

CITY OF DULUTH, MINNESOTA



2016 ADOPTED ANNUAL BUDGET



Duluth was chosen by Fox Sports North, in conjunction with the National Hockey League's Minnesota Wild to host the 2016 Hockey Day Minnesota. Hockey Day Minnesota was originated in 2007 by the Minnesota Wild to celebrate the game that has made Minnesota the State of Hockey. On February 6, thousands of people flocked to Bayfront Park in Duluth where a specially constructed rink with a backdrop of the Aerial Lift Bridge, the Great Lakes Aquarium, and Lake Superior was set to host outdoor hockey games. Two high school hockey games were played on the rink, the first between Duluth Denfeld and Eveleth-Gilbert, and the second between Duluth East and Lakeville North. Thousands cheered and Duluth's iconic Aerial Lift Bridge horn sounded when goals were scored. Fox Sports North had numerous on-air personalities reporting throughout the day. Former National Hockey League players and commentators were on set live from Bayfront Park. Millions of viewers throughout Minnesota, Wisconsin, Iowa, and North and South Dakota watched as Fox Sports North broadcasted the games live and debuted stories of Duluth's unique tradition of outdoor youth hockey.

Budget cover photos courtesy of Fox Sports North and Steve Forslund

CITY OF DULUTH

2016 Approved Annual Budget

MAYOR

Emily Larson

CITY COUNCILORS

Gary Anderson

Zack Filipovich

Jay Fosle

Elissa Hansen

Howie Hanson

Noah Hobbs

Barb Russ

Joel Sipress

Em Westerlund

CHIEF ADMINISTRATIVE OFFICER

David Montgomery



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INTRODUCTION





City of Duluth Finance Department

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January 1, 2016

Members of the Duluth City Council
And Other Interested Parties

Dear Reader,

The City of Duluth budget process is a disciplined practice which uses the strengths of highly skilled leaders to set City priorities while seeking strategic financial solutions and opportunities to achieve these priorities. The 2016 budget was completed in accordance with the City's budget policies, city charter and the State of Minnesota's truth in taxation laws.

The budget process began with Mayor Don Ness presenting the proposed general fund budget and tax levy to the City Council on September 10, 2015. The City Council approved the proposed maximum tax levy on September 28, 2015. Finance committee meetings were scheduled in October, November, and December where City departments and authorities presented their budgets as well as strengths, opportunities, and future challenges. On December 7, 2015 a truth in taxation hearing was held in the Duluth City Council Chambers at 7:00 pm to allow citizens time for public comment and questions. The final 2016 budgets, budget appropriations, tax levies, capital improvement plan, and bonding intent and plan were approved by Council on December 14, 2015.

Included in the 2016 budget presentation to the City Council was 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 \$10.6 million since 2008 from a negative \$1.3 million to an ending balance of \$9.3 million in 2015.
- **General Fund Budget** has grown at a moderate pace since 2010 increasing at an average annual rate of one percent.
- **General Obligation Debt** repaid primarily by tax levies has decreased dramatically since 2009 to \$54.56 million due mainly to the payoff of street improvement debt.
- **OPEB Liability** has been reduced to \$129 million, far lower than the 2005 actuarial study projection of \$400 million.
- **An OPEB Trust** was created in 2008 to finance retiree health care costs. City contributions are invested through the State Board of Investment. Assets have grown significantly since 2008 and are now in excess of \$43 million.

Budget Drivers:

- **State Budget Considerations**
 - LGA
 - Levy limits
- **Employee Expenses**
 - CBA's for all unions
 - Health insurance premiums
 - Retiree insurance
- **Economy**
 - Expanding tax base
 - Sales tax
 - Building permits and fees

Framework Goals and Assumptions:

- Nominal increase in overall property tax levy.
- New tax base growth from economic development will translate into tax rate decreases for property owners.
- Increased wages for City employees. In response to past years of financial difficulties, average wage increases across all City bargaining units were held to less than 1% annually while City employees continued to provide top quality services to Duluth's citizens despite working with limitations on staffing levels and continued increases in customer demands. The 2016 budget includes slightly above statewide average wage increases for new CBA contracts.
- Additional \$500 thousand in parks and trails maintenance funds over last year's levels to help assure users that parks and trails will remain attractive outdoor recreation assets for years to come.
- Decreased retiree healthcare insurance costs. Savings arise as pre-65 retirees transfer off the City's active employee plan paid for with a combination of City and employee cost share funds, to the Medicare supplement plan which is significantly funded with Federal Medicare dollars.

The 2016 budget approvals were endorsed by the City Council, led by Council President Emily Larson. Emily Larson left her post as Council President and on January 4, 2016 was sworn in as Duluth's first female Mayor. Mayor Larson's inauguration speech can be found by following the link below.

2016 Inauguration Speech <http://www.duluthmn.gov/mayor/2016-inauguration/>

The 2016 budget continues the application of strong and consistent financial principles that have been utilized to improve and strengthen the City's financial health and create budget stability over the past eight years. The City budget process embraces a series of principles which provide the foundation to short and long-term planning and have helped the City dramatically improve its financial health during a very turbulent and challenging period. Key principles in the City's financial stability include budget discipline; organizational and process reengineering using core competencies to seek out improvements in operational efficiency and effectiveness; seeking strategic solutions to financial opportunities such as the creative conversion of the over-65 plan to a Medicare supplement, the creations and funding of an OPEB trust to finance long-term retiree costs, the reduction of general fund revenue volatility; a focus on debt management through cautious borrowing and attention to interest rate opportunities all while protecting the City's bond rating; and seeking out the best employees both internally and externally to capitalize on diverse, innovative talents and ideas.

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

Sincerely,



Jennifer Carlson, Manager
Budget and Fiscal Analysis

City of Duluth Strengths, Challenges, and Opportunities

Thanks to the talent and dedication of City staff and in cooperation with community partners, we are not only able to strategically plan for challenges but also make progress on the larger goals of economic growth and fiscal health. Heading into 2016, the City staff are working diligently to capitalize on the City's numerous strengths while strategically planning to solve the City's challenges.

Strengths:

- In 2015 Duluth's economic market value grew by 8% indicating a strong resurgence in real estate values post-recession. The City continues to work with developers to finalize proposed development agreements and construction plans.
- In December 2015, the Duluth City Council approved a development agreement with Cirrus Aircraft Corp. The agreement will enable Cirrus to expand its production of piston engine planes and jet aircraft resulting in the creation of at least 150 union wage and benefit jobs.
- Maurices' new \$70 million corporate headquarters is scheduled to open in May 2016 and expected to add 150 new jobs.
- Due to strong job growth in aviation, engineering, skilled manufacturing and other sectors, Duluth's unemployment rate dropped to 3.6%; its lowest level since 1999.
- Standard & Poors and Moody's recognized Duluth's fiscal discipline and financial health in their latest reports and renewed the City of Duluth's AA and Aa2 bond ratings with a stable outlook.

Parks and Trails

Duluth is rapidly becoming known as one of the premier outdoor and trails cities in the country, a designation that is attracting new visitors and generating additional economic development opportunities. In 2014, Duluth was voted "Best Town in America" by Outside magazine. As the City develops its wide ranging trail system, we recognize the need to provide corresponding resources to maintain and protect these new amenities as well as our longstanding existing parks and trails. The 2016 Budget provides for an additional \$500

thousand in parks and trails maintenance funds over last year's levels to help assure users that these parks and trails will remain attractive outdoor recreation assets for years to come.

Challenges:

- The City of Duluth had an agreement with the Fond du Lac Band to share revenues from the Band's downtown casino. The City used the revenues from the casino to pay for street improvements and street related debt service. In 2009 the National Indian Gaming Commission ruled that Fond du Lac could stop making its annual payments to the City. In July 2015, final judgment was made in the court case between the Fond du Lac Band and the City of Duluth. The District Court issued an order granting the Band retrospective relief for the period of 2009 to 2011. Given the resource limitations the City faces, an annual decision will be made to prioritize enhanced street maintenance versus street reconstruction.
- The Duluth Police Department continues to partner with law enforcement agencies to seize and arrest drug traffickers. 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 while helping increase business downtown.
- 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.

Street and Road System

The condition of Duluth's street and road system remains one of the biggest unmet challenges. We made significant progress on our road system given the severe limitations on available resources for street funding, but the essence of the problem remains. Given the resource limitations we face, we are focusing on maintaining the system we have today rather than rebuild new street sections in 2016. Duluth taxpayers gain a much greater benefit per dollar expended through maintenance measured by total miles of improved road surface than by expending the limited resources available on full resurfacing or reconstruction. Ultimately our roads will need to be fully rehabilitated to gain

long-term benefit and cost effectiveness. But until a more permanent and appropriately funded street program can be established, utilizing the bulk of the street fee dollars, not needed for street debt repayment, for enhanced street maintenance is the most beneficial use. Over the past two years we have identified newly available resources from positive budget performance and asked Council for one-off additional budget appropriations to apply these funds to enhanced street maintenance. This year we are providing for that level of maintenance resources from the street fee in the initial budget for the Street Maintenance Fund.

Housing

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

To meet rising demand, we must add 1,000 new or fully renovated units by the end of 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.

Workforce

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

Inequality

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

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

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

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

Opportunities:

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

A Healthy River - A Healthy Future

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

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

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

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

Five years ago, City staff began to prioritize attention on this magnificent river corridor. In June of 2009, a 'St. Louis River Summit' was organized which brought together 70 stakeholders to develop a comprehensive vision for the area. The lively discussion focused on both big ideas on vision for the area, as well as practical project oriented initiatives.

From the discussion, seven working groups continued the conversation creating specific action plans which have inspired some amazing initiatives and projects. Implementation started slowly but is now gaining speed. The St. Louis River

corridor can be a perfect case study on how a community can successfully weave together residential, industrial, recreational and environmental considerations with each component enhancing and supporting the others for the benefit of the entire community and region. The river is the thread that pulls all these unique attributes together.

St. Louis River Corridor – Environmental Stewardship

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

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

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

St. Louis River Corridor – Infrastructure Improvements

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

St. Louis River Corridor – Jobs and Economy

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

industrial sites; extensive rail availability; and a skilled, loyal workforce that continues Duluth's proud industrial heritage.

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

St. Louis River Corridor – Tourism

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

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

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

In other parts of the country, people pay millions to have access to resort towns. Along the St. Louis River, 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.

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

City of Duluth Financial Principles

The 2016 budget continues the application of strong and consistent financial principles that have been utilized to improve and strengthen the City's financial health and create budget stability over the past eight years. These principles have provided the foundation to our short and long-term financial planning and have helped the City dramatically improve its financial health during a very turbulent and challenging period. These principles include:

- **Budget Discipline** – that discipline encompasses several ideas including conservative revenue expectations, making difficult spending prioritization decisions, applying zero based budget concepts, aggressively challenging existing budget assumptions and emphasizing the need for spending rationales or return on investment analysis, tightly managing staffing level fluctuations and individual hiring decisions and creating a culture of budget accountability.
- **Organizational and Process Reengineering** - means striving toward a culture of every employee thinking, “How can I do things better and more efficiently today?” This culture focuses on identifying the organization’s core competencies and seeks out improvements in operational efficiency and effectiveness by the constant reassessment of processes and procedures, the targeted application of technology and appropriate optimization of attrition opportunities.
- **Willingness to Seek Strategic Solutions to Financial Opportunities** – look for opportunities to bring about change to major assumptions, programs or structural impediments to improve or secure long-term financial security. Examples include the restructuring of our retiree health care program, creative conversion of the over-65 plan to a Medicare supplement, creation and funding of an OPEB trust to finance long-term

retiree costs, reduction of general fund revenue volatility and professionalizing the management of our enterprise fund operations.

- **Focus on Debt Management** – through judicious use of borrowing, attention to interest rate opportunities, taking a rainy day approach to the use of windfalls or other significant proceeds realizations and jealously protect the City's bond rating.
- **Seek Out the Best Employees** – both internally and externally. Be willing to look out of the box in the search for new talent with unusual or non-standard backgrounds. Provide opportunities for internal staff to move up or across existing job channels to realize their full potential. Utilize attrition to improve the team's capabilities and capacity whether from external or internal talent.

City of Duluth Minnesota – 2016 Budget

Profile of Duluth, MN



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

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

Duluth was voted Outside magazine's best outdoors town in America. The City of Duluth provides 128 municipal parks with a total of 6,834 acres of city parkland, 14 hiking trails which boast 178 miles, 2 ski hills, 16 designated trout streams and Lake Superior, the world's largest freshwater lake by surface area. 3.5 million people visit Duluth annually.



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

Higher education opportunities include the University of 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 2013 population of 86,128, 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 3.6%.

There are 37,873 housing units in Duluth. The median income is \$43,064, while the average median income for state of Minnesota is \$59,836.

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



City of Duluth Minnesota – 2016 Budget

Form of Government

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

ELECTED OFFICIALS

Mayor – Emily Larson

January 2016 to January 2020

Councilors at Large

Zack Filipovich	January 2014	to	January 2018
Elissa Hansen	January 2016	to	January 2020
Noah Hobbs	January 2016	to	January 2020
Barb Russ	January 2014	to	January 2018

District Councilors

1	Gary Anderson	January 2016	to	January 2020
2	Joel Sipress	January 2014	to	January 2018
3	Em Westerlund	January 2016	to	January 2020
4	Howie Hanson	January 2014	to	January 2018
5	Jay Fosle	January 2016	to	January 2020

APPOINTED OFFICIALS

Chief Administrative Officer

David Montgomery

City Attorney

Gunnar Johnson

Authorities Directors

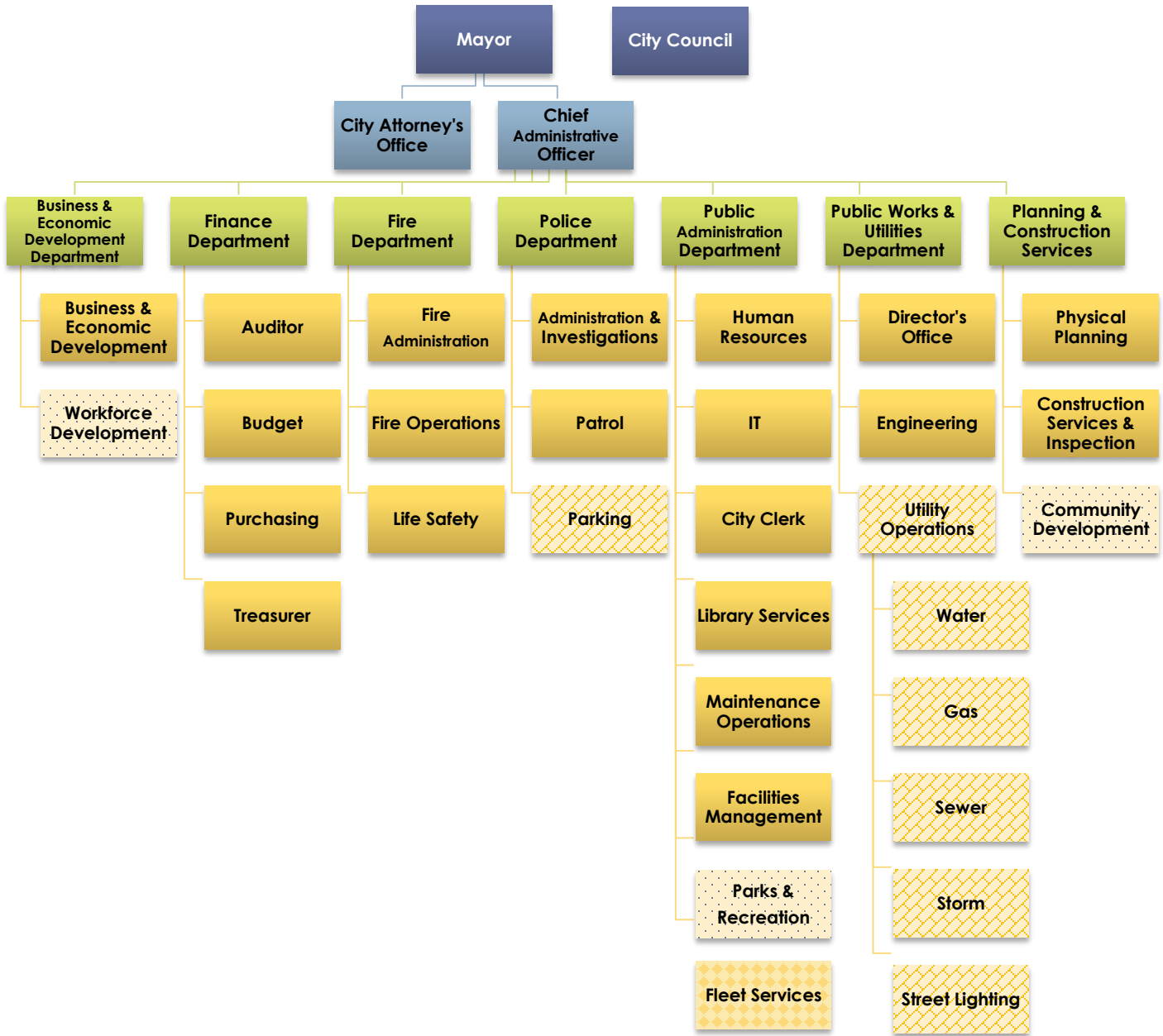
Airport	Tom Werner
DECC	Daniel Russell
DTA	Dennis Jensen
Spirit Mountain	Brandy Ream

City Department Heads

Chief Financial Officer	Wayne Parson
Public Administration	Jim Filby Williams
Business & Econ Dev	Heather Rand
Planning & Comm Dev	Keith Hamre
Fire	Vacant
Police	Vacant
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

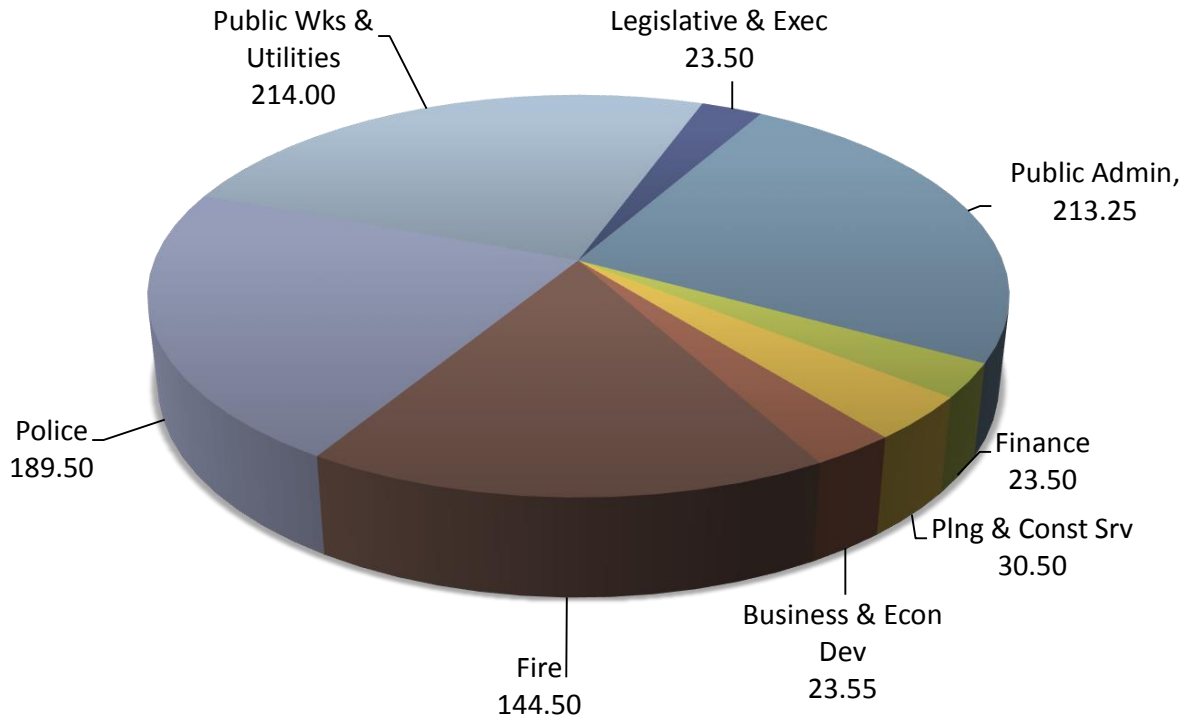
Department/Division	2013 Actual	2014 Actual	2015 Budget	2016 Approved
LEGISLATIVE AND EXECUTIVE				
City Council	0.00	0.00	0.00	0.00
Mayor Office	3.00	3.00	4.00	4.00
Chief Administrative Officer	2.50	2.50	2.50	2.50
Attorney's Office	15.00	16.00	17.00	17.00
DEPARTMENT TOTAL	20.50	21.50	23.50	23.50
PUBLIC ADMINISTRATION				
Human Resources	12.00	12.00	12.00	11.75
Management Information Systems	20.00	22.00	21.00	21.00
City Clerk	8.00	8.00	7.00	7.00
Maintenance Operations	70.50	69.40	68.60	69.60
Library Services	49.00	49.00	46.50	46.50
Parks and Recreation	10.00	10.00	9.75	11.75
Facilities Management	19.00	20.30	25.30	25.30
Fleet Services	18.50	18.35	18.35	18.35
Safety and Training	1.00	1.00	1.00	1.00
Energy Management	1.00	1.00	1.00	1.00
DEPARTMENT TOTAL	209.00	211.05	210.50	213.25
FINANCE				
Budget Office	3.25	3.00	3.00	3.00
Assessor's Office	1.00	0.00	0.00	0.00
Auditor's Office	7.50	8.50	8.50	9.50
Purchasing	2.00	2.00	2.00	2.00
Treasurer's Office	12.00	10.00	9.00	9.00
DEPARTMENT TOTAL	25.75	23.50	22.50	23.50
PLANNING & CONSTRUCTION SERVICES				
Physical Planning	7.20	7.20	7.17	6.67
Building Inspection	17.00	17.00	17.00	17.50
Community Development	6.83	6.83	6.83	6.33
DEPARTMENT TOTAL	31.03	31.03	31.00	30.50
BUSINESS & COMM DEV RESOURCES				
Business Development	7.25	6.50	5.50	5.50
Workforce Development	22.00	22.00	19.00	18.05
DEPARTMENT TOTAL	29.25	28.50	24.50	23.55

CITYWIDE PERSONNEL SUMMARY
Fulltime, Permanent Positions

Department/Division	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FIRE DEPARTMENT				
Fire Administration	3.00	4.00	3.00	4.50
Firefighting Operations	124.00	127.00	130.00	130.00
Life Safety	11.00	11.00	10.00	10.00
SAFER Grant	3.00	0.00	0.00	0.00
DEPARTMENT TOTAL	141.00	142.00	143.00	144.50
POLICE DEPARTMENT				
Administration, Investigative, Patrol	178.50	178.50	178.50	180.50
Parking	8.00	8.00	8.00	9.00
DEPARTMENT TOTAL	186.50	186.50	186.50	189.50
PUBLIC WORKS & UTILITIES				
Public Works Operations				
Director' Office	0.40	0.40	0.40	0.40
Engineering	16.20	16.10	16.05	16.25
Public Works Subtotal	16.60	16.50	16.45	16.65
Utilities Operations				
Water and Gas	137.39	132.60	128.65	129.15
Sewer	36.11	39.33	36.93	35.80
Stormwater	25.65	25.52	26.87	27.30
Street Lighting	5.00	5.10	5.10	5.10
Utilities Subtotal	204.15	202.55	197.55	197.35
DEPARTMENT TOTAL	220.75	219.05	214.00	214.00
TOTAL CITY EMPLOYEES	863.78	863.13	855.50	862.30

CITYWIDE PERSONNEL SUMMARY

2016 Permanent FTE's by Department



Department	2013 Budget	2014 Budget	2015 Budget	2016 Approved	Difference 2015/2016
Legislative & Executive	20.50	21.50	23.50	23.50	0.00
Public Administration	209.00	211.05	210.50	213.25	2.75
Finance	25.75	23.50	22.50	23.50	1.00
Planning & Construction Services	31.03	31.03	31.00	30.50	-0.50
Business & Economic Development	29.25	28.50	24.50	23.55	-0.95
Fire Department	141.00	142.00	143.00	144.50	1.50
Police Department	186.50	186.50	186.50	189.50	3.00
Public Works & Utilities	220.75	219.05	214.00	214.00	0.00
TOTAL	863.78	863.13	855.50	862.30	6.80

BUDGET HIGHLIGHTS

BUDGET PROCESS

The budget process began with Mayor Don Ness presenting the proposed general fund budget and tax levy to the City Council on September 10, 2015. The City Council approved the proposed maximum tax levy on September 28, 2015. Finance committee meetings were scheduled in October, November, and December where City departments and authorities presented their budgets as well as strengths, opportunities, and future challenges. On December 7, 2015 a truth in taxation hearing was held in the Duluth City Council Chambers at 7:00 pm to allow citizens time for public comment and questions. The final 2016 budgets, budget appropriations, tax levies, capital improvement plan, and bonding intent and plan were approved by Council on December 14, 2015.

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 2016 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:

- June 19** General fund revenue
- July 20** General fund staffing requests and expense proposals, special revenue, internal service, debt: and capital funds
- July 31** Enterprise funds including utilities; street lighting; golf

ADMINISTRATIVE REVIEW

- Week of June 22** Administrative review of department revenue budget proposals
- Weeks of July 20&27** Department budget proposals will be reviewed by the Administration.

CAPITAL BUDGETS

- July 24** Instructions and packets sent out to departments
- August 10** CIP and CEP committee meetings will be scheduled
- Oct-Nov** Capital Improvement presentation to City Council

MAYOR’S PRESENTATION TO COUNCIL

- Sept 10** Proposed levy and budget resolutions on council agenda
- Sept (14,28)** Council sets preliminary budget and maximum property tax levy

COUNCIL BUDGET REVIEW

- Sept – Nov** Departmental presentations schedule set by Finance Committee Chair of the Council

TRUTH IN TAXATION MEETINGS

- Dec 7** Truth in Taxation hearing
- Dec 14** Council approves final budgets and levies to become effective January 1

PROPERTY TAX LEVY REVENUES

The **City's final property tax levy** (not including the Parks referendum levy) certified to the County was \$21,630,792; an increase of 7.68% over the 2015 levy. The increase will mean a 1.74% change in the tax rate due to growth in tax capacity.

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

2016 Approved Property Tax Levy

	2015 Approved Levy	2016 Approved Levy	Change In Levy	% Change in Total City Levy	Impact on Tax Rate
General Operations Levy					
General Operations	\$ 12,864,500	\$ 13,567,600	\$ 703,100	3.50%	1.08%
New Growth	\$ -	\$ 411,300	\$ 411,300	2.05%	0.00%
Provision for Tax Delinquency	\$ 150,000	\$ 150,000	\$ -		
Total General Operations Levy	\$ 13,014,500	\$ 14,128,900	\$ 1,114,400	5.55%	1.08%
Capital Projects Levy					
Debt Service	\$ 6,574,300	\$ 6,574,300	\$ -		0.00%
Infrastructure Permanent Improvements	\$ 280,000	\$ 280,000	\$ -		
Total Capital Projects Levy	\$ 6,854,300	\$ 6,854,300	\$ -	0.00%	0.00%
Street Light Levy	\$ 220,000	\$ 647,592	\$ 427,592	2.13%	0.66%
Total City Property Tax Levy	\$ 20,088,800	\$ 21,630,792	\$ 1,541,992	7.68%	1.74%
Parks Referendum Levy	\$ 2,600,000	\$ 2,600,000	\$ -	0.00%	0.00%

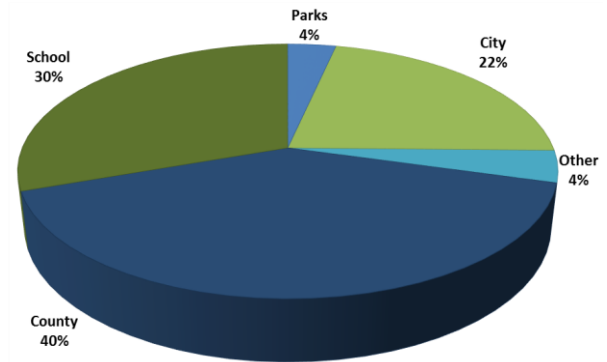
INCREASE IN AVERAGE HOMESTEAD (\$159,600) ANNUAL CITY PROPERTY TAX BILL

2015 City Property Taxes	\$ 518
2016 Property Taxes as Approved	\$ 527
Approved Annual Increase	\$ 9

In addition, the City, on behalf of three special taxing districts, approved levy requests as follows: the **Duluth Transit Authority** in the amount of \$1,491,900; the **Housing and Redevelopment Authority** in the amount of \$974,879; 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 26% of the total. The chart below shows an average resident's property tax bill with the breakdown by taxing entity.

Taxing Entity	2016 Property Taxes	
City of Duluth (incl. Parks)	\$ 527	26%
St. Louis County	\$ 839	40%
School District 709	\$ 633	30%
Other Entities	\$ 84	4%
Total Average Bill	\$ 2,083	100%



*Based on Market Value of \$159,600

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 2016 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 2015 tax bill with the proposed tax bill for 2016. The numbers are based on the property tax levy proposals by St. Louis County, the School District, other taxing districts, as well as the City of Duluth. It also factors in any changes in your property's market value and tax rate classification. The County mails these statements out to individual property owners to show the impact of all property tax proposals on a resident's tax.

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

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

What services do property taxes fund?

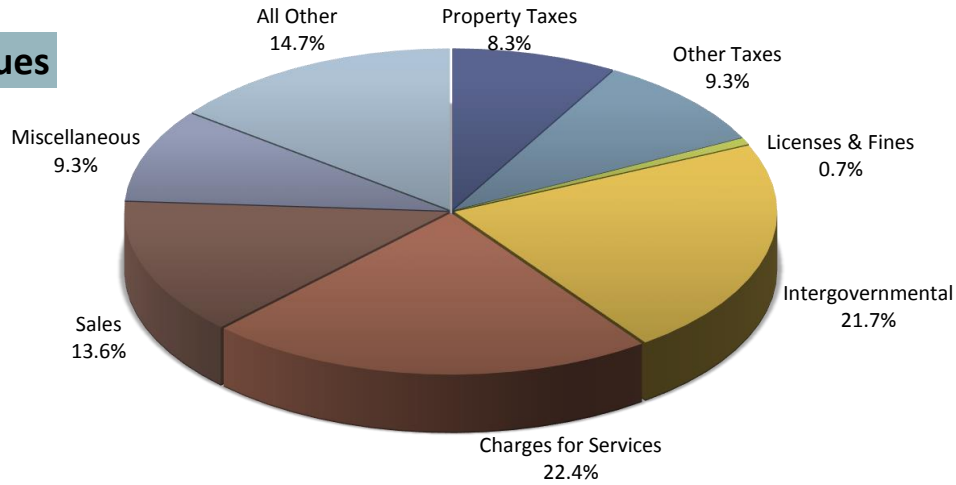
Approximately 1/3 goes to fund debt service on capital improvements, equipment and neighborhood street improvements. The remaining 2/3 goes into the City's General Fund to pay for services such as police, fire, libraries, planning and zoning, and street maintenance. For 2016, the portion of the City's general services paid for with property taxes is \$14 million or 18% of total general services. To put the amount into perspective, this does not even cover the Fire Department's 2016 funding requirements.

If property taxes only cover 18% 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 37% of the total, followed by Sales Tax at \$14 million or 18% of the total.

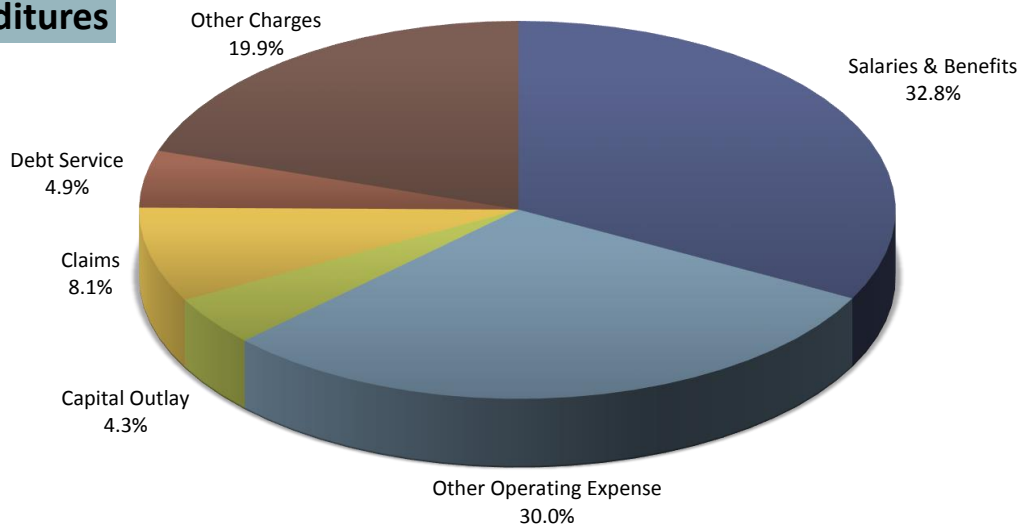
TOTAL APPROVED CITY OF DULUTH BUDGET

2016 Revenues



REVENUES:	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Property Taxes	21,851,819	22,082,551	22,688,800	24,230,800
Other Taxes	22,479,470	15,871,639	24,951,000	27,225,700
Licenses & Fines	2,499,000	2,235,969	2,116,000	1,988,900
Intergovernmental	47,671,278	48,927,910	48,280,254	63,678,461
Charges for Services	66,552,147	65,869,159	66,602,050	65,527,824
Sales	39,061,884	56,083,100	46,895,300	39,929,300
Miscellaneous Revenue	29,968,501	31,079,731	41,375,885	27,292,743
All Other Sources	37,553,015	34,612,296	42,277,580	42,996,678
TOTAL REVENUES	267,637,114	276,762,354	295,186,869	292,870,406

2016 Expenditures



EXPENDITURES	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Salaries & Benefits	86,633,719	88,609,559	90,406,571	94,116,833
Other Operating Expense	84,055,850	97,991,705	89,951,147	86,194,315
Capital Outlay	11,075,144	12,817,041	11,691,558	12,213,245
Claims	11,952,577	11,618,287	22,295,154	23,255,921
Debt Service	16,354,118	16,910,791	14,468,500	14,011,000
Other Charges	40,083,738	28,902,652	43,100,101	57,262,491
TOTAL EXPENDITURES	250,155,146	256,850,034	271,913,031	287,053,805

TOTAL APPROVED CITY OF DULUTH 2016 BUDGET

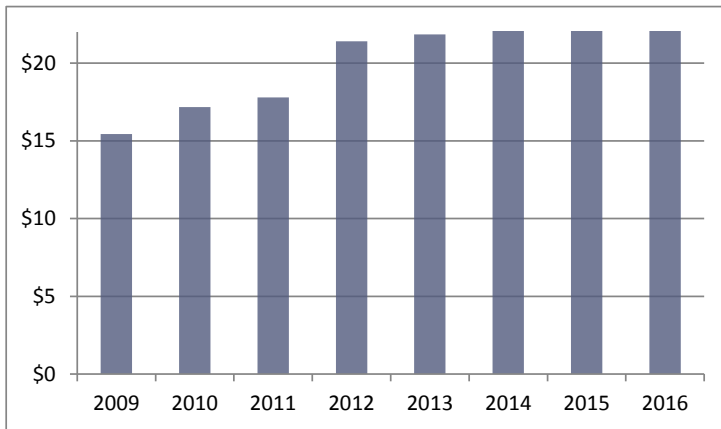
REVENUE COMPARISON	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference 2016/2015
CURRENT PROPERTY TAXES					
General Fund	12,024,345	12,931,648	13,014,500	14,128,900	1,114,400
Special Revenue Funds	2,576,740	2,596,386	2,600,000	2,600,000	-
Debt Service Funds	7,042,313	6,275,166	6,574,300	6,574,300	-
Capital Project Funds	208,421	279,351	280,000	280,000	-
Enterprise Funds	-	-	220,000	647,600	-
Total Current Property Taxes	<u>21,851,819</u>	<u>22,082,551</u>	<u>22,688,800</u>	<u>24,230,800</u>	<u>1,114,400</u>
OTHER TAXES					
General Fund	14,834,707	15,871,639	15,396,000	16,364,400	968,400
Special Revenue Funds	7,644,763	-	9,555,000	10,861,300	1,306,300
Total Other Taxes	<u>22,479,470</u>	<u>15,871,639</u>	<u>24,951,000</u>	<u>27,225,700</u>	<u>2,274,700</u>
LICENSES & FINES					
General Fund	2,499,000	2,235,969	2,116,000	1,988,900	(127,100)
Total Licenses and Fines	<u>2,499,000</u>	<u>2,235,969</u>	<u>2,116,000</u>	<u>1,988,900</u>	<u>(127,100)</u>
INTERGOVERNMENTAL					
General Fund	31,629,098	33,282,800	32,908,400	33,571,800	663,400
Special Revenue Funds	10,180,887	9,733,012	8,151,854	25,691,661	17,539,807
Debt Service Funds	-	-	-	-	-
Capital Project Funds	5,861,293	5,912,098	7,220,000	4,415,000	(2,805,000)
Total Intergovernmental	<u>47,671,278</u>	<u>48,927,910</u>	<u>48,280,254</u>	<u>63,678,461</u>	<u>15,398,207</u>
CHARGES FOR SERVICES					
General Fund	5,206,560	5,845,466	5,498,000	5,358,100	(139,900)
Enterprise Funds	56,886,362	55,636,687	56,942,150	56,082,824	(859,326)
Internal Service Funds	4,459,225	4,387,006	4,161,900	4,086,900	(75,000)
Total Charges for Services	<u>66,552,147</u>	<u>65,869,159</u>	<u>66,602,050</u>	<u>65,527,824</u>	<u>(1,074,226)</u>
SALES					
Enterprise Funds	39,061,884	56,083,100	46,895,300	39,929,300	(6,966,000)
Total Sales	<u>39,061,884</u>	<u>56,083,100</u>	<u>46,895,300</u>	<u>39,929,300</u>	<u>(6,966,000)</u>
MISCELLANEOUS REVENUE					
General Fund	1,969,262	886,123	559,300	415,800	(143,500)
Special Revenue Funds	23,290,461	25,183,629	25,001,880	24,829,886	(171,994)
Debt Service Funds	138,332	323,376	240,900	238,800	(2,100)
Capital Project Funds	3,974,053	4,496,351	15,573,805	1,808,257	(13,765,548)
Internal Service Funds	596,393	190,252	-	-	-
Total Miscellaneous Revenue	<u>29,968,501</u>	<u>31,079,731</u>	<u>41,375,885</u>	<u>27,292,743</u>	<u>(14,083,142)</u>
ALL OTHER SOURCES					
General Fund	7,252,192	7,898,344	8,175,800	8,178,300	2,500
Debt Service Funds	11,054,077	8,631,134	7,294,400	7,250,200	(44,200)
Capital Project Funds	1,105,000	228,261	1,005,000	1,402,138	397,138
Enterprise Funds	3,432,921	2,483,839	925,100	1,636,400	711,300
Internal Service Funds	14,708,825	15,370,717	24,877,280	24,529,640	(347,640)
Total All Other Sources	<u>37,553,015</u>	<u>34,612,296</u>	<u>42,277,580</u>	<u>42,996,678</u>	<u>719,098</u>
TOTAL REVENUES	267,637,114	276,762,354	295,186,869	292,870,406	(2,744,063)

TOTAL APPROVED CITY OF DULUTH 2016 BUDGET

EXPENDITURE COMPARISON	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference 2016/2015
SALARIES & EMPLOYEE BENEFITS					
General Fund	54,012,910	55,431,145	56,143,000	58,508,800	2,365,800
Special Revenue Funds	12,221,244	12,722,643	12,718,071	13,321,633	603,562
Enterprise Funds	18,621,797	18,495,313	19,533,600	20,127,800	594,200
Internal Service Funds	1,777,768	1,960,458	2,011,900	2,158,600	146,700
Total Salaries & Employee Benefits	<u>86,633,719</u>	<u>88,609,559</u>	<u>90,406,571</u>	<u>94,116,833</u>	<u>3,710,262</u>
OTHER OPERATING EXPENSE					
General Fund	20,669,210	20,925,274	21,133,500	21,230,900	97,400
Special Revenue Funds	4,859,779	5,106,670	4,321,329	5,882,677	1,561,348
Enterprise Funds	53,656,859	66,997,957	59,736,700	54,308,067	(5,428,633)
Internal Service Funds	4,870,001	4,961,804	4,759,618	4,772,671	13,053
Total Other Operating Expense	<u>84,055,850</u>	<u>97,991,705</u>	<u>89,951,147</u>	<u>86,194,315</u>	<u>(3,756,832)</u>
CAPITAL OUTLAY					
General Fund	372,559	348,667	391,500	266,500	(125,000)
Capital Project Funds	10,702,585	12,468,374	11,300,058	11,946,745	646,687
Total Capital Outlay	<u>11,075,144</u>	<u>12,817,041</u>	<u>11,691,558</u>	<u>12,213,245</u>	<u>521,687</u>
CLAIMS					
Internal Service Funds	11,952,577	11,618,287	22,295,154	23,255,921	960,767
Total Claims	<u>11,952,577</u>	<u>11,618,287</u>	<u>22,295,154</u>	<u>23,255,921</u>	<u>960,767</u>
DEBT SERVICE					
Debt Service Funds	16,354,118	16,910,791	14,468,500	14,011,000	(457,500)
Total Debt Service	<u>16,354,118</u>	<u>16,910,791</u>	<u>14,468,500</u>	<u>14,011,000</u>	<u>(457,500)</u>
OTHER CHARGES					
Special Revenue Funds	24,320,166	12,826,177	24,967,054	40,813,090	15,846,036
Enterprise Funds	15,763,572	16,076,475	18,133,047	16,449,401	(1,683,646)
Total Other Charges	<u>40,083,738</u>	<u>28,902,652</u>	<u>43,100,101</u>	<u>57,262,491</u>	<u>14,162,390</u>
TOTAL EXPENDITURES	250,155,146	256,850,034	271,913,031	287,053,805	15,140,774

MAJOR REVENUE SOURCE ANALYSIS

Current Property Tax Levy (in millions)



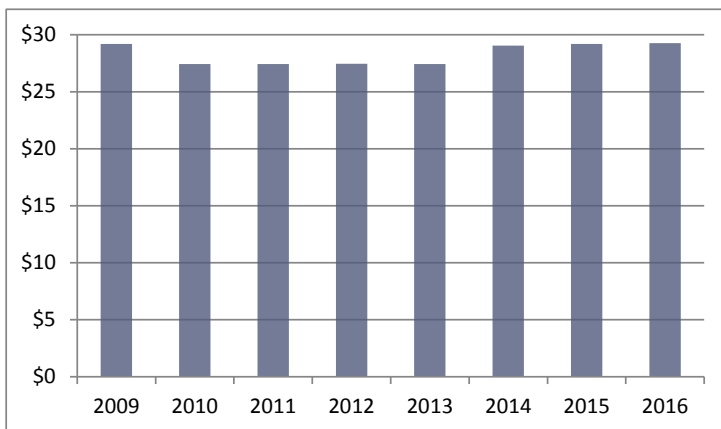
Tax Levy in millions

2009	\$15.438
2010	\$17.176
2011	\$17.791
2012	\$21.405
2013	\$21.852
2014	\$22.083
2015	\$22.689
2016	\$24.231

Description and 2016 Budget

Property taxes are levied against property based on their assessed value and classification in accordance with State Statute. Total market values within the City have increased. Estimated market value and tax rates can be found in the statistical section of the Appendix section of this book. The 2016 total tax levy is 6.8% higher than 2015; however, the impact on the overall tax rate is only 1.74% due to new tax base growth from economic development.

