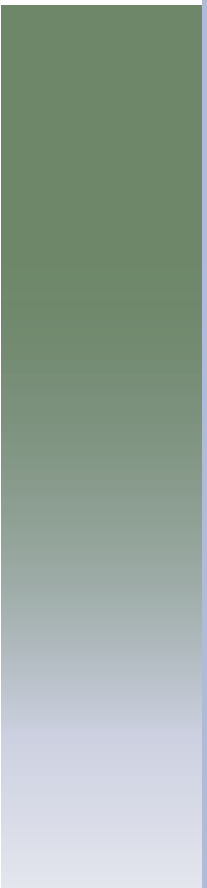
City of Duluth Minnesota - 2014 Budget

Fleet Services

660-015

EXPENSE DETAIL	2011 Actual	2012 Actual	2013 Budget	2014 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	955,673	940,412	999,700	981,100
5101 Permanent Employees - Overtime	25,330	16,164	20,000	20,000
5103 Temporary Employees - Regular	-	-	-	-
TOTAL	981,003	956,576	1,019,700	1,001,100
5121 P.E.R.A.	65,454	62,555	71,600	69,400
5122 F.I.C.A. Social Security	58,680	57,561	63,200	62,100
5123 F.I.C.A. Medicare	13,723	13,462	14,800	14,500
5124 Health Insurance	144,122	-	-	-
5125 Dental Insurance	6,682	6,678	7,100	2,800
5126 Life Insurance	4,095	4,295	3,300	3,300
5127 Health Care Savings Plan	11,675	30,840	10,000	9,200
5130 Cafeteria Plan Benefits	-	186,695	217,500	240,300
TOTAL	304,431	362,086	387,500	401,600
OTHER EXPENDITURES				
5200 Office Supplies	3,572	2,693	4,000	4,000
5201 Computer Supplies/Software	3,025	-	5,000	4,000
5205 Safety & Training Materials	668	2,369	4,000	4,000
5210 Plant/Operating Supplies	18,206	22,752	16,000	16,000
5212 Motor Fuel	1,319,638	1,407,999	1,295,000	1,320,700
5215 Shop Materials	10,983	13,982	13,000	13,000
5219 Other Miscellaneous Supplies	6,157	5,654	10,000	10,000
5221 Equipment Repair Supplies	872,322	1,152,125	950,400	922,900
5240 Small Tools	6,314	6,167	7,000	10,000
5241 Small Equipment	4,676	1,410	5,000	2,000
5405 Medical Services/Testing Fees	-	-	500	500
5319 Other Professional Services	202	4,020	1,500	1,500
5320 Data Services	4,488	4,491	5,000	5,000
5321 Telephone	1,176	709	500	500
5334 Training Expense	1,078	2,104	4,500	8,000
5335 Mileage Reimbursement	320	-	2,000	2,000
5381 Electricity	16,816	14,491	15,000	15,800
5382 Water, Gas and Sewer	12,928	11,170	15,000	15,000
5384 Refuse Disposal	1,642	594	2,000	2,000
5401 Building Structure Repair	31,395	1,002	10,500	6,000
5404 Equipment Repair & Maintenance	93,799	115,203	125,500	125,500
5418 Vehicle/Equipment Lease	3,807	3,947	4,000	4,000
5419 Other Rental	-	-	1,500	1,500
5420 Depreciation	68,439	65,099	65,800	55,000
5438 Licenses	1,093	8,000	4,000	9,000
5441 Other Services and Charges	17,815	11,419	30,000	27,000
5450 Laundry	14,171	16,874	14,000	18,000
5493 Cost Allocation Charges	108,200	108,200	108,200	108,200
5604 Capital Lease Principle	-	-	47,200	-
5615 Capital Lease Interest	2,544	398	1,800	-
5700 Transfer to Special Revenue Funds	-	-	-	4,300
TOTAL	2,625,474	2,982,872	2,767,900	2,715,400
TOTAL EXPENSES	3,910,908	4,301,534	4,175,100	4,118,100

CAPITAL PROGRAM



CAPITAL BUDGET AND PLAN

The City of Duluth's Capital Improvement Plan (CIP) is a plan for the development and maintenance of the city's "physical plant" covering items thought of as infrastructure – street, water, gas and sewer lines, bridges etc. as well as city facilities and property. Also included in this plan are the city's rolling stock equipment plan and budget, and the capital outlay budget items. Not included in the CIP at this time are non-street Community Development Block Grant projects; new development; Duluth Economic Development Authority (DEDA) projects; or projects of the city authorities of Spirit Mountain, Duluth Airport Authority, Duluth Transit Authority, or the Duluth Entertainment and Convention Center.

The City's Capital Improvement 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 CIP 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. This section presents a summary of the 2014 Capital Budget and the 2014 through 2018 Capital Improvement Plan, as well as a summary of the Capital Equipment Budget and Plan.

2014 Proposed Improvements

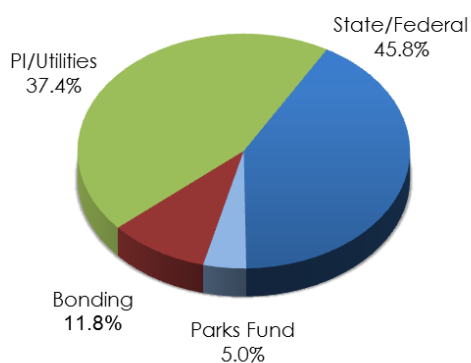
The 2014 CIP outlines projects funded in the Capital Projects Funds of Permanent Improvement and Capital Improvement. Also included are projects for the Parks Fund, Water, Gas, Sewer, Stormwater and Street Lighting utilities. The total proposed budget is \$26,078,000 consisting of an array of projects and funding sources. The chart below shows the breakdown of funding for the 2014 program.

Capital improvements to city buildings and infrastructure will be funded by issuing a capital improvement bond in the amount of \$1,684,000.

Parks and trails are to be funded by a federal grant of \$1,811,800; a state grant for \$288,000; a matching grant bond of \$537,000; and the parks fund for \$1,284,700 for a combined program total of \$4,409,500.

The Street and Bridge Reconstruction and Preservation program for 2014 totals \$7,624,500. Funding sources include aids and grants; and current year utility revenue.

2014 Capital Utility Projects will be funded through a MN Public Facilities Authority loan in the amount of \$820,000; a state grant in the amount of \$3,280,000; and current year utility revenue of \$8,260,000 for a total of \$12,360,000.

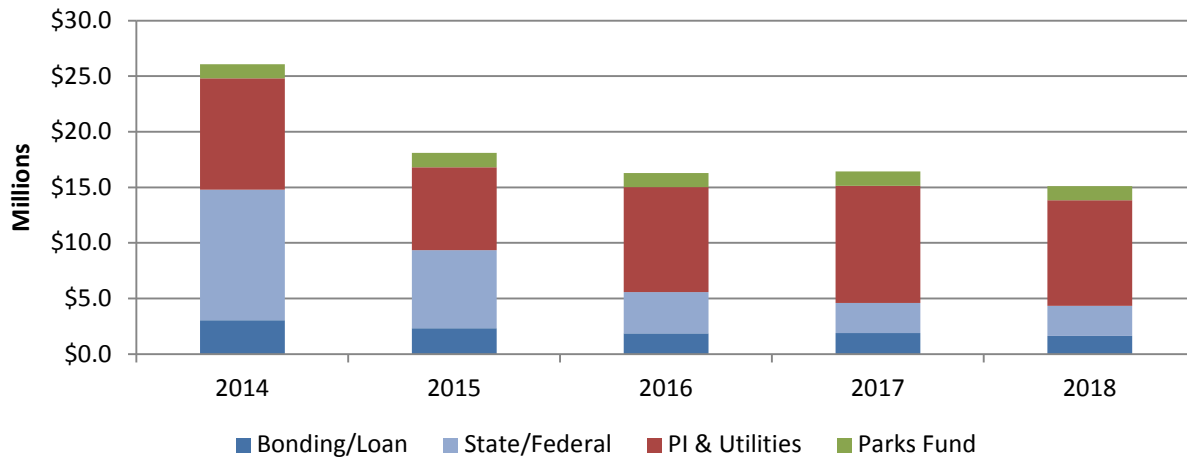


PI/Utilities Current Revenue	\$ 9,994,500
Parks Fund	\$ 1,284,700
Bonding	\$ 3,041,000
State/Fed	<u>\$ 11,757,800</u>
Total 2014 Plan	\$ 26,078,000

Five Year Improvement Plan Funding

The City's Plan identifies \$92.014 million in improvements along with funding sources over the course of the next five years. The **Parks Fund** contribution will total \$6.424 million over the five year period, along with \$2.988 million in federal and state grants for city trails. In addition, the **City** will bond for certain types of improvements as allowed in State Statute, as well as for trail improvements using grant money as the required match. For 2014, the City is proposing to bond \$1,684,000 for capital improvements and \$537,000 for trails; for 2015, the figures are \$1.94 million and \$375,000. The proposed capital improvement bond amounts for the remaining three years are \$1.865 million in 2016, \$1.885 million in 2017, and \$1.635 million in 2018 for a combined five year total of \$9.921 million for improvements and trail bonds. Along with Municipal State Aid funding of \$14.3 million and federal funding of \$4.31 million, property tax dollars are levied in the **Permanent Improvement Fund** for street and bridge projects totaling \$1.4 million with \$280,000 to come from current year property tax revenues. The **Utility Funds** will finance \$45.572 million utilizing current year operating revenues, with an additional \$6.28 million from state grants and \$820,000 to be financed with a PFA loan over the five year period, for a combined total of \$52.672 million for utilities.

Shown in the chart below are the various funding sources by year for the plan.