Local Government Aid (in millions)



LGA in millions

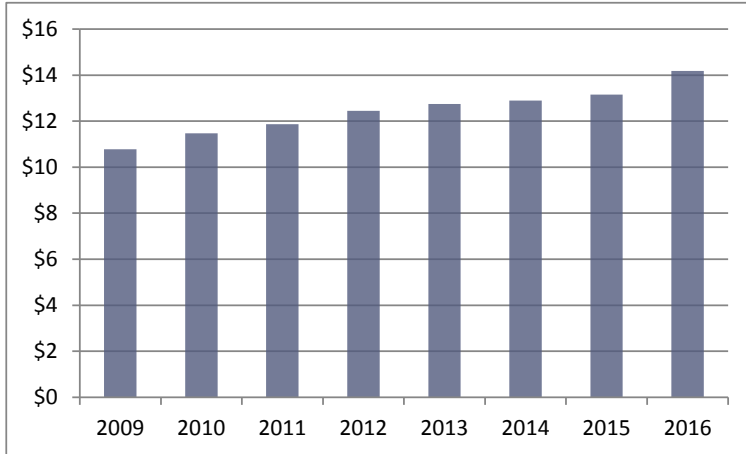
2009	\$29.201
2010	\$27.437
2011	\$27.437
2012	\$27.450
2013	\$27.437
2014	\$29.043
2015	\$29.204
2016	\$29.264

Description and 2016 Budget

Since its inception in 1971, state aid known as Local Government Aid (LGA) has undergone many changes. These changes include modifications to the formula, legislative cuts, and governor unallotments in times of state budget deficits. 2015 was the first year in which LGA received was comparable to 2009. From 2010 through 2014, local government aid to the City was reduced below the 2009 level. A slight increase is budgeted for 2016 with a total amount of \$29.26 million expected.

MAJOR REVENUE SOURCE ANALYSIS

General Sales Tax

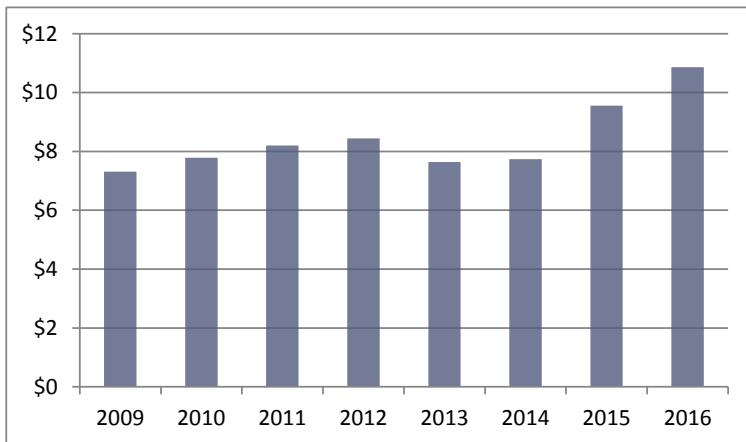


Year	Sales Tax in millions
2009	\$10.775
2010	\$11.466
2011	\$11.873
2012	\$12.445
2013	\$12.744
2014	\$12.900
2015	\$13.160
2016	\$14.175

Description and 2016 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 taking over as collection agent for Duluth's sales tax, and the economy. The 2016 sales tax budget reflects a 7.7% increase over the 2015 budget to more accurately reflect current trends.

Tourism Taxes (in millions)



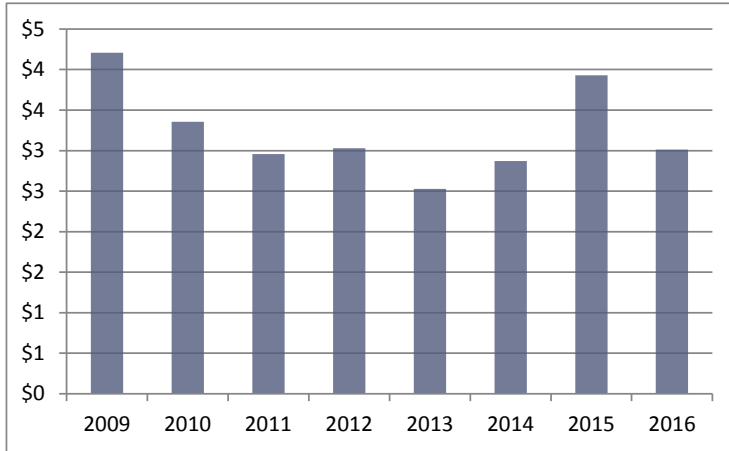
Year	Tourism Taxes in millions
2009	\$7.312
2010	\$7.787
2011	\$8.199
2012	\$8.444
2013	\$7.637
2014	\$7.738
2015	\$9.555
2016	\$10.861

Description and 2016 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. Revenue in 2016 is projected to increase 13.7% over the 2015 budget due to local trends. In 2015, the .5% hotel/motel tax and the .5% food and beverage tax were reinstated to be used for tourist related capital improvement bond projects west of 34th Avenue West.

MAJOR REVENUE SOURCE ANALYSIS

Payment in Lieu of Taxes (in millions)



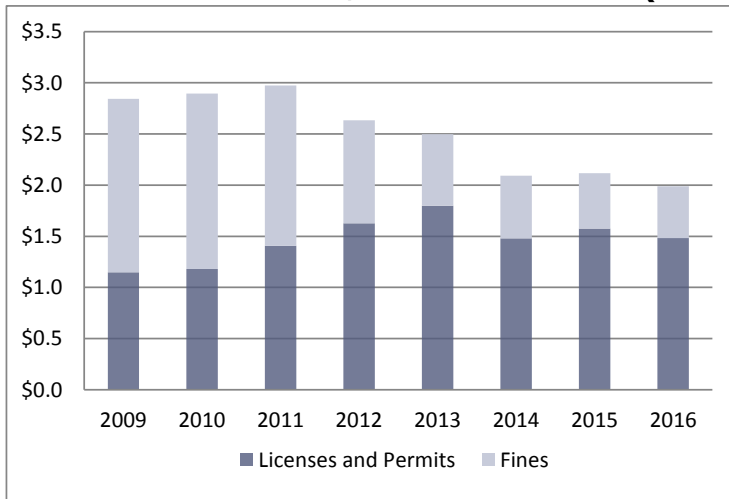
PILOT in millions

2009	\$4.208
2010	\$3.357
2011	\$2.958
2012	\$3.030
2013	\$2.529
2014	\$2.872
2015	\$3.931
2016	\$3.011

Description and 2016 Budget

Payment in Lieu of Taxes - PILOT revenue is derived from payments for municipal services provided in lieu of property taxes. The largest source of PILOT revenues is from the municipal gas utility, with a minimal amount from the steam utility. Payments are based on each utility's annual gross receipts. Per City ordinance, effective January 1, 2015, PILOT funds are reallocated between the general fund and the street system utility fund with the base amount of \$3.6 million (increased annually to reflect the CPI-U amount) going to the general fund and the incremental PILOT going to the street system utility fund. Revenues for 2016 from steam are expected to decrease \$17,500 from the 2015 budget; revenues from gas are expected to decrease an estimated \$902,400. 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)



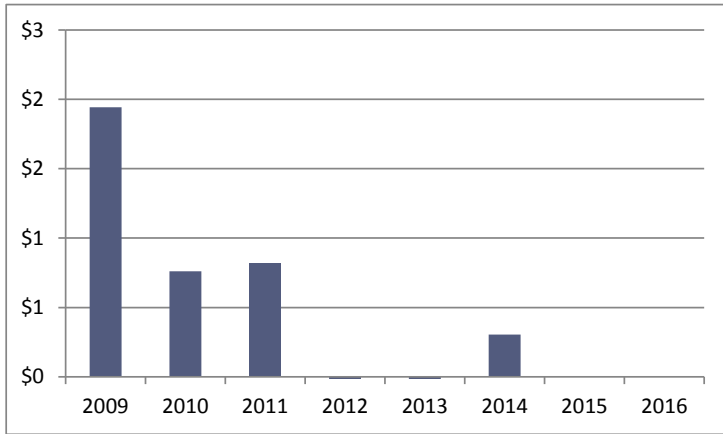
	Licenses and Permits	Fines	Total
2009	\$1,149,268	\$1,692,916	\$2,842,184
2010	\$1,182,044	\$1,712,924	\$2,894,968
2011	\$1,407,951	\$1,564,835	\$2,972,786
2012	\$1,625,827	\$1,007,231	\$2,633,058
2013	\$1,799,153	\$699,847	\$2,499,000
2014	\$1,478,800	\$612,800	\$2,091,600
2015	\$1,576,400	\$539,600	\$2,116,000
2016	\$1,482,900	\$506,000	\$1,988,900

Description and 2016 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 multiple dwelling licenses. Fees are annually reviewed/modified by the Administration, updated for inflation (n/a in 2016), and then submitted as a complete package to the City Council for action. This process has resulted in fees that are current and more accurately reflect the cost of providing service. 2016 budgeted licenses, permits, and fines remained relatively unchanged with the exception of a \$40,000 decrease in multiple dwelling licenses, a \$24,000 decrease in miscellaneous permits and licenses, and a \$36,000 decrease in administrative fines.

MAJOR REVENUE SOURCE ANALYSIS

General Fund Earnings on Investments (in millions)

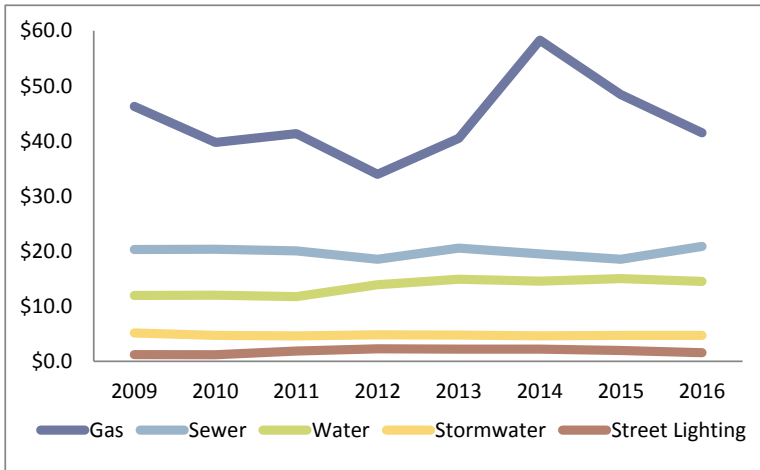


	Earnings in millions
2009	\$1.944
2010	\$0.760
2011	\$0.816
2012	(\$0.030)
2013	(\$0.255)
2014	\$0.305
2015	\$0.000
2016	\$0.000

Description and 2016 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. Cash is tightly managed to avoid short term borrowing resulting in a smaller portfolio to invest during the year. Per City ordinance, effective January 1, 2015, the city shall transfer all earnings from the city's investments in the pooled portfolio to the OPEB trust fund with the exception of income earned from authority deposits, income earned from bond proceeds, and legally restricted investment income.

Public Utility Operating Revenues (in millions)



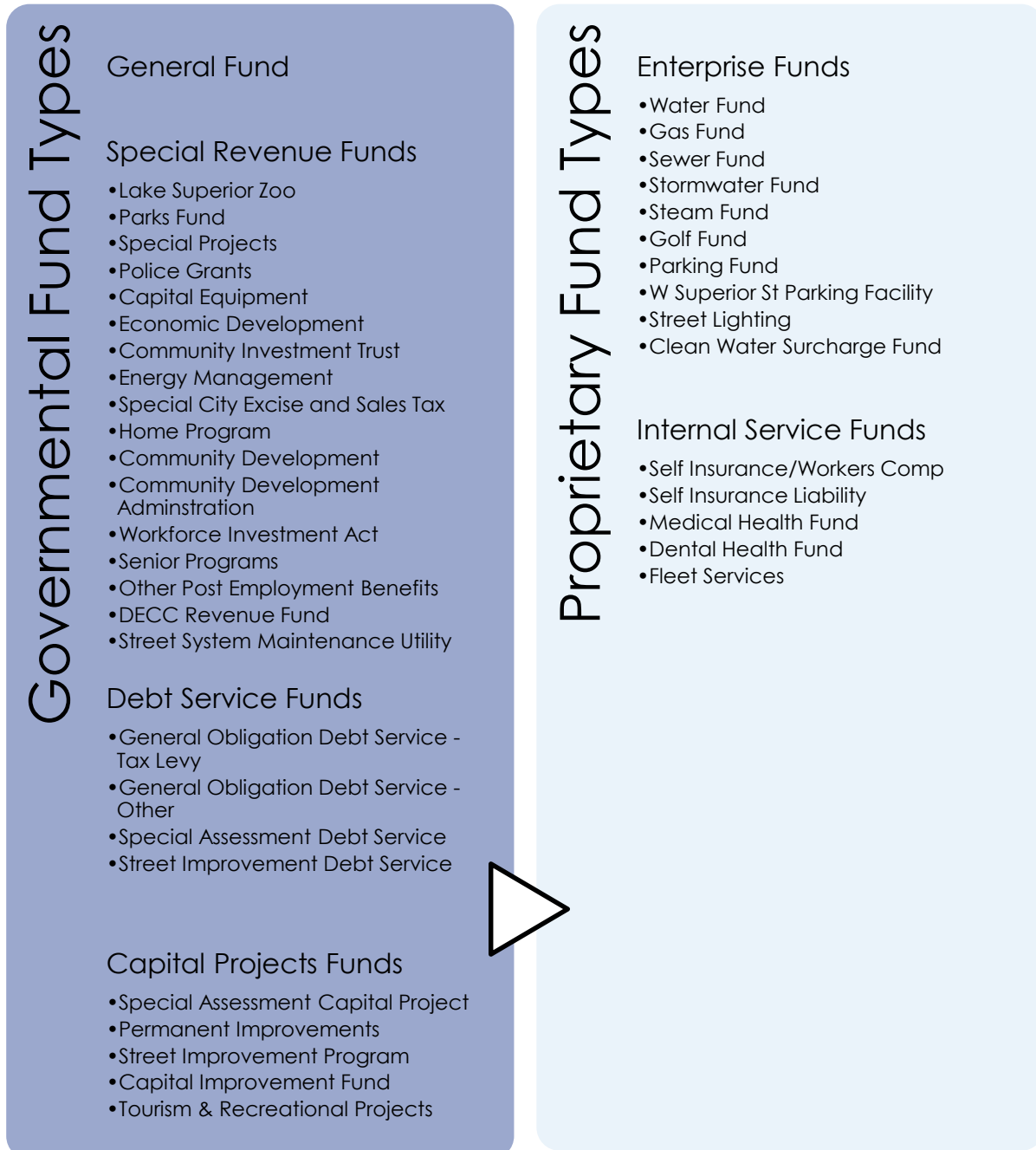
Description and 2016 Budget

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
2009	\$46.257	\$20.312	\$11.945	\$5.149	\$1.209	\$84.872
2010	\$39.723	\$20.338	\$12.007	\$4.700	\$1.191	\$77.959
2011	\$41.309	\$20.041	\$11.743	\$4.633	\$1.874	\$79.600
2012	\$33.941	\$18.525	\$13.920	\$4.799	\$2.272	\$73.457
2013	\$40.461	\$20.544	\$14.878	\$4.754	\$2.215	\$82.852
2014	\$58.290	\$19.503	\$14.539	\$4.628	\$2.219	\$99.179
2015	\$48.408	\$18.525	\$15.018	\$4.718	\$1.980	\$88.649
2016	\$41.455	\$20.857	\$14.510	\$4.717	\$1.550	\$83.089

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 2016 as approved.



TOTAL APPROVED CITY OF DULUTH 2016 BUDGET

DETAIL BY FUND	Estimated			
	Beg. Balance	Revenues	Expenditures	Balance
GENERAL FUND	11,000,000	80,006,200	80,006,200	11,000,000
SPECIAL REVENUE FUNDS:				
Lake Superior Zoo	(495,254)	1,733,300	1,822,800	(584,754)
Parks Fund	629,520	2,721,000	2,721,000	629,520
Special Projects	989,880	693,515	693,515	989,880
Police Grants	21,445	1,267,067	1,267,067	21,445
Capital Equipment	1,505,239	3,318,910	3,318,910	1,505,239
Economic Development	8,903	1,067,900	1,067,900	8,903
Community Investment Trust	18,724,752	400,000	400,000	18,724,752
Energy Management	95,628	105,000	171,600	29,028
Special City Excise and Sales Tax	1,671,966	10,861,300	10,768,500	1,764,766
Home Program	(30,054)	480,896	480,896	(30,054)
Community Development	(140,799)	19,584,000	19,584,000	(140,799)
Community Development Administration	0	626,101	626,101	0
Workforce Investment Act	266,347	2,248,478	2,248,478	266,347
Senior Programs	10	345,119	345,119	10
OPEB	46,137,213	12,756,761	9,292,414	49,601,560
DECC Revenue Fund	3,078,036	2,999,000	2,434,600	3,642,436
Street System Maintenance Utility	235,476	2,774,500	2,774,500	235,476
TOTAL SPECIAL REVENUE FUNDS:	72,698,308	63,982,847	60,017,400	76,663,755
DEBT SERVICE FUNDS:				
General Obligation Debt Service - Tax Levy	7,394,945	6,813,100	6,397,500	7,810,545
General Obligation Debt Service - Other Sources	2,825,398	4,775,000	4,473,400	3,126,998
Special Assessment Debt Service	1,172,900	542,300	869,400	845,800
Street Improvement Debt Service	4,120,457	1,932,900	2,270,700	3,782,657
TOTAL DEBT SERVICE FUNDS:	15,513,700	14,063,300	14,011,000	15,566,000
CAPITAL PROJECTS FUNDS:				
Special Assessment Capital Project	44,736	8,257	0	52,993
Permanent Improvements	607,158	6,050,000	6,050,000	607,158
Street Improvement Program	401,891	447,138	308,245	540,784
Capital Improvement Fund	3,744,153	1,400,000	1,400,000	3,744,153
Tourism & Recreational Projects	12,768,843	0	4,188,500	8,580,343
TOTAL CAPITAL PROJECTS FUNDS:	17,566,781	7,905,395	11,946,745	13,525,431
INTERNAL SERVICE FUNDS:				
Self Insurance - Worker's Compensation	1,485,042	801,400	885,200	1,401,242
Self Insurance - Liability	1,361,256	623,600	684,300	1,300,556
Medical Health Fund	7,229,016	22,240,640	23,703,572	5,766,084
Dental Health Fund	214,160	864,000	857,220	220,940
Fleet Services	762,125	4,086,900	4,056,900	792,125
TOTAL INTERNAL SERVICE FUNDS:	11,051,599	28,616,540	30,187,192	9,480,947
ENTERPRISE FUNDS ESTIMATED INCOME AND EXPENSE				
		REVENUE	EXPENSE	INCOME/(LOSS)
Water Fund		14,691,800	11,996,100	2,695,700
Gas Fund		41,582,500	39,467,900	2,114,600
Sewer Fund		19,076,200	16,032,800	3,043,400
Clean Water Surcharge Fund		1,840,700	949,600	891,100
Stormwater Fund		4,728,400	4,884,900	(156,500)
Steam Fund		7,327,500	7,777,100	(449,600)
Golf Fund		2,166,366	2,234,889	(68,523)
Parking Fund		3,818,188	4,136,780	(318,592)
West Superior Street Parking Facility Fund		866,770	1,001,299	(134,529)
Street Lighting Utility		2,197,700	2,403,900	(206,200)
TOTAL ENTERPRISE FUNDS:		98,296,124	90,885,268	7,410,856
TOTAL ALL FUNDS	127,830,388	292,870,406	287,053,805	133,646,989

2016 HIGHLIGHTS BY FUND

General Fund

Revenue Assumptions - The final approved 2016 General Fund revenue budget of \$80,006,200 is \$2,338,200 more than the 2015 approved budget. Major revenue sources in the 2016 General Fund budget include local government aid, sales tax, property tax, transfers from other funds, and charges for services.

Due to the economic downturn and the State's budget deficits, Duluth's **Local Government Aid (LGA)** had been reduced annually 2008 through 2011 for a total reduction of \$10,846,314. Due to economic improvements, in 2013 the State legislature revamped the LGA formula and increased the allocation while stabilizing future funding levels. For 2016 the City will receive an increase of \$60,500 in its local government aid. The schedule below shows the changes in revenues by major type along with the assumptions used also noted.

2015 Approved Revenues		\$ 77.668	
General Operations Levy	1.114		New growth & 3.5% levy increase
City Sales Tax	1.015		Based on 2015 projected sales
Licenses and Permits	(0.094)		Based on current projections
Local Government Aid	0.060		Certified LGA
All Other Intergovernmental	0.603		MSA and state insurance premium
Fines and Forfeits	(0.034)		Based on current projections
Payment in Lieu of Tax	(0.920)		Based on 2015 projected gas sales
Earnings on Investments	-		Revenue moved to OPEB in 2015
All Other Revenues	0.592		All other changes throughout
Total Revenue Changes		2.338	
2016 Proposed Revenues		\$ 80.006	

Expense Assumptions - As with revenues, the final approved 2016 General Fund budget is \$2,338,200 more than the 2015 budget. Primary changes include increases in salaries per contract settlements along with the corresponding increases in employer contributions for taxes and the public employees retirement plan.

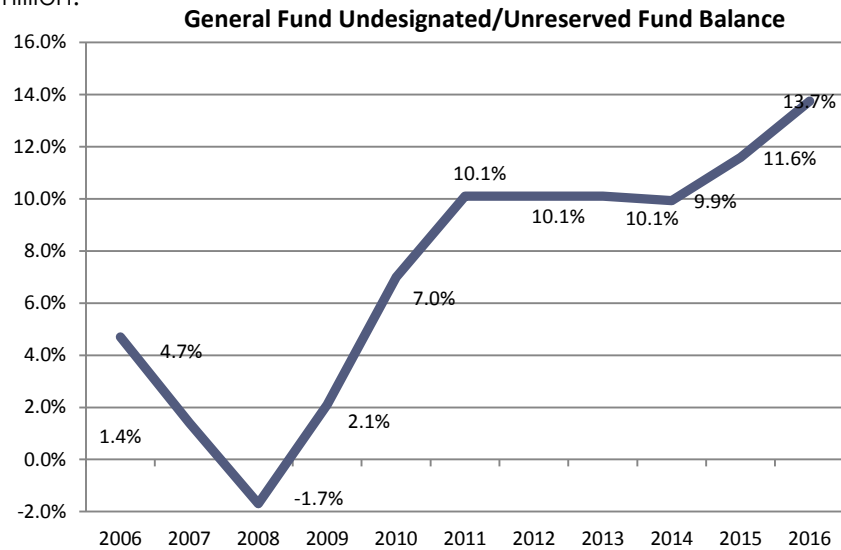
2015 Approved Expenses		\$ 77.668	
Permanent Salaries	1.673	Contract negotiations	
Overtime	0.014	Accurately reflect usage	
Other Wages	0.148	Increase in temp wages	
PERA, Payroll Taxes	0.294	Due to salary increases	
Other Benefits	0.236	More employees on family health	
All Other Operating Expenses	(0.028)	Decreased retiree health costs	
Total Expense Changes		2.338	
2016 Proposed Expenses		\$ 80.006	

The **number of general fund positions for 2016 increased 5.45 FTE's over 2015**, from 594.02 FTE's to 599.47 FTE's. Increased positions include a park maintenance leadworker in Public Administration, a financial analyst in Finance, a grant funded Hazmat coordinator in the Fire department, a shared construction services information and communication specialist in the Fire department, and two grant funded investigators in the Police department. The changes by department are as follows:

Position Bridge Schedule	Full Time Equivalent Variance	
2015 Fulltime Equivalents (FTE's)		594.02
Legislative & Executive		
Public Administration	.75	
Finance	1.0	
Planning & Construction Services		
Business & Economic Development		
Fire Department	1.5	
Police Department	2.0	
Public Works	.2	
Total Changes in FTE's		5.45
2016 Fulltime Equivalents (FTE's)		599.47

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 2016 General Fund budget of \$80 million, the minimum level (5%) would require a fund balance of \$4 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 realistic revenue estimates when developing budgets; minimal 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 reallocation of PILOT funds to the general fund, 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; redirecting investment earnings to the OPEB fund; and consolidating all retirees onto one health care plan alleviating administrative expense and saving premium expense by requiring co-pays and deductibles for the first time.

As a result, fund balance has improved by \$12.3 million since 2008 with an estimated ending 2015 balance of \$11 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, Special Projects, Police Grants, Capital Equipment, Community Investment Trust, Economic Development, Tourism Tax, Energy Management, DECC Revenue, Community Development, Job Training, Job Service, Senior Employment, Senior Nutrition and Community Resource Programs, Other Post-Employment Benefits - OPEB fund, and the Street System Maintenance Utility fund.

The **OPEB fund** was created in 2007 for the purpose to accumulate resources to be deposited into an irrevocable trust fund for retiree health care costs. The 2007 revenues in the fund included a one-time contribution from the Community Investment Trust Fund in the amount of \$10 million, contributions from the enterprise funds and all grant funds which have employees. There was also a one-time transfer from the Group Health Fund in the amount of \$1 million - with \$500,000 of that returned to the Group Health Fund in 2008. Property taxes were levied in 2008 and 2009 based on the value of retiring tax increment finance districts. Per City ordinance, the city shall transfer all earnings from the city's investments in the pooled portfolio to the OPEB trust fund with the exception of investment income from authority deposits, bond proceeds, or legally restricted investment income. At the end of 2015 the trust fund has accumulated assets of \$44.3 million.

The **Tourism Tax Fund** provides the accounting for the revenue generated by the different tourism taxes received from food and beverage and hotel/motel receipts. In 2015, the .5% food and beverage tax and the .5% hotel/motel tax were reinstated to pay principal and interest on bonds to fund recreational and tourism-related activities in the part of the city lying west of 34th Avenue West (also referred to as the St Louis River Corridor). In 2016, \$1,625,900 is budgeted to make debt payments for the projects along the St Louis River Corridor. Including those taxes, revenue will increase 13.7% over 2015. Visit Duluth will receive a \$25,000 increase in funding, as approved in the latest contract between the City and the agency, bringing Visit Duluth's total tax allocation to \$1,775,000. The Great Lakes Aquarium, Spirit Mountain, and the Lake Superior Zoo will receive operating subsidies from tourism taxes in the amounts of \$360,000, \$250,000, and \$510,000 respectively. Debt service payments totaling \$4,050,200 funded by the tourism tax fund go toward DECC improvements and Spirit Mountain. Increases in tourism tax allocations include \$50,000 to the Depot for a grant match, bringing the Depot's total tax allocation to \$226,800; \$33,600 for advertising and publicity, bringing the total allocation to \$200,000; \$15,800 for capital projects, bringing the total allocation to \$135,100; and \$267,100 to the general fund for enhanced park maintenance costs and other general fund tourism-related activities, bringing the total allocation to \$1,095,000. New tourism tax allocations were approved which include \$50,000 for a tourism-related grant fund and \$30,000 for the Police mounted patrol. The remaining tourism tax allocations remained unchanged with the Business Improvement District receiving \$200,000; Public Arts receiving \$40,000; Sister Cities receiving \$40,000; Lake Superior & Mississippi Railroad receiving \$20,000; the Rail Alliance receiving \$12,500; the DECC receiving \$98,000 for the management of Bayfront Park and the blue bridge operations; and Glensheen receiving \$50,000.

The **Street System Maintenance Utility Fund** provides the accounting for monies received from street system maintenance utility fees from residential, commercial, and industrial properties which are used to fund existing street improvement debt, enhanced maintenance, and street reconstruction. The 2016 budget includes \$2.77 million in revenue generated from the street system maintenance utility fee, along with \$2.77 million in expenses. Of the \$2.77 million in expenses, \$1.69 million will be used to pay existing street improvement debt, \$1 million will be used for enhanced street maintenance, and \$.08 million will be used for street reconstruction and cost allocation.

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 2015 is \$173,898,200. The property tax levy for debt service in 2016 is \$6,574,300. The property tax supported bond issues proposed for 2016 include capital equipment and improvements. Debt is discussed in greater detail in the Debt Service Section of the document.

Capital Project Funds

The Capital Project Funds account for the Special Assessment Capital, Permanent Improvement Projects, Street Improvements, and Capital Improvements. For 2016, a total of \$11.8 million in improvements are planned. Funding will come from intergovernmental contributions from the State of Minnesota and Federal grants, assessments, and bond proceeds.

In 2015, the city bonded \$13.5 million for tourism and recreational capital projects along the St Louis River Corridor. Included in the 2016 budget are \$4.19 million of the tourism and recreational projects. The payments on the bonds will be paid using the .5% food and beverage tax as well as the .5% hotel/motel tax included in the tourism tax special revenue fund.

In 2016, the City will bond for \$1.25 million of capital improvement projects in the Capital Improvement fund. Capital improvements for 2016 include library building improvements, firehall improvements, police substation improvements, and other city building improvements.

The balance of capital improvements scheduled for 2016 are funded in the Permanent Improvement fund and the Street Improvement fund for a total \$6.36 million. All capital projects are detailed in the separate capital improvement plan found in the back of 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 2016, 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 can be found by following the link http://www.duluthmn.gov/media/105609/Business_Plans.pdf

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

Performance Measurement and Management – 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.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

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**City of Duluth
Minnesota**

For the Fiscal Year Beginning

January 1, 2015

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, 2015.

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. Dedicated Revenues - Except where required by law, city charter or generally accepted accounting principles (GAAP), no revenue shall be dedicated for specific purposes unless authorized by the City Council. All non-restricted revenues shall be deposited in the General Fund and appropriated through the annual budget process.

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

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

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

Capital Budget Policy

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

Capital Improvement Program - The City will develop a five-year Capital Improvement Program (CIP) with the annual operating budget. Future operating costs associated with new capital

improvements will be projected and included in operating budget forecasts. All construction projects will include a contingency for unexpected costs.

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

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

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

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

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

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

Debt Management Policy

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

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

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

Method of Sale - The three primary methods of selling bonds include competitive sale, negotiated sale and private placement. The City uses the competitive sale method for general

obligation bond sales unless factors such as structure, size or market conditions compel the use of a negotiated sale. The City may use the negotiated sale method on economic development related projects when the characteristics of the transaction require a more specific marketing plan and/or the issue lacks an investment grade rating due to complex security provisions or other factors.

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

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

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

Bond Specifics:

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

General Obligation Revenue Bonds - The City issues general obligation revenue bonds to finance assets associated with its primary enterprise businesses including storm water and sanitary sewers, water and gas utilities, golf, street lighting and parking ramps. Financial feasibility of capital projects is reviewed each year, including a review of the cash basis pro formas for these funds. Five-year business plans detailing projected operating costs and prior debt obligations are reviewed as well as revenue performance and rate setting analysis to ensure that adequate bond coverage ratios are achieved.

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

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

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

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

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

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

Reserve Policy

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

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

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

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

Use of Fund Balances - If at all feasible, available fund balances will not be used for ongoing operating expenditures, unless a determination has been made that available balances are in excess of required guidelines and that plans have been established to address any future operating budget shortfalls. Emphasis shall be placed on one-time uses that achieve future operating cost reductions. Fund balance is the cumulative years' excess or deficit of all revenues

and expense. In the case of proprietary funds, this is termed unrestricted net assets. For the purposes of the budget document, revenue and expense activity includes bond proceeds and debt service.

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

Investment Policy

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

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

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

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

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

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

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

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

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

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

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

General –

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

Accounting Policy

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

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

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

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

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

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

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

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

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

APPROPRIATIONS



General Fund

City of Duluth Minnesota - 2016 Budget

General Fund

Departments

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

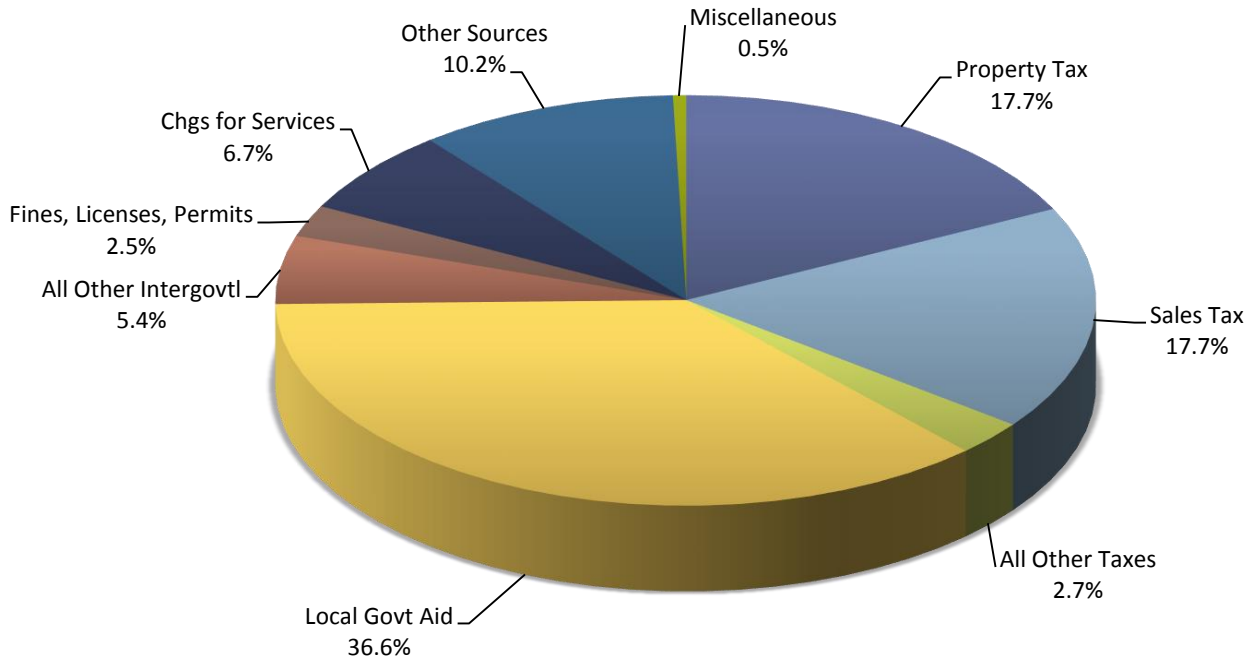
The General Fund provides general purpose government to the citizens of Duluth and accounts for all financial transactions not accounted for in another fund. This fund is used to finance activities such as general government, public safety, public works, libraries, recreation and business and economic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

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
REVENUES				
Property Tax				
General Operations Levy	11,634,085	12,595,326	12,749,800	13,567,600
New Growth	106,300	-	114,700	411,300
Delinquent Property Taxes	283,960	336,323	150,000	150,000
City Sales Tax	12,743,825	13,208,184	13,160,000	14,175,000
All Other Taxes	2,090,882	2,663,455	2,236,000	2,189,400
Local Government Aid	27,437,478	29,030,643	29,203,600	29,264,100
All Other Intergovernmental	4,191,620	4,252,157	3,704,800	4,307,700
Licenses and Fines	2,499,000	2,235,969	2,116,000	1,988,900
Charges for Services	5,206,560	5,845,466	5,498,000	5,358,100
Earnings on Investments	(254,515)	110,051	-	-
Other Financing Sources	7,506,707	7,788,293	8,175,800	8,178,300
Miscellaneous	1,969,262	886,123	559,300	415,800
Total Revenues	75,415,164	78,951,989	77,668,000	80,006,200
EXPENDITURES				
Permanent Salaries	36,747,613	37,262,575	38,363,300	40,036,400
Premium Pay	1,982,811	1,946,987	1,493,800	1,507,800
Other Wages	399,142	551,858	486,700	634,800
Employee Benefits	14,883,344	15,669,725	15,799,200	16,329,800
Supplies	4,422,628	3,764,417	3,080,700	3,065,600
Other Services & Charges	8,982,210	9,424,856	9,601,400	10,013,900
Utilities	1,208,979	1,250,050	1,226,400	1,251,400
Retiree Insurance	6,555,393	6,985,951	7,225,000	6,900,000
Capital	372,559	348,667	391,500	266,500
Total Expenditures	75,554,680	77,205,086	77,668,000	80,006,200

City of Duluth Minnesota - 2016 Budget

GENERAL FUND PROPOSED REVENUES Percent of Total by Major Category



Property Tax - Current & Delinquent	\$	14,128,900
City Sales Tax	\$	14,175,000
All Other Taxes	\$	2,189,400
Local Government Aid	\$	29,264,100
All Other Intergovernmental	\$	4,307,700
Licenses and Fines	\$	1,988,900
Charges for Services	\$	5,358,100
Other Financing Sources	\$	8,178,300
Miscellaneous	\$	415,800
TOTAL 2016 REVENUES	\$	80,006,200

This graph shows the major categories of revenues expressed as a percent of total General Fund revenues estimated for budget fiscal year 2016. 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 36.6% of all General Fund revenues. For this reason, Local Government Aid is monitored closely at the State Legislature.

City of Duluth Minnesota - 2016 Budget

General Fund Revenues	2013 Actual	2014 Budget	2015 Budget	2016 Approved
CATEGORY 10 - TAXES				
4005 Current Property Tax	11,634,085	12,749,800	12,749,800	13,567,600
New Growth	106,300	-	114,700	411,300
4010 Delinquent Property Tax	283,960	150,000	150,000	150,000
4015 Mobile Home Tax	5,977	50,800	58,700	58,700
4040 City Sales Tax	12,743,825	12,900,000	13,160,000	14,175,000
4050 Charitable Gambling Tax	55,267	48,000	55,000	60,000
4070 MN Power Franchise Fee	1,100,000	1,100,000	1,100,000	1,100,000
4071 Cable Franchise Fee	850,184	856,400	926,700	890,000
4072 No. MN Utility Franchise Fee	8,114	7,000	8,100	11,300
4080 Forfeit Tax Sale	1,911	5,000	19,400	19,400
4090 Other Taxes	69,429	20,000	68,100	50,000
TOTAL TAXES	26,859,052	27,887,000	28,410,500	30,493,300
CATEGORY 20 - LICENSES AND PERMITS				
4101 Liquor License	467,583	405,000	455,000	455,000
4102 Beer License	14,054	14,000	14,000	14,000
4105 Hotel License	9,054	6,500	9,000	9,000
4106 Garbage Collection	17,520	14,000	14,000	16,000
4107 Horse & Carriage	566	700	700	700
4108 Emergency Wrecker License	7,928	5,000	6,000	6,000
4109 Gas Station License	8,686	8,500	8,500	8,500
4111 Pawnbroker License	1,137	1,300	1,100	1,100
4112 Peddler's License	3,796	500	500	1,000
4113 Precious Metal Dealer	1,895	1,200	1,200	1,500
4114 Pet Shop License	1,819	1,200	1,700	1,700
4117 Massage Parlor	12,812	5,000	8,000	12,000
4118 Cigarette License	14,000	15,000	13,000	13,000
4119 Motor Vehicle - Dealer	4,927	4,400	4,400	4,400
4119 Motor Vehicle - Rental	2,104	1,600	1,800	1,800
4120 Taxi Permit	11,797	5,300	17,000	11,000
4121 Coin Operating Device	10,355	9,000	10,000	9,000
4122 Pool & Bowling	2,360	2,000	600	1,000
4124 Tree Service Contractor	-	700	-	-
4150 Pet License	21,099	18,000	35,000	-
4151 Fill Permits	1,125	1,200	1,200	1,200
4152 Excavation Permits	19,070	20,000	20,000	20,000
4153 Multiple Dwell License-3 or more	97,520	100,000	250,000	143,000
4153 Multiple Dwell License-1 or 2 units	903,593	735,000	575,000	642,000
4154 Commercial Use/Occupancy	79,090	65,000	75,000	80,000
4155 Special Event Permit	3,498	3,000	3,000	3,000
4170 Misc. Perm. & Licenses	81,765	35,700	50,700	27,000
TOTAL LICENSE AND PERMITS	1,799,153	1,478,800	1,576,400	1,482,900

City of Duluth Minnesota - 2016 Budget

General Fund Revenues	2013 Actual	2014 Budget	2015 Budget	2016 Approved
CATEGORY 30 - INTERGOVERNMENTAL				
4209 Misc. Federal Grants (Safer Grant)	28,898	200,000	-	-
4220 State of Minnesota	186,366	-	-	285,000
4221 Local Government Aid	27,437,478	29,042,600	29,203,600	29,264,100
4222 State Property Tax Aid	63,109	-	-	-
4225 Ski Trail Reimbursement	11,000	5,000	11,000	11,000
4226 Snowmobile Trail Grants	6,963	18,000	13,000	13,900
4227 Police Training Reimbursement	51,263	50,000	50,000	50,000
4230 PERA Aid	124,428	124,400	124,400	124,400
4232 State Insurance Premium	1,738,318	1,600,000	1,600,000	1,775,000
4240 Municipal State Aid - Maintenance	1,533,448	1,533,400	1,400,000	1,533,400
4260 St. Louis County	148,311	148,300	157,300	164,400
4261 ISD 709	235,832	211,000	220,200	225,200
4262 Housing & Redevelopment Authority	-	60,900	62,700	63,800
4270 Other Grants	232	-	-	-
4300 HRA in Lieu of Taxes	47,366	47,300	50,200	45,600
4300 Ordean Foundation	16,086	16,000	16,000	16,000
TOTAL INTERGOVERNMENTAL	31,629,098	33,056,900	32,908,400	33,571,800
CATEGORY 40 - CHARGES FOR SERVICES				
4301 Zoning Appeals Fees	-	600	600	600
4303 Use Permit - Flood & Wetlands	2,194	1,000	1,000	1,000
4306 Building Appeals Fees	120	-	-	-
4307 Planning/Zoning Fees	113,875	75,000	75,000	80,000
4310 Assessment Cost Services	1,478	33,900	28,400	24,600
4311 Assessment Certification Fee	30,955	30,000	25,000	30,000
4313 Assessment Handling Fee	3,520	10,000	-	-
4315 Stormwater Administrative Service	150,700	150,700	150,700	150,700
4315 Sewer Administrative Service	306,900	306,900	306,900	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	74,187	77,500	87,200	87,200
4315 Airport Administrative Service	45,200	45,200	45,200	45,200
4315 DEDA Administrative Service	365,000	365,000	365,000	365,000
4315 Public Utility Admin Service	872,400	872,400	872,400	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	255,000	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	59,000

City of Duluth Minnesota - 2016 Budget

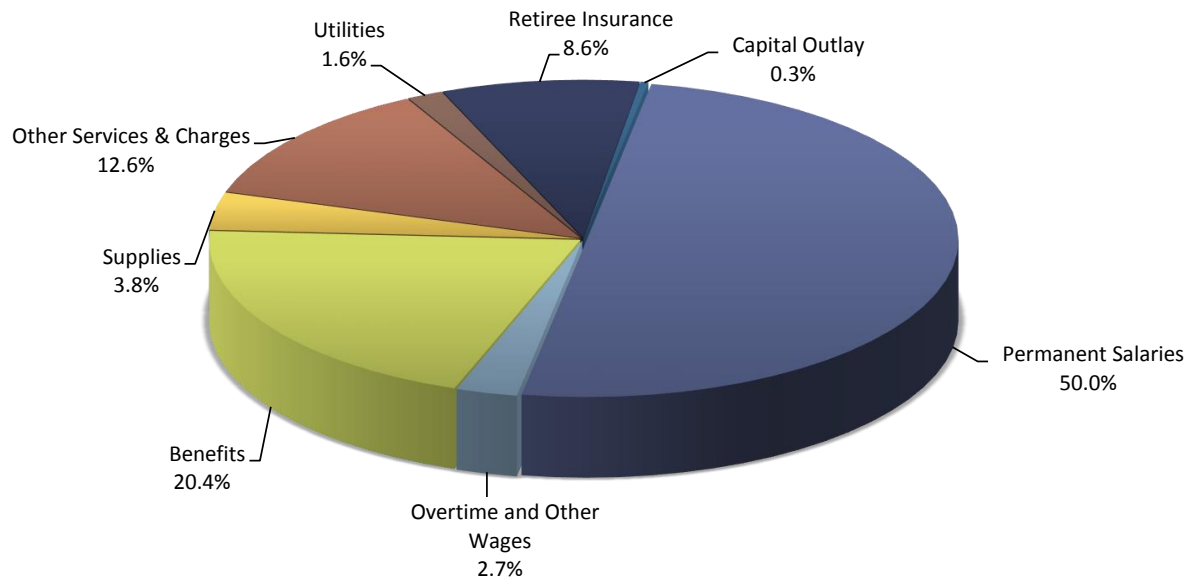
General Fund Revenues	2013 Actual	2014 Budget	2015 Budget	2016 Approved
Category 40 - Charges for Services continued				
4319 Attorney Fees	11,500	10,000	10,000	4,000
4320 MIS Services	1,801	5,200	5,200	4,600
4322 Animal Shelter Fees	17,694	20,000	20,000	20,000
4323 Garnishment Fees	60	100	-	-
4324 Miscellaneous Services	96	300	-	-
4325 Radio Services	6,500	6,500	-	-
4326 Criminal History Checks	521	2,000	2,000	2,000
4328 Pawnbroker Transaction Charge	76,893	50,000	75,000	65,000
4329 False Alarm Fees & Penalties	18,384	10,000	17,000	19,600
4340 Fire Protection Services	4,200	4,200	4,200	4,200
4341 Hydrant Maintenance Service	30,000	30,000	30,000	30,000
4350 Inspection Services	-	4,000	4,000	4,000
4351 Building Inspection Fees	1,324,238	1,460,000	1,503,800	1,626,400
4352 Plumbing Inspection Fees	178,011	180,000	185,400	200,500
4353 Electric Inspection Fees	181,924	190,000	195,700	211,600
4354 HVAC-R Inspection Fees	207,468	150,000	154,500	167,100
4355 Signs Inspection Fees	13,047	10,500	10,800	11,700
4356 House Moving Inspection Fees	12,684	5,000	10,000	10,000
4357 Mobile Home Inspection Fees	224	2,000	2,100	2,100
4359 CAF Administrative Fee	5,753	15,000	15,500	16,800
4360 Vacant Building Fee	9,320	5,000	5,000	7,500
4361 RZP Registration Fee	14,013	14,000	14,400	14,400
4370 Engineering Services	207,701	550,000	358,000	55,000
TOTAL CHARGES FOR SERVICES	5,206,560	5,610,000	5,498,000	5,358,100
CATEGORY 50 - FINES AND FORFEITS				
4470 License Penalties	5,924	18,000	8,000	2,000
4471 Library Fines	85,956	90,000	75,000	75,000
4472 Administrative Fines	30,673	22,700	54,600	19,000
4473 Court Fines	469,287	482,100	402,000	410,000
4474 Police Felony Forfeitures	108,006	-	-	-
TOTAL FINES AND FORFEITS	699,847	612,800	539,600	506,000
CATEGORY 60 - SPECIAL ASSESSMENTS				
4500 Assessments	37,013	107,200	80,000	111,600
4500 Assessments - Service Charge	326,024	300,000	300,000	300,000
4501 Assessments - Penalty & Interest	23,669	32,100	22,700	28,600
TOTAL SPECIAL ASSESSMENTS	386,705	439,300	402,700	440,200
CATEGORY 70 - MISCELLANEOUS				
4601 Earnings on Investments	(254,515)	305,000	-	-

City of Duluth Minnesota - 2016 Budget

General Fund Revenues	2013 Actual	2014 Budget	2015 Budget	2016 Approved
Category 70 - Miscellaneous continued				
4602 Interest on Temporary Loans	80,712	4,600	50,000	-
4620 Telecommunications Space Rental	9,957	10,000	-	-
4622 Rent of Buildings	78,099	76,600	115,700	76,600
4623 Rent of Land	7,215	5,900	6,300	6,300
4624 Rent of Equipment	-	300	300	-
4627 Concessions & Commissions	10,914	9,000	9,000	9,000
4631 Media Sales	34,341	28,000	31,000	31,900
4636 Sale of Materials	9,889	4,000	6,000	6,000
4639 Sale of Equipment	95,257	70,000	70,000	70,000
4640 Sale of Land	515,900	57,600	57,600	55,000
4644 Miscellaneous Sales	223,412	54,200	111,200	64,800
4650 Salary Reimbursement	25,411	20,000	20,000	20,000
4654 Other Reimbursements	817,495	73,700	80,700	74,700
4660 Gifts & Donations	2,020	4,700	-	-
4680 Damages Recovered	54,806	15,000	-	-
4700 Other Sources	2,493	23,300	-	-
4701 2% Retention Surtax	1,341	1,500	1,500	1,500
TOTAL MISCELLANEOUS	1,714,748	763,400	559,300	415,800
CATEGORY 80 - OTHER FINANCING SOURCES				
4730 Transfer from Tourism Tax Fund	1,160,750	827,900	827,900	895,000
4730 Transfer from Tourism Tax - Park/Trail Maint	-	-	-	200,000
4730 Transfer from Special Revenue Funds	318,297	-	57,700	71,900
4730 Transfer from Comm Invest Fund	368,452	145,000	110,000	400,000
4730 Transfer from Police Grant Funds	634,995	410,900	527,500	740,900
4730 Transfer from Public Utility Funds	680,773	947,200	962,200	1,092,400
4730 Transfer from Parking Fund	1,428,223	1,326,700	1,326,700	1,326,700
4730 Transfer from Permanent Improvement	-	30,000	30,000	-
4731 Gas Utility in Lieu of Taxes	2,375,793	2,726,000	3,778,400	2,876,000
4732 Steam Utility in Lieu of Taxes	152,719	146,000	152,700	135,200
TOTAL OTHER FINANCING SOURCES	7,120,001	6,559,700	7,773,100	7,738,100
GENERAL FUND TOTAL	75,415,163	76,407,900	77,668,000	80,006,200

City of Duluth Minnesota - 2016 Budget

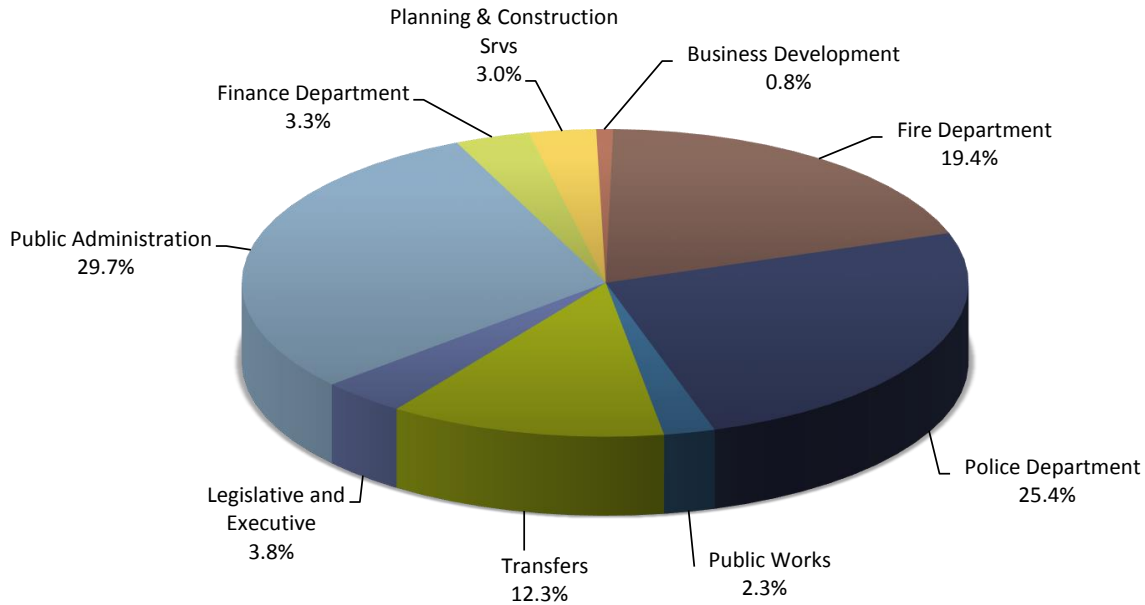
GENERAL FUND PROPOSED EXPENSES Percent of Total by Major Category



Permanent Salaries	\$ 40,036,400
Overtime and Other Wages	\$ 2,142,600
Benefits	\$ 16,329,800
Supplies	\$ 3,065,600
Other Services & Charges	\$ 10,013,900
Utilities	\$ 1,251,400
Retiree Insurance	\$ 6,900,000
Capital Outlay	\$ 266,500
TOTAL 2016 EXPENDITURES	\$ 80,006,200

This graph shows the General Fund budget by expense category. The largest single category of expense is Permanent Salaries at 50% of all expenses. When the cost of benefits, overtime and other wages is added, the total is 73.1% of all budgeted expenses. Other Services and Charges comprises 12.6% of the total; followed by Retiree Insurance at 8.6%; Supplies at 3.8%; Utilities at 1.6%; and Capital Outlay in the General Fund at .3%.

GENERAL FUND PROPOSED EXPENSES
Percent of Total by Department



Legislative and Executive	\$	3,048,700
Public Administration	\$	23,796,600
Finance Department	\$	2,659,400
Planning & Construction Srvs	\$	2,385,500
Business Development	\$	596,500
Fire Department	\$	15,546,600
Police Department	\$	20,328,700
Public Works	\$	1,816,500
Transfers	\$	9,827,700
TOTAL 2016 EXPENDITURES	\$	80,006,200

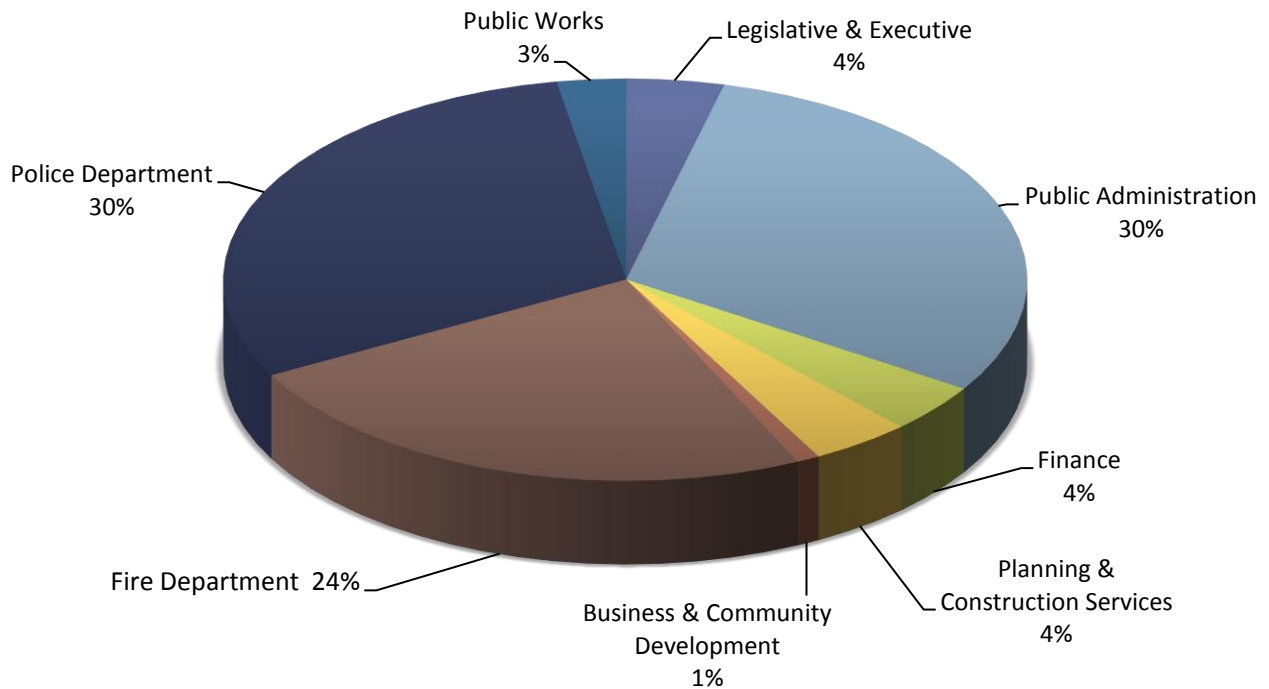
This graph shows the General Fund Departmental budgets as a percent of the total General Fund expenditures for budget fiscal year 2016. The largest category of expense is public safety with the Police and Fire Departments comprising 44.8% of the total; followed by the Public Administration Department which includes Maintenance Operations, City Clerk, Library, Human Resources, and Management Information Systems at 29.7%. The Transfers Department comprises 12.3% of the total. The remaining five departments totaled together are 13.2%, with no department exceeding 4%.

General Fund - 2016 Proposed Expense Budget

General Fund Expenses	Permanent		Temporary		Other	Capital	TOTAL
	Salaries	Overtime	Salaries	Benefits	Expense	Outlay	
LEGISLATIVE AND EXECUTIVE							
City Council	0	0	90,000	7,000	82,200	0	179,200
Mayor's Office	308,200	0	0	115,000	14,600	0	437,800
Chief Administrative Officer	200,800	0	0	69,500	10,600	0	280,900
Attorney's Office	1,572,000	0	30,000	507,700	39,100	2,000	2,150,800
DEPARTMENT TOTAL	2,081,000	0	120,000	699,200	146,500	2,000	3,048,700
PUBLIC ADMINISTRATION							
Human Resources	759,500	0	10,000	333,100	81,500	0	1,184,100
Management Info Systems	1,449,800	20,000	0	573,900	896,200	0	2,939,900
City Clerk's	463,400	1,000	75,000	213,900	54,500	0	807,800
Maintenance Operations	3,764,700	167,000	175,200	1,668,200	4,659,800	0	10,434,900
Library Services	2,574,600	800	96,800	936,300	368,200	264,500	4,241,200
Facilities Management	1,419,600	25,000	10,000	580,900	2,153,200	0	4,188,700
DEPARTMENT TOTAL	10,431,600	213,800	367,000	4,306,300	8,213,400	264,500	23,796,600
FINANCE							
Budget Office	242,900	0	0	96,500	7,100	0	346,500
Auditor's Office	725,300	14,000	0	262,600	333,300	0	1,335,200
Purchasing	124,700	0	0	47,500	5,700	0	177,900
Treasurer's Office	539,900	0	0	215,900	44,000	0	799,800
DEPARTMENT TOTAL	1,632,800	14,000	0	622,500	390,100	0	2,659,400
PLANNING & CONST. SRVS.							
Physical Planning	461,400	0	0	173,500	48,400	0	683,300
Const. Srvs & Inspection	1,067,100	9,000	0	440,800	185,300	0	1,702,200
DEPARTMENT TOTAL	1,528,500	9,000	0	614,300	233,700	0	2,385,500
BUSINESS DEVELOPMENT	421,700	0	0	151,500	23,300	0	596,500
FIRE DEPARTMENT							
Fire Administration	387,700	0	0	126,600	65,000	0	579,300
Fire Operations	8,971,000	630,000	0	3,735,300	599,900	0	13,936,200
Life Safety	655,200	10,000	0	289,200	76,700	0	1,031,100
DEPARTMENT TOTAL	10,013,900	640,000	0	4,151,100	741,600	0	15,546,600
POLICE DEPARTMENT							
Police Admin, Investigation, Patrol	12,789,700	575,000	122,700	5,260,000	1,581,300	0	20,328,700
DEPARTMENT TOTAL	12,789,700	575,000	122,700	5,260,000	1,581,300	0	20,328,700
PUBLIC WORKS							
Director's Office	41,500	0	0	9,700	800	0	52,000
Transportation Engineering	1,095,700	56,000	25,100	437,700	150,000	0	1,764,500
DEPARTMENT TOTAL	1,137,200	56,000	25,100	447,400	150,800	0	1,816,500
TRANSFERS							
DEPARTMENT TOTAL	0	0	0	77,500	9,750,200	0	9,827,700
2016 Proposed General Fund	40,036,400	1,507,800	634,800	16,329,800	21,230,900	266,500	80,006,200

City of Duluth Minnesota - 2016 Budget

General Fund Personnel Summary



Department	2015 Approved	2016 Approved
Legislative & Executive	23.50	23.50
Public Administration	180.40	181.15
Finance	22.50	23.50
Planning & Construction Services	24.17	24.17
Business & Community Development	5.50	5.50
Fire Department	143.00	144.50
Police Department	178.50	180.50
Public Works	16.45	16.65
TOTAL	594.02	599.47

City of Duluth Minnesota - 2016 Budget

General Fund Personnel Summary

	2015 Approved	2016 Approved	Difference	Narrative
LEGISLATIVE/EXECUTIVE				
City Council	0.00	0.00	0.00	
Mayor	4.00	4.00	0.00	
Chief Administrative Officer	2.50	2.50	0.00	
City Attorney	17.00	17.00	0.00	
Department Total	23.50	23.50	0.00	
PUBLIC ADMINISTRATION				
Human Resources	12.00	11.75	-0.25	Wellness Coordinator .75 FTE
Mgmt Information Systems	21.00	21.00	0.00	
City Clerk	7.00	7.00	0.00	
Maintenance Operations	68.60	69.60	1.00	Park Maintenance Leadworker
Library Services	46.50	46.50	0.00	
Facilities Management	25.30	25.30	0.00	
Department Total	180.40	181.15	0.75	
FINANCE				
Budget	3.00	3.00	0.00	
Auditor	8.50	9.50	1.00	Increase 1 Financial Analyst
Purchasing	2.00	2.00	0.00	
Treasurer	9.00	9.00	0.00	
Department Total	22.50	23.50	1.00	
PLANNING & CONSTRUCTION SERVICES				
Physical Planning	7.17	6.67	-0.50	Decrease .5 supervisor re-org combined w/CDBG
Construction Svcs & Inspection	17	17.5	0.50	.5 Info & Comm Specialist shared with Fire Dept
Department Total	24.17	24.17	0.00	
BUSINESS AND COMMUNITY DEVELOPMENT				
Business & Comm Develop.	5.50	5.50	0.00	
Department Total	5.50	5.50	0.00	
FIRE				
Fire Administration	3.00	4.50	1.50	1 Hazmat Grant Coordinator; .5 Info & Comm Specialist
Firefighting Operations	130.00	130.00	0.00	
Life Safety	10.00	10.00	0.00	
Department Total	143.00	144.50	1.50	
POLICE				
Police Administration/Patrol	178.50	180.50	2.00	DWI and DTA grant funded Officers
Department Total	178.50	180.50	2.00	
PUBLIC WORKS				
Director's Office	0.40	0.40	0.00	
Engineering	16.05	16.25	0.20	Increase .2 Information Technician
Department Total	16.45	16.65	0.20	
TOTAL GENERAL FUND FTE'S	594.02	599.47	5.45	

City of Duluth Minnesota - 2016 Budget

Legislative and Executive Department

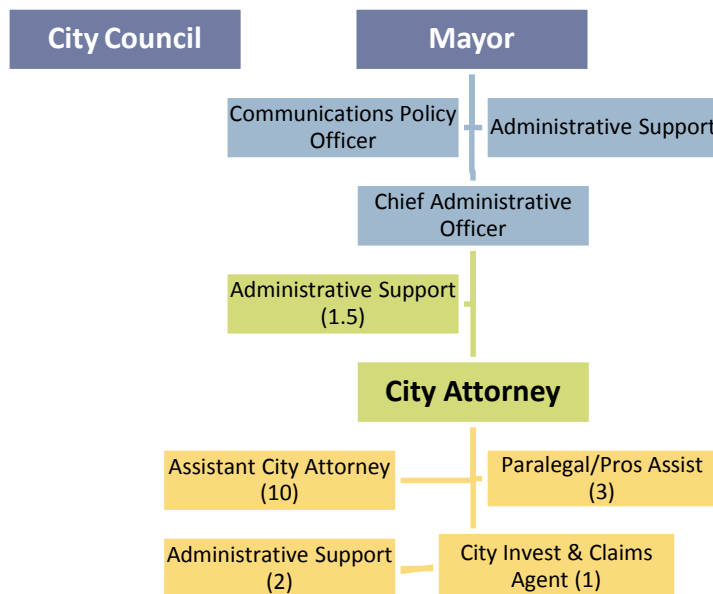
Mission and Vision

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

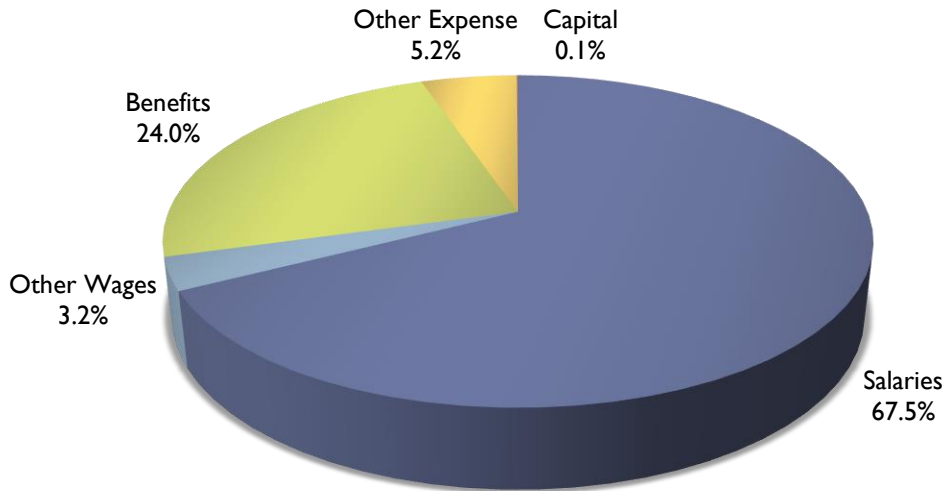
The divisions in this department are responsible for the legislative activity pursuant to City Charter; administration of the organization; enforcement and execution of City ordinances; and legal defense of the City.

Legislative & Executive Department Organization Chart



City of Duluth Minnesota - 2016 Budget

Legislative & Executive Department 2016 Proposed Budget by Expense Category



Expenditures by Category	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Permanent Salaries	1,826,396	1,867,548	1,985,600	2,081,000	95,400
Overtime	2,631	1,166	-	-	-
Other Wages	89,431	112,882	106,500	120,000	13,500
Total Personal Services	1,918,458	1,981,596	2,092,100	2,201,000	108,900
Benefits	608,254	629,261	703,200	699,200	(4,000)
Other Expense	72,515	82,927	146,500	146,500	-
Capital Outlay	440	1,272	2,000	2,000	-
Department Total	2,599,667	2,695,057	2,943,800	3,048,700	104,900

Expenditures by Division	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
City Council	109,368	120,078	179,200	179,200	-
Mayor's Office	294,999	377,088	397,100	437,800	40,700
Chief Admin Officer	288,621	278,519	313,900	280,900	(33,000)
Attorney's Office	1,906,678	1,919,371	2,053,600	2,150,800	97,200
Department Total	2,599,667	2,695,057	2,943,800	3,048,700	104,900

Budgeted FTE's	2013	2014	2015	2016	Difference
	20.50	21.50	23.50	23.50	0.00

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	Difference
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There are no fulltime, permanent employees assigned to this division.

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	-	-	-	-	-
Overtime	-	-	-	-	-
Other Wages	89,431	89,964	90,000	90,000	-
Total Salaries	89,431	89,964	90,000	90,000	-
Benefits	6,458	6,751	7,000	7,000	-
Other Expense					
Materials & Supplies	298	-	2,800	2,800	-
Services	3,297	9,629	24,000	24,000	-
Utilities & Maintenance	941	2,850	44,200	44,200	-
Other	8,943	10,885	11,200	11,200	-
Total Other Expense	13,479	23,363	82,200	82,200	-
Division Total	109,368	120,078	179,200	179,200	-

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
City Council - 110-110-1101				
PERSONAL SERVICES				
5103 Other Wages	89,431	89,964	90,000	90,000
TOTAL	89,431	89,964	90,000	90,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	1,499	541	700	700
5122 FICA - Social Security	3,667	4,906	5,000	5,000
5123 FICA - Medicare	1,292	1,304	1,300	1,300
TOTAL	6,458	6,751	7,000	7,000
OTHER EXPENDITURES				
5200 Office Supplies	-	-	1,000	1,000
5201 Computer Supplies/Software	-	-	1,000	1,000
5202 Audiovisual & Photography	-	-	500	500
5219 Other Miscellaneous Supplies	298	-	300	300
5319 Other Professional Services	1,125	8,168	10,000	10,000
5331 Travel/Training	798	1,407	12,000	12,000
5355 Printing & Copying	1,374	54	2,000	2,000
5404 Equipment/Machinery Repair & Mtc	941	2,850	3,700	3,700
5414 Software Licenses & Mtce Agreements	-	-	40,500	40,500
5433 Dues & Subscription	376	608	1,000	1,000
5441 Other Services & Charges	1,956	4,224	8,000	8,000
5443 Board & Meeting Expenses	6,612	6,053	2,200	2,200
TOTAL	13,479	23,363	82,200	82,200
DIVISION TOTAL	109,368	120,078	179,200	179,200

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	Difference
Mayor	1.0	1.0	1.0	1.0	-
NREP Comm Relations Officer	1.0	1.0	2.0	2.0	-
129 Admin Info Specialist	1.0	1.0	1.0	1.0	-
Division Total	3.0	3.0	4.0	4.0	0.0

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	202,166	264,197	282,100	308,200	26,100
Overtime	-	69	-	-	-
Other Wages	-	5,669	-	-	-
Total Salaries	202,166	269,935	282,100	308,200	26,100
Benefits	76,364	86,232	100,400	115,000	14,600
Other Expense					
Materials & Supplies	1,788	2,934	1,700	1,700	-
Services	6,600	12,370	5,100	5,100	-
Utilities & Maintenance	-	-	-	-	-
Other	8,081	5,617	7,800	7,800	-
Total Other Expense	16,470	20,921	14,600	14,600	-
Division Total	294,999	377,088	397,100	437,800	40,700

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Mayor's Office - 110-110-1102				
PERSONAL SERVICES				
5100 Permanent Salaries	202,166	264,197	282,100	308,200
5101 Premium Pay	-	69	-	-
5103 Other Wages	-	5,669	-	-
TOTAL	202,166	269,935	282,100	308,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	11,722	16,782	20,100	22,500
5122 FICA - Social Security	12,501	16,850	17,500	19,100
5123 FICA - Medicare	2,924	3,941	4,100	4,500
5125 Dental Insurance	1,152	572	1,400	1,500
5126 Life Insurance	540	660	700	700
5127 Health Care Savings Plan (HCSP)	13,860	5,557	20,700	3,000
5130 Cafeteria Plan Benefits	33,665	41,870	35,900	63,700
TOTAL	76,364	86,232	100,400	115,000
OTHER EXPENDITURES				
5200 Office Supplies	989	496	1,000	1,000
5219 Other Miscellaneous Supplies	-	171	500	500
5241 Small Equip-Office/Operating	799	2,267	200	200
5320 Data Services	306	-	-	-
5321 Phone Service Cellular Phone	704	1,948	-	-
5322 Postage	-	-	100	100
5331 Travel/Training	5,155	10,323	3,000	3,000
5355 Printing & Copying	154	29	2,000	2,000
5356 Copier, Printer Lease & Supplies	281	70	-	-
5433 Dues & Subscription	237	1,737	300	300
5441 Other Services & Charges	1,339	265	1,500	1,500
5443 Board & Meeting Expenses	2,506	2,180	1,000	1,000
5444 Mayor's Contingent Account	4,000	1,434	5,000	5,000
TOTAL	16,470	20,921	14,600	14,600
DIVISION TOTAL: MAYOR'S OFFICE	294,999	377,088	397,100	437,800

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	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	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	211,361	191,202	205,300	200,800	(4,500)
Overtime	328	1,042	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	211,689	192,244	205,300	200,800	(4,500)
Benefits	69,776	80,353	98,000	69,500	(28,500)
Other Expense					
Materials & Supplies	2,722	1,152	2,000	2,000	-
Services	2,612	2,311	2,300	2,300	-
Utilities & Maintenance	-	-	300	300	-
Other	1,822	2,460	6,000	6,000	-
Total Other Expense	7,156	5,922	10,600	10,600	-
Division Total	288,621	278,519	313,900	280,900	(33,000)

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Chief Administrative Officer - 110-110-1103				
PERSONAL SERVICES				
5100 Permanent Salaries	211,361	191,202	205,300	200,800
5101 Premium Pay	328	1,042	-	-
5103 Other Wages	-	-	-	-
TOTAL	211,689	192,244	205,300	200,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	14,231	14,573	15,200	14,800
5122 FICA - Social Security	12,252	10,823	12,700	12,500
5123 FICA - Medicare	3,066	2,688	3,000	2,900
5125 Dental Insurance	960	390	900	900
5126 Life Insurance	450	450	500	500
5127 Health Care Savings Plan (HCSP)	13,691	13,300	28,300	2,000
5130 Cafeteria Plan Benefits	25,080	37,608	37,400	35,900
5133 Health or Fitness Program	46	521	-	-
TOTAL	69,776	80,353	98,000	69,500
OTHER EXPENDITURES				
5200 Office Supplies	1,922	1,152	1,000	1,000
5201 Computer Supplies/Software	-	-	500	500
5219 Other Miscellaneous Supplies	800	-	500	500
5321 Phone Service Cellular Phone	1,200	1,200	-	-
5331 Travel/Training	1,006	1,019	2,000	2,000
5356 Copier, Printer Leases & Supplies	406	92	-	-
5404 Equipment/Machinery Repair & Mtc	-	-	300	300
5418 Vehicle/Equip Lease (Long-term)	-	-	300	300
5433 Dues & Subscription	920	1,600	500	500
5435 Books & Pamphlets	-	-	500	500
5441 Other Services & Charges	78	126	4,000	4,000
5443 Board & Meeting Expenses	823	734	1,000	1,000
TOTAL	7,156	5,922	10,600	10,600
DIVISION TOTAL	288,621	278,519	313,900	280,900

City of Duluth Minnesota - 2016 Budget

City Attorney's Office

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

Budgeted FTE's	2013	2014	2015	2016	Difference
Res City Attorney	1.0	1.0	1.0	1.0	-
Assistant Attorney	10.0	10.0	11.0	10.0	(1.0)
10 Claims Adjuster	-	1.0	1.0	1.0	-
131 Paralegal	2.0	2.0	2.0	2.0	-
131 Prosecution Assistant	-	-	-	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	2.0	1.0
Division Total	15.0	16.0	17.0	17.0	0.0

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	1,412,869	1,412,149	1,498,200	1,572,000	73,800
Overtime	2,303	55	-	-	-
Other Wages	-	17,249	16,500	30,000	13,500
Total Salaries	1,415,172	1,429,453	1,514,700	1,602,000	87,300
Benefits	455,657	455,926	497,800	507,700	9,900
Other Expense					
Materials & Supplies	4,692	3,337	4,500	3,300	(1,200)
Services	17,508	15,223	12,100	12,400	300
Utilities & Maintenance	-	-	-	-	-
Other	13,210	14,159	22,500	23,400	900
Total Other Expense	35,410	32,720	39,100	39,100	-
Capital Outlay	440	1,272	2,000	2,000	-
Division Total	1,906,678	1,919,371	2,053,600	2,150,800	97,200

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
City Attorney's Office - 110-110-1104				
PERSONAL SERVICES				
5100 Permanent Salaries	1,412,869	1,412,149	1,498,200	1,572,000
5101 Premium Pay	2,303	55	-	-
5103 Other Wages	-	17,249	16,500	30,000
TOTAL	1,415,172	1,429,453	1,514,700	1,602,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	99,875	100,867	111,800	118,600
5122 FICA - Social Security	83,633	85,454	93,900	99,300
5123 FICA - Medicare	20,123	20,299	22,000	23,200
5125 Dental Insurance	6,128	2,451	6,100	6,300
5126 Life Insurance	2,880	2,731	3,100	3,100
5127 Health Care Savings Plan (HCSP)	36,218	40,749	31,700	15,500
5130 Cafeteria Plan Benefits	206,216	203,132	229,200	241,700
5133 Health or Fitness Program	584	243	-	-
TOTAL	455,657	455,926	497,800	507,700
OTHER EXPENDITURES				
5200 Office Supplies	4,692	3,337	4,500	3,300
5304 Legal Services	8,530	134	3,000	2,000
5321 Phone Service Cellular Phone	1,650	1,740	2,200	2,200
5331 Travel/Training	5,371	10,037	5,400	6,000
5335 Local Mileage Reimbursement	946	1,207	1,500	1,000
5355 Printing & Copying	31	29	-	-
5356 Copier, Printer Lease & Supplies	979	2,077	-	1,200
5433 Dues & Subscription	13,133	14,099	19,600	15,000
5441 Other Services & Charges	77	60	2,900	8,400
TOTAL	35,410	32,720	39,100	39,100
CAPITAL OUTLAY				
Library Materials	440	1,272	2,000	2,000
TOTAL	440	1,272	2,000	2,000
DIVISION TOTAL	1,906,678	1,919,371	2,053,600	2,150,800

City of Duluth Minnesota - 2016 Budget

General Fund Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
City Attorney's Office - 110-110-1104				
REVENUE SOURCE				
4209 Miscellaneous Federal Grants	7,340	-	-	-
4319 Attorney Fees	11,500	3,500	10,000	4,000
4644 Miscellaneous Fees, Sales, Services	6,587	3,712	-	4,000
4654 Other Reimbursements	1,167	793	-	-
4730 Transfer from Police Grant Fund		9,680	9,500	-
DIVISION TOTAL	26,594	17,685	19,500	8,000

City of Duluth Minnesota - 2016 Budget

Public Administration Department

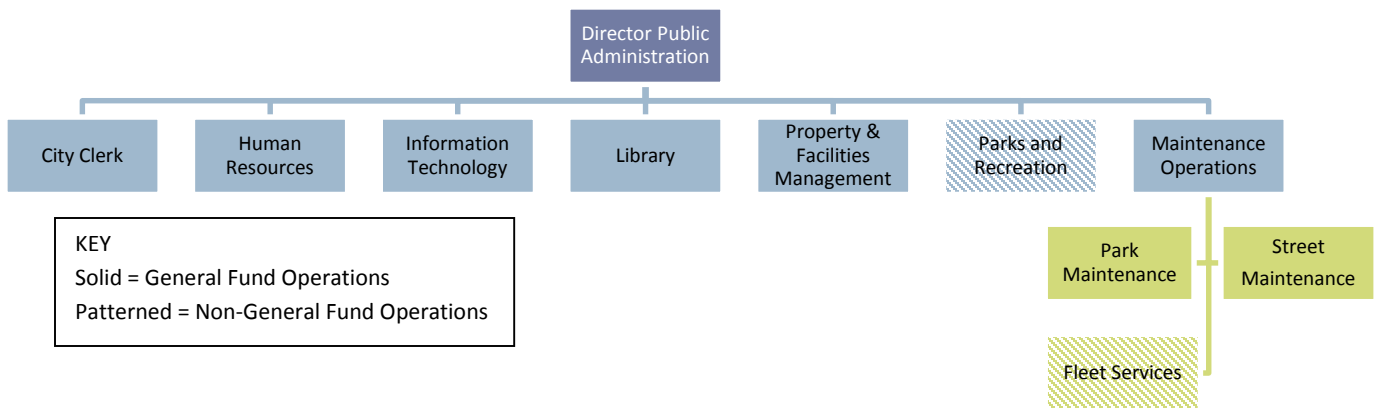
Mission and Vision

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.