	2014	2015	2016	2017	2018	Total
Bonding/Loan	3,041,000	2,315,000	1,865,000	1,885,000	1,635,000	10,741,000
State/Federal	11,757,800	7,020,000	3,700,000	2,700,000	2,700,000	27,877,800
PI & Utilities	9,994,500	7,475,000	9,445,000	10,560,000	9,497,500	46,972,000
Parks Fund	1,284,700	1,284,700	1,284,700	1,284,700	1,284,700	6,423,500
Total Plan	26,078,000	18,094,700	16,294,700	16,429,700	15,117,200	92,014,300

2014 CAPITAL IMPROVEMENTS PROGRAM FUNDING SOURCES

	CIP/Grant Bond	Parks Fund	PI/ Prior Yr PI	Aids/ Grants	Utility Bond/Loan	Utility Revenue	Total
Capital Improvement Program							
Buildings City-Wide	750,000						750,000
City Hall	609,000						609,000
Fire Department	325,000						325,000
	<u>1,684,000</u>						<u>1,684,000</u>
Parks and Trails							
Parks		1,184,700					1,184,700
Cross City Trail	537,000	100,000		2,587,800			3,224,800
	<u>537,000</u>	<u>1,284,700</u>		<u>2,587,800</u>			<u>4,409,500</u>
Street & Bridge Reconstruction and Preservation Program							
10th Avenue East				2,660,000		932,000	3,592,000
40th Avenue West				350,000		12,500	362,500
Downtown Area Reconstruct				280,000		500,000	780,000
Misc Annual Infrastructure			280,000				280,000
Ridgeview Road				1,440,000			1,440,000
TH23 Improvements				580,000			580,000
West Superior Street				580,000		10,000	590,000
			<u>280,000</u>	<u>5,890,000</u>		<u>1,454,500</u>	<u>7,624,500</u>
Capital Utility Projects							
57th and Highland						740,000	740,000
Water Main Replacement						1,500,000	1,500,000
Bollard Contract						50,000	50,000
Building at Stora						200,000	200,000
Copper Risers						750,000	750,000
Courtland Steet Gas Project						30,000	30,000
Flow Meters						150,000	150,000
Gas Main Extensions						1,200,000	1,200,000
Michigan Street Gas Project						120,000	120,000
Third Street Gas Project						600,000	600,000
57th and Highland						400,000	400,000
CIPP Rehab Basins				3,280,000	820,000		4,100,000
Lift Station Improvements						250,000	250,000
Manhole Adjustments						50,000	50,000
Sanitary Sewer Rehab/Reline						550,000	550,000
57th Ave W						495,000	495,000
Brewery & Gray's Creek						250,000	250,000
Manhole Adjustments						50,000	50,000
MS4 NPDES Permit						50,000	50,000
Storm Non Capital Projects						175,000	175,000
Storm Sewer Replacement						250,000	250,000
LED Street Lights						400,000	400,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,280,000</u>	<u>820,000</u>	<u>8,260,000</u>	<u>12,360,000</u>
	<u>2,221,000</u>	<u>1,284,700</u>	<u>280,000</u>	<u>11,757,800</u>	<u>820,000</u>	<u>9,714,500</u>	<u>26,078,000</u>

2014-2018 Capital Improvement Program Project Summary

	2014	2015	2016	2017	2018	TOTAL
Capital Improvement Program						
ADA Compliance - Citywide		100,000	200,000	200,000	200,000	700,000
Window Replacement - Citywide	75,000	100,000	100,000	100,000	100,000	475,000
Energy Measures - Citywide	100,000	190,000	100,000	100,000	100,000	590,000
Furnace/Boiler Replacements - Citywide	75,000	100,000	100,000	100,000	100,000	475,000
Masonry Repair - Citywide	100,000	140,000	150,000	150,000	150,000	690,000
Overhead Door Replace - Citywide	50,000	50,000	50,000	50,000	50,000	250,000
Roof Replacements - Citywide	200,000	240,000	250,000	250,000	250,000	1,190,000
Ventilation 40th & 42nd Ave W Toolhouses	150,000					150,000
Police DTA Substation		100,000				100,000
Facility Needs Priorities - Citywide			300,000	500,000	500,000	1,300,000
Modernization/Remodeling - City Hall	100,000	100,000	110,000	110,000	110,000	530,000
Tuckpoint/repair steps - City Hall	150,000					150,000
Desktop Re-cabling - City Hall	200,000	100,000	100,000			400,000
Generator - City Hall	159,000					159,000
Firehall #1 Air conditioning		100,000				100,000
Firehall #1 Driveway	100,000					100,000
Firehall #2 Roof		250,000				250,000
Firehall #2 Tuckpointing				75,000		75,000
Firehall #2 Windows			120,000			120,000
Firehall #6 Drainage/Driveway		100,000				100,000
Firehall #7 Brick Repair	50,000					50,000
Firehall #8 Drainage/Driveway			150,000			150,000
Firehall #2 & 7 Air Conditioning			60,000			60,000
Firehall #7 Remodel		50,000				50,000
Firehall Furnace Replacements		50,000				50,000
Firehall Roof Replacements				250,000		250,000
Firehall Flooring (Multiple Stations)			75,000			75,000
Firehall Overhead Doors	75,000	120,000			75,000	270,000
Firehall Access Approaches	50,000					50,000
Firehall Ventilation	50,000	50,000				100,000
Capital Improvement Program Total	1,684,000	1,940,000	1,865,000	1,885,000	1,635,000	9,009,000

2014-2018 Capital Improvement Program Project Summary

	2014	2015	2016	2017	2018	TOTAL
Parks and Trails						
Traverse Trail	250,000	100,000	100,000	100,000	100,000	650,000
Cross City Trail	2,974,800	775,000				3,749,800
Enhanced Maintenance	719,700	534,700	534,700	534,700	534,700	2,858,500
Courts			70,000		100,000	170,000
Playgrounds	80,000	80,000	80,000	80,000	80,000	400,000
Mini Master Plans	50,000	50,000	50,000	50,000	50,000	250,000
Trails	10,000		150,000	140,000	40,000	340,000
Fields		100,000	100,000	80,000	180,000	460,000
Community Centers	225,000	70,000		200,000	200,000	695,000
Parks	100,000	350,000	200,000	100,000		750,000
Parks and Trails Total	4,409,500	2,059,700	1,284,700	1,284,700	1,284,700	10,323,300
Street & Bridge Reconstruction and Preservation Program						
Misc Annual Infrastructure	280,000	280,000	280,000	280,000	280,000	1,400,000
10th Avenue East	3,592,000					3,592,000
40th Avenue West	362,500					362,500
60th Avenue East				612,500		612,500
63rd Avenue West				812,500		812,500
Concrete Pavement Repairs		585,000				585,000
Decker Road					1,412,500	1,412,500
Downtown Area Reconstruct	780,000	1,850,000	3,580,000	3,580,000	3,580,000	13,370,000
Maxwell Avenue			450,000			450,000
Ridgeview Road	1,440,000					1,440,000
Skyline Parkway		1,325,000				1,325,000
TH23 Improvements	580,000	3,800,000				4,380,000
West Anoka Street			600,000			600,000
West Superior Street	590,000					590,000
Woodland Avenue			1,430,000			1,430,000
Street, Bridge and Preservation Total	7,624,500	7,840,000	6,340,000	5,285,000	5,272,500	32,362,000

2014-2018 Capital Improvement Program Project Summary

	2014	2015	2016	2017	2018	TOTAL
Capital Utility Projects						
57th and Highland	740,000					740,000
Backwash MCC at Water Plant		610,000				610,000
Building & Structure Repairs				900,000		900,000
Middle Pump Station					2,000,000	2,000,000
Pump Station upgrade		75,000				75,000
Pump House Roof				650,000		650,000
Switch Gear			280,000			280,000
Water Main Replacement	1,500,000	1,300,000	600,000	1,000,000	400,000	4,800,000
Water Plant electrical upgrades			1,600,000			1,600,000
58th Ave W Replacement			200,000			200,000
Bollard Contract	50,000	50,000	50,000			150,000
Regulator Station Upgrades	200,000					200,000
Copper Risers	750,000	400,000	750,000	750,000		2,650,000
Courtlund Steet Gas Project	30,000					30,000
Flow Meters	150,000					150,000
Gas Capital Project				500,000		500,000
Gas Main Extensions	1,200,000	700,000	500,000	700,000	750,000	3,850,000
Haines Rd Project					1,050,000	1,050,000
I-35 crossing at 26th		100,000				100,000
London Road Gas Project			300,000			300,000
Michigan Street Gas Project	120,000	120,000				240,000
Misc Projects				200,000		200,000
Third Street Gas Project	600,000					600,000
Woodland Ave Gas Project				500,000		500,000
57th and Highland	400,000					400,000
CIPP Rehabilitation Basins	4,100,000					4,100,000
Lift Station Improvements	250,000	675,000	450,000	450,000	350,000	2,175,000
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
Sanitary Sewer Rehab/Reline	550,000	750,000	750,000	1,000,000	1,000,000	4,050,000
57th Ave W	495,000					495,000
Brewery & Gray's Creek	250,000	150,000				400,000
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
MS4 Systems Upgrade - EPA	50,000				50,000	100,000
Storm Non Capital Projects	175,000	175,000	175,000	175,000	175,000	875,000
Storm Sewer Replacement	250,000	750,000	750,000	750,000	750,000	3,250,000
LED Street Lights	400,000	300,000	300,000	300,000	300,000	1,600,000
Capital Utility Projects Total	12,360,000	6,255,000	6,805,000	7,975,000	6,925,000	40,320,000
GRAND TOTAL	26,078,000	18,094,700	16,294,700	16,429,700	15,117,200	92,014,300

5 YEAR CAPITAL IMPROVEMENTS PROGRAM BY FUNDING SOURCE

	2014	2015	2016	2017	2018	TOTAL
Capital Improvement Bond	1,684,000	1,940,000	1,865,000	1,885,000	1,635,000	9,009,000
Matching Grant Bond	537,000	375,000				912,000
Parks Fund	1,284,700	1,284,700	1,284,700	1,284,700	1,284,700	6,423,500
Permanent Improvement Fund	280,000	280,000	280,000	280,000	280,000	1,400,000
Federal Grants	4,489,800	1,320,000	1,000,000			6,809,800
State Funding	200,000					200,000
MSA	3,500,000	2,700,000	2,700,000	2,700,000	2,700,000	14,300,000
DNR	288,000					288,000
Wastewater Infrastructure Grant	3,280,000					3,280,000
CIMS Grant		3,000,000				3,000,000
Utilities - MN Public Facilities Authority Loan						
Sewer	820,000					820,000
Utilities - Current Year Revenue						
Water	2,976,500	2,290,000	3,485,000	3,575,000	3,412,500	15,739,000
Gas	3,153,000	1,370,000	1,830,000	2,680,000	1,830,000	10,863,000
Sewer	1,792,000	1,775,000	2,250,000	2,500,000	2,400,000	10,717,000
Stormwater	1,393,000	1,460,000	1,300,000	1,225,000	1,275,000	6,653,000
Street Lighting	400,000	300,000	300,000	300,000	300,000	1,600,000
TOTAL ALL FUNDING SOURCES	26,078,000	18,094,700	16,294,700	16,429,700	15,117,200	92,014,300

Capital Improvement Program Summary

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 150 structures with an average age of over 40 years. These structures require continued accessibility and code compliance efforts.

Operating Cost Implications of 2014 Approved Projects:

The majority of the 2014 approved capital improvement program is for recurring capital maintenance projects which will have no operating expense impact. Energy measures and furnace replacements are expected to save \$12,000 in energy costs beginning in 2015, while ventilation upgrades at toolhouses and firehalls, along with a generator upgrade at city hall are expected to increase energy costs less than \$2,000 annually.

Projects	2014	2015	2016	2017	2018	Total
Buildings City-Wide	750,000	1,020,000	1,250,000	1,450,000	1,450,000	5,920,000
City Hall	609,000	200,000	210,000	110,000	110,000	1,239,000
Fire	325,000	720,000	405,000	325,000	75,000	1,850,000
Total	1,684,000	1,940,000	1,865,000	1,885,000	1,635,000	9,009,000

Funding	2014	2015	2016	2017	2018	Total
Capital Improvement Bond	1,684,000	1,940,000	1,865,000	1,885,000	1,635,000	9,009,000
Total	1,684,000	1,940,000	1,865,000	1,885,000	1,635,000	9,009,000

Buildings City-Wide

Description:

It is important to maintain a city-wide program of furnace/boiler replacement 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 15% annual energy savings over the continued life of the structure.