Structure

The Department of Public Administration brings together and coordinates seven interrelated divisions: the City Clerk's Office, Human Resources, Information Technology, Library, Property and Facilities Management, Parks and Recreation, and Maintenance Operations. The current structure reflects one change in 2012 in which Parks and Recreation was moved from the general fund to a special parks fund.

Public Administration Organization Chart



City of Duluth Minnesota - 2016 Budget

2016 Goals and Objectives

Listed below are a sample of the goals and objectives for the department.

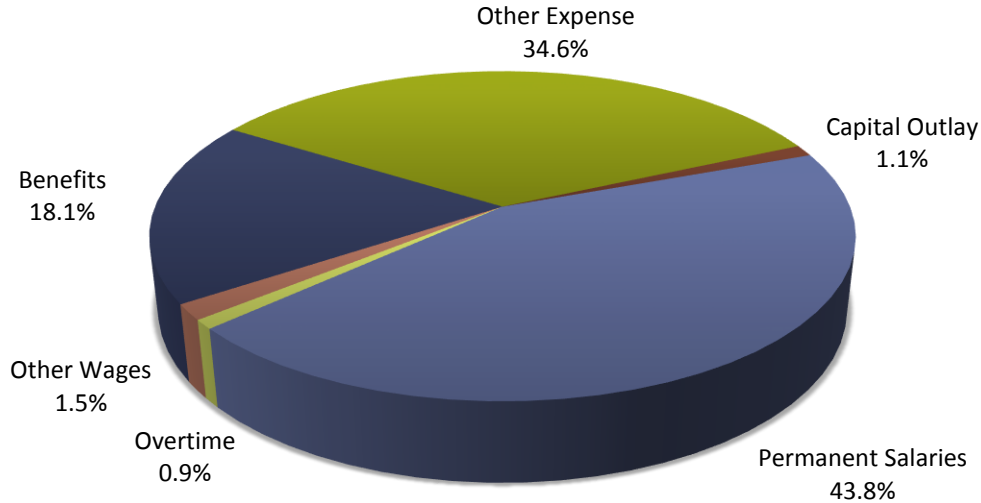
Goal	Objective	Tactics	Measurement
Increase effectiveness and efficiency of City Clerk operations.	Expand and optimize on-line systems for internal and external customers.	<ol style="list-style-type: none"> 1. Optimize agenda management system for boards and commissions. 2. Optimize online pet license system. 3. Develop plan to place additional license and fee systems online. 4. Transfer proceedings to digital. 	<ol style="list-style-type: none"> 1. Reduced staff time to prepare board and commission documents. 2. Increase number of permits and reduce staff time to process them.
Develop supervisory and leadership capabilities City-wide.	Develop and implement new leadership development program.	<ol style="list-style-type: none"> 1. Review and develop a new leadership competency model 2. Design and implement supervisory development program for new supervisors 	<ol style="list-style-type: none"> 1. Completion of leadership competency model 2. Implementation of supervisory development program
Increase the ability of HR to strengthen organizational effectiveness City-wide	Develop new HR strategic plan.	<ol style="list-style-type: none"> 1. Forecast HR needs based on organizational goals and external circumstances. 2. Perform gap analysis in workforce and technology. 3. Develop HR strategies 	Completion of HR strategic plan that states assumptions, strategies, objectives, roles and responsibilities, and timelines.
Create more diverse, inclusive, and respectful City workplaces.	Develop and implement plan for increasing diversity and inclusiveness in City workplaces	<ol style="list-style-type: none"> 1. Assess work cultures via survey 2. Identify employee needs at each site. 3. Equip leaders to teach and uphold inclusive behavior. 	Improvement in workplace environment survey results.
Improve efficiency and effectiveness in library operations	Implement year 2 action plan based on 2014 library staffing study	<ol style="list-style-type: none"> 1. Increase self-checkout via self-service DVD dispenser, credit card processing, and patron training 2. Continue to refresh print collection via culling and acquisition 3. Improve technology-related customer service by increasing staff technology competence 	Improved user experience for library patrons
Update library's 2010-2015 strategic plan	Work in partnership with the community to develop a new three-year plan	<ol style="list-style-type: none"> 1. Form steering committee 2. Conduct surveys and hold public planning retreat with participation from key stakeholders 3. Complete and disseminate plan 4. Develop year 1 action plan 	Forward looking, community-based plan for library services that will inform facility, staffing, programs, and services decisions.
Determine future of main library building	Restart planning process based on new strategic plan, better understanding of options and stronger public input	<ol style="list-style-type: none"> 1. Assess mid-priced renovation and other under-studied options 2. Develop and conduct public process to select preferred option 3. Determine financing for chosen option 	Public decision on which option best suits the needs and means of City of Duluth taxpayers

Establish the St. Louis River Corridor as an environmental learning and outdoor recreation hub for residents and visitors.	Leverage grants and community support to deliver maximum community benefit for city financial investment.	<ol style="list-style-type: none"> 1. Meet or make progress toward individual project fundraising goals. 2. Design, bid, and successfully oversee projects that are ready for construction in 2016. 3. Engage community to develop high quality plans for 2017 projects. 	<ol style="list-style-type: none"> 1. City raises \$1 of new money for each \$1 from the 1/2 % tourism tax. 2. City commences construction on 5 projects. 3. City completes 14 new park and trail plans.
Improve effectiveness and efficiency of park facility reservation, permit, and payment system.	Provide easy, efficient, online park facility reservation, permit, and payment system.	<ol style="list-style-type: none"> 1. Evaluate available IT solutions. 2. Solicit input from peer cities 3. Choose vendor and implement service. 	Increased public satisfaction with process for reserving and using parks and recreation properties.
Improve effectiveness and efficiency of parks division operations.	Create an actionable strategic plan that aligns internal park operations with community needs.	<ol style="list-style-type: none"> 1. Evaluate park strategic planning service providers and release RFP. 2. Choose vendor and complete strategic planning process. 3. Implement recommendations 	Duluth residents understand park operations and the internal operations are aligned with community needs.
Improve the condition of city parks and trails	Increase scope and quality of park maintenance activities	<ol style="list-style-type: none"> 1. Create new work groups for trails, neighborhood ballfields, and neighborhood parks 2. Implement work order and asset management systems 3. Improve employee recruitment, retention, and training 4. Strengthen coordination with parks 	<ol style="list-style-type: none"> 1. Track miles of trail renewed by type 2. Work order system implemented for at least one work group 3. Significant increases in routine maintenance for all neighborhood parks and fields
Prolong the life of aging road systems.	Utilize new street maintenance fee proceeds to maximize impact on road conditions.	<ol style="list-style-type: none"> 1. Establish maintenance and repair targets. 2. Improve the recruitment, training, and retention of seasonal employees. 3. Provide street maintenance services that will hold streets together until long-term solution is identified. 	Track miles of crack sealing and paving and the number of permanent patches.
Improve property and real estate function and services within the City.	Establish a high-performance property management service for internal and external customers.	<ol style="list-style-type: none"> 1. Begin creation of centralized real estate data base. 2. Establish and strengthen internal partnerships with key departments and divisions. 3. Establish procedures that support effective and efficient property management services. 	<ol style="list-style-type: none"> 1. Data base established, data collection in progress. 2. Draft property services policies and procedures. 3. Internal and external partners satisfied.
Improve energy efficiency of city facilities.	Develop, fund, and implement facility energy efficiency plan.	<ol style="list-style-type: none"> 1. Investigate funding for City-wide energy upgrades. 2. Begin implementation. 	Facility energy plan ready for bid mid-2016.

<p>Improve effectiveness and efficiency of facility management systems.</p>	<p>Implement and optimize IT facility management solution for assessing and maintaining facility conditions.</p>	<ol style="list-style-type: none"> 1. Complete facility assessments and entry in facility management solution. 2. Use work order system to track time, materials, and funding related to maintenance in PFM facilities. 3. Begin work on a strategic facility plan. 	<ol style="list-style-type: none"> 1. All buildings in asset management system 2. All facility work requests through work order system 3. 2016 capital planning informed by asset management system 4. Draft strategic facility plan.
<p>Implement system to manage electronic and paper documents</p>	<p>Improve record management, establish workflow efficiencies, and streamline access to information.</p>	<ol style="list-style-type: none"> 1. Develop City-wide project team. 2. Perform business process review to develop implementation plan. 3. Begin multi-year implementation. 	<ol style="list-style-type: none"> 1. Automated record retention process 2. Streamlined workflow and approval processes 3. Duplicate reduction 4. Improved information access

City of Duluth Minnesota - 2016 Budget

Public Administration Department 2016 Approved Budget by Expense Category



Expenditures by Category	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Permanent Salaries	9,369,242	9,597,629	10,160,000	10,431,600	271,600
Overtime	393,694	325,502	213,800	213,800	-
Other Wages	207,434	333,871	250,500	367,000	116,500
Total Personal Services	9,970,370	10,257,002	10,624,300	11,012,400	388,100
Benefits	3,805,561	3,939,363	4,046,500	4,306,300	259,800
Other Expense	8,577,094	7,902,336	7,870,100	8,213,400	343,300
Capital Outlay	357,734	337,765	264,500	264,500	-
Department Total	22,710,759	22,436,465	22,805,400	23,796,600	991,200

Expenditures by Division	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Human Resources	1,003,642	1,034,698	1,149,300	1,184,100	34,800
MIS	2,206,542	2,398,364	2,740,900	2,939,900	199,000
City Clerk	863,514	781,903	816,400	807,800	(8,600)
Maintenance Operations	10,883,612	10,488,295	9,805,100	10,434,900	629,800
Library Services	4,154,020	4,194,933	4,160,100	4,241,200	81,100
Facilities Management	3,599,430	3,538,273	4,133,600	4,188,700	55,100
Department Total	22,710,759	22,436,465	22,805,400	23,796,600	991,200

Budgeted FTE's	2013	2014	2015	2016	Difference
	178.50	180.65	180.40	181.15	0.75

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	Difference
1130 Mgr, Human Resources	1.0	1.0	1.0	1.0	-
Res EEO Compliance Officer	1.0	1.0	1.0	1.0	-
127 HR Assistant	2.0	2.0	2.0	1.0	(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	3.0	3.0	2.0	3.0	1.0
10 Employee Benefits Rep	1.0	1.0	1.0	1.0	-
9 HR Technician	2.0	2.0	3.0	3.0	-
7 Wellness Coordinator				0.8	0.8
Division Total	12.0	12.0	12.0	11.75	(0.25)

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	680,744	700,291	758,900	759,500	600
Overtime	3,648	4,714	-	-	-
Other Wages	17,790	4,294	15,000	10,000	(5,000)
Total Salaries	702,182	709,299	773,900	769,500	(4,400)
Benefits	254,162	279,547	291,900	333,100	41,200
Other Expense					
Materials & Supplies	8,468	4,513	9,500	6,500	(3,000)
Services	34,703	34,433	46,000	50,000	4,000
Utilities & Maintenance	-	-	17,500	16,000	(1,500)
Other	4,127	6,906	10,500	9,000	(1,500)
Total Other Expense	47,298	45,852	83,500	81,500	(2,000)
Division Total	1,003,642	1,034,698	1,149,300	1,184,100	34,800

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Human Resources - 110-121-1106				
PERSONAL SERVICES				
5100 Permanent Salaries	680,744	700,291	758,900	759,500
5101 Premium Pay	3,648	4,714	-	-
5103 Other Wages	17,790	4,294	15,000	10,000
TOTAL	702,182	709,299	773,900	769,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	43,529	44,723	50,200	50,500
5122 FICA - Social Security	42,430	42,615	48,000	47,700
5123 FICA - Medicare	9,923	9,966	11,200	11,200
5125 Dental Insurance	4,064	1,742	4,200	4,400
5126 Life Insurance	1,905	2,010	2,100	2,100
5127 Health Care Savings Plan (HCSP)	18,341	20,267	19,200	43,700
5130 Cafeteria Plan Benefits	132,592	157,294	156,000	170,500
5133 Health or Fitness Program	1,378	930	1,000	3,000
TOTAL	254,162	279,547	291,900	333,100
OTHER EXPENDITURES				
5200 Office Supplies	3,655	2,311	6,000	3,000
5201 Computer Supplies/Software	375	1,236	2,000	2,000
5219 Other Miscellaneous Supplies	4,438	967	1,500	1,500
5319 Other Professional Services	9,733	8,397	15,000	13,000
5321 Phone Service	508	600	1,000	1,000
5331 Travel/Training	9,824	8,921	10,000	15,000
5355 Printing & Copying	5,288	6,826	11,000	11,000
5356 Copier, Printer Lease & Supplies	9,351	9,689	9,000	10,000
5404 Equipment/Machinery Repair & Mtc	-	-	2,500	1,000
5414 Software Licenses & Mtce Agreements	-	-	15,000	15,000
5433 Dues & Subscription	1,197	2,343	3,000	3,000
5435 Books & Pamphlets	484	-	2,500	1,000
5441 Other Services & Charges	2,446	4,563	5,000	5,000
5446 Tuition Reimbursement	-	-	-	-
TOTAL	47,298	45,852	83,500	81,500
DIVISION TOTAL	1,003,642	1,034,698	1,149,300	1,184,100

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	Difference
1135 Mgr, Appl Dev/Desktop	2.0	2.0	1.0	1.0	-
1125 Manager, IT	1.0	1.0	1.0	1.0	-
142 Security Administrator	-	-	-	1.0	1.0
142 Sr Systems Administrator	-	-	-	1.0	1.0
142 Sr Network Administrator	-	-	-	1.0	1.0
142 Sr Programmer Analyst	2.0	2.0	1.0	2.0	1.0
137 Various Administrators	4.0	6.0	8.0	5.0	(3.0)
133 Programmer Analyst	3.0	3.0	1.0	2.0	1.0
135 Lead Support Analyst	-	-	1.0		(1.0)
131 Graphics Coordinator	1.0	1.0	1.0	1.0	-
136 GIS Specialist	2.0	2.0	2.0	2.0	-
134 Sr Support Analyst	-	-	-	1.0	1.0
131 Support Analyst	3.0	3.0	3.0	2.0	(1.0)
129 Help Desk Technician	1.0	1.0	1.0	1.0	-
126 Information Technician	1.0	1.0	1.0	-	(1.0)
Division Total	20.0	22.0	21.0	21.0	0.0

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	1,142,439	1,259,326	1,379,400	1,449,800	70,400
Overtime	20,273	8,679	20,000	20,000	-
Other Wages	10,074	434	-	-	-
Total Salaries	1,172,786	1,268,439	1,399,400	1,469,800	70,400
Benefits	443,118	449,603	483,300	573,900	90,600
Other Expense					
Materials & Supplies	347,382	347,369	37,000	31,500	(5,500)
Services	149,483	234,200	250,500	275,500	25,000
Utilities & Maintenance	84,841	91,499	562,700	578,200	15,500
Other	8,931	7,255	8,000	11,000	3,000
Total Other Expense	590,638	680,323	858,200	896,200	38,000
Division Total	2,206,542	2,398,364	2,740,900	2,939,900	199,000

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail		2013 Actual	2014 Actual	2015 Budget	2016 Approved
Management Information Systems - 110-121-1107					
PERSONAL SERVICES					
5100	Permanent Salaries	1,142,439	1,259,326	1,379,400	1,449,800
5101	Premium Pay	20,273	8,679	20,000	20,000
5103	Other Wages	10,074	434	-	-
	TOTAL	1,172,786	1,268,439	1,399,400	1,469,800
EMPLOYEE BENEFITS					
5121	PERA Retirement	82,554	86,764	102,200	103,000
5122	FICA - Social Security	71,260	76,873	86,800	91,100
5123	FICA - Medicare	16,666	17,979	20,300	21,300
5125	Dental Insurance	6,753	2,898	7,400	7,600
5126	Life Insurance	3,165	3,330	3,700	3,700
5127	Health Care Savings Plan (HCSP)	35,167	15,905	13,000	37,900
5130	Cafeteria Plan Benefits	227,553	245,854	249,900	309,300
	TOTAL	443,118	449,603	483,300	573,900
OTHER EXPENDITURES					
5200	Office Supplies	2,193	1,446	2,500	2,500
5201	Computer Supplies/Software	343,075	341,986	32,000	26,500
5203	Paper/Stationery/Forms	1,168	96	-	-
5241	Small Equip-Office/Operating	945	3,841	2,500	2,500
5309	MIS Services	2,510	1,531	1,500	10,000
5319	Other Professional Services	49,608	26,287	54,000	64,000
5320	Data Services	70,921	176,758	160,500	165,000
5321	Phone Service	4,052	4,996	6,000	6,000
5331	Travel/Training	18,124	20,549	25,000	25,000
5335	Local Mileage Reimbursement	965	908	1,500	1,500
5355	Printing & Copying	3,303	3,171	2,000	4,000
5404	Equipment/Machinery Repair & Mtc	84,841	91,408	223,500	221,000
5409	Fleet Service Charges	-	-	-	3,000
5414	Software Licenses & Mtce Agreements	-	91	339,200	354,200
5433	Dues & Subscription	8,931	7,255	8,000	11,000
	TOTAL	590,638	680,323	858,200	896,200
DIVISION TOTAL		2,206,542	2,398,364	2,740,900	2,939,900

City of Duluth Minnesota - 2016 Budget

General Fund Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Management Information Systems - 110-121-1107				
REVENUE SOURCE				
4310 Assessment Cost Services	-	-	-	-
4320 MIS Services	1,801	1,531	5,200	4,600
4730 Transfer in from Public Utility	-	86,600	86,600	97,100
DIVISION TOTAL	1,801	88,131	91,800	101,700

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	Difference
1140 Director, Public Admin	1.0	1.0	1.0	1.0	-
1100 City Clerk	1.0	1.0	1.0	1.0	-
1055 Assistant City Clerk	1.0	1.0	1.0	1.0	-
09 Executive Assistant	1.0	1.0	1.0	1.0	-
129 Admin Info Specialist	2.0	2.0	2.0	2.0	-
126 Information Tech	1.0	1.0	1.0	1.0	-
120 Clerical Technician	1.0	1.0	-	-	-
Division Total	8.0	8.0	7.0	7.0	0.0

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	557,102	479,378	467,500	463,400	(4,100)
Overtime	925	1,337	1,000	1,000	-
Other Wages	45,876	77,687	75,000	75,000	-
Total Salaries	603,903	558,402	543,500	539,400	(4,100)
Benefits	208,996	188,237	188,400	213,900	25,500
Other Expense					
Materials & Supplies	2,881	3,584	2,600	2,600	-
Services	39,795	20,433	52,600	22,600	-
Utilities & Maintenance	-	5,220	13,000	13,000	-
Other	7,938	6,028	16,300	16,300	-
Total Other Expense	50,615	35,264	84,500	54,500	-
Division Total	863,514	781,903	816,400	807,800	21,400

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
City Clerk - 110-121-1211				
PERSONAL SERVICES				
5100 Permanent Salaries	557,102	479,378	467,500	463,400
5101 Premium Pay	925	1,337	1,000	1,000
5103 Other Wages	45,876	77,687	75,000	75,000
TOTAL	603,903	558,402	543,500	539,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	37,690	34,261	34,600	34,800
5122 FICA - Social Security	34,342	30,687	33,400	33,100
5123 FICA - Medicare	8,031	7,177	7,800	7,700
5125 Dental Insurance	3,126	1,163	2,500	2,600
5126 Life Insurance	1,470	1,364	1,300	1,300
5127 Health Care Savings Plan (HCSP)	9,995	7,817	4,400	4,500
5130 Cafeteria Plan Benefits	113,775	105,478	104,400	129,900
5133 Health or Fitness Program	567	291	-	-
TOTAL	208,996	188,237	188,400	213,900
OTHER EXPENDITURES				
5200 Office Supplies	2,651	2,746	1,100	1,100
5201 Computer Supplies/Software	65	20	500	500
5219 Other Miscellaneous Supplies	166	818	1,000	1,000
5321 Phone Service Cellular Phone	626	662	600	600
5331 Travel/Training	7,039	2,984	6,000	6,000
5335 Local Mileage Reimbursement	1,102	1,177	1,000	1,000
5355 Printing & Copying	30,544	15,566	45,000	15,000
5356 Copier, Printer Lease & Supplies	485	44	-	-
5404 Equipment/Machinery Repair & Mtc	-	5,220	13,000	13,000
5412 Building Rental	900	900	1,000	1,000
5414 Software Licenses & Mtce Agreements	-	1,260	2,500	10,000
5433 Dues & Subscription	250	703	400	400
5441 Other Services & Charges	6,788	3,164	12,400	4,900
TOTAL	50,615	35,264	84,500	54,500
DIVISION TOTAL	863,514	781,903	816,400	807,800

City of Duluth Minnesota - 2016 Budget

General Fund Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
City Clerk - 110-121-1211				
REVENUE SOURCE				
4101 Liquor License	467,583	459,608	455,000	455,000
4102 Beer License	14,054	13,315	14,000	14,000
4105 Hotel License	9,054	9,259	9,000	9,000
4106 Garbage Collection	17,520	16,758	14,000	16,000
4107 Horse & Carriage	566	819	700	700
4108 Emergency Wrecker License	7,928	7,055	6,000	6,000
4109 Gas Station License	8,686	8,654	8,500	8,500
4111 Pawnbroker License	1,137	1,143	1,100	1,100
4112 Peddler's License	3,796	3,501	500	1,000
4113 Precious Metal Dealer	1,895	1,524	1,200	1,500
4114 Pet Shop License	574	851	600	600
4115 Dog & Cat Hospitals License	823	1,070	700	700
4116 Dog Kennels License	422	424	400	400
4117 Massage Parlor	12,812	13,589	8,000	12,000
4118 Cigarette License	14,000	13,113	13,000	13,000
4119 Motor Vehicle - Dealer	4,927	4,923	4,400	4,400
4119 Motor Vehicle - Rental	2,104	1,848	1,800	1,800
4120 Taxi Permit	11,797	16,475	17,000	11,000
4121 Coin Operating Device	10,355	10,250	10,000	9,000
4122 Pool & Bowling	2,360	1,200	600	1,000
4124 Tree Service Contractor License	-	-	-	-
4150 Pet License	21,099	-	35,000	-
4155 Special Event Permit	3,498	3,633	3,000	3,000
4170 Misc. Permits & Licenses	11,767	12,844	700	2,000
4307 Planning/Zoning Fees	1,600	-	-	-
4470 License Penalties	5,664	5,933	6,000	2,000
4644 Miscellaneous Sales	108,668	13,857	75,000	25,000
4654 Other Reimbursements	54	-	-	-
4730 Interfund Transfers In	58	25,000	-	25,000
DIVISION TOTAL	744,801	646,646	686,200	623,700

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	Difference
1115 Mgr, Fleet/Mtce Ops	0.75	0.75	0.75	0.75	-
1080 St Mtce Supervisor	2.00	2.00	2.00	2.00	-
1075 Spvsr FacOptn/Traf/Bldgs	3.00	2.00	2.00	1.00	(1.0)
32 Mtc Optns Leadworker	1.00	2.00	5.00	6.00	1.0
32 Park Mtc Leadworker	-	-	-	1.00	1.0
27 Heavy Equip Operator	27.00	33.00	28.00	28.00	-
27 Park Mtceworker	12.00	15.00	14.00	15.00	1.0
27 Traffic Mtceperson	3.00	3.00	3.00	3.00	-
22 Maintenanceworker	21.00	11.00	13.25	12.25	(1.0)
25 Janitorial Supervisor	-	-	-	-	-
133 Budget Analyst	0.75	0.60	0.60	0.60	-
21/122 Janitor I and II	-	-	-	-	-
Division Total	70.50	69.35	68.60	69.60	1.00

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	3,459,940	3,532,906	3,624,600	3,764,700	140,100
Overtime	342,911	284,991	167,000	167,000	-
Other Wages	62,742	163,445	53,700	175,200	121,500
Total Salaries	3,865,593	3,981,342	3,845,300	4,106,900	261,600
Benefits	1,585,835	1,609,405	1,622,500	1,668,200	45,700
Other Expense					
Materials & Supplies	2,896,179	2,318,726	1,850,500	1,927,100	76,600
Services	122,085	89,641	106,700	291,600	184,900
Utilities & Maintenance	1,604,304	1,641,933	1,600,400	1,611,300	10,900
Other	788,961	815,984	779,700	829,800	50,100
Total Other Expense	5,411,528	4,866,285	4,337,300	4,659,800	322,500
Capital Outlay	20,656	31,263	-	-	-
Division Total	10,883,612	10,488,295	9,805,100	10,434,900	629,800

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail		2013 Actual	2014 Actual	2015 Budget	2016 Approved
Maintenance Operations - 110-121-1217					
PERSONAL SERVICES					
5100	Permanent Salaries	3,459,940	3,532,906	3,624,600	3,764,700
5101	Premium Pay	342,911	284,991	167,000	167,000
5103	Other Wages	62,742	163,445	53,700	175,200
	TOTAL	3,865,593	3,981,342	3,845,300	4,106,900
EMPLOYEE BENEFITS					
5121	PERA Retirement	268,089	266,770	276,100	287,500
5122	FICA - Social Security	235,640	243,312	239,300	255,500
5123	FICA - Medicare	55,109	56,903	56,000	59,700
5125	Dental Insurance	26,369	10,610	24,700	25,900
5126	Life Insurance	12,360	12,221	12,400	12,500
5127	Health Care Savings Plan (HCSP)	72,241	69,354	58,100	47,300
5130	Cafeteria Plan Benefits	916,025	950,235	955,900	979,800
	TOTAL	1,585,835	1,609,405	1,622,500	1,668,200
OTHER EXPENDITURES					
5200	Office Supplies	2,352	2,855	3,500	3,500
5201	Computer Supplies/Software	7,020	4,595	4,800	2,700
5202	Audiovisual & Photography	-	393	500	500
5205	Safety & Training Materials	9,399	13,954	9,300	9,300
5210	Plant/Operating Supplies	5,373	6,323	4,500	1,500
5211	Cleaning/Janitorial Supplies	32,178	33,260	33,300	35,000
5212	Motor Fuels	591,296	554,365	410,000	427,600
5218	Uniforms	16,562	16,546	18,200	19,300
5219	Other Miscellaneous Supplies	27,728	23,798	24,900	22,100
5220	Repair & Maintenance Supplies	13,496	8,449	11,900	30,000
5222	Blacktop	649,131	310,206	272,000	194,700
5223	Salt & Sand	1,190,901	1,023,258	816,700	914,700
5224	Gravel & Other Mtce Materials	222,075	193,172	123,700	123,700
5225	Park/Landscape Materials	39,555	39,951	23,600	50,000
5226	Sign & Signal Materials	66,883	69,579	74,100	74,100
5228	Painting Supplies	3,053	4,468	4,100	3,000
5240	Small Tools	10,286	7,625	8,400	8,400
5241	Small Equip-Office/Operating	8,893	5,929	7,000	7,000
5305	Medical Svcs/Testing Fees	199	-	1,300	500
5310	Contract Services	79,409	42,137	52,000	232,000
5320	Data Services	1,898	3,007	2,900	2,900
5321	Phone Service	3,684	3,963	4,200	4,200

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail		2013 Actual	2014 Actual	2015 Budget	2016 Approved
Maintenance Operations - 110-120-1217 continued					
5331	Travel/Training	3,955	9,116	9,500	21,500
5335	Local Mileage Reimbursement	25,739	25,870	31,000	29,000
5355	Printing & Copying	197	-	800	-
5356	Copier, Printer Lease & Supplies	7,004	5,547	5,000	1,500
5384	Refuse Disposal	45,417	46,588	51,500	38,500
5404	Equipment/Machinery Repair & Mtc	552	4,407	4,000	3,000
5409	Fleet Services Charges	1,558,334	1,590,939	1,544,900	1,569,800
5412	Building Rental	219,103	217,040	225,300	250,000
5414	Software Licenses & Mtce Agreements	-	536	56,400	56,400
5415	Vehicle/Equip Rent (Short-term)	21,106	37,716	29,000	51,500
5418	Vehicle/Equip Lease (Long-term)	414,730	405,577	376,200	352,000
5419	Other Rentals	46,633	47,814	29,500	53,100
5433	Dues & Subscription	170	965	1,000	1,000
5435	Books & Pamphlets	-	-	200	-
5438	Licenses	1,395	245	700	700
5441	Other Services & Charges	74,921	76,798	32,500	36,200
5454	Contract Tree Services	10,902	29,295	28,900	28,900
	TOTAL	5,411,528	4,866,285	4,337,300	4,659,800
CAPITAL OUTLAY					
5580	Capital Equipment	20,656	31,263	-	-
	TOTAL	20,656	31,263	-	-
DIVISION TOTAL		10,883,612	10,488,295	9,805,100	10,434,900

City of Duluth Minnesota - 2016 Budget

General Fund Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Maintenance Operations - 110-121-1217				
REVENUE SOURCE				
4220 State of MN Capital	-	14,647	-	-
4225 Ski Trails Grant	11,000	11,000	11,000	11,000
4226 Snowmobile Trails Grant	6,963	19,292	13,000	13,900
4240 Municipal State Aid - Maintenance	1,533,448	1,380,060	1,400,000	1,533,400
4260 St. Louis County	131,017	131,017	140,000	143,500
4261 ISD 709	24,832	26,312	5,000	10,000
4636 Sale of Scrap	9,889	9,109	6,000	6,000
4654 Other Reimbursements	54,534	32,492	31,000	25,000
4680 Damages Recovered	12,572	231	-	-
4730 Transfer from Special Revenue	479,685	300,400	300,000	500,000
4730 Transfer from Permanent Improvement	-	-	30,000	-
4730 Transfer from Public Utilities	680,773	722,554	755,000	865,000
DIVISION TOTAL	2,944,713	2,647,116	2,691,000	3,107,800

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	Difference
1105 Mgr, Library Services	1.0	1.0	1.0	1.0	-
1075 Library Supervisor	3.0	3.0	3.0	3.0	-
136 Librarian III	1.0	1.0	1.0	1.0	-
133 Librarian II	5.0	4.0	4.0	4.0	-
131 Volunteer Coordinator	0.5	0.5	0.5	0.5	-
131 Librarian I	13.5	14.5	13.5	14.0	0.5
128 Sr. Library Tech	4.0	4.0	4.0	4.0	-
124 Library Technician	21.0	21.0	19.5	19.0	(0.5)
Division Total	49.0	49.0	46.5	46.5	0.0

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	2,525,509	2,516,954	2,553,400	2,574,600	21,200
Overtime	1,575	1,079	800	800	-
Other Wages	70,952	83,980	96,800	96,800	-
Total Salaries	2,598,036	2,602,013	2,651,000	2,672,200	21,200
Benefits	917,426	953,168	926,000	936,300	10,300
Other Expense					
Materials & Supplies	36,823	37,197	31,300	31,100	(200)
Services	37,158	24,861	19,700	18,500	(1,200)
Utilities & Maintenance	44,106	54,389	49,500	57,000	7,500
Other	208,970	216,804	218,100	261,600	43,500
Total Other Expense	327,056	333,251	318,600	368,200	49,600
Capital Outlay	311,502	306,502	264,500	264,500	-
Division Total	4,154,020	4,194,933	4,160,100	4,241,200	81,100

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Library Services - 110-121-1218				
PERSONAL SERVICES				
5100 Permanent Salaries	2,525,509	2,516,954	2,553,400	2,574,600
5101 Premium Pay	1,575	1,079	800	800
5103 Other Wages	70,952	83,980	96,800	96,800
TOTAL	2,598,036	2,602,013	2,651,000	2,672,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	174,136	176,723	189,000	190,700
5122 FICA - Social Security	159,410	160,101	164,400	165,700
5123 FICA - Medicare	37,281	37,443	38,400	38,700
5125 Dental Insurance	18,560	7,410	16,800	17,300
5126 Life Insurance	8,790	8,640	8,500	8,400
5127 Health Care Savings Plan (HCSP)	48,637	46,619	22,900	23,700
5130 Cafeteria Plan Benefits	470,611	516,232	486,000	491,800
TOTAL	917,426	953,168	926,000	936,300
OTHER EXPENDITURES				
5200 Office Supplies	6,325	7,319	7,000	7,000
5201 Computer Supplies/Software	1,279	537	500	500
5211 Cleaning/Janitorial Supplies	4,802	5,939	-	-
5212 Motor Fuels	1,815	1,748	1,500	1,300
5219 Other Miscellaneous Supplies	17,530	15,152	17,000	18,000
5220 Repair & Maintenance Supplies	4,540	5,330	4,000	3,000
5241 Small Equip-Office/Operating	533	1,172	1,300	1,300
5319 Other Professional Services	11,156	10,616	9,200	9,200
5321 Phone Service	11,311	528	-	-
5322 Postage	5,072	6,878	4,000	5,000
5355 Printing & Copying	2,062	1,200	300	300
5356 Copier, Printer Lease & Supplies	4,497	2,092	2,600	-
5384 Refuse Disposal	3,060	3,548	3,600	4,000
5404 Equipment/Machinery Repair & Mtc	43,682	40,161	5,500	4,200
5409 Fleet Services Charges	424	11,047	1,000	5,800
5412 Building Rental	135,198	142,840	145,000	190,000
5413 Library Materials/Svcs Rental	67,498	68,290	68,000	68,000
5414 Software Licenses & Mtce Agreements	-	3,181	43,000	47,000
5433 Dues & Subscription	100	100	100	100
5441 Other Services & Charges	6,174	5,574	5,000	3,500
TOTAL	327,056	333,251	318,600	368,200
CAPITAL OUTLAY				
5590 Library Materials	311,502	306,502	264,500	264,500
TOTAL	311,502	306,502	264,500	264,500
DIVISION TOTAL	4,154,020	4,194,933	4,160,100	4,241,200

City of Duluth Minnesota - 2016 Budget

General Fund Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Library Services - 110-121-1218				
REVENUE SOURCE				
4220 State of Minnesota Operating	5,534	5,140	-	-
4471 Library Fines	85,956	75,855	75,000	75,000
4622 Rent of Buildings	3,065	1,430	500	700
4631 Media Sales	16,991	18,251	19,100	17,000
4644 Miscellaneous Sales	2,988	2,959	3,000	2,500
4654 Other Reimbursements	48,949	43,370	-	-
4730 Transfer from Special Revenue	-	-	-	-
DIVISION TOTAL	163,483	147,004	97,600	95,200

City of Duluth Minnesota - 2016 Budget

Facilities Management

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

Budgeted FTE's	2013	2014	2015	2016	Difference
1115 Facility Manager	-	1.0	1.0	1.0	-
1105 Architect	-	1.0	1.0	1.0	-
1075 Spvsr Facilities Operations	1.0	1.0	1.0	1.0	-
1070 Property Srvs Supervisor			1.0	1.0	-
133 Budget Analyst	-	0.3	0.3	0.3	-
133 Property Srv Specialist			1.0	1.0	-
33 Facilities Project Specialist	1.0	-	-	-	-
33 Construction Project Coord			1.0	1.0	-
31 Master Plumber/Elect	1.0	1.0	2.0	2.0	-
29 Trades Positions	5.0	5.0	3.0	3.0	-
28 Building Mtceperson	1.0	1.0	1.0	1.0	-
27 Senior FM Worker			1.0	1.0	-
25 Janitorial Supervisor	1.0	1.0	1.0	1.0	-
22 Maintenanceworker	3.0	3.0	2.0	3.0	1.0
121/22 Janitor I and II	5.0	5.0	7.0	6.0	(1.0)
24 Senior Clerical Specialist			1.0	1.0	-
7 Admin Sec Specialist	1.0	1.0	1.0	1.0	-
Division Total	19.0	20.3	25.3	25.3	0.0

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	1,003,508	1,108,774	1,376,200	1,419,600	43,400
Overtime	24,362	24,702	25,000	25,000	-
Other Wages	-	4,032	10,000	10,000	-
Total Salaries	1,027,870	1,137,508	1,411,200	1,454,600	43,400
Benefits	396,025	459,404	534,400	580,900	46,500
Other Expense					
Materials & Supplies	360,365	281,922	351,000	374,300	23,300
Services	307,347	178,713	226,500	226,500	-
Utilities & Maintenance	1,233,561	1,268,613	1,248,400	1,273,400	25,000
Other	248,686	212,114	362,100	279,000	(83,100)
Total Other Expense	2,149,959	1,941,361	2,188,000	2,153,200	(34,800)
Capital Outlay	25,576	-	-	-	-
Division Total	3,599,430	3,538,273	4,133,600	4,188,700	55,100

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail		2013 Actual	2014 Actual	2015 Budget	2016 Approved
Facilities Management - 110-121-1222					
PERSONAL SERVICES					
5100	Permanent Salaries	1,003,508	1,108,774	1,376,200	1,419,600
5101	Premium Pay	24,362	24,702	25,000	25,000
5103	Other Wages	-	4,032	10,000	10,000
	TOTAL	1,027,870	1,137,508	1,411,200	1,454,600
EMPLOYEE BENEFITS					
5121	PERA Retirement	70,093	78,499	101,300	105,100
5122	FICA - Social Security	63,144	70,090	87,700	90,400
5123	FICA - Medicare	14,768	16,392	20,500	21,100
5125	Dental Insurance	7,488	3,182	9,100	9,400
5126	Life Insurance	3,510	3,678	4,600	4,600
5127	Health Care Savings Plan (HCSP)	20,699	38,171	12,800	31,400
5130	Cafeteria Plan Benefits	215,897	249,392	298,400	318,900
5133	Health or Fitness Program	427	-	-	-
	TOTAL	396,025	459,404	534,400	580,900
OTHER EXPENDITURES					
5200	Office Supplies	2,626	2,896	4,000	4,000
5201	Computer Supplies/Software	1,113	2,159	2,000	2,000
5205	Safety & Training Materials	1,744	6,528	7,500	7,500
5210	Plant/Operating Supplies	11,804	280	8,000	8,000
5211	Cleaning/Janitorial Supplies	39,484	25,885	37,500	37,500
5212	Motor Fuels	19,771	16,074	20,000	12,300
5215	Shop Materials	16,616	5,623	25,000	25,000
5218	Uniforms	3,064	5,772	7,500	5,000
5219	Other Miscellaneous Supplies	18,440	7,660	20,000	20,000
5220	Repair & Maintenance Supplies	212,198	193,321	187,200	220,700
5228	Painting Supplies	8,233	2,403	5,300	5,300
5240	Small Tools	4,886	7,705	12,000	12,000
5241	Small Equip-Office/Operating	20,388	5,619	15,000	15,000
5310	Contract Services	70,017	38,462	81,600	75,000
5319	Other Professional Services	95,230	21,663	9,900	16,500
5321	Phone Service	126,291	104,419	112,000	112,000
5331	Travel/Training	8,628	7,530	15,000	15,000

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail		2013 Actual	2014 Actual	2015 Budget	2016 Approved
Facilities Management - 110-121-1222 continued					
5335	Local Mileage Reimbursement	4,721	5,327	5,000	5,000
5355	Printing & Copying	1,956	528	1,000	1,000
5356	Copier, Printer Lease & Supplies	504	784	2,000	2,000
5381	Electricity	540,098	535,778	533,400	558,400
5382	Water, Gas & Sewer	474,162	525,329	485,000	485,000
5384	Refuse Disposal	24,582	18,562	22,000	22,000
5385	Oil	7,572	12,378	8,000	8,000
5386	Steam	187,148	176,565	200,000	200,000
5399	Skywalk Expenses	135,704	24,343	30,000	30,000
5401	Bldg/Structure Repair & Mtc	66,151	118,026	150,000	100,000
5404	Equipment/Machinery Repair & Mtc	263	920	10,000	10,000
5409	Fleet Services Charges	21,852	33,792	55,100	28,000
5411	Land Rental/Easements	-	500	-	500
5414	Software Licenses & Mtce Agreements	-	9,653	81,000	75,000
5415	Vehicle/Equip Rent (Short-term)	805	1,439	5,000	5,000
5418	Vehicle/Equip Lease (Long-term)	-	-	10,000	10,000
5433	Dues & Subscription	5,555	1,473	1,500	1,500
5435	Books & Pamphlets	114	494	300	300
5438	Licenses	2,473	3,174	5,000	5,000
5441	Other Services & Charges	12,947	15,187	10,800	10,300
5450	Laundry	2,823	3,113	3,400	3,400
	TOTAL	2,149,959	1,941,361	2,188,000	2,153,200
CAPITAL OUTLAY					
5580	Capital Equipment	25,576	-	-	-
	TOTAL	25,576	-	-	-
DIVISION TOTAL		3,599,430	3,538,273	4,133,600	4,188,700

City of Duluth Minnesota - 2016 Budget

General Fund Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Facilities Management - 110-121-1222				
REVENUE SOURCE				
4620 Telecommunication Rental Fees	9,957	10,208	-	-
4622 Rent of Buildings	75,034	114,162	115,200	75,900
4623 Rent of Land	7,215	9,032	6,300	6,300
4627 Concessions & Commissions	10,914	9,557	9,000	9,000
4640 Sale of Land			57,600	-
4644 Miscellaneous Sales	4,938	9,996	2,700	2,700
4654 Other Reimbursements	173,574	44,676	40,000	40,000
4730 Transfer from Special Revenue	50,000	50,000	50,000	50,000
4730 Transfer from Public Utility			120,600	130,300
DIVISION TOTAL	331,632	247,631	401,400	314,200

City of Duluth Minnesota - 2016 Budget

Finance Department

Mission and Vision

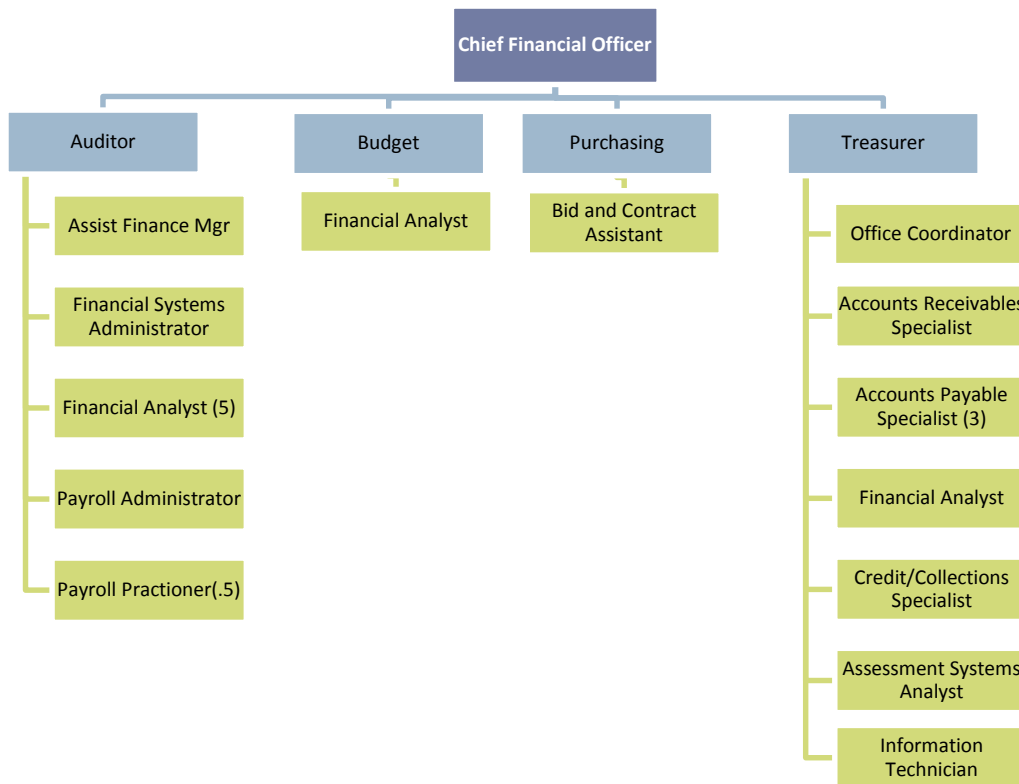
It is the Finance Department's mission to support the City of Duluth's citizens, elected officials and employees by professionally fulfilling its duties of reporting, accounting, budgeting, buying, billing, analyzing, forecasting, safeguarding and disseminating City financial assets and information in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

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

Structure

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

Finance Department Organization Chart



City of Duluth Minnesota - 2016 Budget

2016 Goals and Objectives

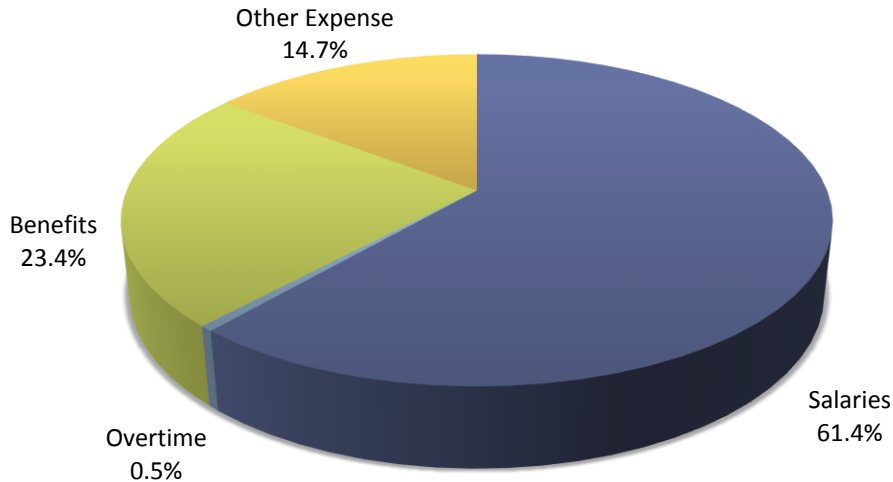
Goal	Objective	Tactics	Measurement
Complete a cost allocation study	To allocate costs to user departments and outside agencies	<ol style="list-style-type: none"> 1. Work with departments to identify methods for allocating departmental costs. 2. Complete allocation calculations based upon 2016 budget. 3. Allocate costs back to user departments for the 2017 budget cycle. 	Departmental costs are recovered based upon charges to user departments.
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 a 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. 	Was project completed? Did it produce expected results? i.e efficiency, data retrieval, reporting capabilities.
Publish monthly financial information for public use on the City's website	To engage citizen's and enable public access to financial information about their city government	<ol style="list-style-type: none"> 1 Investigate hosted applications for publishing financial information to the public 2 Establish a process for transferring monthly financial information to the platform 3 Engage citizens in how to access and utilize this information tool 	Website visits to the new financial platform
Provide quarterly financial reports to the City Council	To provide summary financial information to elected officials	<ol style="list-style-type: none"> 1 Develop a financial report format that provides summary data 2 Discuss report format with the Council Finance Committee Chair 3 Submit financial report quarterly to the City Council 	Financial report is filed with the City Council on a quarterly basis
Implement and improve financial systems	Implement an a paperless requisition process for the acquisition of goods & services	<ol style="list-style-type: none"> 1. Review internal procedures for processing requisitions 2. Meet with departments and divisions to discuss workflow issues 3. Train employees to utilize a paperless requisition process 	Employee acceptance and utilization of a paperless requisition process

Implement and improve financial systems	Implement an electronic bid process for the procurement process	<ol style="list-style-type: none">1. Analyze software solutions2. Ascertain vendor acceptance3. Revise city code as necessary	Vendor utilization of the electronic bid process
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City of Duluth Minnesota - 2016 Budget

Finance Department

2016 Approved Budget by Expense Category



Expenditures by Category	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Permanent Salaries	1,615,445	1,624,365	1,546,900	1,632,800	85,900
Overtime	14,035	13,360	11,000	14,000	3,000
Other Wages	-	2,275	-	-	-
Total Personal Services	1,629,480	1,640,000	1,557,900	1,646,800	88,900
Benefits	597,205	608,891	571,900	622,500	50,600
Other Expense	672,393	354,037	398,100	390,100	(8,000)
Capital Outlay	-	-	-	-	-
Department Total	2,899,078	2,602,928	2,527,900	2,659,400	131,500

Expenditures by Division	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Budget Office	289,781	334,430	348,900	346,500	(2,400)
Assessor's Office	443,817	-	-	-	-
Auditor's Office	1,203,693	1,285,447	1,218,700	1,335,200	116,500
Purchasing	188,302	193,937	187,800	177,900	(9,900)
Treasurer's Office	773,485	789,113	772,500	799,800	27,300
Department Total	2,899,078	2,602,928	2,527,900	2,659,400	131,500

Budgeted FTE's	2013	2014	2015	2016	Difference
	34.8	23.5	22.5	23.5	1.00

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	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	0.3	-	-	-	-
135 Credit/Collections Admin	-	-	-	-	-
129 Admin Info Specialist	-	-	-	-	-
Division Total	3.3	3.0	3.0	3.0	0.0

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	222,461	251,286	262,500	242,900	(19,600)
Overtime	-	-	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	222,461	251,286	262,500	242,900	(19,600)
Benefits	65,391	77,679	79,300	96,500	17,200
Other Expense					
Materials & Supplies	492	740	2,000	2,000	-
Services	50	2,315	3,600	3,600	-
Utilities & Maintenance	-	-	-	-	-
Other	1,388	2,410	1,500	1,500	-
Total Other Expense	1,930	5,465	7,100	7,100	-
Division Total	289,781	334,430	348,900	346,500	(2,400)

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Budget Office - 110-125-1212				
PERSONAL SERVICES				
5100 Permanent Salaries	222,461	251,286	262,500	242,900
5101 Premium Pay	-	-	-	-
5103 Other Wages	-	-	-	-
TOTAL	222,461	251,286	262,500	242,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	15,536	16,897	19,200	18,200
5122 FICA - Social Security	13,752	15,445	16,300	15,100
5123 FICA - Medicare	3,216	3,612	3,800	3,500
5125 Dental Insurance	928	442	1,100	1,100
5126 Life Insurance	435	510	500	500
5127 Health Care Savings Plan (HCSP)	9,400	5,758	2,500	2,400
5130 Cafeteria Plan Benefits	22,123	35,015	35,900	55,700
TOTAL	65,391	77,679	79,300	96,500
OTHER EXPENDITURES				
5200 Office Supplies	204	740	1,500	1,500
5201 Computer Supplies/Software	287	-	500	500
5331 Travel/Training	50	2,310	3,000	3,000
5355 Printing & Copying	-	5	600	600
5433 Dues & Subscription	790	1,614	500	500
5434 Grants & Awards	550	550	600	600
5435 Books & Pamphlets	48	131	200	200
5441 Other Services & Charges	-	115	200	200
TOTAL	1,930	5,465	7,100	7,100
DIVISION TOTAL	289,781	334,430	348,900	346,500

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	Difference
1135 City Assessor	1.0				
129 Assessment Sys Analyst	1.0				
134 Appraiser Specialist	7.0				
132 Office Coordinator	-				
126 Information Technician	1.0				
Division Total	10.0				

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	52,525				
Overtime	-				
Other Wages	-				
Total Salaries	52,525				
Benefits	15,453				
Other Expense					
Materials & Supplies	-				
Services	-				
Utilities & Maintenance	608				
Other	375,231				
Total Other Expense	375,839				
Division Total	443,817				

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
City Assessor's Office - 110-125-1213				
PERSONAL SERVICES				
5100 Permanent Salaries	52,525			
5101 Premium Pay	-			
5103 Other Wages	-			
TOTAL	<u>52,525</u>			
EMPLOYEE BENEFITS				
5121 PERA Retirement	1,533			
5122 FICA - Social Security	3,086			
5123 FICA - Medicare	722			
5125 Dental Insurance	224			
5126 Life Insurance	105			
5127 Health Care Savings Plan (HCSP)	203			
5130 Cafeteria Plan Benefits	9,580			
TOTAL	<u>15,453</u>			
OTHER EXPENDITURES				
5200 Office Supplies	-			
5202 Audiovisual & Photography	-			
5212 Motor Fuels	-			
5331 Travel/Training	-			
5335 Local Mileage Reimbursement	-			
5355 Printing & Copying	-			
5356 Copier, Printer Lease & Supplies	-			
5409 Fleet Services Charges	608			
5433 Dues & Subscription	231			
5438 Licenses	-			
5441 Other Services & Charges	375,000			
TOTAL	<u>375,839</u>			
DIVISION TOTAL	443,817			

City of Duluth Minnesota - 2016 Budget

General Fund Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
City Assessor's Office - 110-125-1213				
REVENUE SOURCE				
4310 Assessment Cost Services	-	-		
4312 Abatement Processing Fees	-	-		
4324 Miscellaneous Services	96			
DIVISION TOTAL	96			

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	Difference
1115 City Auditor	1.0	1.0	1.0	1.0	-
1085 Financial Systems Admin	1.0	1.0	1.0	1.0	-
1085 Asst City Treasurer	1.0	1.0	1.0	1.0	-
10 Payroll Administrator	1.0	1.0	1.0	1.0	-
136 Financial Analyst	3.0	4.0	4.0	5.0	1.0
129 Admin Specialist	0.5	0.5	0.5	0.5	-
Division Total	7.5	8.5	8.5	9.5	1.0

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	663,163	687,957	624,800	725,300	100,500
Overtime	13,856	13,191	11,000	14,000	3,000
Other Wages	-	-	-	-	-
Total Salaries	677,019	701,148	635,800	739,300	103,500
Benefits	268,116	269,021	246,600	262,600	16,000
Other Expense					
Materials & Supplies	6,053	6,948	8,000	6,000	(2,000)
Services	250,691	306,237	152,500	146,700	(5,800)
Utilities & Maintenance	-	-	173,500	178,300	4,800
Other	1,815	2,094	2,300	2,300	-
Total Other Expense	258,558	315,279	336,300	333,300	(3,000)
Division Total	1,203,693	1,285,447	1,218,700	1,335,200	116,500

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail		2013 Actual	2014 Actual	2015 Budget	2016 Approved
City Auditor's Office - 110-125-1214					
PERSONAL SERVICES					
5100	Permanent Salaries	663,163	687,957	624,800	725,300
5101	Premium Pay	13,856	13,191	11,000	14,000
5103	Other Wages	-	-	-	-
	TOTAL	677,019	701,148	635,800	739,300
EMPLOYEE BENEFITS					
5121	PERA Retirement	47,809	49,886	47,000	54,600
5122	FICA - Social Security	40,667	42,278	39,400	45,800
5123	FICA - Medicare	9,511	9,888	9,200	10,700
5125	Dental Insurance	3,616	1,508	3,100	3,500
5126	Life Insurance	1,695	1,740	1,500	1,700
5127	Health Care Savings Plan (HCSP)	26,354	14,748	6,000	6,900
5130	Cafeteria Plan Benefits	138,464	148,973	140,400	139,400
	TOTAL	268,116	269,021	246,600	262,600
OTHER EXPENDITURES					
5200	Office Supplies	5,059	2,597	5,000	5,000
5203	Paper/Stationery/Forms	526	3,718	3,000	-
5241	Small Equip-Office/Operating	468	633	-	1,000
5301	Auditing Services	112,789	114,814	125,000	125,000
5309	MIS Services	123,206	179,940	-	-
5331	Travel/Training	12,671	9,146	25,000	19,200
5355	Printing & Copying	959	822	2,500	2,500
5356	Copier, Printer Lease & Supplies	1,067	1,514	-	-
5404	Equipment/Machinery Repair & Mtc	-	-	300	300
5414	Software Licenses & Mtce Agreements	-	-	173,200	178,000
5433	Dues & Subscription	1,310	1,255	1,300	1,300
5435	Books & Pamphlets	275	114	500	500
5441	Other Services & Charges	230	725	500	500
	TOTAL	258,558	315,279	336,300	333,300
DIVISION TOTAL		1,203,693	1,285,447	1,218,700	1,335,200

City of Duluth Minnesota - 2016 Budget

General Fund Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
City Auditor's Office - 110-125-1214				
REVENUE SOURCE				
4005 Current Property Tax	11,740,385	12,595,326	12,864,500	13,978,900
4010 Delinquent Property Tax	283,960	336,323	150,000	150,000
4015 Mobile Home Tax	5,977	35,703	58,700	58,700
4070 MN Power Franchise Fee	1,100,000	1,100,000	1,100,000	1,100,000
4071 Cable Franchise Fee	850,184	901,875	926,700	890,000
4072 No. MN Utility Franchise Fee	8,114	11,251	8,100	11,300
4080 Forfeit Tax Sale	1,911	14,027	19,400	19,400
4090 Other Taxes	69,429	542,659	68,100	50,000
4221 Local Government Aid	27,437,478	29,030,643	29,203,600	29,264,100
4222 State Property Tax Aid	63,109	594	-	-
4230 PERA Aid	124,428	124,428	124,400	124,400
4300 HRA in Lieu of Taxes	47,366	50,218	50,200	45,600
4300 Ordean Foundation	16,086	16,086	16,000	16,000
4310 Assessment Cost Services	296	8,931	2,800	24,600
4315 Stormwater Administrative Service	150,700	150,700	150,700	150,700
4315 Sewer Administrative Service	306,900	306,900	306,900	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	74,187	79,968	87,200	87,200
4315 Airport Administrative Service	45,200	45,200	45,200	45,200
4315 DEDA Administrative Service	365,000	365,000	365,000	365,000
4315 Public Utility Admin Service	872,400	872,400	872,400	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	255,000	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	59,000
4472 Administrative Fines	30,718	22,741	54,600	19,000
4473 Court Fines	469,287	438,164	402,000	410,000
4500 Assessments	23,837	89,237	23,800	55,400
4501 Assessments - Penalty & Interest	22,708	29,455	22,700	28,600
4602 Interest on Temporary Loans	80,710	77,368	50,000	-
4700 Other Sources	2,493	6,459	-	-
4730 Transfer from Special Rev Fund	-	-	-	45,300
4730 Transfer from Parking Fund	1,428,223	1,326,700	1,326,700	1,326,700
4731 Gas Utility in Lieu of Taxes	2,375,793	2,832,296	3,778,400	2,876,000
4732 Steam Utility in Lieu of Taxes	152,719	132,456	152,700	135,200
DIVISION TOTAL	49,067,598	52,461,106	53,148,800	53,374,600

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	Difference
1100 Purchasing Agent	1.0	1.0	1.0	1.0	-
129 Bid & Contract Assistant	1.0	1.0	-	-	-
129 Financial Specialist			1.0	1.0	-
Division Total	2.0	2.0	2.0	2.0	0.0

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	129,262	135,226	132,300	124,700	(7,600)
Overtime	106	169	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	129,368	135,395	132,300	124,700	(7,600)
Benefits	57,412	56,508	49,800	47,500	(2,300)
Other Expense					
Materials & Supplies	760	-	2,300	2,300	-
Services	274	589	1,400	1,400	-
Utilities & Maintenance	-	-	-	-	-
Other	488	1,446	2,000	2,000	-
Total Other Expense	1,522	2,035	5,700	5,700	-
Division Total	188,302	193,937	187,800	177,900	(9,900)

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
City Purchasing Office - 110-125-1215				
PERSONAL SERVICES				
5100 Permanent Salaries	129,262	135,226	132,300	124,700
5101 Premium Pay	106	169	-	-
5103 Other Wages	-	-	-	-
TOTAL	129,368	135,395	132,300	124,700
EMPLOYEE BENEFITS				
5121 PERA Retirement	9,351	9,605	9,700	9,100
5122 FICA - Social Security	7,843	8,249	8,200	7,700
5123 FICA - Medicare	1,834	1,929	1,900	1,800
5125 Dental Insurance	768	311	700	700
5126 Life Insurance	360	360	400	400
5127 Health Care Savings Plan (HCSP)	1,269	1,285	1,300	1,200
5130 Cafeteria Plan Benefits	35,986	34,767	27,600	26,600
TOTAL	57,412	56,508	49,800	47,500
OTHER EXPENDITURES				
5200 Office Supplies	760	-	2,000	2,000
5201 Computer Supplies/Software	-	-	300	300
5331 Travel/Training	-	277	-	-
5340 Advertising & Promotion	274	147	900	900
5355 Printing & Copying	-	165	500	500
5433 Dues & Subscription	237	461	1,000	1,000
5441 Other Services & Charges	252	985	1,000	1,000
TOTAL	1,522	2,035	5,700	5,700
DIVISION TOTAL	188,302	193,937	187,800	177,900

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	Difference
1115 City Treasurer	1.0	1.0	1.0	1.0	-
10 Claims Adjuster	1.0	-	-	-	-
136 Financial Analyst	1.0	1.0	1.0	1.0	-
135 Credit/Collections Admin	1.0	1.0	1.0	1.0	-
133 Finance Office Coord.	-	1.0	1.0	1.0	-
129 Assessment Sys Analyst	1.0	1.0	-	-	-
129 Admin Financial Spec.	6.0	4.0	3.0	3.0	-
126 Information Technician	1.0	1.0	-	-	-
121 Clerical Support Tech			2.0	2.0	-
Division Total	12.0	10.0	9.0	9.0	-

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	548,034	549,896	527,300	539,900	12,600
Overtime	73	-	-	-	-
Other Wages	-	2,275	-	-	-
Total Salaries	548,107	552,171	527,300	539,900	12,600
Benefits	190,834	205,683	196,200	215,900	19,700
Other Expense					
Materials & Supplies	327	200	1,500	1,500	-
Services	2,957	1,277	13,500	11,000	(2,500)
Utilities & Maintenance	-	-	500	500	-
Other	31,260	29,781	33,500	31,000	(2,500)
Total Other Expense	34,544	31,259	49,000	44,000	(5,000)
Division Total	773,485	789,113	772,500	799,800	27,300

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
City Treasurer's Office - 110-125-1216				
PERSONAL SERVICES				
5100 Permanent Salaries	548,034	549,896	527,300	539,900
5101 Premium Pay	73	-	-	-
5103 Other Wages	-	2,275	-	-
TOTAL	548,107	552,171	527,300	539,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	38,558	38,084	38,300	39,700
5122 FICA - Social Security	33,532	33,665	32,700	33,500
5123 FICA - Medicare	7,842	7,873	7,600	7,800
5125 Dental Insurance	3,616	1,404	3,200	3,300
5126 Life Insurance	1,680	1,620	1,600	1,600
5127 Health Care Savings Plan (HCSP)	13,062	10,982	5,000	5,100
5130 Cafeteria Plan Benefits	92,544	112,055	107,800	124,900
TOTAL	190,834	205,683	196,200	215,900
OTHER EXPENDITURES				
5200 Office Supplies	327	200	1,500	1,500
5306 Collection Services	2,559	1,098	7,500	5,000
5331 Travel/Training	398	179	2,000	2,000
5355 Printing & Copying	-	-	4,000	4,000
5404 Equipment/Machinery Repair & Mtc	-	-	500	500
5430 Bank Charges	31,062	29,065	32,500	30,000
5433 Dues & Subscription	122	127	500	500
5441 Other Services & Charges	76	589	500	500
TOTAL	34,544	31,259	49,000	44,000
DIVISION TOTAL	773,485	789,113	772,500	799,800

City of Duluth Minnesota - 2016 Budget

General Fund Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
City Treasurer's Office - 110-125-1216				
REVENUE SOURCE				
4040 City Sales Tax	12,743,825	13,208,184	13,160,000	14,175,000
4050 Charitable Gambling Tax	55,267	57,940	55,000	60,000
4310 Assessment Cost Services	1,094	33,027	25,000	-
4311 Assessment Certificate Fee	30,955	21,364	25,000	30,000
4313 Assessment Handling Fee	3,520	8,704	-	-
4323 Garnishment Fees	15	-	-	-
4601 Earning on Investments	(254,513)	110,053	-	-
4644 Miscellaneous Fees	41,639	73,096	1,000	1,000
4730 Interfund Transfers In	318,297	318,133	-	-
4730 Transfer from Tourism Taxes	101,906	109,634	103,800	125,600
DIVISION TOTAL	13,042,005	13,940,135	13,369,800	14,391,600

City of Duluth Minnesota - 2016 Budget

Planning & Construction Services Department

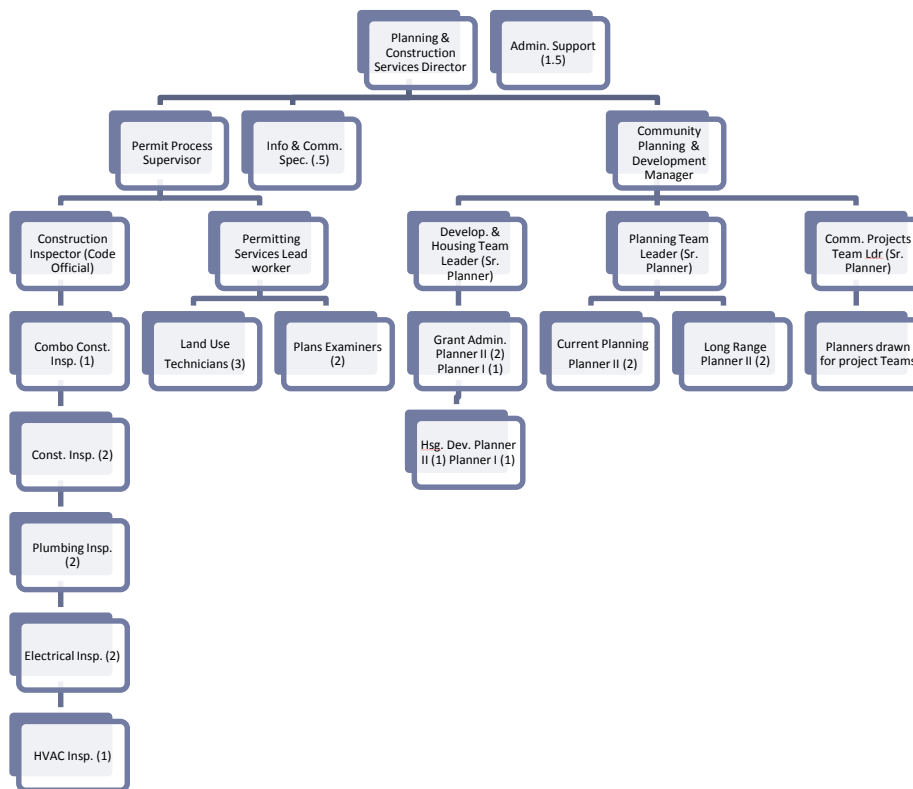
Mission and Vision

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

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

Structure

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



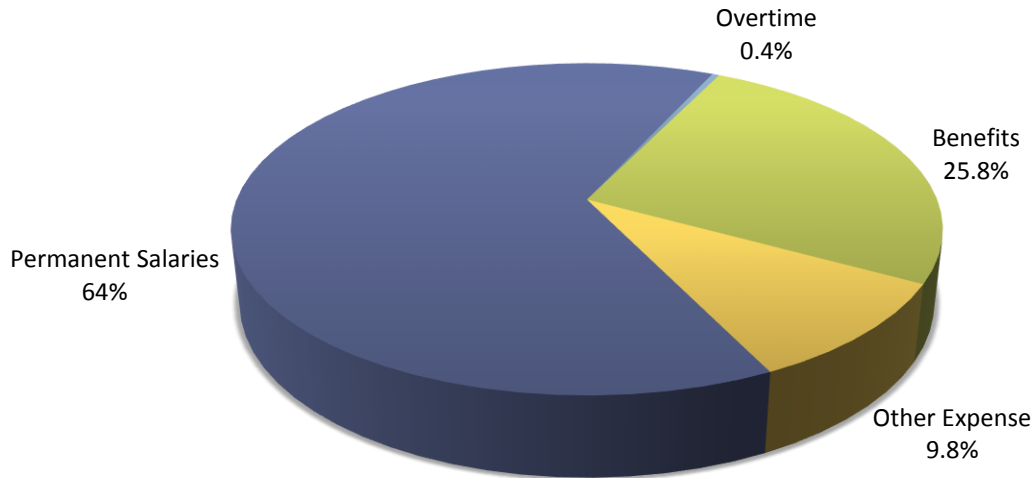
City of Duluth Minnesota - 2016 Budget

2016 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	Develop Small Business user guide for entrepreneurs to work through permit 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.	Complete – UDC Rezoning process Implement Small Area Plans – Lincoln Park, Riverside and Park Point	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 2016 for completion in 2017/18 Develop strategies for Comp. Plan from Economic Development Strategic Plan Include citywide transportation element, also re-examine open space and recreation future land use categories	# 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 - 2016 Budget

Planning & Construction Services Department 2016 Approved Budget by Expense Category



Expenditures by Category	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Permanent Salaries	1,441,609	1,466,841	1,535,100	1,528,500	(6,600)
Overtime	6,745	7,492	9,000	9,000	-
Other Wages	1,175	1,151	-	-	-
Total Personal Services	1,449,529	1,475,484	1,544,100	1,537,500	(6,600)
Benefits	549,601	596,021	609,300	614,300	5,000
Other Expense	308,640	211,392	233,200	233,700	500
Capital Outlay	-	-	-	-	-
Department Total	2,307,770	2,282,898	2,386,600	2,385,500	(1,100)

Expenditures by Division	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Planning	775,219	750,082	734,900	683,300	(51,600)
Construction Srv&Inspect	1,532,551	1,532,816	1,651,700	1,702,200	50,500
Department Total	2,307,770	2,282,898	2,386,600	2,385,500	(1,100)

Budgeted FTE's	2013	2014	2015	2016	Difference
	25.0	24.2	24.2	24.2	-

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	Difference
1150 Dir, Plng & Develop.	-	0.7	0.7	0.7	-
1085 Land Use Supervisor	-	1.0	1.0	-	(1.0)
1085 Manager CD & Housing	-	-	-	0.5	0.5
136 Senior Planner	2.0	2.0	2.0	1.0	(1.0)
133 Planner II	3.0	3.0	3.0	4.0	1.0
129 Admin Info Specialist	1.0	0.5	0.5	0.5	-
Division Total	6.0	7.2	7.2	6.7	-0.5

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	475,006	482,583	518,800	461,400	(57,400)
Overtime	621	1,757	-	-	-
Other Wages	1,025	1,151	-	-	-
Total Salaries	476,652	485,491	518,800	461,400	(57,400)
Benefits	174,454	175,195	167,700	173,500	5,800
Other Expense					
Materials & Supplies	2,290	1,569	4,500	4,500	-
Services	105,539	82,047	27,600	27,500	(100)
Utilities & Maintenance	-	-	11,000	11,000	-
Other	16,284	5,780	5,300	5,400	100
Total Other Expense	124,113	89,396	48,400	48,400	-
Division Total	775,219	750,082	734,900	683,300	(51,600)

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Planning - 110-132-1301				
PERSONAL SERVICES				
5100 Permanent Salaries	475,006	482,583	518,800	461,400
5101 Premium Pay	621	1,757	-	-
5103 Other Wages	1,025	1,151	-	-
TOTAL	476,652	485,491	518,800	461,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	33,446	34,178	37,600	33,700
5122 FICA - Social Security	28,558	29,152	32,200	28,600
5123 FICA - Medicare	6,679	6,818	7,500	6,700
5125 Dental Insurance	2,849	1,118	2,600	2,500
5126 Life Insurance	1,501	1,291	1,300	1,200
5127 Health Care Savings Plan (HCSP)	6,648	19,075	4,800	10,400
5130 Cafeteria Plan Benefits	94,773	83,563	81,700	90,400
TOTAL	174,454	175,195	167,700	173,500
OTHER EXPENDITURES				
5200 Office Supplies	2,290	1,569	3,200	3,200
5201 Computer Supplies/Software	-	-	1,000	1,000
5241 Small Equip-Office/Operating	-	-	300	300
5309 Technology Services	-	10,683	-	-
5310 Contract Services	74,452	56,431	-	-
5319 Other Professional Services	21,250	10,500	20,000	20,000
5321 Phone Service	800	1,200	600	600
5322 Postage	-	-	1,000	1,000
5331 Travel/Training	4,325	2,609	4,000	4,000
5335 Local Mileage Reimbursement	-	-	500	400
5355 Printing & Copying	4,713	624	1,500	1,500
5414 Software Licenses & Mtce Agreements	808	520	-	500
5418 Vehicle/Equip Lease (Long-term)	-	-	11,000	11,000
5433 Dues & Subscription	2,540	3,405	3,000	2,500
5435 Books & Pamphlets	73	269	200	200
5441 Other Services & Charges	12,076	1,134	1,500	1,500
5443 Board & Meeting Expenses	788	452	600	700
TOTAL	124,113	89,396	48,400	48,400
DIVISION TOTAL	775,219	750,082	734,900	683,300

City of Duluth Minnesota - 2016 Budget

General Fund Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Planning - 110-132-1301				
REVENUE SOURCE				
4210 Pass-thru Federal Grants	-	644	-	-
4220 State of Minnesota	5,000	5,000	-	-
4307 Planning/Zoning Fees	112,275	126,885	75,000	80,000
4631 Media Sales	144	96	200	200
4654 Other Reimbursements	106,705	56,542	-	-
DIVISION TOTAL	224,124	189,167	75,200	80,200

City of Duluth Minnesota - 2016 Budget

Construction Services & Inspection

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

Budgeted FTE's	2013	2014	2015	2016	Difference
1085 Permit Process Supervisor	-	1.0	1.0	1.0	-
132 Info & Comm Specialist	-	-	-	0.5	0.5
129 Admin Information Spec	1.0	1.0	-	-	-
126 Information Technician	2.0	1.0	1.0	1.0	-
36 Const Inspect Leadworker	1.0	1.0	1.0	1.0	-
32 Permitting Svcs Leadworker	-	-	-	1.0	1.0
32 Combination Svcs Inspector	-	-	-	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	3.0	3.0	2.0	(1.0)
31 HVAC Inspector	1.0	1.0	1.0	1.0	-
32 Plans Exam Leadworker	1.0	1.0	-	-	-
29 Plans Examiner	3.0	2.0	3.0	2.0	(1.0)
28 Land Use Technician	2.0	2.0	3.0	3.0	-
					-
Division Total	19.0	17.0	17.0	17.5	0.5

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	966,603	984,258	1,016,300	1,067,100	50,800
Overtime	6,124	5,735	9,000	9,000	-
Other Wages	150	-	-	-	-
Total Salaries	972,877	989,993	1,025,300	1,076,100	50,800
Benefits	375,147	420,826	441,600	440,800	(800)
Other Expense					
Materials & Supplies	21,107	18,625	30,700	17,100	(13,600)
Services	38,011	48,879	41,000	41,000	-
Utilities & Maintenance	27,576	17,874	11,600	23,200	11,600
Other	43,716	33,615	41,500	49,500	8,000
Building Demolition	54,118	3,004	60,000	54,500	(5,500)
Total Other Expense	184,527	121,996	184,800	185,300	500
Division Total	1,532,551	1,532,816	1,651,700	1,702,200	50,500

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Construction Services & Inspection - 110-132-1304				
PERSONAL SERVICES				
5100 Permanent Salaries	966,603	984,258	1,016,300	1,067,100
5101 Premium Pay	6,124	5,735	9,000	9,000
5103 Other Wages	150	-	-	-
TOTAL	972,877	989,993	1,025,300	1,076,100
EMPLOYEE BENEFITS				
5121 PERA Retirement	68,267	69,876	75,400	79,400
5122 FICA - Social Security	59,256	60,362	63,600	66,700
5123 FICA - Medicare	13,858	14,117	14,900	15,600
5125 Dental Insurance	6,480	2,616	6,200	6,500
5126 Life Insurance	3,030	3,015	3,100	3,100
5127 Health Care Savings Plan (HCSP)	14,185	20,523	27,700	10,200
5130 Cafeteria Plan Benefits	210,072	250,317	250,700	259,300
TOTAL	375,147	420,826	441,600	440,800
OTHER EXPENDITURES				
5200 Office Supplies	3,575	2,742	3,300	3,300
5205 Safety & Training Materials	-	506	900	900
5212 Motor Fuels	15,581	14,527	25,000	11,400
5219 Other Miscellaneous Supplies	430	694	900	900
5241 Small Equip-Office/Operating	1,521	156	600	600
5309 Technology Services	-	13,683	-	-
5321 Phone Service	4,789	7,345	4,500	4,500
5331 Travel/Training	18,026	14,049	14,000	14,000
5335 Local Mileage Reimbursement	966	1,410	1,500	1,500
5355 Printing & Copying	6,569	7,104	12,500	12,500
5356 Copier, Printer Lease & Supplies	7,661	5,287	8,500	8,500
5404 Equipment/Machinery Repair & Mtc	1,204	1,204	1,600	1,600
5409 Fleet Services Charges	26,372	16,670	10,000	21,600
5414 Software Licenses & Mtce Agreements	-	-	20,000	20,000
5418 Vehicle/Equip Lease (Long-term)	10,000	-	-	-
5427 Credit Card Commissions	18,360	23,404	9,500	17,500
5433 Dues & Subscription	1,208	1,732	1,500	1,500
5435 Books & Pamphlets	1,549	3,764	5,500	5,500
5441 Other Services & Charges	12,599	4,716	5,000	5,000
5453 Building Demolition	54,118	3,004	60,000	54,500
TOTAL	184,527	121,996	184,800	185,300
DIVISION TOTAL	1,532,551	1,532,816	1,651,700	1,702,200

City of Duluth Minnesota - 2016 Budget

General Fund Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Construction Services & Inspection - 110-132-1304				
REVENUE SOURCE				
4151 Fill Permits	1,125	1,536	1,200	1,200
4301 Zoning Appeals Fees	-	-	600	600
4303 Use Permit - Flood & Wetlands	2,194	2,808	1,000	1,000
4350 Inspection Services	-	-	4,000	4,000
4351 Building Inspection Fees	1,324,238	1,749,387	1,503,800	1,626,400
4352 Plumbing Inspection Fees	178,011	189,127	185,400	200,500
4353 Electric Inspection Fees	181,924	218,073	195,700	211,600
4354 HVAC-R Inspection Fees	207,468	214,269	154,500	167,100
4355 Signs Inspection Fees	13,047	27,342	10,800	11,700
4356 House Moving Inspection Fee	12,684	22,847	10,000	10,000
4357 Mobile Home Inspection Fees	224	448	2,100	2,100
4359 CAF Administrative Fee	5,753	11,167	15,500	16,800
4361 RZP Registration Fee	14,013	15,718	14,400	14,400
4500 Assessments	13,176	6,776	56,200	56,200
4501 Assessments - Penalty & Interest	612	9,477	-	-
4631 Media Sales	2,037	1,440	3,700	3,700
4644 Miscellaneous Sales	17	450	500	500
4680 Damage or Losses Recovered	42,234	-	-	-
4701 2% Retention Surtax	1,341	1,596	1,500	1,500
DIVISION TOTAL	2,000,098	2,472,462	2,160,900	2,329,300

City of Duluth Minnesota - 2016 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.