Project	2014	2015	2016	2017	2018	Total
ADA Compliance	-	100,000	200,000	200,000	200,000	700,000
Window Replacement	75,000	100,000	100,000	100,000	100,000	475,000
Energy Measures	100,000	190,000	100,000	100,000	100,000	590,000
Furnace/Boiler Replacements	75,000	100,000	100,000	100,000	100,000	475,000
Masonry Repair	100,000	140,000	150,000	150,000	150,000	690,000
Overhead Door Replace	50,000	50,000	50,000	50,000	50,000	250,000
Roof Replacements	200,000	240,000	250,000	250,000	250,000	1,190,000
Toolhouse Ventilation	150,000					150,000
Police DTA Substation		100,000				100,000
Facility Needs Priorities			300,000	500,000	500,000	1,300,000
Total	750,000	1,020,000	1,250,000	1,450,000	1,450,000	5,920,000

Funding	2014	2015	2016	2017	2018	Total
Capital Improvement Bond	750,000	1,020,000	1,250,000	1,450,000	1,450,000	5,920,000

City Hall

Description:

The City Hall exterior stairway stones have shifted, with some cracking and breaking, creating a potential safety hazard. First Street stairs were fixed in 2013 and the Civic Center stairs will be repaired in 2014.

A modest amount is budgeted annually to accommodate reorganizations and department consolidations.

Project	2014	2015	2016	2017	2018	Total
Modernization/Remodeling	100,000	100,000	110,000	110,000	110,000	530,000
Tuckpoint/repair steps	150,000					150,000
Desktop Re-cabling	200,000	100,000	100,000			400,000
Generator	159,000					159,000
Total	609,000	200,000	210,000	110,000	110,000	1,239,000

Funding	2014	2015	2016	2017	2018	Total
Capital Improvement Bond	609,000	200,000	210,000	110,000	110,000	1,239,000

Fire Department

Description:

Over the next five years, the City is proposing to invest \$1.85 million in capital maintenance projects at firehalls 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, and replacing furnaces and roofs. Repair and maintenance projects consist of masonry and brick repair, as well as resolving drainage issues and replacing driveways.

Project	2014	2015	2016	2017	2018	Total
Firehall #1 Air conditioning		100,000				100,000
Firehall #1 Driveway	100,000					100,000
Firehall #2 Roof		250,000				250,000
Firehall #2 Tuckpointing				75,000		75,000
Firehall #2 Windows			120,000			120,000
Firehall #6 Drainage/Driveway		100,000				100,000
Firehall #7 Brick Repair	50,000					50,000
Firehall #8 Drainage/Driveway			150,000			150,000
Firehall #2 & 7 Air Conditioning			60,000			60,000
Firehall #7 Remodel		50,000				50,000
Furnace Replacements		50,000				50,000
Roof Replacements				250,000		250,000
Flooring (Multiple Stations)			75,000			75,000
Overhead Doors	75,000	120,000			75,000	270,000
Access Approaches	50,000					50,000
Ventilation	50,000	50,000				100,000
Total	325,000	720,000	405,000	325,000	75,000	1,850,000

Funding	2014	2015	2016	2017	2018	Total
Capital Improvement Bond	325,000	720,000	405,000	325,000	75,000	1,850,000

Parks and Trails Summary

Description:

Via the Parks Fund and grants, the city is proposing to invest in park and trail capital and enhanced maintenance projects throughout the city. These energy, accessibility, and infrastructure improvements, are the result of mini-master plans, public input, and partnerships with local user groups.

Operating Cost Implications of 2014 Approved Projects:

The 2014 approved Parks projects include capital maintenance of current community centers and refurbishing playgrounds, both of which will have no impact on future operating expenses. Enhanced maintenance and park improvements are expected to increase public safety and accessibility, but have no operating expense impact. Planned expansion of the Cross City Trail is expected to cost \$16,896 per mile for future maintenance operating expense. For 2014, the trail is to be extended 3.44 miles, which will mean an additional \$58,156 in operating expenses will be planned in 2015. The Traverse Trail will be maintained by the Cyclists of Gitchee Gumee Shores (COGGS) as per an agreement with the City.

Projects	2014	2015	2016	2017	2018	Total
Traverse Trail	250,000	100,000	100,000	100,000	100,000	650,000
Cross City Trail	2,974,800	775,000				3,749,800
Parks	1,184,700	1,184,700	1,184,700	1,184,700	1,184,700	5,923,500
Total	4,409,500	2,059,700	1,284,700	1,284,700	1,284,700	10,323,300

Funding	2014	2015	2016	2017	2018	Total
Federal Grant	2,099,800	400,000				2,499,800
State Grant	488,000					488,000
Matching Grant Bond	537,000	375,000				912,000
Parks Fund	1,284,700	1,284,700	1,284,700	1,284,700	1,284,700	6,423,500
Total	4,409,500	2,059,700	1,284,700	1,284,700	1,284,700	10,323,300

City of Duluth 2014-2018 Capital Improvement Plan

Parks

Description:

The Parks Fund allocates monies each year for capital projects involving playgrounds, master planning, courts, trails, fields, parks, and community centers. An internal committee of staff from Parks and Recreation, Park Maintenance, and Facilities Management determine the projects and make recommendations. Mini-master plans help direct future projects as well as the age of facilities and infrastructure needs. Public input is a major component of mini-master plans.

Project	2014	2015	2016	2017	2018	Total
Enhanced Maintenance	719,700	534,700	534,700	534,700	534,700	2,858,500
Courts	-	-	70,000	-	100,000	170,000
Playground	80,000	80,000	80,000	80,000	80,000	400,000
Mini Master Plans	50,000	50,000	50,000	50,000	50,000	250,000
Trails	10,000	-	150,000	140,000	40,000	340,000
Fields	-	100,000	100,000	80,000	180,000	460,000
Community Centers	225,000	70,000	-	200,000	200,000	695,000
Parks	100,000	350,000	200,000	100,000	-	750,000
Total	<u>1,184,700</u>	<u>1,184,700</u>	<u>1,184,700</u>	<u>1,184,700</u>	<u>1,184,700</u>	<u>5,923,500</u>

Funding	2014	2015	2016	2017	2018	Total
Parks Fund	1,184,700	1,184,700	1,184,700	1,184,700	1,184,700	5,923,500

Cross City and Traverse Trail

Description:

The 2014 Cross City and Traverse Trail project is a combination of \$2.1 million federal grants, \$488,000 in state grants and the city's match of \$537,000. Construction of the Cross City Trail is from 30th Avenue West to 59th Avenue West.

Project	2014	2015	2016	2017	2018	Total
Traverse Trail	250,000	100,000	100,000	100,000	100,000	650,000
Cross City Trail	2,974,800	775,000				3,749,800
Total	3,224,800	875,000	100,000	100,000	100,000	4,399,800

Funding	2014	2015	2016	2017	2018	Total
Federal Grant	2,099,800	400,000				2,499,800
State Grant	488,000					488,000
Matching Grant Bond	537,000	375,000				912,000
Parks Fund	100,000	100,000	100,000	100,000	100,000	500,000
Total	3,224,800	875,000	100,000	100,000	100,000	4,399,800

Street Reconstruction & Bridge Projects Summary

Description:

These projects include street reconstruction and bridge maintenance that have funding sources other than the Community Investment fund. These other funding sources include municipal state aid, federal funds, grants, and utilities revenue.

Operating Cost Implications of 2014 Approved Projects:

Operating costs for street maintenance will remain fairly constant as the same number of streets are overlaid or reconstructed annually.

Project	2014	2015	2016	2017	2018	Total
Misc Annual Infrastructure	280,000	280,000	280,000	280,000	280,000	1,400,000
10th Avenue East	3,592,000					3,592,000
40th Avenue West	362,500					362,500
60th Avenue East				612,500		612,500
63rd Avenue West				812,500		812,500
Concrete Pavement Repairs		585,000				585,000
Decker Road					1,412,500	1,412,500
Downtown Area Reconstruct	780,000	1,850,000	3,580,000	3,580,000	3,580,000	13,370,000
Maxwell Avenue			450,000			450,000
Ridgeview Road	1,440,000					1,440,000
Skyline Parkway		1,325,000				1,325,000
TH23 Improvements	580,000	3,800,000				4,380,000
West Anoka Street			600,000			600,000
West Superior Street	590,000					590,000
Woodland Avenue			1,430,000			1,430,000
Total	7,624,500	7,840,000	6,340,000	5,285,000	5,272,500	32,362,000

Funding	2014	2015	2016	2017	2018	Total
Federal	2,390,000	920,000	1,000,000			4,310,000
Permanent Improvement	280,000	280,000	280,000	280,000	280,000	1,400,000
State	3,500,000	2,700,000	2,700,000	2,700,000	2,700,000	14,300,000
Utilities	1,454,500	940,000	2,360,000	2,305,000	2,292,500	9,352,000
CIMS State Grant		3,000,000				3,000,000
Total	7,624,500	7,840,000	6,340,000	5,285,000	5,272,500	32,362,000

Miscellaneous Annual Infrastructure

Description:

Miscellaneous annual infrastructure projects include those that are funded by the permanent improvement property tax levy 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 include repair or replacement of the brick streets and sidewalks, a portion of the utility trench patch program, one way street conversions, retaining wall, and guard rail repair.

Project	2014	2015	2016	2017	2018	Total
Permanent Improvements	200,000	200,000	200,000	200,000	200,000	1,000,000
Patch & Sidewalks	80,000	80,000	80,000	80,000	80,000	400,000
Total	280,000	280,000	280,000	280,000	280,000	1,400,000

Funding	2014	2015	2016	2017	2018	Total
PI Fund	280,000	280,000	280,000	280,000	280,000	1,400,000
Total	280,000	280,000	280,000	280,000	280,000	1,400,000

Street Reconstruction & Bridge Projects

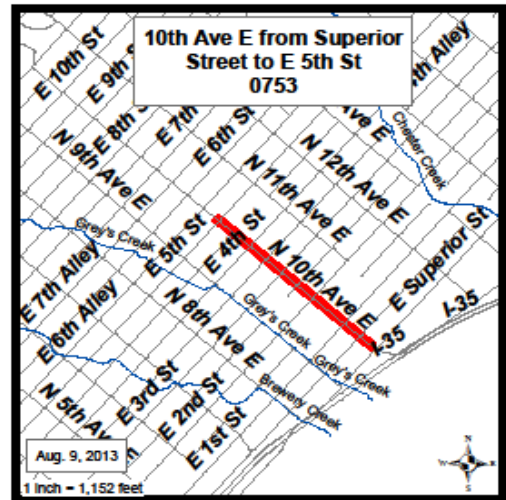
Project Title:

10th Avenue East: Superior Street to 9th Street

Funding Source:

	FY 2014
Federal	950,000
MSA	1,710,000
Sewer	392,000
Storm	63,000
Water	424,000
Gas	53,000

PROJECT TOTAL: \$3,592,000



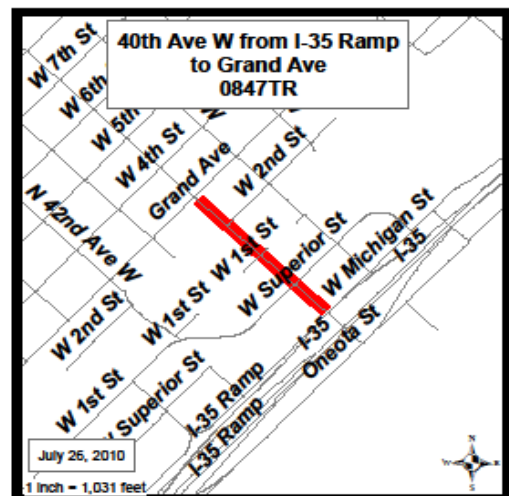
Project Title:

40th Avenue West: I-35 Ramp to Grand Avenue

Funding Source:

	FY 2014
MSA	350,000
Water	12,500

PROJECT TOTAL: \$362,500



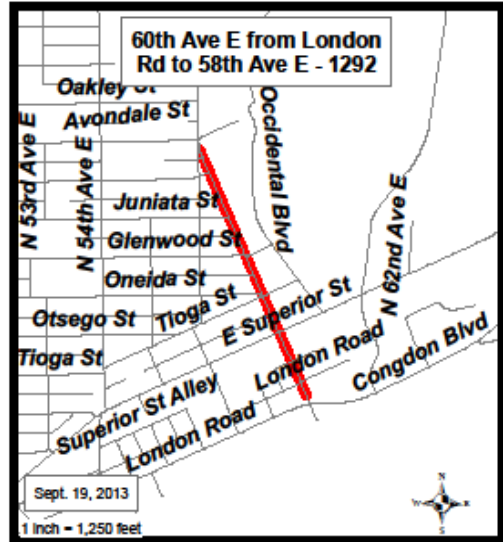
Street Reconstruction & Bridge Projects

Project Title:

60th Avenue East: London Road to 58th Avenue East

Funding Source:

	FY 2017
MSA	600,000
Water	12,500
PROJECT TOTAL:	\$612,500

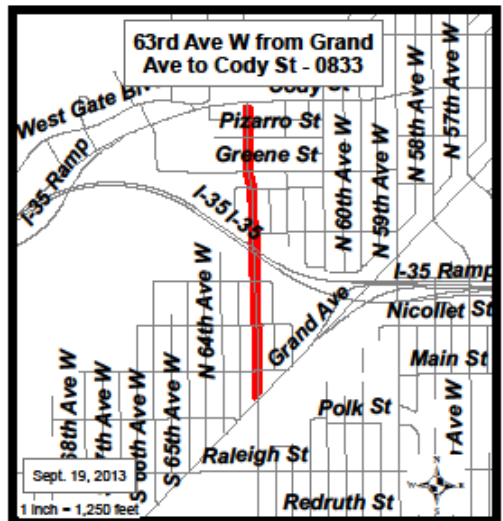


Project Title:

63rd Avenue West: Grand Avenue to Cody Street

Funding Source:

	FY 2017
MSA	800,000
Storm	12,500
PROJECT TOTAL:	\$812,500



Street Reconstruction & Bridge Projects

Project Title:

Concrete Pavement Repairs -
Various Locations

Funding Source:

No Map Available

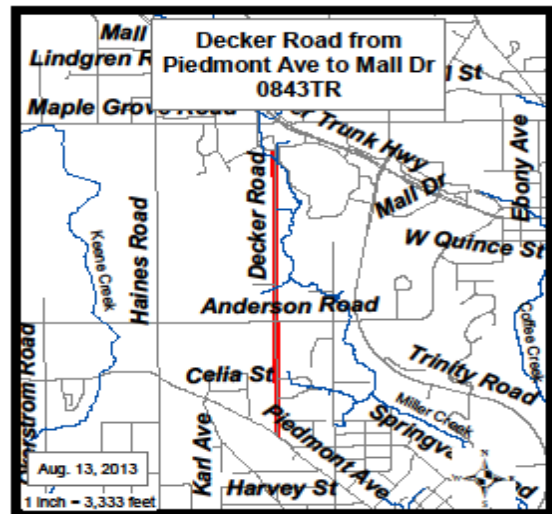
	<u>FY 2015</u>
MSA	585,000
PROJECT TOTAL:	\$585,000

Project Title:

Decker Road: Piedmont Avenue to Mall
Drive

Funding Source:

	<u>FY 2018</u>
MSA	1,400,000
Water	12,500
PROJECT TOTAL:	\$1,412,500



Street Reconstruction & Bridge Projects

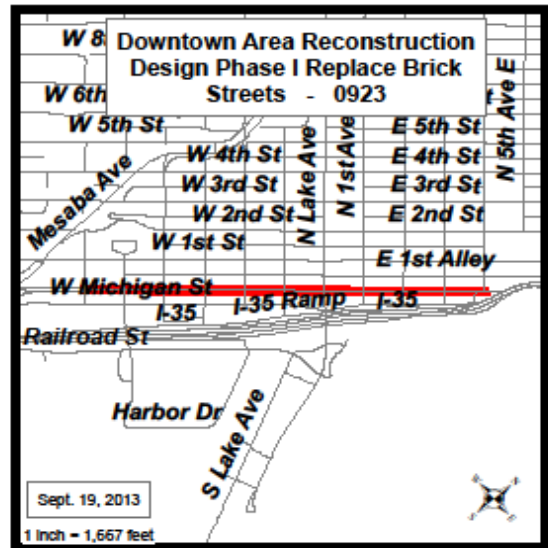
Project Title:

Downtown Area Reconstruction

Funding Source:

	FY 2014-2018
MSA	5,180,000
Sewer	3,450,000
Storm	1,050,000
Water	3,600,000
Gas	90,000
	\$13,370,000

PROJECT TOTAL:



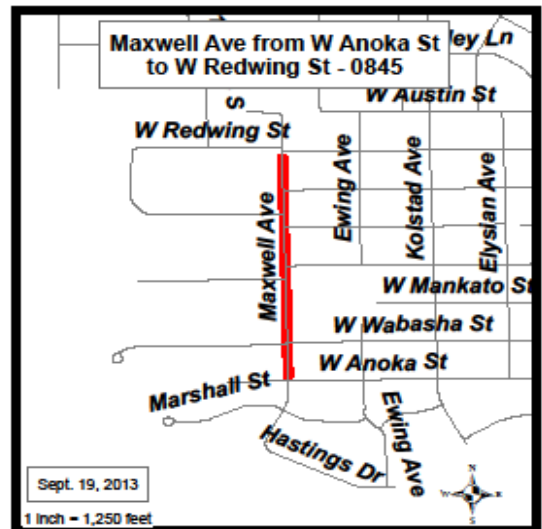
Project Title:

Maxwell Avenue: West Anoka Street to West Redwing Street

Funding Source:

	FY 2016
MSA	425,000
Storm	25,000
	\$450,000

PROJECT TOTAL:



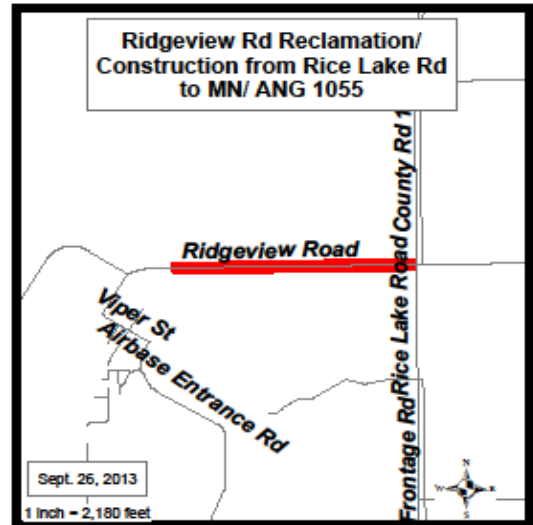
Street Reconstruction & Bridge Projects

Project Title:

Ridgeview Road: Rice Lake Road to MN/ANG

Funding Source:

	<u>FY 2014</u>
Federal	1,440,000
PROJECT TOTAL:	<u>\$1,440,000</u>

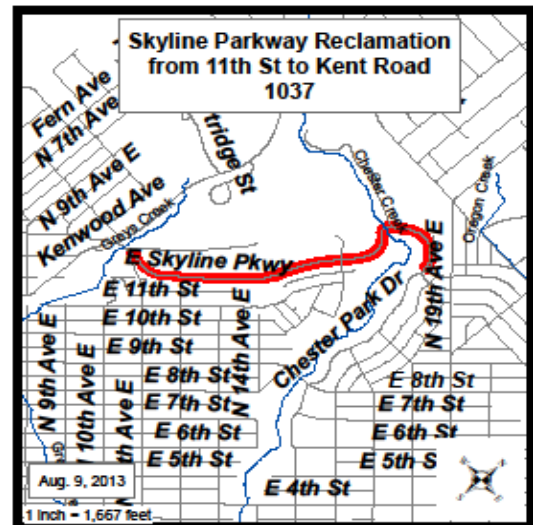


Project Title:

Skyline Parkway: 11th Street to Kent Road

Funding Source:

	<u>FY 2015</u>
Federal/ATP	920,000
MSA	315,000
Storm	85,000
Water	5,000
PROJECT TOTAL:	<u>\$1,325,000</u>



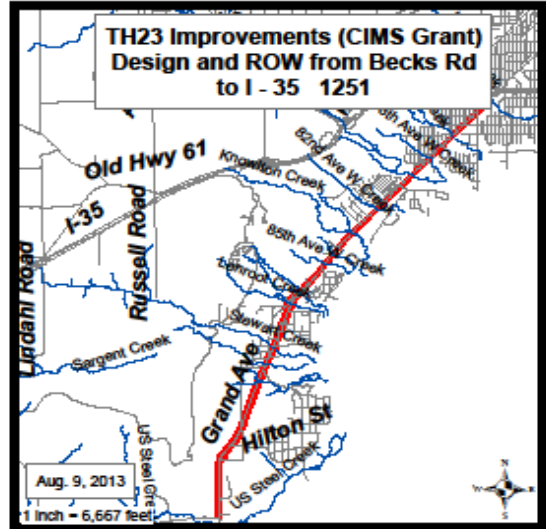
Street Reconstruction & Bridge Projects

Project Title:

TH23 Improvements: Becks Road to I-35

Funding Source:

	FY 2014-2015
MSA	1,380,000
CIMS State Grant	3,000,000
PROJECT TOTAL:	\$4,380,000

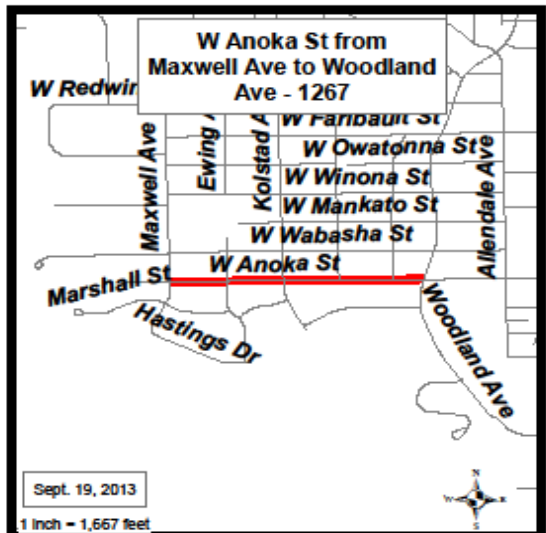


Project Title:

West Anoka Street: Maxwell Avenue to Woodland Avenue

Funding Source:

	FY 2016
MSA	575,000
Storm	25,000
PROJECT TOTAL:	\$600,000



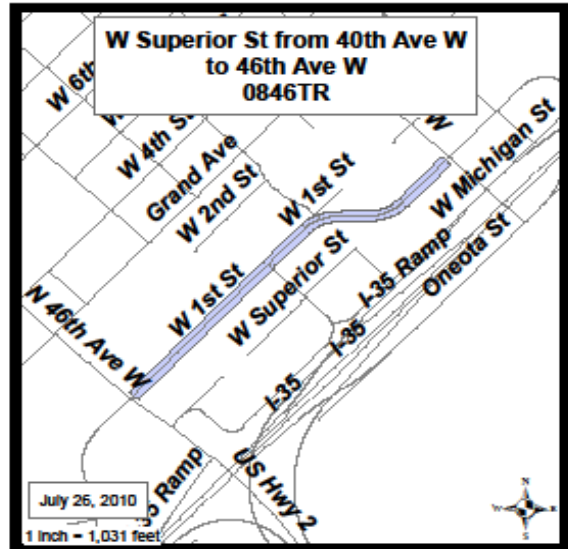
Street Reconstruction & Bridge Projects

Project Title:

West Superior Street: 40th Avenue
West to 46th Avenue West

Funding Source:

	FY 2014
MSA	580,000
Storm	10,000
	\$590,000
PROJECT TOTAL:	\$590,000

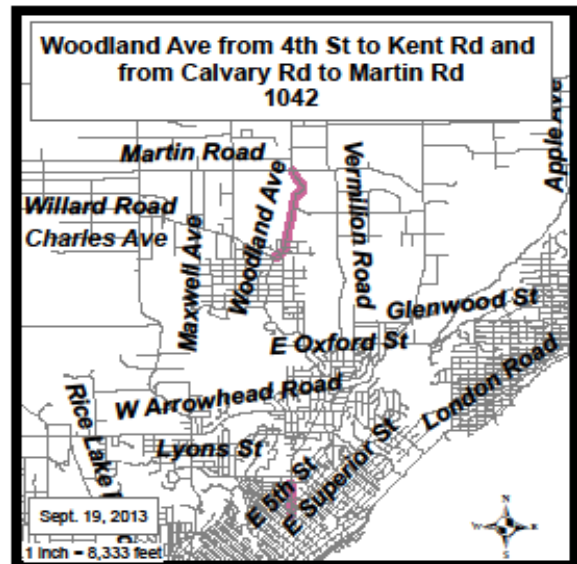


Project Title:

Woodland Avenue: Calvary Road to
Martin Road and 4th Street to Kent
Road

Funding Source:

	FY 2016
MSA	400,000
Federal/ATP	1,000,000
Storm	25,000
Water	5,000
	\$1,430,000
PROJECT TOTAL:	\$1,430,000



Capital Utility Projects Summary

Utility projects included within the five year capital improvement plan primarily focus on the continued rehabilitation and replacement of aging infrastructure, consent decree compliance, as well as the continued extension of the city's natural gas system.

Operating Cost Implications of 2014 Approved Projects:

The Water Fund approved 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 also have very little operating expense impact with the exception of the gas main extensions, which will have minimal maintenance and corrosion protection costs that will be offset by new customer accounts. The non-recurring sanitary sewer project for CIPP (Cured in Place Pipe) Rehabilitation Basins will have future savings to sanitary sewer treatment costs through reduction of inflow and infiltration flows. Stormwater projects will result in indirect savings through cost avoidance of surface water damage. Street Lighting's citywide replacement of existing street light fixtures to LED luminaires is anticipated to save \$8,000 annually in electric and maintenance costs.

Projects	2014	2015	2016	2017	2018	Total
Water	2,240,000	1,985,000	2,480,000	2,550,000	2,400,000	11,655,000
Gas	3,100,000	1,370,000	1,800,000	2,650,000	1,800,000	10,720,000
Sewer	5,350,000	1,475,000	1,250,000	1,500,000	1,400,000	10,975,000
Stormwater	1,270,000	1,125,000	975,000	975,000	1,025,000	5,370,000
Street Lighting	400,000	300,000	300,000	300,000	300,000	1,600,000
Total	12,360,000	6,255,000	6,805,000	7,975,000	6,925,000	40,320,000

Funding	2014	2015	2016	2017	2018	Total
Water - Current Revenue	2,240,000	1,985,000	2,480,000	2,550,000	2,400,000	11,655,000
Gas - Current Revenue	3,100,000	1,370,000	1,800,000	2,650,000	1,800,000	10,720,000
Sewer - Current Revenue	1,250,000	1,475,000	1,250,000	1,500,000	1,400,000	6,875,000
Sewer - State WIF Grant	3,280,000					3,280,000
Sewer - MN PFA Loan	820,000					820,000
Stormwater - Current Revenue	1,270,000	1,125,000	975,000	975,000	1,025,000	5,370,000
Street Lighting - Current Revenue	400,000	300,000	300,000	300,000	300,000	1,600,000
Total	12,360,000	6,255,000	6,805,000	7,975,000	6,925,000	40,320,000

Capital Utility Projects

Description: Water Annual Infrastructure

The proposed water projects over the next five years include updating the aging infrastructure by replacing those distribution mains with a high number of recurring leaks. Rehabilitation of primary transmission lines along with pump station upgrades and reservoir improvements will increase system reliability to meet water demand.

Project	2014	2015	2016	2017	2018	Total
57th and Highland	740,000					740,000
Backwash MCC at Water Plant		610,000				610,000
Building & Structure Repairs				900,000		900,000
Middle Pump Station					2,000,000	2,000,000
Pump Station upgrade		75,000				75,000
Pump House Roof				650,000		650,000
Switch Gear			280,000			280,000
Water Main Replacement	1,500,000	1,300,000	600,000	1,000,000	400,000	4,800,000
Water Plant electrical upgrades			1,600,000			1,600,000
Total	<u>2,240,000</u>	<u>1,985,000</u>	<u>2,480,000</u>	<u>2,550,000</u>	<u>2,400,000</u>	<u>11,655,000</u>

Funding	2014	2015	2016	2017	2018	Total
Water - Current Revenue	2,240,000	1,985,000	2,480,000	2,550,000	2,400,000	11,655,000
Total	<u>2,240,000</u>	<u>1,985,000</u>	<u>2,480,000</u>	<u>2,550,000</u>	<u>2,400,000</u>	<u>11,655,000</u>

Capital Utility Projects

Description: Gas Annual Infrastructure

The proposed gas projects over the next five years include funding the continued extension of the system into unserved areas and replacement of older steel mains where leaks occur.

Project	2014	2015	2016	2017	2018	Total
58th Ave W Replacement			200,000			200,000
Bollard Contract	50,000	50,000	50,000			150,000
Regulator Station Upgrades	200,000					200,000
Copper Risers	750,000	400,000	750,000	750,000		2,650,000
Courtland Steet Gas Project	30,000					30,000
Flow Meters	150,000					150,000
Gas Capital Project				500,000		500,000
Gas Main Extensions	1,200,000	700,000	500,000	700,000	750,000	3,850,000
Haines Rd Project					1,050,000	1,050,000
I-35 crossing at 26th		100,000				100,000
London Road Gas Project			300,000			300,000
Michigan Street Gas Project	120,000	120,000				240,000
Misc Projects				200,000		200,000
Third Street Gas Project	600,000					600,000
Woodland Ave Gas Project				500,000		500,000
Total	3,100,000	1,370,000	1,800,000	2,650,000	1,800,000	10,720,000

Funding	2014	2015	2016	2017	2018	Total
Gas - Current Revenue	3,100,000	1,370,000	1,800,000	2,650,000	1,800,000	10,720,000

Capital Utility Projects

Description: Sanitary Sewer Annual Infrastructure

The proposed sanitary sewer projects over the next five years include a focus of updating two of the city's 48 sanitary lift stations per year and continued lining or rehabilitation of leaking pipes.

Project	2014	2015	2016	2017	2018	Total
57th and Highland	400,000					400,000
CIPP Rehabilitation Basins	4,100,000					4,100,000
Lift Station Improvements	250,000	675,000	450,000	450,000	350,000	2,175,000
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
Sanitary Sewer Rehab/Reline	550,000	750,000	750,000	1,000,000	1,000,000	4,050,000
Total	5,350,000	1,475,000	1,250,000	1,500,000	1,400,000	10,975,000

Funding	2014	2015	2016	2017	2018	Total
State WIF Grant	3,280,000					3,280,000
MN PFA Loan	820,000					820,000
Sewer Current Revenue	1,250,000	1,475,000	1,250,000	1,500,000	1,400,000	6,875,000
Total	5,350,000	1,475,000	1,250,000	1,500,000	1,400,000	10,975,000

Capital Utility Projects

Description: Stormwater Annual Infrastructure

The proposed storm water projects over the next five years include continued replacement of failing storm sewer lines and large culverts. Reconstruction of Brewery and Grays Creek is planned to relocate these streams from underneath existing buildings to public right of ways.

Project	2014	2015	2016	2017	2018	Total
57th Ave West	495,000					495,000
Brewery & Gray's Creek	250,000	150,000				400,000
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
MS4 Systems Upgrade - EPA	50,000				50,000	100,000
Storm Non Capital Projects	175,000	175,000	175,000	175,000	175,000	875,000
Storm Sewer Replacement	250,000	750,000	750,000	750,000	750,000	3,250,000
Total	1,270,000	1,125,000	975,000	975,000	1,025,000	5,370,000

Funding	2014	2015	2016	2017	2018	Total
Stormwater - Current Revenue	1,270,000	1,125,000	975,000	975,000	1,025,000	5,370,000

Capital Utility Projects

Description: Street Lighting Annual Infrastructure

The proposed Street Lighting projects over the next five years continue the city-wide replacement of existing street light fixtures with energy saving LED roadway luminaires. Long term results will include energy savings and maintenance efficiencies.