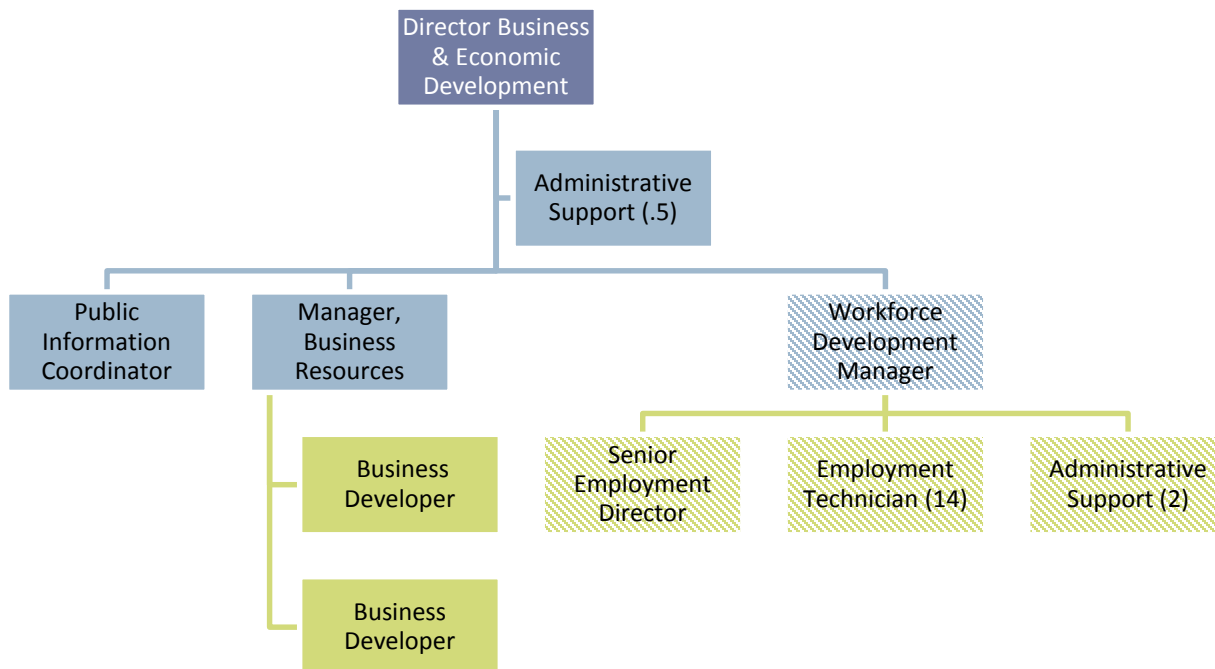
In order to accomplish our Mission, we:

- Encourage business growth and job creation by facilitating access to City services and investing in private development.
- Support tax base growth
- 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 Fund 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

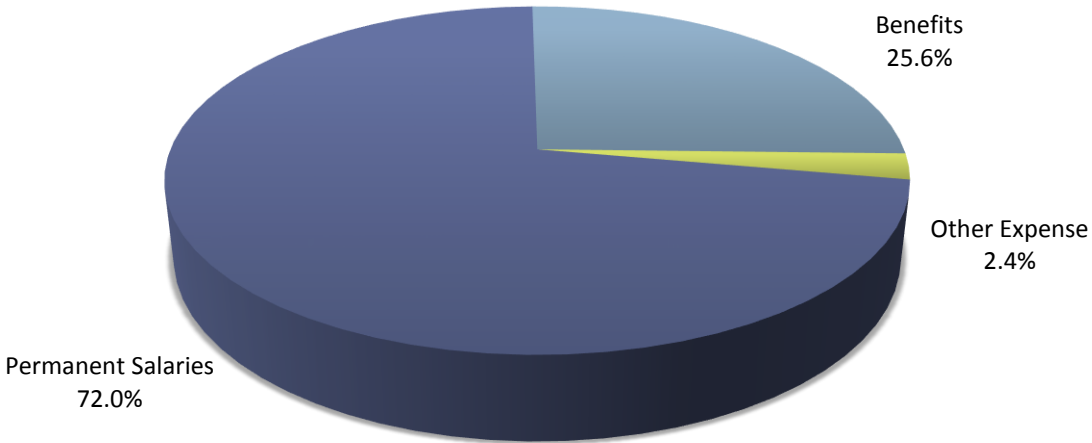
City of Duluth Minnesota - 2016 Budget

2016 Goals and Objectives

Goal	Outcome and Results	Output	Measurement
Promote and facilitate new development and redevelopment opportunities within the industrial, commercial and retail sectors for both existing Duluth businesses and businesses new to Duluth.	<p>Leverage public and private funding sources for cleanup and redevelopment of property.</p> <p>Engage local employers in the discussion of workforce and other critical needs.</p> <p>Develop a new business recruitment strategy with other agency partners.</p> <p>Participate in the Comprehensive Plan update process to ensure inclusion of economic development needs and priorities.</p> <p>Consider potential incentives to business projects.</p> <p>Be intentional in inter-department initiatives that continue to define Duluth as the location where businesses and employees want to locate.</p>	<p>At least 3 grant applications submitted; minimum of 2 funded.</p> <p>No less than 10 Business Retention and Expansion (BRE) visits conducted with local companies.</p> <p>Monthly Economic Development Coalition meetings convened with local and regional partners.</p> <p>2015 Retail study updated and implemented in key retail hubs within the city</p> <p>BED staff are fully engaged in planning and development efforts in strategic locations.</p> <p>Knowledge of available financial resources for business is attained and deployed effectively.</p>	<p>Funding is secured for no less than 2 project sites for site cleanup and/or redevelopment that results in job creation, increase in tax base, increase in workforce housing and neighborhood sustainability.</p> <p>Availability of industrial land is increased.</p> <p>Programmatic initiatives are identified that are responsive to the needs expressed by local employers. Initiatives may be department-centric, inter-departmental and/or local and regionally driven.</p> <p>Neighborhood stabilization is realized due to both retention/growth, as well as new, retail and commercial opportunities.</p>

City of Duluth Minnesota - 2016 Budget

Business & Economic Development Department 2016 Proposed Budget by Expense Category



Expenditures by Category	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Permanent Salaries	358,915	409,725	407,500	429,300	21,800
Overtime	1,235	1,461	-	-	-
Other Wages	-	-	-	-	-
Total Personal Services	360,150	411,186	407,500	429,300	21,800
Benefits	124,660	156,444	155,300	152,900	(2,400)
Other Expense	80,400	64,083	48,400	14,300	(34,100)
Capital Outlay	-	-	-	-	-
Department Total	565,210	631,713	611,200	596,500	(14,700)

Budgeted FTE's	2013	2014	2015	2016	Difference
	7.3	6.5	5.5	5.5	-

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	Difference
1150 Dir., Business & ED	1.0	1.0	1.0	1.0	-
1125 Business Dev Manager	1.0	1.0	1.0	1.0	-
138 Sr Business Developer	2.0	1.0	-	1.0	1.0
136 Financial Analyst	-	-	-	-	-
135 Business Developer	1.0	1.0	2.0	1.0	(1.0)
135 Contract Administrator	0.75	1.0	-	-	-
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	7.3	6.50	5.50	5.50	-

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	358,915	409,725	407,500	429,300	21,800
Overtime	1,235	1,461	-	-	-
Other Wages	0	0	-	-	-
Total Salaries	360,150	411,186	407,500	429,300	21,800
Benefits	124,660	156,444	155,300	152,900	(2,400)
Other Expense					
Materials & Supplies	983	2,116	3,500	300	(3,200)
Services	75,301	56,230	37,800	11,700	(26,100)
Utilities & Maintenance	-	-	-	-	-
Other	4,116	5,737	7,100	2,300	(4,800)
Total Other Expense	80,400	64,083	48,400	14,300	(34,100)
Division Total	565,210	631,713	611,200	596,500	(14,700)

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Business & Economic Development - 110-135-1310				
PERSONAL SERVICES				
5100 Permanent Salaries	358,915	409,725	407,500	429,300
5101 Premium Pay	1,235	1,461	-	-
5103 Other Wages	-	-	-	-
TOTAL	360,150	411,186	407,500	429,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	25,014	29,360	30,100	31,800
5122 FICA - Social Security	21,651	24,772	25,300	26,700
5123 FICA - Medicare	5,064	5,793	5,900	6,200
5125 Dental Insurance	1,888	871	2,000	2,000
5126 Life Insurance	885	1,005	1,000	1,000
5127 Health Care Savings Plan (HCSP)	6,471	15,601	7,000	4,200
5130 Cafeteria Plan Benefits	63,687	79,042	84,000	81,000
TOTAL	124,660	156,444	155,300	152,900
OTHER EXPENDITURES				
5200 Office Supplies	983	1,979	3,500	300
5319 Other Professional Service	62,735	49,458	20,000	5,000
5321 Phone Service	1,295	1,582	3,000	1,300
5331 Travel/Training	9,827	3,780	8,000	4,200
5335 Local Mileage Reimbursement	1,318	1,358	2,900	700
5355 Printing & Copying	126	52	3,900	500
5356 Copier, Printer Lease & Supplies	-	137	-	-
5433 Dues & Subscription	1,450	2,399	1,700	400
5441 Other Services & Charges	586	418	3,000	400
5443 Board & Meeting Expenses	2,080	2,920	2,400	1,500
TOTAL	80,400	64,083	48,400	14,300
DIVISION TOTAL	565,210	631,713	611,200	596,500

City of Duluth Minnesota - 2016 Budget

General Fund Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Business & Economic Development - 110-135-1310				
REVENUE SOURCE				
4644 Miscellaneous Sales	8,146	33,221	24,000	24,000
DIVISION TOTAL	8,146	33,221	24,000	24,000

City of Duluth Minnesota - 2016 Budget

Fire Department

Mission and Vision

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

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

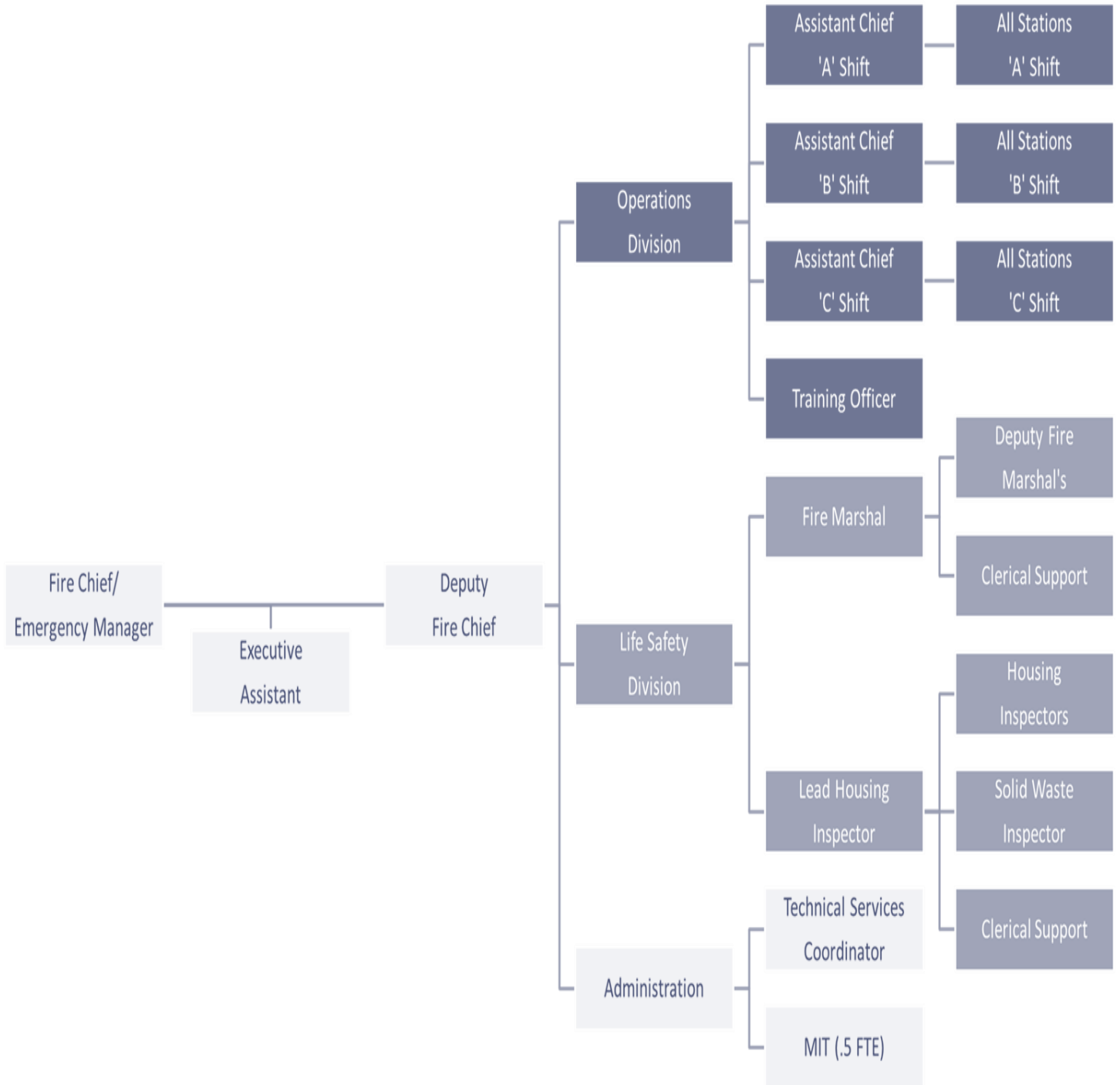
- Administration
- Operations
- Fire Prevention and Life Safety

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

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

City of Duluth Minnesota - 2016 Budget

Fire Department Organization Chart



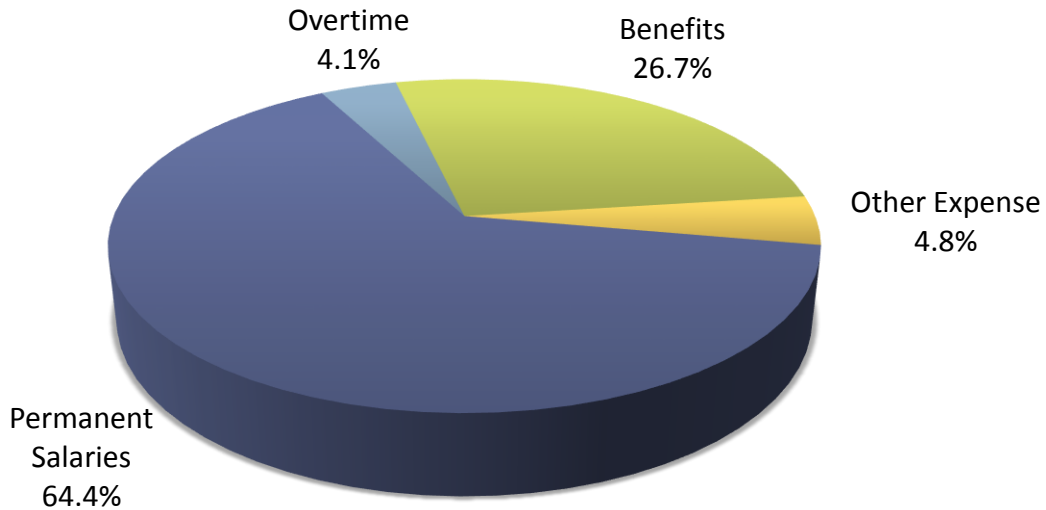
City of Duluth Minnesota - 2016 Budget

2016 Goals and Objectives

Goal	Objective	Tactics	Measure
Improve risk management	<p>Reduce firefighter injuries</p> <p>Prevent vehicle accidents and reduce property loss</p>	<ul style="list-style-type: none"> * Review all fire fighter and vehicle accidents, and near-misses * Make recommendations and implement strategies to improve safety 	<ul style="list-style-type: none"> * # of firefighter injuries * # of firefighters that receive an annual health review * # of Fire Department vehicle accidents/type/cause * # 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 and local community to increase diversity in applicants 	<ul style="list-style-type: none"> * % of department diversity
Succession planning	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 possibilities 	<ul style="list-style-type: none"> * % of workforce that continue their education * % of workforce who receive an annual performance review * Tenure amongst Command Staff
Provide exceptional value to the taxpayers	Costs Savings in employee back to work program	<ul style="list-style-type: none"> * Apply for all available grant funds to hire and train personnel as well as purchase new equipment * Consider leasing for certain purchases * Work with medical provider to have fire fighters return to work as soon as possible 	<ul style="list-style-type: none"> * Value of grants obtained vs. the annual budget. * Amount of Savings through group purchasing * Numbers of days employees are off due to injuries/illnesses
Improve fire ground operational efficiency	Implement recently published, scientifically based tactics on the fire scene	<ul style="list-style-type: none"> * Review literature/videos regarding new tactics Structure of the department * Develop an implementation strategy with operations staff * Provide effective/interactive training * Publish policies 	<ul style="list-style-type: none"> * Evaluate success through fire critiques, employee feedback * Analysis of fire loss data.

City of Duluth Minnesota - 2016 Budget

Fire Department 2016 Approved Budget by Expense Category



Expenditures by Category	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Permanent Salaries	9,201,362	9,315,402	9,482,500	10,013,900	531,400
Overtime	835,036	823,279	610,000	640,000	30,000
Other Wages	-	-	-	-	-
Total Personal Services	10,036,398	10,138,681	10,092,500	10,653,900	561,400
Benefits	3,878,993	4,071,215	4,087,000	4,151,100	64,100
Other Expense	740,608	740,582	617,700	741,600	123,900
Capital Outlay	-	-	-	-	-
Department Total	14,656,000	14,950,478	14,797,200	15,546,600	749,400

Expenditures by Division	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Fire Administration	472,972	506,203	422,900	579,300	156,400
Fire Operations	13,157,327	13,516,782	13,346,800	13,936,200	589,400
Life Safety	1,025,701	927,493	1,027,500	1,031,100	3,600
Department Total	14,656,000	14,950,478	14,797,200	15,546,600	749,400

Budgeted FTE's	2013	2014	2015	2016	Difference
	138.0	142.0	143.0	144.5	1.5

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	Difference
Fire Chief	1.0	1.0	1.0	1.0	-
1130 Deputy Fire Chief	1.0	2.0	1.0	1.0	-
231 Hazmat Grant Coordinator	-	-	-	1.0	1.0
132 Const Svcs Info & Comm Spec	-	-	-	0.5	0.5
131 Executive Assistant	1.0	1.0	1.0	1.0	-
Division Total	3.0	4.0	3.0	4.5	1.5

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	311,452	334,689	274,700	387,700	113,000
Overtime	161	94	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	311,613	334,783	274,700	387,700	113,000
Benefits	101,427	104,586	83,200	126,600	43,400
Other Expense					
Materials & Supplies	17,553	17,619	20,100	20,100	-
Services	13,703	9,221	11,800	11,800	-
Utilities & Maintenance	2,259	4,054	4,000	4,000	-
Other	26,418	35,940	29,100	29,100	-
Total Other Expense	59,932	66,834	65,000	65,000	-
Division Total	472,972	506,203	422,900	579,300	156,400

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail		2013 Actual	2014 Actual	2015 Budget	2016 Approved
Fire Administration - 110-150-1501					
PERSONAL SERVICES					
5100	Permanent Salaries	311,452	334,689	274,700	387,700
5101	Premium Pay	161	94	-	-
5103	Other Wages	-	-	-	-
	TOTAL	311,613	334,783	274,700	387,700
EMPLOYEE BENEFITS					
5121	PERA Retirement	40,999	42,162	38,500	48,600
5122	FICA - Social Security	3,420	3,503	3,800	9,600
5123	FICA - Medicare	1,935	1,757	900	2,300
5125	Dental Insurance	1,341	522	1,100	1,700
5126	Life Insurance	630	600	500	800
5127	Health Care Savings Plan (HCSP)	8,023	8,445	2,500	3,600
5130	Cafeteria Plan Benefits	45,079	47,598	35,900	60,000
	TOTAL	101,427	104,586	83,200	126,600
5200	Office Supplies	2,315	1,845	2,500	2,500
5202	Audiovisual & Photography	-	-	200	200
5210	Plant/Operating Supplies	1,404	1,619	2,000	2,000
5211	Cleaning/Janitorial Supplies	7,527	8,175	7,500	7,500
5219	Other Miscellaneous Supplies	2,071	2,476	3,000	3,000
5220	Repair & Maintenance Supplies	930	592	1,100	1,100
5228	Painting Supplies	678	564	700	700
5229	Ground Mtc Supplies	164	-	200	200
5240	Small Tools	233	679	400	400
5241	Small Equip-Office/Operating	2,233	1,668	2,500	2,500
5321	Phone Service	3,559	1,443	3,600	3,600
5322	Postage	272	270	500	500
5331	Travel/Training	6,966	5,645	5,000	5,000
5335	Local Mileage Reimbursement	52	-	-	-
5355	Printing & Copying	898	770	1,200	1,200
5356	Copier, Printer Lease & Supplies	1,956	1,093	1,500	1,500
5400	Misc Repair & Mtc Service	1,041	1,803	2,000	2,000
5401	Bldg/Structure Repair & Mtc	1,218	2,252	2,000	2,000
5433	Dues & Subscription	2,560	2,663	2,500	2,500
5440	Emergency Management	20,791	32,292	25,000	25,000
5441	Other Services & Charges	420	985	1,500	1,500
5443	Board & Meeting Expenses	148	-	100	100
5490	Donations to Civic Organizations	2,500	-	-	-
	TOTAL	59,932	66,834	65,000	65,000
DIVISION TOTAL		472,972	506,203	422,900	579,300

City of Duluth Minnesota - 2016 Budget

General Fund Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Fire Administration - 110-150-1501				
REVENUE SOURCE				
4209 Misc. Federal Grants (Safer Grant)	-	222,323	-	-
4232 State Insurance Premium	478,992	504,976	425,000	475,000
4270 Other Grants	-	2,000	-	-
4340 Fire Protection Services	4,200	4,200	4,200	4,200
4341 Hydrant Maintenance Services	30,000	30,000	30,000	30,000
4624 Rent of Equipment	-	-	300	-
4644 Miscellaneous Sales	4,950	4,975	5,000	100
4654 Other Reimbursements	25,181	22,467	2,500	2,500
4660 Gifts and Donations	150	-	-	-
4730 Transfer from Special Revenue	198,259	40,756	10,000	10,000
DIVISION TOTAL	741,732	831,697	477,000	521,800

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	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	33.0	30.0	30.0	-
227 Equipment Operator	39.0	33.0	33.0	33.0	-
226 Firefighter	45.0	57.0	63.0	63.0	-
Division Total	124.0	127.0	130.0	130.0	0.0

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	8,236,756	8,395,648	8,576,000	8,971,000	395,000
Overtime	825,072	816,329	600,000	630,000	30,000
Other Wages	-	-	-	-	-
Total Salaries	9,061,828	9,211,977	9,176,000	9,601,000	425,000
Benefits	3,487,213	3,684,435	3,701,800	3,735,300	33,500
Other Expense					
Materials & Supplies	185,146	186,599	178,000	169,300	(8,700)
Services	43,207	45,217	57,800	55,800	(2,000)
Utilities & Maintenance	347,500	354,236	200,000	339,600	139,600
Other	32,433	34,318	33,200	35,200	2,000
Total Other Expense	608,285	620,370	469,000	599,900	130,900
Division Total	13,157,327	13,516,782	13,346,800	13,936,200	589,400

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail		2013 Actual	2014 Actual	2015 Budget	2016 Approved
Fire Operations - 110-150-1502					
PERSONAL SERVICES					
5100	Permanent Salaries	8,236,756	8,395,648	8,576,000	8,971,000
5101	Premium Pay	825,072	816,329	600,000	630,000
5103	Other Wages	-	-	-	-
	TOTAL	9,061,828	9,211,977	9,176,000	9,601,000
EMPLOYEE BENEFITS					
5121	PERA Retirement	1,269,749	1,375,800	1,460,700	1,531,400
5122	FICA - Social Security	-	-	-	-
5123	FICA - Medicare	117,717	127,404	133,100	139,200
5125	Dental Insurance	48,275	19,928	46,800	48,400
5126	Life Insurance	22,500	21,602	23,400	23,400
5127	Health Care Savings Plan (HCSP)	256,484	252,498	164,500	128,400
5130	Cafeteria Plan Benefits	1,758,396	1,872,950	1,873,300	1,864,500
5133	Health or Fitness Program	14,092	14,254	-	-
	TOTAL	3,487,213	3,684,435	3,701,800	3,735,300
OTHER EXPENDITURES					
5205	Safety & Training Materials	4,800	6,204	7,500	7,500
5210	Plant/Operating Supplies	2,095	2,675	3,500	3,500
5212	Motor Fuels	84,441	83,938	68,000	59,300
5218	Uniforms	13,117	11,281	10,000	10,000
5219	Other Miscellaneous Supplies	30,871	27,383	25,000	25,000
5220	Repair & Maintenance Supplies	2,688	2,481	3,000	3,000
5241	Small Equip-Office/Operating	47,134	52,638	61,000	61,000
5305	Medical Svcs/Testing Fees	157	2,252	5,000	5,000
5319	Other Professional Services	16,584	21,634	22,500	22,500
5320	Data Services	17,001	11,531	18,000	16,000
5321	Phone Service	5,515	6,195	7,000	7,000
5322	Postage	260	355	300	300
5384	Refuse Disposal	3,691	3,251	5,000	5,000
5409	Fleet Services Charges	347,500	354,236	200,000	339,600
5414	Software Lic/Mtc Agree	-	-	-	2,000
5441	Other Services & Charges	5,227	6,972	6,200	6,200
5446	Tuition Reimbursement	5,853	8,274	10,000	10,000
5450	Laundry	21,352	19,072	17,000	17,000
	TOTAL	608,285	620,370	469,000	599,900
DIVISION TOTAL		13,157,327	13,516,782	13,346,800	13,936,200

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	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	4.0	4.0	3.0	3.0	-
28 Solid Waste Compliance	1.0	1.0	1.0	1.0	-
129 Admin Information Spec	1.0	1.0	1.0	2.0	1.0
126 Information Specialist	1.0	1.0	1.0	-	(1.0)
Division Total	11.0	11.0	10.0	10.0	0.0

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	653,154	585,065	631,800	655,200	23,400
Overtime	9,803	6,856	10,000	10,000	-
Other Wages	-	-	-	-	-
Total Salaries	662,957	591,921	641,800	665,200	23,400
Benefits	290,353	282,194	302,000	289,200	(12,800)
Other Expense					
Materials & Supplies	13,235	11,576	17,100	12,800	(4,300)
Services	30,731	30,397	32,000	32,000	-
Utilities & Maintenance	12,156	4,359	11,300	8,600	(2,700)
Other	16,269	7,047	23,300	23,300	-
Total Other Expense	72,391	53,378	83,700	76,700	(7,000)
Division Total	1,025,701	927,493	1,027,500	1,031,100	3,600

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Life Safety - 110-150-1503				
PERSONAL SERVICES				
5100 Permanent Salaries	653,154	585,065	631,800	655,200
5101 Premium Pay	9,803	6,856	10,000	10,000
5103 Other Wages	-	-	-	-
TOTAL	662,957	591,921	641,800	665,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	66,805	62,281	70,500	72,700
5122 FICA - Social Security	24,971	21,177	23,700	24,700
5123 FICA - Medicare	8,122	7,834	9,300	9,600
5125 Dental Insurance	4,224	1,502	3,600	3,700
5126 Life Insurance	1,980	1,742	1,800	1,800
5127 Health Care Savings Plan (HCSP)	16,729	17,159	11,800	12,200
5130 Cafeteria Plan Benefits	167,162	170,138	181,300	164,500
5133 Health or Fitness Program	360	360	-	-
TOTAL	290,353	282,194	302,000	289,200
OTHER EXPENDITURES				
5200 Office Supplies	1,410	1,797	3,000	3,000
5202 Audiovisual & Photography	1,040	920	1,000	1,000
5205 Safety & Training Materials	1,060	1,652	1,000	1,000
5212 Motor Fuels	7,589	5,939	9,000	4,700
5219 Other Miscellaneous Supplies	950	1,230	1,500	1,500
5241 Small Equipment-Office Operating	1,187	39	1,600	1,600
5321 Phone Service	3,696	3,260	2,600	2,600
5331 Travel/Training	12,118	15,365	15,000	15,000
5335 Local Mileage Reimbursement	4,064	3,356	4,000	4,000
5355 Printing & Copying	3,253	1,480	5,000	5,000
5356 Copier, Printer Lease & Supplies	7,600	6,936	5,400	5,400
5400 Misc Repair & Mtc Service	-	-	300	300
5409 Fleet Services Charges	12,156	4,359	11,000	8,300
5433 Dues and Subscriptions	125	275	500	500
5435 Books & Pamphlets	844	2,471	2,500	2,500
5441 Other Services and Charges	12,128	3,694	20,000	20,000
5443 Board & Meeting Expenses	171	197	300	300
5446 Tuition Reimbursement	138	10	-	-
5459 Fire Safety Education Account	2,864	400	-	-
TOTAL	72,391	53,378	83,700	76,700
DIVISION TOTAL	1,025,701	927,493	1,027,500	1,031,100

City of Duluth Minnesota - 2016 Budget

General Fund Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Life Safety - 110-150-1503				
REVENUE SOURCE				
4153 Multiple Dwelling License	1,001,113	776,051	825,000	785,000
4154 Commercial Use/Occupancy Permit	79,090	62,467	75,000	80,000
4306 Building Appeals Fees	120	-	-	-
4360 Vacant Building Fee	9,320	4,500	5,000	7,500
4470 License Penalties	260	-	2,000	-
4644 Misc Fees, Sales, Service	-	-	-	5,000
4660 Gifts and Donations	1,870	1,420	-	-
DIVISION TOTAL	1,091,773	844,438	907,000	877,500

City of Duluth Minnesota – 2016 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 154 sworn police officers and a support staff of over 50 full, part-time and seasonal employees. Crime prevention, detection and investigation are the primary duties of the department. The department is divided into two divisions, each managed by a Deputy Chief.

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

-

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

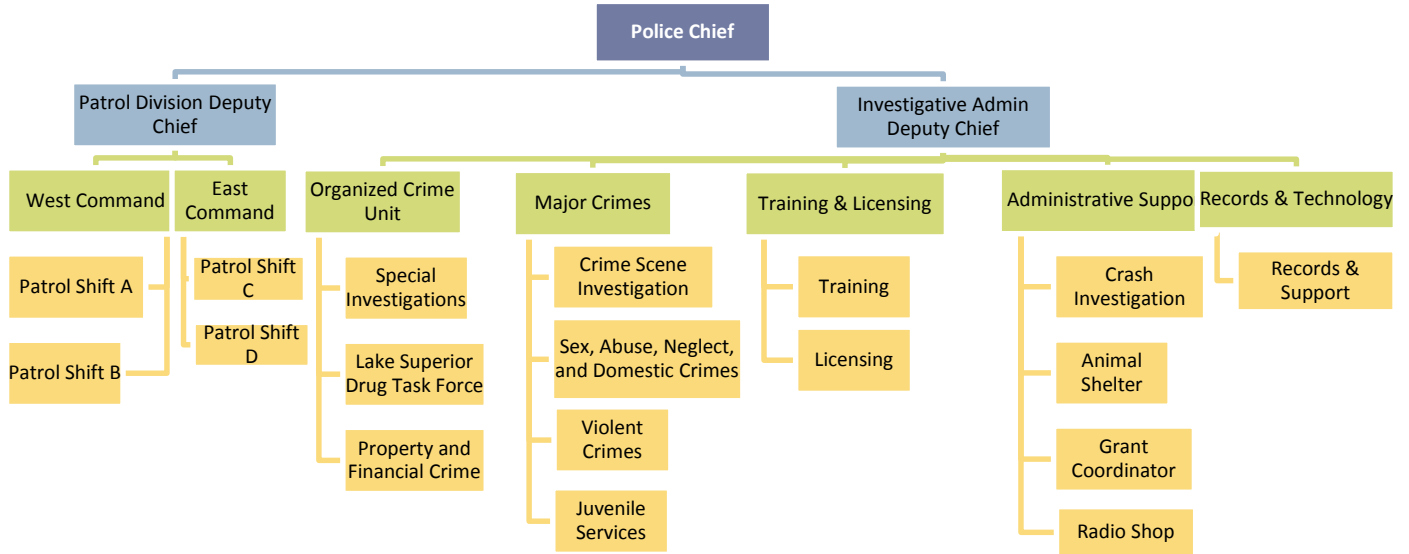
The **Patrol Division** is divided into two geographic patrol areas. Each area is under the command of a lieutenant. The Patrol Division consists of the following units:

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

City of Duluth Minnesota - 2016 Budget

2016 Goals and Objectives

Police Department Organization

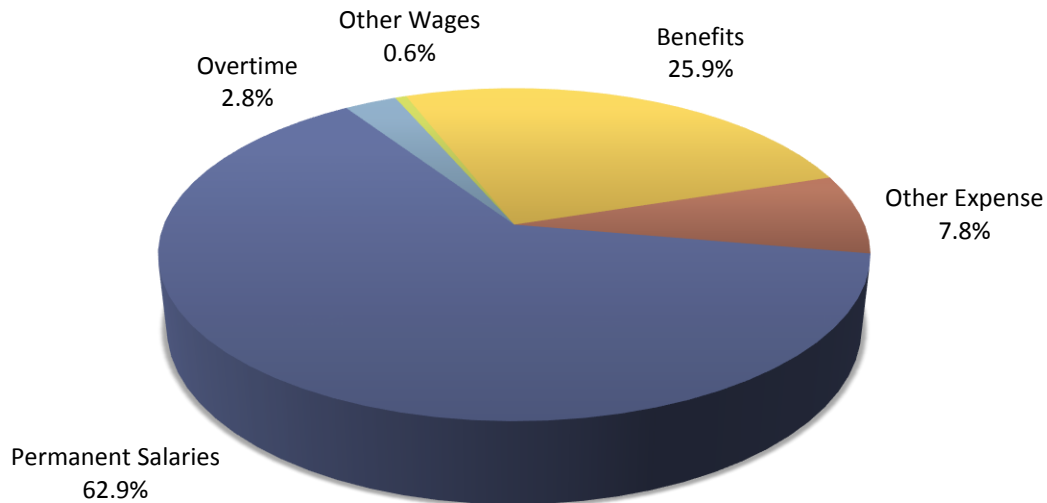


Objective	Tactics	Measurement
To improve usability and functionality of our RMS system	Implement CJIN field based reporting to eliminate duplication of efforts.	Duplication issues, system responsiveness, functionality and usability improved to meet the needs of a progressive, busy urban police department.
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.
To utilize community policing to strengthen relationships and reduce crime	Proper training, clear expectations of staff and surveys to increase satisfaction with police and reduce crime	Yearly Citizen's Survey, other community feedback and data
Focus on burglary, auto theft and car prowling reduction and habitual offenders	Compstat tenants and review, supervisory oversight, collaboration with CJ partners	Yearend statistics
Determine appropriate staffing levels	Utilize common staffing study methods to determine appropriate staffing needs of the department	Completion of study by summer of 2016

City of Duluth Minnesota - 2016 Budget

Police Department

2016 Approved Budget by Expense Category



Expenditures by Category	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Permanent Salaries	11,879,318	11,898,121	12,146,500	12,789,700	643,200
Overtime	634,504	683,641	575,000	575,000	-
Other Wages	89,135	94,844	122,700	122,700	-
Total Personal Services	12,602,957	12,676,606	12,844,200	13,487,400	643,200
Benefits	4,736,068	5,102,198	5,157,200	5,260,000	102,800
Other Expense	1,588,246	1,549,074	1,660,900	1,581,300	(79,600)
Capital Outlay	-	-	-	-	-
Department Total	18,927,271	19,327,878	19,662,300	20,328,700	666,400

Budgeted FTE's	2013	2014	2015	2016	Difference
	178.5	178.5	178.5	180.5	2.0

City of Duluth Minnesota - 2016 Budget

Police Department

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

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

Budgeted FTE's	2013	2014	2015	2016	Difference
Chief of Police	1.0	1.0	1.0	1.0	-
1130 Deputy Chief	2.0	2.0	2.0	2.0	-
1110 Lieutenant	10.0	10.0	10.0	10.0	-
1090 Police Records & Tech Mgr	1.0	1.0	1.0	1.0	-
328 Sergeant	21.0	21.0	21.0	21.0	-
327 Police Investigator	54.0	53.0	53.0	53.0	-
326 Police Officer	64.0	65.0	65.0	67.0	2.0
133 Budget Analyst	1.0	1.0	1.0	1.0	-
133 Sr Police Records Tech	2.0	2.0	2.0	1.0	(1.0)
131 Grant Coordinator	1.0	1.0	1.0	1.0	-
131 Criminal Intell Analyst	2.0	2.0	2.0	2.0	-
131 Executive Assistant	-	-	-	2.0	2.0
129 Admin Info Specialist	2.0	2.0	1.0	1.0	-
128 Police Records Tech II	5.0	5.0	5.0	7.0	2.0
126 Information Technician	5.0	3.0	3.0	1.0	(2.0)
124 Police Records Tech I	1.0	3.0	3.0	2.0	(1.0)
33 Elec Tech Leadworker	1.0	1.0	1.0	1.0	-
31 Electronics Technician	1.0	1.0	1.0	1.0	-
30 Animal Shelter Leadwrkr	1.0	1.0	1.0	1.0	-
29 Property & Evidence Spec	-	-	-	1.0	1.0
27 Animal Control Officer	-	-	-	1.0	1.0
24 Evidence Technician	2.0	2.0	3.0	2.0	(1.0)
21 Animal Services Tech	1.5	1.5	1.5	0.5	(1.0)
Department Total	178.5	178.5	178.5	180.5	2.0

City of Duluth Minnesota - 2016 Budget

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	11,879,318	11,898,121	12,146,500	12,789,700	643,200
Overtime	634,504	683,641	575,000	575,000	-
Other Wages	89,135	94,844	122,700	122,700	-
Total Salaries	12,602,957	12,676,606	12,844,200	13,487,400	643,200
Benefits	4,736,068	5,102,198	5,157,200	5,260,000	102,800
Other Expense					
Materials & Supplies	452,961	451,748	465,000	392,700	(72,300)
Services	133,954	115,398	125,500	133,500	8,000
Utilities & Maintenance	487,950	470,106	405,000	342,900	(62,100)
Other	513,382	511,822	665,400	712,200	46,800
Total Other Expense	1,588,246	1,549,074	1,660,900	1,581,300	(79,600)
Department Total	18,927,271	19,327,878	19,662,300	20,328,700	666,400

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Police Department				
PERSONAL SERVICES				
5100 Permanent Salaries	11,879,318	11,898,121	12,146,500	12,789,700
5101 Premium Pay	634,026	683,641	575,000	575,000
5102 Extra Duty Employment	478	-	-	-
5103 Other Wages	89,135	94,844	122,700	122,700
TOTAL	12,602,957	12,676,606	12,844,200	13,487,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	1,676,647	1,783,184	1,917,100	2,016,700
5122 FICA - Social Security	87,355	80,089	88,500	91,700
5123 FICA - Medicare	175,175	177,308	186,300	195,600
5125 Dental Insurance	67,836	27,112	63,700	67,100
5126 Life Insurance	31,796	31,290	31,800	32,500
5127 Health Care Savings Plan (HCSP)	305,467	418,933	238,200	238,000
5130 Cafeteria Plan Benefits	2,391,101	2,583,742	2,630,400	2,617,200
5133 Health or Fitness Program	690	540	1,200	1,200
TOTAL	4,736,068	5,102,198	5,157,200	5,260,000

City of Duluth Minnesota - 2016 Budget

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OTHER EXPENDITURES				
5200 Office Supplies	22,405	22,685	24,000	24,000
5201 Computer Supplies/Software	4,396	11,935	2,000	2,000
5202 Audiovisual & Photography	754	1,812	2,000	2,000
5205 Safety & Training Materials	3,371	781	1,500	1,500
5211 Cleaning/Janitorial Supplies	5,657	19,004	15,500	15,500
5212 Motor Fuels	306,766	278,650	301,200	228,900
5214 Food for Animals	3,088	3,985	4,000	4,000
5217 Ammunition	32,947	35,004	40,000	40,000
5218 Uniforms	47,261	52,786	39,100	39,100
5219 Other Miscellaneous Supplies	18,241	15,880	21,200	21,200
5220 Repair & Maintenance Supplies	7,071	6,256	9,000	9,000
5241 Small Equip-Office/Operating	1,004	2,971	5,500	5,500
5305 Medical Svcs/Testing Fees	684	241	1,000	1,000
5319 Other Professional Services	25,050	19,495	30,000	30,000
5320 Data Services	2,670	3,265	4,500	4,500
5321 Phone Service	92,094	79,095	71,000	79,000
5322 Postage	901	971	1,000	1,000
5331 Travel/Training	3,880	3,312	5,000	5,000
5335 Local Mileage Reimbursement	-	395	-	-
5355 Printing & Copying	2,192	3,495	3,000	3,000
5356 Copier, Printer Lease & Supplies	4,489	2,660	4,000	4,000
5384 Refuse Disposal	1,996	2,470	6,000	6,000
5401 Bldg/Structure Repair & Mtc	8,750	500	11,700	11,700
5404 Equipment/Machinery Repair & Mtc	151,899	164,362	-	-
5409 Fleet Services Charges	327,301	305,244	393,300	331,200
5411 Land Rental/Easements	1,000	1,000	1,000	1,000
5414 Software Licenses & Mtce Agreements	-	2,310	155,100	201,900
5418 Vehicle/Equip Lease (Long-term)	55	-	-	-
5433 Dues & Subscription	3,205	2,320	4,000	4,000
5435 Books & Pamphlets	2,516	-	-	-
5437 Automated Pawn System	36,010	30,352	22,500	22,500
5438 Licenses	4,150	5,476	5,500	5,500
5441 Other Services & Charges	39,124	36,223	34,000	34,000
5443 Board & Meeting Expenses	738	974	800	800
5448 Police Training	88,336	91,521	90,000	90,000
5460 New Police Station Expenses	335,748	339,146	350,000	350,000
5490 Donations to Civic Organizations	2,500	2,500	2,500	2,500
TOTAL	1,588,246	1,549,074	1,660,900	1,581,300
DEPARTMENT TOTAL	18,927,271	19,327,878	19,662,300	20,328,700

City of Duluth Minnesota - 2016 Budget

General Fund Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Police Department				
REVENUE SOURCE				
4209 Federal Grant	21,558	74,903	-	-
4220 State of Minnesota	84,145	7,798	-	-
4227 Police Training Reimbursement	51,263	46,019	50,000	50,000
4232 State Insurance Premium	1,259,326	1,334,663	1,175,000	1,300,000
4260 St. Louis County	17,294	17,294	17,300	20,900
4261 ISD 709	211,000	213,462	215,200	215,200
4262 Housing & Redevelopment Authority	-	-	62,700	63,800
4270 Other Grants	-	-	-	-
4322 Animal Shelter Fees	17,694	18,633	20,000	20,000
4325 Radio Services	6,500	6,500	-	-
4326 Criminal History Checks	521	419	2,000	2,000
4328 Pawnbroker Transaction Surcharge	76,893	63,992	75,000	65,000
4329 False Alarm Fees & Penalties	18,384	20,798	17,000	19,600
4631 Media Sales	3,001	2,727	5,000	5,000
4650 Salaries Reimbursement	25,411	23,690	20,000	20,000
4651 Extra Duty Employment Reimbursement	-	-	-	-
4654 Other Reimbursements	19,287	22,669	7,000	7,000
4660 Gifts and Donations	-	1,820	-	-
4730 Transfer from Tourism Taxes	273,900	307,100	307,100	307,100
4730 Transfer from Police Grant Fund	491,220	460,186	471,200	550,900
4730 Transfer from Police Grant Fund - OT	143,775	207,199	56,300	190,000
DEPARTMENT TOTAL	2,721,172	2,829,870	2,500,800	2,836,500

City of Duluth Minnesota - 2016 Budget

Public Works & Utilities Department – General Fund

Mission and Vision

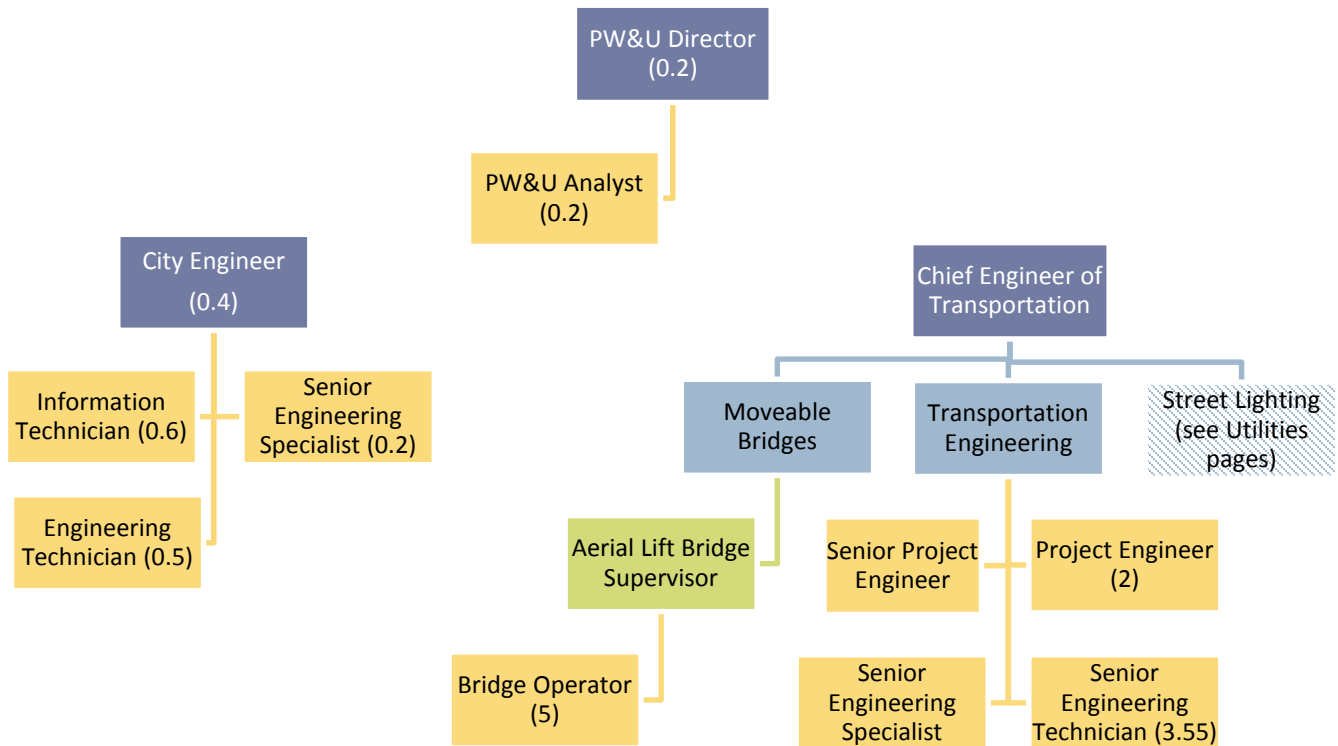
The mission of the Public Works and Utilities Department is to provide professional engineering services and water, natural gas, sanitary sewer, storm water, and street lighting utilities to Duluth's businesses and residents in a safe, cost-effective and environmentally sound manner.

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

Structure

The General Fund portion of the Public Works and Utilities Department is located mainly within the Engineering Division and broken down into two primary areas of responsibility: Transportation Engineering and Moveable Bridges.

Public Works & Utilities Department – General Fund Organization Chart

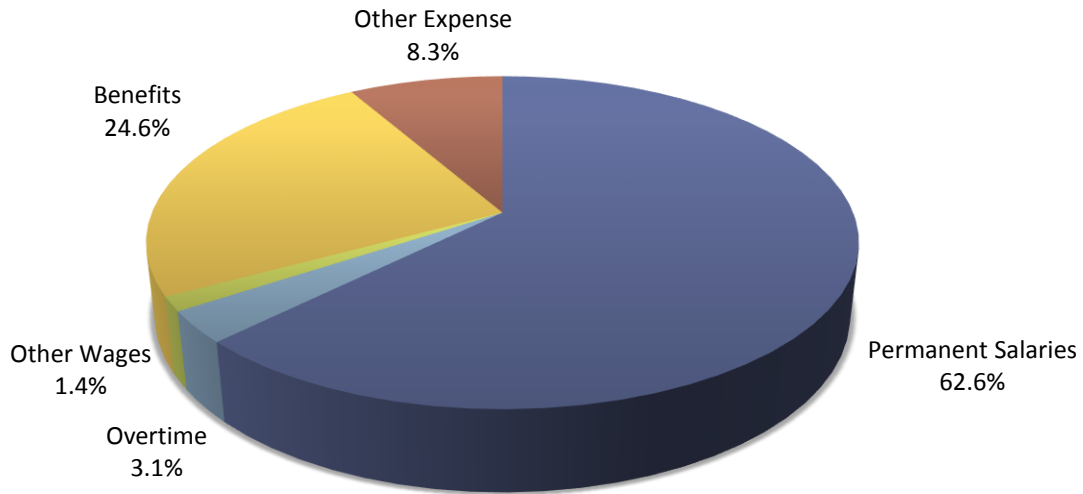


Key
 Solid = General Fund
 Pattern = Enterprise Fund

City of Duluth Minnesota - 2016 Budget

Public Works & Utilities - General Operations

2016 Approved Budget by Expense Category



Expenditures by Category	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Permanent Salaries	1,055,326	1,082,944	1,099,200	1,137,200	38,000
Overtime	94,929	91,086	75,000	56,000	-
Other Wages	12,629	8,988	7,000	25,100	-
Total Personal Services	1,162,884	1,183,019	1,181,200	1,218,300	37,100
Benefits	431,510	447,633	441,300	447,400	6,100
Other Expense	118,363	123,144	161,700	150,800	(10,900)
Capital Outlay	-	-	-	-	-
Department Total	1,712,756	1,753,795	1,784,200	1,816,500	32,300

Expenditures by Division	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Director's Office	46,858	50,693	50,400	52,000	1,600
Engineering	1,665,898	1,703,102	1,733,800	1,764,500	30,700
Department Total	1,712,756	1,753,795	1,784,200	1,816,500	32,300

Budgeted FTE's	2013	2014	2015	2016	Difference
	16.6	16.5	16.5	16.7	0.2

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	Difference
Director	0.2	0.2	0.2	0.2	-
33 PW&U Analyst	0.2	0.2	0.2	0.2	-
Division Total	0.4	0.4	0.4	0.4	0

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	36,085	39,350	39,900	41,500	1,600
Overtime	439	185	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	36,524	39,535	39,900	41,500	1,600
Benefits	10,063	10,955	9,600	9,700	100
Other Expense					
Materials & Supplies	88	51	300	200	-
Services	184	151	400	400	-
Utilities & Maintenance	-	-	-	-	-
Other	-	-	200	200	-
Total Other Expense	272	203	900	800	
Division Total	46,858	50,693	50,400	52,000	1,700

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Public Works Director - 110-500-1900				
PERSONAL SERVICES				
5100 Permanent Salaries	36,085	39,350	39,900	41,500
5101 Premium Pay	439	185	-	-
5103 Other Wages	-	-	-	-
TOTAL	36,524	39,535	39,900	41,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	2,618	2,783	2,600	2,700
5122 FICA - Social Security	2,205	2,358	2,500	2,600
5123 FICA - Medicare	532	575	600	600
5125 Dental Insurance	154	62	100	100
5126 Life Insurance	72	72	100	100
5127 Health Care Savings Plan (HCSP)	1,387	1,665	400	400
5130 Cafeteria Plan Benefits	3,096	3,439	3,300	3,200
TOTAL	10,063	10,955	9,600	9,700
OTHER EXPENDITURES				
5200 Office Supplies	88	5	100	100
5241 Small Equip-Office/Operating	-	46	200	100
5321 Phone Service	120	120	100	100
5331 Travel/Training	-	-	200	200
5335 Local Mileage Reimbursement	64	31	100	100
5433 Dues & Subscription	-	-	200	200
TOTAL	272	203	900	800
DIVISION TOTAL	46,858	50,693	50,400	52,000

City of Duluth Minnesota - 2016 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	2013	2014	2015	2016	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	5.0	5.0	5.0	5.0	-
129 Admin Info Specialist	0.4	0.4	-	-	-
126 Information Technician	-	-	0.4	0.6	0.2
39 Senior Project Engineer	-	-	1.0	1.0	-
36 Project Engineer	2.0	2.0	1.0	2.0	1.0
34 Sr. Engineering Spec.	2.2	2.2	2.2	1.2	(1.0)
31 Sr. Engineering Tech.	3.2	3.6	3.6	3.6	-
28 Engineering Technician	1.0	0.5	0.5	0.5	-
Division Total	16.2	16.1	16.1	16.3	0.2

Expenditures	2013 Actual	2014 Actual	2015 Budget	2016 Approved	Difference
Personal Services					
Permanent Salaries	1,019,241	1,043,594	1,059,300	1,095,700	36,400
Overtime	94,490	90,901	75,000	56,000	(19,000)
Other Wages	12,629	8,988	7,000	25,100	18,100
Total Salaries	1,126,360	1,143,483	1,141,300	1,176,800	35,500
Benefits	421,447	436,678	431,700	437,700	6,000
Other Expense					
Materials & Supplies	58,414	51,192	54,800	52,900	(1,900)
Services	26,986	34,663	50,500	52,200	1,700
Utilities & Maintenance	21,871	21,619	28,500	14,700	(13,800)
Other	10,820	15,467	27,000	30,200	3,200
Total Other Expense	118,091	122,941	160,800	150,000	(10,800)
Division Total	1,665,898	1,703,102	1,733,800	1,764,500	30,700

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Engineering - 110-500-1930				
PERSONAL SERVICES				
5100 Permanent Salaries	1,019,241	1,043,594	1,059,300	1,095,700
5101 Premium Pay	94,490	90,901	75,000	56,000
5103 Other Wages	12,629	8,988	7,000	25,100
TOTAL	1,126,360	1,143,483	1,141,300	1,176,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	79,393	80,585	83,400	84,500
5122 FICA - Social Security	68,536	69,640	70,700	73,000
5123 FICA - Medicare	16,029	16,287	16,600	17,100
5125 Dental Insurance	6,176	2,505	5,800	6,000
5126 Life Insurance	2,898	2,891	2,900	2,900
5127 Health Care Savings Plan (HCSP)	20,547	24,106	13,400	22,200
5130 Cafeteria Plan Benefits	227,867	240,664	238,900	232,000
TOTAL	421,447	436,678	431,700	437,700
OTHER EXPENDITURES				
5200 Office Supplies	2,082	1,558	3,600	3,600
5201 Computer Supplies/Software	15,607	19,907	7,500	600
5203 Paper/Stationery/Forms	494	703	400	500
5205 Safety & Training Materials	763	952	1,200	1,000
5211 Cleaning/Janitorial Supplies	86	240	300	300
5212 Motor Fuels	10,169	6,147	12,600	4,900
5219 Other Miscellaneous Supplies	617	478	600	400
5220 Repair & Maintenance Supplies	15,928	12,591	14,000	27,100
5240 Small Tools	1,577	1,698	3,500	3,500
5241 Small Equip-Office/Operating	6,778	4,026	4,700	4,700
5242 Survey Equipment and Supplies	4,313	2,892	6,400	6,300
5303 Engineering Services	4,302	12,462	22,000	28,700
5319 Other Professional Services	300	119	500	500
5320 Data Services	237	322	1,400	2,000
5321 Phone Service	5,633	5,511	5,600	4,100
5322 Postage	84	50	300	100
5331 Travel/Training	9,461	9,325	12,100	11,900

City of Duluth Minnesota - 2016 Budget

General Fund Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Engineering - 110-500-1930 continued				
5335 Local Mileage Reimbursement	778	1,389	1,500	1,500
5355 Printing & Copying	2,546	2,089	800	800
5356 Copier, Printer Lease & Supplies	3,335	3,162	5,900	2,200
5384 Refuse Disposal	310	234	400	400
5404 Equipment/Machinery Repair & Mtc	9,452	15,916	18,200	5,600
5409 Fleet Services Charges	12,419	5,703	10,300	9,100
5414 Software Licenses & Mtce Agreements		5,157	15,100	18,500
5433 Dues & Subscription	784	693	2,100	2,700
5435 Books & Pamphlets	1,256	304	700	700
5438 Licenses	-	435	-	800
5441 Other Services & Charges	8,479	8,623	8,500	7,100
5450 Laundry	301	255	600	400
5455 Pedestrian Bridge Operations	-	-	-	-
TOTAL	118,091	122,941	160,800	150,000
DIVISION TOTAL	1,665,898	1,703,102	1,733,800	1,764,500

City of Duluth Minnesota - 2016 Budget

General Fund Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Engineering - 110-500-1930				
REVENUE SOURCE				
4152 Excavation Permits	19,070	19,040	20,000	20,000
4170 Miscellaneous Permits	69,940	153,440	50,000	25,000
4324 Miscellaneous Services	-	-	-	-
4370 Engineering Services	207,701	300,268	358,000	55,000
4631 Media Sales	12,162	10,010	3,000	6,000
4654 Other Reimbursements	127	349	200	200
4730 Transfer from Tourism Taxes	57,000	57,000	57,000	57,000
DIVISION TOTAL	366,000	540,106	488,200	163,200

City of Duluth Minnesota - 2016 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	2013 Actual	2014 Actual	2015 Budget	2016 Approved
EXPENDITURES				
Citywide Dues & Lobbying	136,099	141,478	160,000	160,000
Citywide Communications	219,564	202,965	245,700	245,700
Miscellaneous	15,154	155,016	198,700	175,700
Civic Events and Awards	21,008	22,234	65,500	65,500
Business Improvement Dist.	325,752	342,437	300,000	300,000
Public Access Television	182,000	181,640	182,000	182,000
Sales Tax Administration	108,379	104,287	120,000	120,000
Capital Program - CEP	15,886	22,556	125,000	-
Community Inv Trust Projects	174,750	433,750	-	-
Unemployment Compensation	21,221	2,957	27,500	27,500
Benefits Administration	182,298	323,207	100,000	100,000
Retiree Insurance	6,595,445	7,027,205	7,225,000	6,950,000
Accruals	-	-	500,000	501,300
Street Improvement Program Debt	-	319,187	-	-
Self Insurance Contribution	500,000	650,000	900,000	1,000,000
Department Total	8,497,556	9,928,920	10,149,400	9,827,700

City of Duluth Minnesota - 2016 Budget

General Fund Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
Transfers and Other Functions				
REVENUE SOURCE				
4500 Assessments - Service Charge	326,372	342,437	300,000	300,000
4639 Sale of Equipment	91,882	87,238	70,000	70,000
4640 Sale of Land	515,900	104,274	-	55,000
4654 Other Reimbursements	413,004	14,280	-	-
4660 Gifts and Donations	-	1,000	-	-
4730 Transfer from Special Revenue	368,452	325,218	110,000	400,000
DEPARTMENT TOTAL	1,715,610	874,447	480,000	825,000

Special Revenue Funds

City of Duluth Minnesota - 2016 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
 Street System Maintenance Utility

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

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	59,263,229	61,547,275	69,042,985	72,345,265
REVENUES				
Taxes	10,221,503	11,419,216	12,155,000	13,461,300
Intergovernmental	10,180,887	9,733,012	8,151,854	25,691,661
Miscellaneous	23,282,845	25,189,340	25,001,880	24,829,886
TOTAL REVENUES	43,685,235	46,341,568	45,308,734	63,982,847
EXPENSES				
Personal Services	12,221,244	12,722,643	12,718,071	13,321,633
Other Services and Charges	4,859,779	5,106,670	4,321,329	5,882,677
Transfers	10,847,704	8,889,218	11,663,454	12,402,782
Miscellaneous	13,472,462	12,127,327	13,303,600	28,410,308
TOTAL EXPENSES	41,401,189	38,845,858	42,006,454	60,017,400
FUND BALANCE - DECEMBER 31	61,547,275	69,042,985	72,345,265	76,310,712

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	(176,525)	(376,601)	(405,754)	(495,254)
REVENUES				
Intergovernmental, State of MN	169,118	160,000	160,000	160,000
Admissions	731,361	738,274	807,600	807,600
Concessions & Commissions, Misc	200,314	195,832	182,700	182,700
Reimbursement, Lake Superior				
Zoological Society	-	250,315	-	-
Gifts and Donations	22,479	28,584	50,000	50,000
Other Sources	2,591	5,645	23,000	23,000
Transfer from Tourism Tax	510,000	510,000	510,000	510,000
TOTAL REVENUES	<u>1,635,863</u>	<u>1,888,650</u>	<u>1,733,300</u>	<u>1,733,300</u>
EXPENSES				
Contract Services	1,041	1,056	4,600	4,600
Contract Services, Zoo Personnel	1,083,832	988,144	999,900	999,900
Contract Services, Op Expenses	731,975	912,515	807,200	807,200
Capital Outlay	9,118	-	-	-
Bank Charges	9,973	11,621	11,100	11,100
Interest	-	4,467	-	-
TOTAL EXPENSES	<u>1,835,939</u>	<u>1,917,803</u>	<u>1,822,800</u>	<u>1,822,800</u>
FUND BALANCE - DECEMBER 31	(376,601)	(405,754)	(495,254)	(584,754)

City of Duluth Minnesota - 2016 Budget

Parks Fund

205

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

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	455,846	561,643	629,520	629,520
REVENUES				
Property Tax Levy	2,576,740	2,596,386	2,600,000	2,600,000
Intergovernmental Revenue	24,714	272,863	0	0
Licenses and Permits	52,973	47,080	34,000	47,000
Miscellaneous	117,484	92,314	49,500	74,000
Transfer In	0	326	0	0
TOTAL REVENUES	2,771,911	3,008,969	2,683,500	2,721,000
EXPENSES				
Personal Services	1,071,747	1,161,676	1,172,971	1,338,200
Other Services and Charges	478,054	539,514	448,229	487,300
Supplies	251,919	232,858	267,300	210,500
Miscellaneous	145,880	99,450	100,000	100,000
Transfers Out	100,000	124,547	0	0
Capital Outlay	618,514	783,047	695,000	585,000
TOTAL EXPENSES	2,666,114	2,941,092	2,683,500	2,721,000
FUND BALANCE - DECEMBER 31	561,643	629,520	629,520	629,520

City of Duluth Minnesota - 2016 Budget

Parks Fund

BUDGETED FTE'S	2013	2014	2015	2016
1130 Manager, Parks & Recreation	1	1	1	1
1070 Assistant Manager, Parks & Rec	0	0	0	1
1070 Operations Coordinator	1	1	1	0
135 Public Information Coordinator	1	1	1	0
131 Volunteer Coordinator	0.5	0.5	0.5	0.5
129 Special Events Coordinator	1.5	1.5	1.5	1.5
129 Admin Information Specialist	1	1	1	1
124 Senior Center Coordinator	1	1	1	1
32 Project Coordinator	0	0	0	1
28 Trails Coordinator	1	1	1	1
26 Recreation Specialist	1	1	1	2
22 Maintenance Worker	1	1	1	0.75
15 Project Technician	0	0	0	1

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	625,237	640,155	1,017,080	989,880
REVENUES				
Intergovernmental	898,759	333,471	0	15,000
Miscellaneous	701,954	1,000,293	578,200	678,515
Transfers In	0	185,762	0	0
TOTAL REVENUES	<u>1,600,713</u>	<u>1,519,526</u>	<u>578,200</u>	<u>693,515</u>
EXPENSES				
Personal Services	0	4,772	3,500	4,900
Personal Services - Police Extra Duty Pay	474,719	272,773	236,800	271,500
Other Services and Charges	188,100	605,642	96,900	137,215
Transfers Out	203,780	65,762	135,000	185,000
Miscellaneous	114,366	51,228	110,600	94,900
Capital Equipment	604,830	142,424	22,600	0
TOTAL EXPENSES	<u>1,585,795</u>	<u>1,142,601</u>	<u>605,400</u>	<u>693,515</u>
FUND BALANCE - DECEMBER 31	640,155	1,017,080	989,880	989,880

BUDGETED FTE'S	2013	2014	2015	2016
226 Firefighter	-	3.00	-	-
Division Total		3.00		

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	(8,660)	(3,908)	21,445	21,445
REVENUES				
Intergovernmental	1,083,947	1,175,062	817,954	1,167,067
Felony Forfeitures	91,214	76,221	130,000	100,000
TOTAL REVENUES	<u>1,175,161</u>	<u>1,251,283</u>	<u>947,954</u>	<u>1,267,067</u>
EXPENSES				
Other Services and Charges	307,127	304,447	252,400	265,283
Transfer to General Fund	634,995	667,785	509,554	739,682
Miscellaneous	203,722	224,760	186,000	156,000
Capital Equipment	24,565	28,938	0	106,102
TOTAL EXPENSES	<u>1,170,409</u>	<u>1,225,930</u>	<u>947,954</u>	<u>1,267,067</u>
FUND BALANCE - DECEMBER 31	(3,908)	21,445	21,445	21,445

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	1,883,209	1,872,266	1,505,239	1,505,239
REVENUES				
Earnings on Investments	(12,311)	28,049		
Bond Proceeds	3,957,365	2,517,890	4,550,000	3,318,910
TOTAL REVENUES	<u>3,945,054</u>	<u>2,545,939</u>	<u>4,550,000</u>	<u>3,318,910</u>
EXPENSES				
Bond Issuance Costs	48,523	46,330	134,000	100,000
Capital Equipment - Parking			965,000	0
Capital Equipment - Nonrolling	1,064,837	1,030,556	1,300,000	1,162,910
Capital Equipment - Rolling	2,842,637	1,836,080	2,151,000	2,056,000
TOTAL EXPENSES	<u>3,955,997</u>	<u>2,912,966</u>	<u>4,550,000</u>	<u>3,318,910</u>
FUND BALANCE - DECEMBER 31	1,872,266	1,505,239	1,505,239	1,505,239

City of Duluth Minnesota - 2016 Budget

Economic Development

255

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

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	(8,727)	21,930	8,903	8,903
REVENUES				
Intergovernmental Revenues	528,291	685,747	-	1,050,000
Other Reimbursements	-	276	-	-
Other Miscellaneous	16,935	18,082	17,900	17,900
TOTAL REVENUES	<u>545,226</u>	<u>704,105</u>	<u>17,900</u>	<u>1,067,900</u>
EXPENSES				
Economic Development	514,569	717,132	17,900	1,067,900
TOTAL EXPENSES	<u>514,569</u>	<u>717,132</u>	<u>17,900</u>	<u>1,067,900</u>
FUND BALANCE - DECEMBER 31	21,930	8,903	8,903	8,903

City of Duluth Minnesota - 2016 Budget

Community Investment Fund

256

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

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	21,351,493	17,526,543	18,724,752	18,724,752
REVENUES				
Other Reimbursements	52,796	-	-	-
Investment Earnings	(1,248,269)	1,523,427	110,000	400,000
TOTAL REVENUES	<u>-1,195,473</u>	<u>1,523,427</u>	<u>110,000</u>	<u>400,000</u>
EXPENSES				
Legal Services	37,534	0	-	-
Transfer to Debt Service	2,223,491	0	-	-
Transfer to General Fund (annual)	368,452	325,218	110,000	400,000
TOTAL EXPENSES	<u>2,629,477</u>	<u>325,218</u>	<u>110,000</u>	<u>400,000</u>
FUND BALANCE - DECEMBER 31	17,526,543	18,724,752	18,724,752	18,724,752

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	289,461	256,668	209,828	95,628
REVENUES				
Intergovernmental Revenues	-	-	-	15,000
Transfer From Enterprise Funds	-	-	-	-
Other Reimbursements	-	26,399	15,000	15,000
Miscellaneous	6,293	1,544	-	-
From Public Utility	81,843	75,000	75,000	75,000
TOTAL REVENUES	88,136	102,943	90,000	105,000
EXPENSES				
Personal Services	83,472	84,710	92,500	84,900
Other Services & Charges	987	1,200	1,700	1,700
Miscellaneous	36,470	63,873	110,000	85,000
TOTAL EXPENSES	120,929	149,783	204,200	171,600
FUND BALANCE - DECEMBER 31	256,668	209,828	95,628	29,028

BUDGETED FTE'S	2013	2014	2015	2016
33 Energy Coordinator	1	1	1	1

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	1,120,558	591,350	1,229,523	1,318,923
REVENUES				
Hotel Motel 3%	2,038,122	2,192,683	2,150,000	2,512,200
Hotel Motel 1%	679,374	730,894	715,000	837,400
Add'l. 2.0% Hotel Motel Tax	1,273,226	1,362,982	1,340,000	1,561,700
Add'l. .5% Hotel Motel Tax	0	162,737	335,000	390,400
Food & Beverage Tax 1.0%	2,088,023	2,217,274	2,228,600	2,470,900
Food & Beverage Tax .75%	1,566,018	1,662,955	1,671,400	1,853,200
Food & Beverage Tax .5%	0	493,305	1,115,000	1,235,500
Change in Fair Value	(7,616)	5,711		
TOTAL REVENUES	7,637,147	8,828,541	9,555,000	10,861,300
EXPENSES				
Duluth Entertainment & Convention Center	86,441	205,725	98,000	98,000
Advertising & Publicity	1,670,250	1,708,972	1,916,400	1,975,000
Business Improvement District	200,000	200,000	200,000	200,000
Great Lakes Aquarium	460,000	350,000	360,000	360,000
Lake Superior Zoological Gardens	510,000	510,000	510,000	510,000
Spirit Mountain Operations	0	475,700	0	250,000
St. Louis County Heritage & Arts Center	176,800	176,800	176,800	226,800
Public Arts	50,000	50,000	40,000	40,000
Duluth Sister Cities International	30,000	30,000	40,000	40,000
Lake Superior & Mississippi Railroad	20,000	20,000	20,000	20,000
Rail Alliance	12,500	12,500	12,500	12,500
Glensheen	0	0	50,000	50,000
Mounted Patrol	0	0	0	30,000
Tourism-Related Grant Fund	0	0	0	50,000
Transfer to General Fund	860,806	833,734	827,900	1,095,000
Transfer to Capital Projects	705,000	100,000	119,300	135,100

City of Duluth Minnesota - 2016 Budget

Special City Excise and Sales Tax (Tourism Taxes) continued

Transfer for Debt Service				
- DECC	2,824,558	3,016,937	2,999,000	3,404,500
- Lake Superior Center	0	0	0	0
- Spirit Mountain	560,000	500,000	645,700	645,700
- St Louis River Corridor	0	0	1,450,000	1,625,900
TOTAL EXPENSES	<u>8,166,355</u>	<u>8,190,368</u>	<u>9,465,600</u>	<u>10,768,500</u>
Increase (Decrease) Undesignated Fund	(529,208)	638,173	89,400	92,800
FUND BALANCE - DECEMBER 31	591,350	1,229,523	1,318,923	1,411,723

City of Duluth Minnesota - 2016 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 2016 budget figures represent preliminary estimates only.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	(129,888)	(27,500)	(30,054)	(30,054)
REVENUES				
Home Grant	538,696	792,815	544,500	480,896
TOTAL REVENUES	<u>538,696</u>	<u>792,815</u>	<u>544,500</u>	<u>480,896</u>
EXPENSES				
Tenant Based Rental Assistance	117,811	165,172	125,000	115,000
Community Housing Devel Program	143,165	265,291	225,000	200,000
Rehabilitation	132,590	267,344	140,000	117,807
Administration	42,742	97,562	54,500	48,089
TOTAL EXPENSES	<u>436,308</u>	<u>795,369</u>	<u>544,500</u>	<u>480,896</u>
FUND BALANCE - DECEMBER 31	(27,500)	(30,054)	(30,054)	(30,054)

City of Duluth Minnesota - 2016 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 2016 budget figures represent preliminary estimates only, awaiting the allocation of HUD funds.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	(211,882)	(379,397)	(140,799)	(140,799)
REVENUES				
State of Minnesota	14,875	7,854	-	-
Community Development Block Grant	2,891,932	2,042,874	2,224,700	2,224,700
Emergency Shelter Grant	183,278	244,198	183,900	183,900
CDBG-R (ARRA)	-	-	-	16,070,000
Neighborhood Stabilization	-	-	5,000	-
EPA Showcase Grant	218,936	25,875	-	-
Lead Remediation Grant	340,903	523,816	1,105,400	1,105,400
Transfer in from Special Revenue Fund	-	242,675	-	-
Miscellaneous reimbursements	(1,810)	38,587	-	-
TOTAL REVENUES	3,648,114	3,125,879	3,519,000	19,584,000
EXPENSES				
Economic Development	259,260	306,215	336,000	586,180
Housing	2,030,303	1,445,726	1,858,300	8,140,656
Physical Improvements	669,482	318,924	400,000	9,900,000
Public Service Projects	315,169	265,667	338,700	379,252
Program Administration	541,415	550,749	586,000	577,912
TOTAL EXPENSES	3,815,629	2,887,281	3,519,000	19,584,000
FUND BALANCE - DECEMBER 31	(379,397)	(140,799)	(140,799)	(140,799)

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	-	-	-	-
REVENUES				
Community Development				
Block Grant	465,556	481,254	553,000	484,223
Home Grant	28,126	66,527	54,400	48,089
CDBG-R (ARRA)	-	-	-	70,000
Homeless Prevention & Rehousing	222	-	-	-
Neighborhood Stabilization	8,327	10,771	5,000	-
Lead Paint Abatement Grant	11,319	18,005	15,000	10,000
Emergency Shelter Grant	7,059	15,723	13,800	13,789
TOTAL REVENUES	520,609	592,280	641,200	626,101
EXPENSES				
Personal Services	477,756	544,369	529,500	519,871
OPEB	5,076	5,076	9,200	4,600
Other Services and Charges	37,777	42,835	102,500	101,630
TOTAL EXPENSES	520,609	592,280	641,200	626,101
FUND BALANCE - DECEMBER 31	-	-	-	-