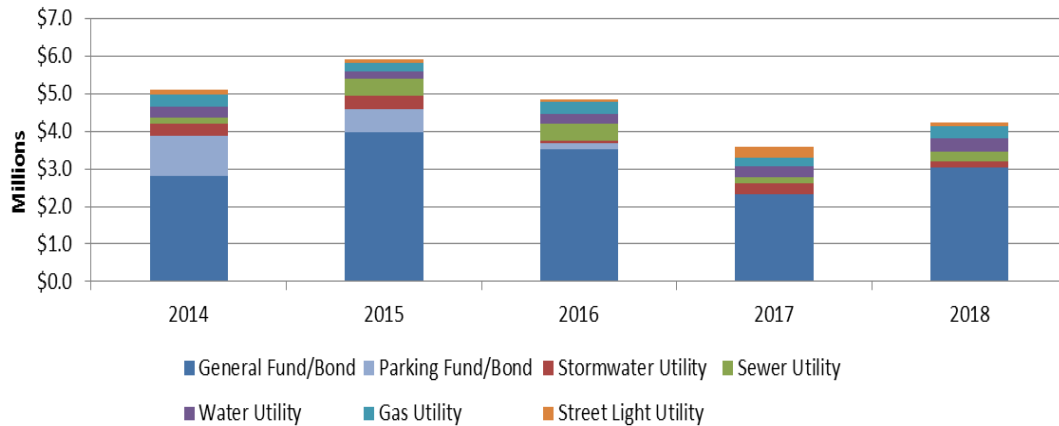
Project	2014	2015	2016	2017	2018	Total
LED Street Lights	400,000	300,000	300,000	300,000	300,000	1,600,000
Total	<u>400,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>1,600,000</u>

Funding	2014	2015	2016	2017	2018	Total
Street Lighting - Current Revenue	400,000	300,000	300,000	300,000	300,000	1,600,000

CAPITAL EQUIPMENT BUDGET AND PLAN

Five Year Equipment Plan

The objective of the City's five year equipment plan is to maintain city equipment by budgeting an adequate dollar amount annually for replacement on a timely basis. \$23.67 million is proposed in this plan for the period of 2014 through 2018. Of that total, equipment for the General Fund is \$15.66 million to be financed with bonds. The balance of \$8.01 million is proposed for the combined enterprise funds of Water, Gas, Stormwater, Sewer, Street Lighting, and Parking. Shown in the chart below are the various funding sources by year for the plan.



	2014	2015	2016	2017	2018	Total
General Fund/Bond	2,813,000	3,976,000	3,531,800	2,315,000	3,025,000	15,660,800
Parking Fund/Bond	1,075,500	595,000	148,500	-	-	1,819,000
Stormwater	294,500	363,900	64,300	311,000	156,000	1,189,700
Sewer	180,300	439,700	439,700	138,000	273,000	1,470,700
Water	295,800	217,000	273,650	290,600	361,800	1,438,850
Gas	317,400	221,400	308,350	231,400	318,200	1,396,750
Street Light	129,500	81,500	81,500	296,500	107,500	696,500
Total Plan	5,106,000	5,894,500	4,847,800	3,582,500	4,241,500	23,672,300

2014 Proposed Equipment

The City is proposing a total of \$5.106 million in capital equipment expenditures for 2014. This includes equipment for General Fund operating departments and the six city enterprise funds named above. The General Fund portion is \$2.81 million to be financed with bonds, Parking Fund bonding for \$1.08, and \$1.22 million for equipment for the utilities to be paid for out of current year revenues.

For General Fund departments, the City is proposing the purchase of \$1.68 million in rolling stock vehicles – the largest purchase being Maintenance Operations equipment totaling \$1,054,000; fire apparatus totaling \$100,000; police vehicles totaling \$450,000; and Facilities Management totaling \$80,000. The non-rolling stock equipment plan of \$1.129 million proposed by City for 2014 includes \$1.038 million for technology improvements and replacements, and \$91,000 for external defibrillators and auto extraction/rescue equipment for the Fire Department.

The breakdown of equipment for the enterprise funds is \$1.247 million for non-rolling stock equipment and the balance of \$1.046 million for rolling stock vehicles for a total of \$2.293 million for 2014.

Operating costs for maintaining rolling-stock will not change due to the revolving capital equipment replacement plan, which keeps equipment fairly stable. It is anticipated that technology improvements will require an additional \$200,000 in operational funding in 2015 for licensing and annual maintenance.

City of Duluth 2014 - 2018 Capital Equipment Program

General Fund Rolling Stock Vehicles

	2014	2015	2016	2017	2018
Fire Department					
Fire Trucks/Apparatus	100,000	600,000	600,000	70,000	1,400,000
Replace Squads (2)		60,000			
Inspector Vehicles		25,000		25,000	
Subtotal Fire Department	100,000	685,000	600,000	95,000	1,400,000
Construction Services					
Inspector Vehicles		50,000	25,000	25,000	25,000
Subtotal Constructive Services	0	50,000	25,000	25,000	25,000
Police Department					
Police Vehicles	450,000	600,000	600,000	600,000	600,000
Subtotal Police Department	450,000	600,000	600,000	600,000	600,000
Facilities Management					
1 Ton w/Service Body	80,000		40,000	80,000	80,000
1 Ton Cargo Van		76,000	38,000		
Subtotal Facilities Management	80,000	76,000	78,000	80,000	80,000
Maintenance Operations					
4 x 4 Pick up	68,000		40,000	40,000	45,000
Trailers, Paint Striper		25,000			
Subtotal Traffic Maintenance	68,000	25,000	40,000	40,000	45,000
Street Maintenance					
Tandem Dump Truck		145,000	290,000	290,000	290,000
1 Ton Pickup with Outfitting	145,000			60,000	
Sander Trucks	280,000			340,000	340,000
Sander with RDS	220,000	330,000		330,000	
Pick-up 3/4-Ton Ext Cab 4x4		35,000	35,000	125,000	
Trailer, Compactor	45,000	18,000	16,000		
Truck Snowblower		160,000			
3 yard Loader		185,000	185,000	185,000	
Step/Cube Van	83,000				
Backhoe		100,000	95,000		
Flusher Retrofits		160,000			
Highway Mower			80,000		
Subtotal Street Maintenance	773,000	1,133,000	701,000	1,330,000	630,000
Park Maintenance					
4x4 Crew Cab	42,000				42,000
Skidsteer					62,000
Utility Van		27,000			
1 Ton w/Plow		70,000		71,000	
Various Mowers		55,000			75,000
Trailers, Paint Striper	23,000				42,000
Log Truck			163,800		
Trail Groomer			212,000		
Chipper		150,000		58,000	
Sidewalk Cleaner	148,000				
Subtotal Park Maintenance	213,000	302,000	375,800	129,000	221,000
Subtotal Maintenance Operations	1,054,000	1,460,000	1,116,800	1,499,000	896,000
Public Works					
Transportation Engineering					
Engineering Vehicles				16,000	24,000
Subtotal Transportation Engineering				16,000	24,000
Rolling Stock Bond Total	\$ 1,684,000	\$ 2,871,000	\$ 2,419,800	\$ 2,315,000	\$ 3,025,000

City of Duluth 2014 - 2018 Capital Equipment Program
General Fund Non-Rolling Stock Equipment

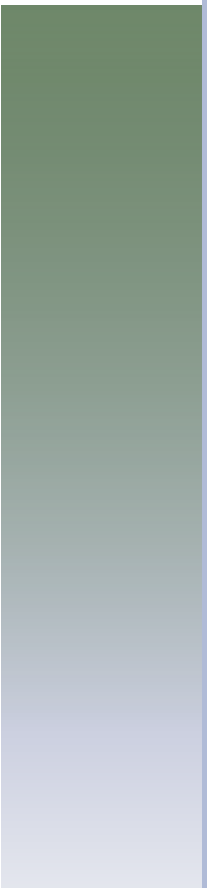
	2014 Bond	2015 Bond	2016 Bond
MIS			
Enterprise Wide PC Replacements	200,000	100,000	200,000
Enterprise Wide Laptop Replacements	100,000	100,000	100,000
MIS Asset/Inventory Mgt Software		100,000	
BCA Security Regulations	75,000	50,000	50,000
Document Management	50,000	100,000	100,000
High Speed WAN Expansion		50,000	50,000
Internal Emergency Notification	40,000		
Network Infrastructure Upgrades	200,000	200,000	200,000
PCI Compliancy Reg Enhancements	100,000		
Police Body Cameras	85,000		
Library Credit Card Acceptance		25,000	
Business Licensing Ad-hoc Reporting Module	40,000		
Facilities Asset Mgt & Work Order System	100,000		
Human Resources Neogov	25,000		
Conference Room Technology Needs (5 Rooms)		50,000	50,000
Software Implementation		100,000	100,000
VoIP Implementation		50,000	50,000
Public Emergency Notification		50,000	50,000
City Clerk			
60 Electronic Poll book Rosters		120,000	
Library			
1 Self checkout machine		10,000	
Additional Security Cameras	12,000		
1 Digital microform reader printer	11,000		12,000
Fire			
External Defibrillators (15)	25,000		
Replace/Upgrade auto extrication/rescue equip	66,000		
Police			
Complaint Tracking Software			150,000
Total Proposed Non-Rolling Stock	1,129,000	1,105,000	1,112,000
TOTAL EQUIPMENT BOND PROPOSAL	2,813,000	3,976,000	3,531,800

City of Duluth 2014 - 2018 Capital Equipment Program

Enterprise Funds Equipment

	2014	2015	2016	2017	2018
Water Fund					
Cars/Pick-ups	74,100	30,600	17,600	23,400	30,000
Trucks/Vans	121,500	41,800	145,550	136,200	66,400
Dump Trucks	0	111,000	0	111,000	140,600
Backhoe/Loader	0	0	75,000	0	80,000
Excavator/Vactor	57,200	0	0	0	0
Other Rolling Stock	13,000	13,600	15,500	0	24,800
Non-Rolling Capital Equipment	30,000	20,000	20,000	20,000	20,000
Subtotal Water Fund	295,800	217,000	273,650	290,600	361,800
Gas Fund					
Cars/Pick-ups	73,900	30,600	35,200	2,600	6,000
Trucks/Vans	40,500	134,800	234,650	181,800	103,600
Dump Trucks	0	37,000	0	37,000	155,400
Backhoe/Loader	0	0	25,000	0	20,000
Excavator/Vactor	143,000	0	0	0	0
Other Rolling Stock	0	9,000	3,500	0	23,200
Non-Rolling Capital Equipment	60,000	10,000	10,000	10,000	10,000
Subtotal Gas Fund	317,400	221,400	308,350	231,400	318,200
Sewer Fund					
Cars/Pick-ups	56,100	50,000	3,200	0	6,000
Trucks/Vans	0	98,400	44,000	40,000	95,000
Dump Trucks	0	0	148,000	0	0
Backhoe/Loader	0	0	0	0	0
Excavator/Vactor	57,200	185,500	143,000	0	143,000
Other Rolling Stock	67,000	95,800	91,500	88,000	19,000
Non-Rolling Capital Equipment	0	10,000	10,000	10,000	10,000
Subtotal Sewer Fund	180,300	439,700	439,700	138,000	273,000
Stormwater Fund					
Cars/Pick-ups	17,900	12,800	0	0	36,000
Trucks/Vans	0	0	47,800	0	95,000
Dump Trucks	148,000	148,000	0	0	0
Backhoe/Loader	100,000	0	0	0	0
Excavator/Vactor	28,600	185,500	0	286,000	0
Other Rolling Stock	0	7,600	6,500	15,000	15,000
Non-Rolling Capital Equipment	0	10,000	10,000	10,000	10,000
Subtotal Stormwater Fund	294,500	363,900	64,300	311,000	156,000
Street Light Utility Fund					
Led/Induction Luminaire Conversions					
Cars/Pick-ups	0	0	0	34,000	26,000
Trucks/Vans	0	0	0	0	0
Aerial Bucket Truck	0	0	0	181,000	0
Telehandler	48,000	0	0	0	0
Non-Rolling Capital Equipment	81,500	81,500	81,500	81,500	81,500
Subtotal Street Light Utility	129,500	81,500	81,500	296,500	107,500
Parking Fund					
Parking Payment Technology	1,075,500	595,000	148,500	0	0
Enterprise Funds Equipment Total	\$ 2,293,000	\$ 1,918,500	\$ 1,316,000	\$ 1,267,500	\$ 1,216,500

APPENDIX



FINANCE COMMITTEE

13-077-0

ORDINANCE NO. _____

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR GENERAL PURPOSES FOR THE YEAR 2014.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2014 for general operations is hereby determined to be the sum of \$19,441,000 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 \$12,899,800.

Section 3. That for the pay of debt, there will be levied for the general obligation debt fund the sum of \$6,261,200.

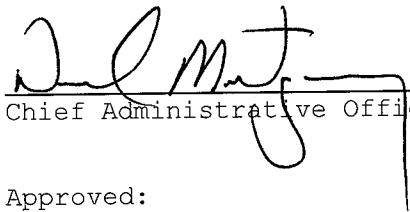
Section 4. That pursuant to laws of Minnesota 1971, Chapter 824, to pay for the portion of the cost of local improvements which will not sustain a special assessment, there will be levied for the permanent improvement fund the sum of \$280,000.

Section 5. That this ordinance shall take effect January 1, 2014.

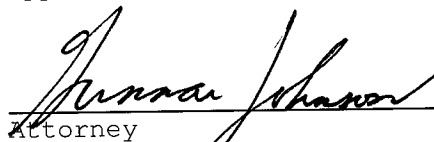
Approved:


Department Director


Approved for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

FIN CB:ls 11/22/2013

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2014 and matches the maximum levy approved by council in September.

FINANCE COMMITTEE

13-078-O

ORDINANCE NO. _____

AN ORDINANCE SETTING THE BUDGET FOR THE FISCAL YEAR 2014
APPROPRIATING MONIES FOR THE SUPPORT OF THE CITY
GOVERNMENT, PUBLIC UTILITIES, AND PUBLIC ENTERPRISE
FUNDS AND FOR OTHER PURPOSES

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That in accordance with Section 58 of the 1912 Home Rule Charter of the city of Duluth, and all amendments thereof and laws supplementary thereto, and for the fiscal year beginning January 1 and ending December 31, 2014, the city council hereby budgets, determines and states the amount of money required to meet the principal and interest of maturing obligations comprising the outstanding indebtedness of such city; the amounts of money necessary to be provided for each such fund and each department of such city; and estimates the amount of income from all other sources and revenues, exclusive of taxes upon property, together with the probable amount required to be levied and raised by taxation to defray all expenses and obligations of such city during such fiscal year.

That the monies as so budgeted and hereinafter set forth shall be paid upon the presentation of properly verified vouchers bearing thereon the budget distribution for which such expenditures are to be charged in accordance with the detailed classification of accounts and the explanatory information of such as set forth in ordinance in effect governing same, excepting, however, payments for interest and sinking funds, which shall be paid in the manner set forth in Section 53 of the City Charter.

That any monies received by the several city departments as reimbursement for damages or repairs to city property or work done for others and not anticipated in the original budget may be credited to and added to the appropriate budget item upon approval by the chief administrative officer or their designee.

That use of general fund balance that has been assigned for a specific purpose in a prior year, 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.

Section 2. That the city auditor be authorized to approve the payments of \$2,872,000 from the gas and steam public utility funds to the general fund for administrative services; comprised of \$2,726,000 or seven percent of the gross revenues of the gas utility fund to the general fund; and \$146,000 from public utility 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 numbered 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 the accounts numbered 510 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, and 505 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 2014.

GENERAL FUND		
110	Legislative and executive - total	\$2,650,500
121	Public administration - total	22,568,300
125	Finance - total	2,597,000
132	Planning and construction services - total	2,336,500
135	Business and economic development - total	733,600
150	Fire - total	14,492,500
160	Police - total	19,071,000
500	Public works - total	1,732,000
700	Transfers and other functions - total	10,226,500
	Total general fund	\$76,407,900

PARKS FUND		
130	Community Resources	\$2,683,500

PUBLIC ENTERPRISE		
503	Golf fund - total	\$2,077,900
505	Parking fund - total	\$4,462,400

PUBLIC UTILITIES		
510	Water fund - total	\$11,985,700
520	Gas fund - total	\$37,401,400
530 and 532	Sewer and clean water fund - total	\$18,725,100
535	Stormwater fund - total	\$4,645,700
540	Steam fund - total	\$7,540,400
550	Street lighting - total	\$1,920,800

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 to 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 revenues 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.

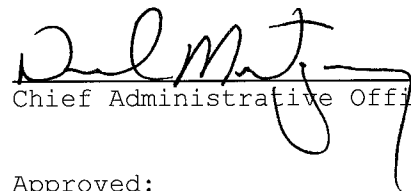
Section 10. That this ordinance shall take effect January 1, 2014.

Approved:



Department Director

Approved for presentation to council:




Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

FIN CB:le 11/22/2013

STATEMENT OF PURPOSE: This ordinance establishes 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 2014 budget for the city's general fund; the parks fund; the six utility funds of water, gas, sewer, stormwater, steam and street lighting; and the two public enterprise funds of parking and golf. The budgets have been reviewed in a series of finance committee meetings over the past three months.

FINANCE COMMITTEE

13-075-0

ORDINANCE NO. _____

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION
FOR THE SPECIAL PARKS FUND LEVY FOR THE YEAR 2014.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That sum to be raised by taxation for the year 2014 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, 2014.

FIN CB:le 11/22/2013

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2014 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.

FINANCE COMMITTEE

13-076-0

ORDINANCE NO. _____

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL TAXING DISTRICT, DULUTH TRANSIT AUTHORITY, FOR THE YEAR 2014.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2014 for Duluth Transit Authority taxing district's operations is hereby determined to be the sum of \$1,391,900 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, viz:

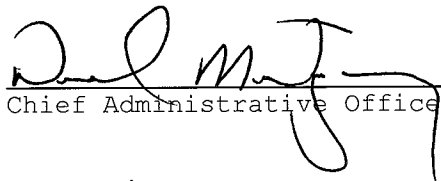
Section 2. That pursuant to Minnesota Statutes, Section 458A.31, Subd.1, there will be levied for transit operations the sum of \$1,391,900.

Section 3. That this ordinance shall take effect January 1, 2014.

Approved:


Department Director


Approved for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

FIN CB:le 11/22/2013

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2014 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 2014 is opting not to request the full levy available by Minnesota Statute 485A.31. Instead, the DTA is requesting \$1,391,900, the same as 2013.13

FINANCE COMMITTEE

13-0538R

RESOLUTION DISTRIBUTING THE ESTIMATED 2014 TOURISM TAXES
OF HOTEL-MOTEL AND FOOD AND BEVERAGE.

CITY PROPOSAL:

RESOLVED, that the 2014 tourism taxes of hotel-motel and food and beverages, as estimated, be distributed in the following manner:

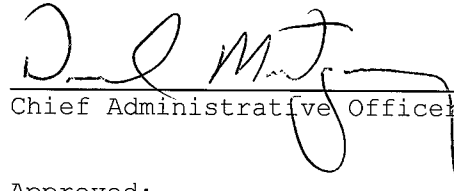
	3% Hotel	1% Hotel-Motel	1.75% Food & Beverage	Add'l 2% Hotel-Motel	Total
DECC Amsoil Arena Debt Service	1,281,700		1,576,900		\$2,858,600
Visit Duluth	690,100	196,100	600,000	113,800	\$1,600,000
Transfer to General Fund	103,800	276,300	287,000	160,800	\$827,900
Lake Superior Zoo Fund			403,800	106,200	\$510,000
Spirit Mountain Debt/Capital				500,000	\$500,000
Additional Spirit Mountain Allocation				145,700	\$145,700
Great Lakes Aquarium Operations		102,000	135,300	112,700	\$350,000
Business Improvement District			200,000		\$200,000
Heritage & Arts Center		81,500	73,000	22,300	\$176,800
Capital Projects			17,500	82,500	\$100,000
Other Promotional Programs			234,000		\$234,000
DECC - Bayfront Park		36,000	52,000		\$88,000
Undesignated Fund Balance			34,900		\$34,900
Public Arts Fund			30,000	20,000	\$50,000
Duluth Sister Cities Internat'l			15,000	15,000	\$30,000
Lake Superior & Mississippi RR			20,000		\$20,000

	3% Hotel	1% Hotel-Motel	1.75% Food & Beverage	Add'l 2% Hotel-Motel	Total
Rail Alliance				12,500	\$12,500
TOTALS	\$2,075,600	\$691,900	\$3,679,400	\$1,291,500	\$7,738,400

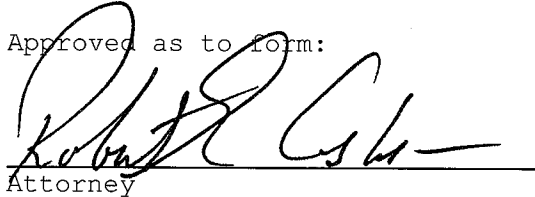
Approved:


 Department Director

Approved for presentation to council:


 Chief Administrative Officer

Approved as to form:


 Attorney

Approved:


 Auditor

FIN CB:le 10/21/2013

STATEMENT OF PURPOSE: This resolution distributes the 2014 estimated tourism taxes to various agencies as determined by Minnesota State Statutes or city policy. Revenue is projected to increase 8.15% over the 2013 budget due to local trends.

The 3% hotel/motel allocation to the DECC is increasing \$120,800 due to the increase in projected revenue and based on state law requiring the city to allocate 61.75%. Pursuant to the pledge agreement for Amsoil Arena debt, this allocation is now dedicated to debt service.

There are increases proposed for Spirit Mountain in the amount of \$145,700 to assist with the final two and one-half years of debt payments for the Phase II Adventure Park, and \$90,000 for the general fund for police park rangers and fire department tourism related overtime.

FINANCE COMMITTEE

14-0140R

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2014, TO DECEMBER 31, 2014, OPERATION BUDGET OF THE DULUTH TRANSIT AUTHORITY.

CITY PROPOSAL:

RESOLVED, that the operation budget for the fiscal year January 1, 2014, to December 31, 2014, in the amount of \$14,060,755 for the Duluth Transit Authority is hereby approved.

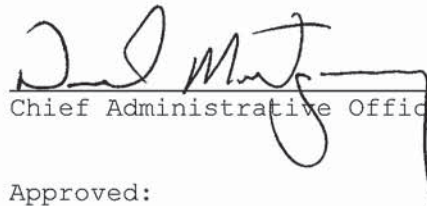
FURTHER RESOLVED, that the authority included in the resolution shall submit to the city council its proposed budget in a prescribed format on or before November 30 of each year.

Approved:



Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

BUDGET CB:le 03/14/2014

STATEMENT OF PURPOSE: This resolution adopts the 2014 operating budget for the Duluth Transit Authority. The budget includes an increase of \$45,540 or 0.3% over the 2013 budget. The DTA's budget was reviewed by the city council during a presentation by the authority at a finance committee meeting on November 25, 2013. This resolution adopts the budget as presented for the current year.

FINANCE COMMITTEE

14-0139R

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2014, TO DECEMBER 31, 2014, OPERATION BUDGET OF THE DULUTH AIRPORT AUTHORITY

CITY PROPOSAL:

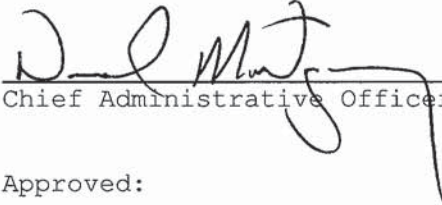
RESOLVED, that the operation budget for the fiscal year January 1, 2014, to December 31, 2014, in the amount of \$9,151,542 the Duluth Airport Authority is hereby approved.

FURTHER RESOLVED, that the authority included in the resolution shall submit to the city council its proposed budget in a prescribed format on or before November 30 of each year.

Approved:


Department Director

Approved for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

BUDGET CB:le 03/14/2014

STATEMENT OF PURPOSE: This resolution adopts the 2014 operating budget for the Duluth Airport Authority. The budget includes an increase of \$450,000 for operations related to additional expenses of the new terminal including personnel and utilities. There is also \$4.1 million included for the airport's share of the \$10.9 million parking ramp construction project. The airport's budget was reviewed by the city council during a presentation by the authority at a finance committee meeting on November 25, 2013. This resolution adopts the budget as presented for the current year.

FINANCE COMMITTEE

13-0601R

RESOLUTION ESTABLISHING ANNUAL BONDING PLAN FOR 2014.

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 2014:

General obligation bonds and notes to be issued in 2014	\$12,765,000
General obligation bonds and notes scheduled to be retired in 2014	\$17,702,000
Net anticipated decrease in general obligation bonding for 2014	<u>(\$4,937,000)</u>

FIN

11/16/2013

STATEMENT OF PURPOSE: This resolution sets forth the city's estimated bond and note issuances and repayments for the year 2014 as required by Section 20-33 of the city code. The city estimates its bonding activity in 2014 will result in a net decrease of \$4.9 million in the amount of the city's general obligation, outstanding debt during 2014.

The amounts set forth in the 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.

2014 Capital Project	Estimated Debt Issuance	Funding Source
Bonds & Notes		
Capital Improvement	\$ 1,700,000	Tax Levy
Capital Equipment	\$ 3,900,000	Tax Levy and Parking Revenues
Cross City Trail Grant Matching	\$ 600,000	Tax Levy
Utility (Sanitary Sewer CIPP Project)	\$ 820,000	Sewer Utility Revenues
Utility (West Duluth Reservoir)	<u>\$ 5,745,000</u>	Water Utility Revenues
Total Projected Debt Issuance	<u>\$ 12,765,000</u>	

Scheduled 2014 Debt Payment	Principal Payments	Comments
Levy and General Fund Supported	\$ 5,288,138	
Special Assessment Supported	\$ 1,526,749	
CIT Revenue Supported	\$ 2,305,113	Funded by Transfer from the CIT Fund
Utility Revenue Supported	\$ 5,797,000	Revenues from water, gas, sewer, stormwater, and steam utilities
Other Revenue Supported	\$ 2,785,000	Revenues include tourism taxes, tax increments, parking revenues, airport revenues, and other sources.
Total Estimated Debt Run-Off	<u>\$ 17,702,000</u>	
Net Estimated Debt Decrease 2014	<u>\$ (4,937,000)</u>	

CITY OF DULUTH, MINNESOTA

DEMOGRAPHIC AND ECONOMIC STATISTICS

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Total Personal Income</u>	<u>Per Capita School Enrollment</u>	<u>Unemployment Rate</u>
2004	85,782	2,071,632,035	24,150	11,979	5.4%
2005	85,889	2,082,363,825	24,245	11,123	4.9%
2006	85,170	2,200,368,620	25,835	10,050	4.7%
2007	85,439	2,330,534,215	27,277	9,819	4.9%
2008	85,220	2,390,569,327	28,052	9,554	6.5%
2009	85,530	2,286,461,687	26,733	9,195	7.1%
2010	86,265	2,260,614,999	26,205	8,780	7.6%
2011	86,277	2,341,514,707	27,140	8,815	6.9%
2012	86,033	2,366,494,504	27,507	8,686	5.9%

Data sources:

The population figures are estimates of the State Demographer.

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 Economic Security.

MINNESOTA CITIES HOUSING STOCK COMPARISON

Age of Housing Stock	Duluth		Rochester		St. Cloud		Mankato	
Total Housing Units	38,585		45,455		28,013		15,709	
1980 or newer	6,619	17.2%	22,445	49.4%	12,539	44.8%	6,000	38.2%
1960 to 1979	6,680	17.3%	122,742	27.0%	7,943	28.4%	3,442	21.9%
1940 to 1959	7,809	20.2%	7,072	15.6%	3,561	12.7%	2,757	17.6%
1939 or earlier	17,477	45.3%	3,666	8.1%	3,970	14.2%	3,510	22.3%

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	12.42%
St. Louis County	Government	1,956	2	4.55%
University of Minnesota - Duluth	Education	1,700	3	3.95%
St. Luke's Hospital	Healthcare / hospital	1,602	4	3.72%
Independent School District No. 709	Education	1,426	5	3.31%
Allete (Minnesota Power)	Electric utility	1,419	6	3.30%
Uniprise (United Health Care)	Insurance	1,368	7	3.18%
Duluth Air National Guard Base	Military	1,068	8	2.48%
City of Duluth	Government	850	9	1.98%
US Government	Government	850	10	1.98%
Cirrus Design	Aviation			
College of St. Scholastica	Education			
		17,580		40.87%

Source: Northland Connection's website

Total city employment is from the MN Department of Employment & Economic Development's website

PRINCIPAL PROPERTY TAXPAYERS

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Estimated Market Value</u>	<u>Rank</u>	<u>Percentage of Total City Market Value</u>
Minnesota Power	Electric utility	159,712,100	1	2.87%
Bowman Properties	Apartments	56,581,800	2	1.02%
Simon Property, Inc.	Shopping mall	52,603,300	3	0.94%
St. Mary's Med Center / Duluth Clinic	Healthcare / hospital	46,089,000	4	0.83%
IRET Properties	Property management	23,145,900	5	0.42%
Melhus Mgt. Company	Real estate invest	20,135,400	6	0.36%
Wisconsin Central LTD	Railway	18,441,000	7	0.33%
Riverland AG Corp	Grain elevators	18,334,000	8	0.33%
StoraEnso North America	Paper mill	18,281,000	9	0.33%
US Bank	Bank/Office building	17,481,400	10	0.31%
Northwest Air	Airbus maintenance			
Home Depot	Retail/Developer			
Tech Village	Office/Tech building			
Bradley Operating Limited	Strip mall			
Cirrus Design	Plane manufacturing			
		\$430,804,900		7.74%

OPERATING INDICATORS BY FUNCTION

	2008	2009	2010	2011	2012
Police					
Criminal offences	10,376	10,452	10,187	10,930	10,177
Adult and juvenile arrests	4,312	4,759	4,484	4,370	4,091
Traffic violations	2,951	2,153	5,241	9,746	9,499
Parking violations	49,498	54,953	57,537	47,778	43,733
Fire					
Number of calls answered	8,552	9,319	8,484	9,262	9,540
Number of inspections conducted	1,200	1,200	1,200	1,200	1,200
Public works					
Construction permits:					
Permits issued	2,757	2,362	2,026	1,700	2,325
Estimated cost of construction during year	\$ 115,091,545	\$ 113,965,408	\$ 238,186,019	\$ 173,357,959	\$ 104,841,877
Culture and recreation					
Parks and recreation department					
Participation in special events	59,353	42,858	48,896	15,436	18,129
Participation in recreation	112,826	36,217	31,905	39,839	35,681
Zoo regular customers	92,218	91,606	102,986	93,705	71,842
Library					
Registered borrowers	49,233	47,662	46,592	47,965	50,171
Items in collection*	344,302	620,941	620,101	463,418	457,999
Items loaned	901,128	881,268	929,161	902,221	953,270
Library visits	404,724	362,719	380,982	376,817	460,918
Internet uses	40,187	43,907	62,379	66,394	89,070
Reference/research questions answered**	250,756	67,460	80,678	79,443	90,155
Water					
Meters in service	28,016	27,950	30,317	29,069	28,082
Average number of gallons treated per month	514,647,500	516,805,833	481,950,833	461,125,000	468,170,000
Water pumped - million cubic feet	826.0	829.1	773.1	739.8	756.1
Water sold - million cubic feet	601.0	658.0	665.5	589.6	644.4
Daily average consumption in gallons	16,919,918	16,973,333	15,844,958	15,160,274	13,206,643
Gas					
Meters in service	25,983	26,148	26,668	26,693	27,542
MMBTU sold	5,169,299	4,804,897	4,617,923	5,184,800	4,528,009
Sewer					
Number of service connections	28,845	28,845	28,845	28,845	27,250
Daily average treatment in gallons	15,249,900	13,740,000	14,859,000	13,284,575	12,137,000
Stormwater					
Cleaning storm sewer pipe (in feet)	21,254	23,358	14,734	14,750	230,165
Steam District #1					
Steam sold (in 1,000 lbs)	465,717	441,808	403,085	409,295	379,257
Golf					
Season passes	928	1,023	1,024	985	1,028
Daily tickets	35,230	33,815	32,252	32,101	35,121
Carts	12,811	11,128	10,670	12,553	14,751
Rounds played	83,390	80,987	79,430	75,480	84,740

*Note: Prior to 2009, only cataloged items were included in the Library's "Items in collection."

**Note: Beginning in 2009, only actual reference questions are included in the Library's "Reference questions answered."
In prior years, directional questions were also included.

CAPITAL ASSETS BY FUNCTION

	2008	2009	2010	2011	2012
Police					
Patrol units	96	91	96	94	93
Fire					
Fire stations	9	9	9	9	8
Public works					
Miles of streets and alleys:					
Miles of streets - paved	476.30	476.30	469.00	470.23	470.43
Miles of streets - unpaved	73.11	73.11	48.02	48.02	48.02
Miles of sidewalk	382.56	382.56	277.00	409.00	409.90
Number of street lights:					
Ornamental lamps (no. of bulbs)	3,758	3,930	3,930	3,930	3,930
Overhead street lamps	3,732	3,657	3,665	3,665	3,665
Culture and recreation					
Parks and recreation department					
Number of parks	111	145	127	127	128
Park acreage	13,490	11,880	15,255	15,255	12,000
Number of ski hills	2	2	2	2	2
Number of municipal tennis courts	22	15	17	17	17
Community clubs/field houses operated	27	22	22	22	21
Number of athletic fields	36	57	57	57	57
Number of hiking trails	13	13	13	14	14
Library department					
Libraries/branches	3	3	3	3	3
Water					
Miles of water mains	413.79	414.59	424.10	426.30	426.74
Number of hydrants	2,500	2,506	2,535	2,583	2,597
Maximum daily capacity of plant in gallons	35,000,000	32,000,000	32,000,000	32,000,000	32,000,000
Gas					
Miles of gas mains	510.20	506.00	512.40	511.00	520.00
Sewer					
Miles of sanitary sewers	424.00	444.00	392.00	382.00	406.20
Stormwater					
Miles of storm sewers	431.00	431.00	431.00	431.00	431.00
Steam District #1					
Miles of line	11.00	11.00	11.00	11.00	11.00
Golf					
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.