BUDGETED FTE'S	2013	2014	2015	2016
1150 Director, Planning & Const Services	0.33	0.33	0.33	0.33
1085 Manager, CD/Housing	1	1	1	0.5
136 Senior Planner	2	2	2	2
133 Planner II	3	3	3	1
126 Information Technician	0.5	0.5	0.5	0.5
129 Planner I	0	0	0	2
Division Total	6.83	6.83	6.83	6.33

City of Duluth Minnesota - 2016 Budget

Workforce Investment Act

268

Special Revenue fund which accounts for monies received through the Minnesota Department of Employment and Economic Development and St. Louis County to provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed persons. The 2016 budget figures represent preliminary estimates only and are subject to change as grants are appropriated by the State and approved by the City Council.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	260,307	267,093	266,347	266,347
REVENUES				
Miscellaneous	11,578	6,368	0	0
Building Rent	214,689.00	217,322	216,000	224,196
MN Family Investment Program	877,358	945,858	890,000	914,358
Federal Grant	931,294	620,309	703,000	734,235
State Grant	399,055	478,191	296,800	375,689
TOTAL REVENUES	2,433,974	2,268,048	2,105,800	2,248,478
EXPENSES				
Personal Services	1,582,319	1,532,394	1,333,000	1,454,329
OPEB	20,304	20,437	22,000	13,400
Other Services and Charges	824,565	715,963	750,800	780,749
TOTAL EXPENSES	2,427,188	2,268,794	2,105,800	2,248,478
FUND BALANCE - DECEMBER 31	267,093	266,347	266,347	266,347
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	15	15
126 Information Technician	2	2	2	2
Division Total	22	22	19	19

City of Duluth Minnesota - 2016 Budget

Senior Programs

270

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

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	687	0	10	10
REVENUES				
Senior Employment Program - State	101,648	113,858	130,100	111,832
Senior Aides Program - Federal	242,785	257,944	233,300	233,287
TOTAL REVENUES	<u>344,433</u>	<u>371,802</u>	<u>363,400</u>	<u>345,119</u>
EXPENSES				
Personal Services	332,103	351,929	363,400	345,119
Other Services and Charges	13,017	19,863	0	0
TOTAL EXPENSES	<u>345,120</u>	<u>371,792</u>	<u>363,400</u>	<u>345,119</u>
FUND BALANCE - DECEMBER 31	0	10	10	10

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	31,743,134	38,347,986	43,257,833	46,137,213
REVENUES				
Investment Earnings	839,057	899,334	900,000	979,500
Investment Earnings-City Pooled Invt	0	0	215,000	815,000
Change in Fair Value	5,574,480	3,485,856	1,500,000	1,500,000
Trsf from Special Rev Funds (Grants)	0	0	25,380	13,847
Trsf from Enterprise Funds	-	-	242,000	159,000
Contributions- Employer	8,772,788	9,277,052	8,964,400	9,289,414
TOTAL REVENUES	<u>15,186,325</u>	<u>13,662,242</u>	<u>11,846,780</u>	<u>12,756,761</u>
EXPENSES				
Administrative Expenses	2,649	2,812	3,000	3,000
Benefits	8,178,824	8,749,583	8,964,400	9,289,414
Other Expenses	400,000	0	-	-
TOTAL EXPENSES	<u>8,581,473</u>	<u>8,752,395</u>	<u>8,967,400</u>	<u>9,292,414</u>
FUND BALANCE - DECEMBER 31	38,347,986	43,257,833	46,137,213	49,601,560

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	2,068,979	2,249,047	2,513,636	3,078,036
REVENUES				
Investment Earnings Change in Fair Value	(15,213)	9,651	-	-
Transfer from Special Revenue Funds (Tourism)	2,824,559	3,016,936	2,999,000	2,999,000
TOTAL REVENUES	<u>2,809,346</u>	<u>3,026,587</u>	<u>2,999,000</u>	<u>2,999,000</u>
EXPENSES				
Miscellaneous	300,190	380,711	-	-
Transfer to Debt Service	2,329,088	2,381,287	2,434,600	2,434,600
TOTAL EXPENSES	<u>2,629,278</u>	<u>2,761,998</u>	<u>2,434,600</u>	<u>2,434,600</u>
FUND BALANCE - DECEMBER 31	2,249,047	2,513,636	3,078,036	3,642,436

City of Duluth Minnesota - 2016 Budget

Street System Maintenance Utility

290

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

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1		0	235,476	235,476
REVENUES				
Payment in Lieu of Tax		0	248,700	0
Street System Mtce Utility Fee		1,128,532	2,774,500	2,774,500
TOTAL REVENUES		<u>1,128,532</u>	<u>3,023,200</u>	<u>2,774,500</u>
EXPENSES				
Other Services and Charges		1,525	548,600	1,000,000
To Public Utilities - Cost Allocation		17,583	42,200	37,200
Transfer to Capital Project		0	800,000	47,138
Transfer to Debt Service		873,948	1,632,400	1,690,162
TOTAL EXPENSES		<u>893,056</u>	<u>3,023,200</u>	<u>2,774,500</u>
FUND BALANCE - DECEMBER 31		235,476	235,476	235,476

Debt Service Funds

City of Duluth Minnesota - 2016 Budget

Debt Service Funds

Funds

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

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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	15,673,111	17,553,715	15,872,600	15,513,700
REVENUES				
Taxes	7,042,313	6,275,166	6,574,300	6,574,300
Special Assessments	1,450,406	1,312,813	1,023,000	785,000
Miscellaneous	138,332	323,376	240,900	238,800
Other Financing Sources	9,603,671	7,318,321	6,271,400	6,465,200
TOTAL REVENUES	18,234,722	15,229,676	14,109,600	14,063,300
EXPENSES				
Debt Service Payments	12,917,524	16,139,834	14,455,200	13,995,700
Miscellaneous	3,436,594	770,957	13,300	15,300
TOTAL EXPENSES	16,354,118	16,910,791	14,468,500	14,011,000
FUND BALANCE - DECEMBER 31	17,553,715	15,872,600	15,513,700	15,566,000

City of Duluth Minnesota - 2016 Budget

Debt Service Funds Narrative

2015 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, 2015 as it pertains to the City of Duluth is estimated as follows:

Total Gross Bonded Debt		\$173,898,200
Less:		
City - general obligation bonds paid by parking revenues	\$ 21,023,200	
City - general obligation bonds paid by other revenues	71,365,000	
Tax Abatement Bonds	6,350,000	
Utility bonds paid from Enterprise Funds	22,525,000	
Special assessment bonds	13,685,000	
Net Direct Bonded Debt		<u>\$38,950,000</u>

The City's debt is shown in the following table as a share of market value and per capita. The general obligation debt is limited by State Statute to 2.0 percent of market value, or \$109 million.

<u>Year</u>	<u>Amount (in Thousands)</u>	<u>Percent of Market Value</u>	<u>Dollars Per Capita</u>
2015	\$38,950	0.7	\$452
2014	\$40,310	0.8	\$467
2013	\$41,281	0.8	\$479
2012	\$40,540	0.8	\$470
2011	\$41,874	0.7	\$485
2010	\$40,949	0.7	\$471
2009	\$41,410	0.7	\$476
2008	\$22,420	0.4	\$258
2007	\$28,986	0.5	\$333
2006	\$29,284	0.6	\$337
2005	\$26,802	0.6	\$308

The preceding table used an estimated taxable market value of \$5,446,250,600 and a population of 86,265, as reported in the 2010 census.

City of Duluth Minnesota - 2016 Budget

Debt Service Funds Narrative

During 2015, the City of Duluth issued \$32,220,271 in bonds and retired \$24,761,624 in bond principal. The 2016 issues consist of a \$4,900,000 bond for capital equipment purchases, \$1,400,000 for capital improvements, and \$7,820,000 for the Cirrus Aircraft Completion Center.

The following table provides more detailed information concerning the changes in debt which occurred during 2015, and also the anticipated 2016 issues.

	2015 ISSUED	2015 RETIRED	ANTICIPATED ISSUE
General Obligation	\$21,315,000	\$6,961,568	\$14,120,000
Special Assessment	2,630,000	6,364,432	
Revenue	471,801	30,000	
Revenue & General Obligation	7,803,470	11,405,624	
Total Issued/Retired in 2015 and anticipated Issues for 2016	<u>\$32,220,271</u>	<u>\$24,761,624</u>	<u>\$14,120,000</u>

Bonds funded by Other Financing Sources:

<u>General Obligation Debt Requirements</u>	Issue Date	Outstanding 12/31/2015	Debt Requirements
SIP-2000 Project Year (refunding)	12/19/06	344,300	351,100
SIP-2003-2005 Project Year (refunding)	11/27/12	4,169,800	901,300
SIP-2006-2007 Project Year (refunding)	11/5/2015	1,972,500	58,300
SIP-2008 Project Year	8/07/08	1,145,000	157,900
Funded by Street System Maintenance Utility Fund			<u>\$1,468,600</u>

Transfer from Special Revenue Funds

Duluth Entertainment Center	8/21/08	38,970,000	2,491,800
Spirit Mountain	2/23/12	6,350,000	500,000
Wade Stadium	10/30/14	2,330,000	\$178,400
Spirit Mountain	10/30/14	2,150,000	45,400
Capital Improvement St Louis River Corr	11/05/15	13,520,000	321,400
Funded by Tourism Taxes			<u>\$3,537,000</u>

Funded by Others

Seaway Port - Airpark	9/01/04	390,000	91,300
Airport - Cirrus	2/01/02	645,000	403,200
Airport	5/24/12	6,770,000	621,000
Airport	12/18/13	3,400,000	340,600
Airport	11/05/15	2,855,000	254,900
Funded by Others			<u>1,711,000</u>

City of Duluth Minnesota - 2016 Budget

Debt Service Funds Narrative

The following tables provide specific information relative to the 2015 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 12/31/2015</u>	<u>2016 Levy Requirements</u>
Aerial Lift Bridge	8/07/08	650,000	180,800
DEDA - Cirrus	4/20/07	-	15,600
Police Station	12/17/09	16,130,000	1,416,900
Lakewalk & Cross City	12/18/13	1,385,000	130,700
Equipment	11/29/11	1,280,000	657,900
Equipment	11/27/12	2,030,000	716,100
Equipment	12/18/13	3,105,000	817,100
Equipment	10/30/14	2,460,000	518,700
Equipment	2015	3,380,000	775,000
Capital Improvement Projects	12/13/07	315,000	166,400
Capital Improvement Projects	12/09/08	600,000	216,900
Capital Improvement Projects	11/23/10	1,375,000	254,800
Capital Improvement Projects	11/29/11	1,370,000	220,700
Capital Improvement Projects	12/18/13	1,640,000	212,600
Capital Improvement Projects	10/30/14	1,115,000	126,800
Capital Improvement Projects	2015	1,530,000	200,000
TOTAL DEBT SERVICE			6,627,000
5% Additional required by law (1)			331,400
			<u>6,958,400</u>
Less: Cash on hand			(384,100)
NET DEBT LEVY - Total required by taxation			<u>6,574,300</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 - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	5,855,638	6,958,507	6,852,545	7,394,945
REVENUES				
Property Taxes	7,042,313	6,275,166	6,574,300	6,574,300
Earnings on Investments	(59,182.00)	43,909	-	-
Other Sources	265,351	221,605	238,800	238,800
Transfer from Enterprise Fund	-	-	236,100	-
Transfer from Capital Project	9,403	348,203	-	-
TOTAL REVENUES	7,257,885	6,888,883	7,049,200	6,813,100
EXPENSES				
Debt Service Payments:				
Bond Principal	4,568,265	4,873,138	5,205,600	5,165,000
Bond Interest	1,409,123	1,376,205	1,294,100	1,224,800
Other Expenditures:				
Transfer to Enterprise Fund	177,628	-	-	-
Transfer to Debt Service	-	745,502	-	-
Bond Fees	-	-	7,100	7,700
TOTAL EXPENSES	6,155,016	6,994,845	6,506,800	6,397,500
FUND BALANCE - DECEMBER 31	6,958,507	6,852,545	7,394,945	7,810,545

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	1,611,310	2,559,864	2,520,298	2,825,398
REVENUES				
Sale of Bonds	3,400,000	-	-	-
Earnings on Investments	(22,118)	16,399	-	-
Transfer from Special Revenue -				
DECC Improvement	2,329,088	2,381,288	2,434,600	2,491,800
Spirit Mountain	500,000	500,000	500,000	629,600
Wade Stadium				178,400
Transfer from Capital Projects -				
Excess Proceeds on New Bonds	-	9,181	-	-
Transfer from Debt Service -				
Lakewalk Homes	56,763	59,700	-	-
Funded by Others -				
Airport	618,300	740,099	964,300	961,600
Spirit Mountain	15,919	18,819	16,500	19,100
Seaway Port - Airpark	84,378	86,974	89,300	91,300
Airport - Cirrus	388,447	393,302	398,200	403,200
TOTAL REVENUES	<u>7,370,777</u>	<u>4,205,762</u>	<u>4,402,900</u>	<u>4,775,000</u>
EXPENSES				
Bond Principal	795,000	1,870,000	1,730,000	2,020,000
Bond Interest	2,368,257	2,375,328	2,364,900	2,449,200
Bond Discount/Issuance	58,966	-	-	-
Payment to Other Gov't Agency	3,200,000	-	-	-
Fiscal Agents	-	-	2,900	4,200
TOTAL EXPENSES	<u>6,422,223</u>	<u>4,245,328</u>	<u>4,097,800</u>	<u>4,473,400</u>
FUND BALANCE - DECEMBER 31	2,559,864	2,520,298	2,825,398	3,126,998

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	2,221,429	2,016,655	1,528,700	1,172,900
REVENUES				
Construction Assessments	906,507	904,932	674,900	542,300
Earnings on Investments	(16,914.00)	15,023	300	-
Sale of Bonds	-	865,000	-	-
Bond Premium	-	20,419	-	-
TOTAL REVENUES	889,593	1,805,374	675,200	542,300
EXPENSES				
Bond Principal	916,735	1,236,862	905,400	791,000
Bond Interest	177,632	166,012	124,400	76,800
Payment to Escrow	-	865,000	-	-
Bond Discount/Issuance	-	25,455	-	-
Fiscal Agents	-	-	1,200	1,600
TOTAL EXPENSES	1,094,367	2,293,329	1,031,000	869,400
FUND BALANCE - DECEMBER 31	2,016,655	1,528,700	1,172,900	845,800

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	5,984,734	6,018,689	4,971,057	4,120,457
REVENUES				
Construction Assessments	543,899	407,881	348,100	242,700
Earnings on Investments	(50,923.00)	42,839	1,800	-
Transfer from General Fund	-	319,187	-	-
Transfer from Debt Service	-	685,802	-	-
Transfer from Special Revenue	2,223,491	873,948	1,632,400	1,690,200
TOTAL REVENUES	<u>2,716,467</u>	<u>2,329,657</u>	<u>1,982,300</u>	<u>1,932,900</u>
EXPENSES				
Fiscal Agent Fees	-	-	2,100	1,800
Bond Principal	2,150,000	2,875,000	2,420,000	1,930,000
Bond Interest	532,512	502,289	410,800	338,900
TOTAL EXPENSES	<u>2,682,512</u>	<u>3,377,289</u>	<u>2,832,900</u>	<u>2,270,700</u>
FUND BALANCE - DECEMBER 31	6,018,689	4,971,057	4,120,457	3,782,657

Capital Project Funds

City of Duluth Minnesota - 2016 Budget

Capital Project Funds

Funds

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

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

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	5,894,165	6,340,347	4,788,034	17,566,781
REVENUES				
Taxes	208,421	279,351	280,000	280,000
Intergovernmental	5,861,293	5,912,098	7,220,000	4,415,000
Miscellaneous	3,974,053	4,496,351	15,573,805	1,808,257
Other Financing Sources	1,105,000	228,261	1,005,000	1,402,138
TOTAL REVENUES	<u>11,148,767</u>	<u>10,916,061</u>	<u>24,078,805</u>	<u>7,905,395</u>
EXPENSES				
Current	0	98,293	280,885	150,000
Capital Outlay	10,702,585	12,370,081	11,019,173	11,796,745
TOTAL EXPENSES	<u>10,702,585</u>	<u>12,468,374</u>	<u>11,300,058</u>	<u>11,946,745</u>
FUND BALANCE - DECEMBER 31	6,340,347	4,788,034	17,566,781	13,525,431

City of Duluth Minnesota - 2016 Budget

Special Assessment Capital Project

410

Capital Project fund established to account for improvements which are financed by special assessments. The 2016 budget figures represent preliminary estimates only.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	32,102	13,516	34,832	44,736
REVENUES				
Assessment Collections	13,662	21,535	9,904	8,257
Earnings on Investments	(318)	272	-	-
Transfer from Debt Service	-	-	-	-
TOTAL REVENUES	<u>13,344</u>	<u>21,807</u>	<u>9,904</u>	<u>8,257</u>
EXPENSES				
Improvements Other Than Buildings	<u>31,930</u>	<u>491</u>	<u>-</u>	<u>-</u>
TOTAL EXPENSES	<u>31,930</u>	<u>491</u>	<u>-</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	13,516	34,832	44,736	52,993

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	369,110	300,045	607,158	607,158
REVENUES				
Current Property Taxes	207,351	273,391	280,000	280,000
Delinquent Property Taxes	1,070	5,960	-	-
Miscellaneous Federal Grants	830,476	961,430	920,000	600,000
State of Minnesota	198,167	354,207	3,000,000	-
Municipal State Aid	2,939,252	3,454,680	3,300,000	3,815,000
Investment Earnings	(2,222)	(1,206)	-	-
Special Revenue Funds	-	-	-	800,000
Public Utility Funds	-	-	205,000	555,000
TOTAL REVENUES	<u>4,174,094</u>	<u>5,048,462</u>	<u>7,705,000</u>	<u>6,050,000</u>
EXPENSES				
Improvements Other Than Buildings	3,843,159	4,390,590	7,645,000	6,050,000
Transfer to General Fund	-	-	60,000	-
Transfer to Debt Service		344,765		
Transfer to Capital Project		5,994		
Transfer to Special Assessment	400,000	-	-	-
TOTAL EXPENSES	<u>4,243,159</u>	<u>4,741,349</u>	<u>7,705,000</u>	<u>6,050,000</u>
FUND BALANCE - DECEMBER 31	300,045	607,158	607,158	607,158

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	1,643,346	531,021	401,891	401,891
REVENUES				
Investment Earnings	(7,634)	6,742	-	-
Transfer from Special Revenue	-	-	800,000	47,138
Assessment Collections	481,472	647,432		400,000
TOTAL REVENUES	<u>473,838</u>	<u>654,174</u>	<u>800,000</u>	<u>447,138</u>
EXPENSES				
Improvements Other than Buildings	1,586,163	783,304	800,000	308,245
TOTAL EXPENSES	<u>1,586,163</u>	<u>783,304</u>	<u>800,000</u>	<u>308,245</u>
FUND BALANCE - DECEMBER 31	531,021	401,891	401,891	540,784

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	3,849,607	5,495,765	3,744,153	3,744,153
REVENUES				
Federal Grant	1,470,115	934,064	-	-
State of Minnesota	423,283	207,717	-	-
Gifts and Donations	105,000	-	-	-
Earnings on Investments	(20,049)	84,377	-	-
Other Reimbursements	-	230,736	-	-
Transfer from General Fund	-	-	-	-
Transfer from Permanent Imp	400,000	5,994	-	-
Transfer from Special Revenue	705,000	222,267	-	-
Bond Proceeds	3,255,000	3,445,000	1,800,000	1,400,000
Premium on bonds	149,142	61,463	-	-
TOTAL REVENUES	6,487,491	5,191,618	1,800,000	1,400,000
CAPITAL OUTLAY EXPENDITURES				
Transfer to Debt Service	4,377	4,979	-	-
Bond Issuance Costs	-	98,293	116,000	150,000
Capital Improvements	4,836,956	6,839,958	1,684,000	1,250,000
TOTAL EXPENSES	4,841,333	6,943,230	1,800,000	1,400,000
FUND BALANCE - DECEMBER 31	5,495,765	3,744,153	3,744,153	3,744,153

City of Duluth Minnesota - 2016 Budget

Tourism & Recreational Projects

452

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

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	-	-	-	12,768,843
REVENUES				
Bond Proceeds			13,520,000	
Premium on Bonds			265,258	
Earnings on Investments	-	-	(21,357)	-
TOTAL REVENUES	-	-	13,763,901	-
CAPITAL OUTLAY EXPENDITURES				
Capital Improvements	-	-	830,173	4,188,500
Bond Issuance Costs	-	-	164,556	-
Interfund Transfer Out to Debt	-	-	329	-
TOTAL EXPENSES	-	-	995,058	4,188,500
FUND BALANCE - DECEMBER 31	-	-	12,768,843	8,580,343

Enterprise Funds

City of Duluth Minnesota - 2016 Budget

Golf Fund

503

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

Estimated Revenues/Expenses	2013 Actual	2014 Actual	2015 Budget	2016 Approved
REVENUE				
Operating	1,730,410	1,734,063	1,893,750	2,166,366
Non-Operating	8,570	471	-	-
	<u>1,738,980</u>	<u>1,734,534</u>	<u>1,893,750</u>	<u>2,166,366</u>
EXPENSES				
Personal Services				
Supplies	66,966	53,386	66,000	-
Other Services and Charges	1,431,548	1,370,454	1,443,100	1,952,591
Utilities	39,403	44,289	40,500	-
Depreciation and Amortization	220,569	219,173	218,654	69,222
Cost of Sales	289,905	327,057	290,000	213,076
Debt Service - Interest	11,282	6,297	1,093	-
	<u>2,059,673</u>	<u>2,020,656</u>	<u>2,059,347</u>	<u>2,234,889</u>
ESTIMATED OPERATING INCOME / (LOSS)	(320,693)	(286,122)	(165,597)	(68,523)

City of Duluth Minnesota - 2016 Budget

Golf Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2015 Budget	2016 Approved
ESTIMATED UNRESTRICTED CASH	<u>(1,607,815)</u>	<u>(1,687,363)</u>
Estimated Net Income (Loss)	(165,597)	(68,523)
<u>Other Sources</u>		
Depreciation	<u>206,616</u>	<u>69,222</u>
Total Other Sources	<u>41,019</u>	<u>699</u>
<u>Other Uses</u>		
Capital Lease Payments	<u>(120,567)</u>	<u>-</u>
Total Other Uses	<u>(120,567)</u>	<u>-</u>
ESTIMATED BUDGETARY YEAR END CASH BALANCE	<u><u>(1,687,363)</u></u>	<u><u>(1,686,664)</u></u>

City of Duluth Minnesota - 2016 Budget

Lester Golf Course

Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING REVENUES:				
4440 Daily Admission	209,889	207,137	250,000	248,035
4441 Unlimited Season - Golf	43,520	175,760	200,000	130,143
4441 Family Season	26,200	-	-	-
4441 Restricted Season	70,560	-	-	-
4441 Junior Unlimited	10,966	-	-	-
4441 College Season	9,525	-	-	-
4441 Golf Cards / Passes	14,630	-	-	27,440
4442 Motor Cart	135,345	144,000	140,000	197,875
4443 Driving Range Fees	20,981	22,728	24,000	37,680
4443 Other Rentals	8,605	7,835	8,500	13,655
4445 Golf Specials/Coupons/Promotions	-	(7,437)	-	-
4627 Concessions & Commissions	221,976	211,378	235,000	258,269
TOTAL OPERATING REVENUES	772,197	761,401	857,500	913,097
NON-OPERATING REVENUES				
4601 Earnings on Investments	-	-	-	-
4639 Loss on Sale of Equipment	-	-	-	-
4644 Misc Fees, Sales & Service	4,285	471	-	-
TOTAL NON-OPERATING REVENUES	4,285	471	-	-
TOTAL REVENUE - LESTER	776,482	761,872	857,500	913,097

City of Duluth Minnesota - 2016 Budget

Enger Golf Course

Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING REVENUES:				
4440 Daily Admission	277,552	273,482	315,000	373,878
4441 Unlimited Season - Golf	60,970	210,060	245,000	223,730
4441 Family Season	20,350	-	-	-
4441 Restricted Season	78,240	-	-	-
4441 Junior Unlimited	12,650	-	-	-
4441 College Season	18,219	-	-	-
4441 Golf Cards / Passes	20,330	-	-	54,635
4442 Motor Cart	168,366	169,899	170,000	242,606
4443 Driving Range Fees	38,394	37,290	40,000	67,955
4443 Other Rentals	3,526	3,672	4,250	13,654
4445 Golf Specials/Coupons/Promotions	-	(7,438)	-	-
4627 Concessions & Commissions	259,616	285,697	262,000	276,811
TOTAL OPERATING REVENUES	958,213	972,662	1,036,250	1,253,269
NON-OPERATING REVENUES				
4601 Earnings on Investments	-	-	-	-
4639 Loss on Sale of Equipment	-	-	-	-
4644 Misc. Fees, Sales & Services, Donation	4,285	-	-	-
TOTAL NON-OPERATING REVENUES	4,285	-	-	-
TOTAL REVENUE - ENGER	962,498	972,662	1,036,250	1,253,269

City of Duluth Minnesota - 2016 Budget

Lester Golf Course

Operating Expense Detail		2013 Actual	2014 Actual	2015 Budget	2016 Approved
OTHER EXPENDITURES					
5133	Life Insurance	-	-	-	-
5212	Motor Fuels	32,282	25,484	32,000	-
5284	Liquor Purchases	-	-	-	29,851
5285	Food & Beverage for Resale	54,338	55,879	60,000	32,699
5286	Golf Merchandise for Resale	90,155	95,312	90,000	42,471
5310	Contract Services	-	-	640,000	828,272
5310	Contract Services	208,080	208,080	-	-
5310-01	Contract Services-Clubhouse P/R	110,820	93,446	-	-
5310-02	Contract Services- Maintenance P/R	108,564	112,226	-	-
5310-03	Contract Services-Supplies	12,825	13,057	-	-
5310-04	Contract Services-Maintenance Supplie	59,500	45,683	-	-
5310-05	Contract Services-Fertilizer	32,903	25,714	-	-
5310-06	Contract Services-Other Services/Charg	103,375	72,993	-	-
5321	Telephone	872	810	900	-
5381	Electricity	12,080	13,344	12,000	-
5385	Oil	8,157	14,297	7,500	-
5415	Equipment Rental	40,849	41,042	36,000	-
5420	Depreciation	104,128	104,035	103,940	32,744
5427	Credit Card Commissions	6,591	10,795	8,500	-
5441	Other Services & Charges	291	241	1,500	-
5493	Cost Allocation Charges	33,400	33,400	33,400	-
5611	Bond Interest	-	-	-	-
5614	Capital Lease Interest	5,263	3,102	525	-
5622	Bond Cost Amortization	-	-	-	-
TOTAL - LESTER		1,024,473	968,940	1,026,265	966,037

City of Duluth Minnesota - 2016 Budget

Enger Golf Course

Operating Expense Detail		2013 Actual	2014 Actual	2015 Budget	2016 Approved
OTHER EXPENDITURES					
5133	Life Insurance	-	-	-	-
5212	Motor Fuels	34,684	27,902	34,000	-
5284	Liquor Purchases	11,438	9,144	12,000	36,314
5285	Food & Beverage for Resale	71,186	87,517	78,000	34,423
5286	Golf Merchandise for Resale	62,788	79,205	50,000	37,318
5310	Contract Services	-	-	640,000	1,124,319
5310	Contract Services	208,080	208,080	-	-
5310-01	Contract Services-Clubhouse P/R	111,826	111,530	-	-
5310-02	Contract Services- Maintenance P/R	115,100	128,914	-	-
5310-03	Contract Services-Supplies	16,447	15,316	-	-
5310-04	Contract Services-Maintenance Supplie	57,726	45,683	-	-
5310-05	Contract Services-Fertilizer	32,903	36,759	-	-
5310-06	Contract Services-Other Services/Charc	84,844	79,603	-	-
5321	Telephone	872	810	900	-
5381	Electricity	19,166	16,648	21,000	-
5415	Equipment Rental	40,849	41,042	36,000	-
5420	Depreciation	116,441	115,138	114,714	36,478
5427	Credit Card Commissions	11,196	12,117	11,000	-
5441	Other Services & Charges	235	(287)	1,500	-
5493	Cost Allocation Charges	33,400	33,400	33,400	-
5611	Bond Interest	-	-	-	-
5614	Capital Lease Interest	6,019	3,195	568	-
5622	Bond Cost Amortization	-	-	-	-
TOTAL - ENGER		1,035,200	1,051,716	1,033,082	1,268,852

City of Duluth Minnesota - 2016 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	2013 Actual	2014 Actual	2015 Budget	2016 Approved
REVENUES				
Operating Revenue	3,779,385	4,227,015	4,553,700	4,806,148
Non-Operating	664,880	545,141	400,000	400,000
	<u>4,444,265</u>	<u>4,772,156</u>	<u>4,953,700</u>	<u>5,206,148</u>
EXPENSES				
Personal Services	446,751	531,553	523,600	523,100
Supplies	29,153	72,826	107,000	81,000
Other Services and Charges	1,199,055	1,146,803	1,185,600	1,121,780
Utilities	167,380	182,389	199,800	196,500
Depreciation and Amortization	483,299	481,279	475,900	475,900
Improvements - Non-Capital	243,488	51,346	325,000	219,000
Debt Service - Interest	332,493	235,247	190,900	190,900
Transfers Out	1,461,033	1,363,827	1,328,600	1,328,600
	<u>4,362,652</u>	<u>4,065,270</u>	<u>4,336,400</u>	<u>4,136,780</u>
ESTIMATED OPERATING INCOME (LOSS)	81,613	706,886	617,300	1,069,368
BUDGETED FTE'S				
1100 Parking Manager	1	1	1	1
131 Parking Operations Specialist	0	0	1	1
121 Clerical Support Technician	1	1	1	1
24 Parking Ramp Leadworker	1	1	0	0
18 Parking Monitors	5	5	5	6
22 Maintenance Worker	0	0	0	0
15 Parking Ramp Attendant	0	0	0	0
Division Total	8	8	8	9

City of Duluth Minnesota - 2016 Budget

Parking Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2015 Projected	2016 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	3,734,683	2,524,583
Estimated Operating Income (Loss)	307,500	1,069,368
<u>Other Sources</u>		
Depreciation	<u>577,400</u>	<u>475,900</u>
Total Other Sources	577,400	475,900
<u>Other Uses</u>		
Bond Principal Payments	1,130,000	780,000
Capital Equipment	<u>965,000</u>	<u>796,000</u>
Total Other Uses	2,095,000	1,576,000
ESTIMATED BUDGETARY YEAR END CASH BALANCE	<u><u>2,524,583</u></u>	<u><u>2,493,851</u></u>

City of Duluth Minnesota - 2016 Budget

Parking Fund

505

Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING REVENUES:				
4371 Parking Meter Revenues	799,528	773,949	800,000	800,000
4373 Transient Parking	947,116	962,445	976,300	968,688
4374 Contract Parking	1,114,186	1,234,893	1,283,400	1,387,960
4170 Miscellaneous Permits	1,225	52,957	0	54,500
4472 Administrative Parking Fines	915,704	1,183,733	1,394,000	1,495,000
4622 Rent of Buildings	0	0	100,000	100,000
4654 Other Reimbursements	5	19,038	0	0
4680 Damage or Losses Recovered	1,621	0	0	0
TOTAL OPERATING REVENUE	3,779,385	4,227,015	4,553,700	4,806,148
NON-OPERATING REVENUES:				
4270 Other Grants	0	5,159	0	0
4601 Earnings on Investments	828	59,774	0	0
4730 Transfer in from DEDA	486,424	480,208	400,000	400,000
4730 Transfer in from Debt Service	177,628	0	0	0
TOTAL NON-OPERATING REVENUES	664,880	545,141	400,000	400,000
TOTAL REVENUE	4,444,265	4,772,156	4,953,700	5,206,148

City of Duluth Minnesota - 2016 Budget

Parking Administration

505-015-1479

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	126,200	169,294	132,200	142,000
5101 Permanent Employees - Overtime	15	2,893	0	0
5103 Temporary Employees - Regular	0	0	0	0
TOTAL	<u>126,215</u>	<u>172,187</u>	<u>132,200</u>	<u>142,000</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	8,936	12,377	9,700	10,400
5122 F.I.C.A. Social Security	7,494	10,404	8,200	8,800
5123 F.I.C.A. Medicare	1,753	2,433	1,900	2,100
5125 Dental Insurance	768	416	700	700
5126 Life Insurance	360	480	400	400
5127 Health Care Savings Plan	2,561	3,286	1,300	1,400
5130 Cafeteria Plan Benefits	25,733	33,503	27,600	27,600
TOTAL	<u>47,605</u>	<u>62,899</u>	<u>49,800</u>	<u>51,400</u>
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	694	107	2,000	1,000
5307 Admin/Management Fees	0	0	0	0
5321 Phone Service	240	240	700	500
5331 Travel/Training	0	0	6,000	6,000
5335 Mileage Reimbursement	238	0	900	500
5441 Other Services and Charges	5,576	5,950	4,000	6,000
5700 Transfer to General Fund	0	0	0	0
5700 Transfer to Special Revenue	0	456	1,900	1,900
TOTAL	<u>6,748</u>	<u>6,753</u>	<u>15,500</u>	<u>15,900</u>
2512 TOTAL - ADMINISTRATION	180,568	241,839	197,500	209,300

City of Duluth Minnesota - 2016 Budget

Technology Center Parking Ramp

505-015-1480-2510

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	0	0	0	0
5220 Repair & Maintenance Supplies	0	0	0	0
5307 Admin/Management Fees	0	10,654	10,900	10,900
5310 Contract Services	236,368	200,538	242,200	210,200
5319 Other Professional Service	208	9,900	0	0
5320 Data Services	0	0	0	0
5321 Phone Service	0	0	0	0
5335 Mileage Reimbursement	0	0	0	0
5381 Electricity	49,723	49,284	50,000	50,000
5382 Water, Gas & Sewer	2,919	3,270	2,200	4,000
5384 Refuse Disposal	634	1,170	1,000	2,000
5386 Steam	11,388	16,862	12,000	15,000
5404 Equipment Maintenance/Repair	860	375	1,000	1,000
5405 Parking Lot Maintenance	545	4,052	10,000	30,000
5420 Depreciation	173,296	171,708	171,700	171,700
5427 Credit Card commissions	0	0	0	0
5441 Other Services and Charges	9,031	1,112	0	0
5450 Laundry	4,081	6,637	0	0
5493 Cost Allocation	4,700	4,700	4,700	4,700
5580 Capital Equipment	0	0	0	0
5611 Bond Interest	21,191	9,624	700	700
5620 Fiscal Agents Fees	175	175	0	0
5622 Bond Amortization	0	0	0	0
5700 Transfer to General Fund	130,433	0	0	0
TOTAL	645,552	490,061	506,400	500,200
2510 TOTAL - TECHNOLOGY CENTER RAMP	645,552	490,061	506,400	500,200

City of Duluth Minnesota - 2016 Budget

East Superior Street Parking Ramp

505-015-1480-2511

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING EXPENSES				
5220 Repair & Maintenance Supplies	678	0	0	0
5307 Admin/Management Fees	0	12,820	13,100	13,100
5310 Contract Services	306,218	294,976	300,000	300,000
5319 Professional Services	0	0	0	0
5381 Electricity	12,978	13,202	14,000	14,000
5382 Water, Gas & Sewer	2,182	2,453	2,100	2,500
5405 Parking Lot Maintenance	149,417	20,175	260,000	159,000
5420 Depreciation	39,766	39,766	39,800	39,800
5441 Other Services and Charges	0	1,112	0	0
5493 Cost Allocation	4,700	4,700	4,700	4,700
5580 Capital Equipment	0	0	200,000	0
5611 Bond Interest	1,731	781	100	100
5620 Fiscal Agent Fees	175	175	0	0
5622 Bond Amortization	0	0	0	0
5700 Transfer to General Fund	137,351	0	0	0
TOTAL	<u>655,196</u>	<u>390,160</u>	<u>833,800</u>	<u>533,200</u>
2511 TOTAL - E SUPERIOR ST PARKING RAMP	655,196	390,160	833,800	533,200

City of Duluth Minnesota - 2016 Budget

Medical District Parking Ramp

505-015-1480-2512

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	0	0	0	0
5307 Admin/Management Fees	0	10,725	11,000	11,000
5310 Contract Services	196,274	174,267	212,700	190,180
5319 Other Professional Service	208	0	0	0
5320 Data Services	0	0	0	0
5335 Mileage Reimbursement	0	0	0	0
5381 Electricity	54,798	54,669	52,000	53,000
5382 Water, Gas & Sewer	26,360	36,351	60,000	40,000
5404 Equipment Maintenance/Repair	3,376	195	1,500	1,500
5405 Parking Lot Maintenance	3,126	18,359	30,000	15,000
5420 Depreciation	227,016	227,016	227,000	227,000
5427 Credit Card commissions	0	0	0	0
5441 Other Services and Charges	5,593	2,459	0	0
5481 Property Taxes	3,898	3,937	3,500	3,500
5493 Cost Allocation	4,700	4,700	4,700	4,700
5580 Capital Equipment	0	0	200,000	200,000
5611 Bond Interst	309,571	224,842	190,100	190,100
5620 Fiscal Agents Fees	350	700	0	0
5622 Bond Amortization	0	0	0	0
5700 Transfer to General Fund	166,829	0	0	0
TOTAL	1,002,099	758,220	992,500	935,980
2512 TOTAL - MEDICAL DISTRICT PARKING RAMP	1,002,099	758,220	992,500	935,980

City of Duluth Minnesota - 2016 Budget

Library and Coney Island Parking Ramps

505-015-1480-2513

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	0	4,827	0	0
5310 Contract Services	218,886	180,960	169,600	169,600
5381 Electricity	7,032	6,298	7,500	8,000
5382 Water, Gas & Sewer	0	0	0	10,000
5405 Parking Lot Maintenance	90,400	8,760	25,000	15,000
5420 Depreciation	32,161	32,161	32,200	32,200
5493 Cost Allocation	4,600	4,600	4,600	4,600
5580 Capital Equipment	0	0	15,000	11,000
5730 Transfer to General Fund	0	0	0	0
TOTAL	353,079	237,606	253,900	250,400
2513 TOTAL - LIBRARY & CONEY ISLAND PARKING RAMPS	353,079	237,606	253,900	250,400

City of Duluth Minnesota - 2016 Budget

Parking Meters and Enforcement

505-015-1481

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	182,152	191,847	223,100	224,800
5101 Permanent Employees - Overtime	1,925	234	0	0
TOTAL	<u>184,077</u>	<u>192,081</u>	<u>223,100</u>	<u>224,800</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	11,791	13,171	15,600	15,800
5122 F.I.C.A. Social Security	11,287	11,488	13,800	13,900
5123 F.I.C.A. Medicare	2,640	2,687	3,200	3,300
5125 Dental Insurance	1,864	819	2,200	2,200
5126 Life Insurance	907	945	1,100	1,100
5127 Health Care Savings Plan	1,514	7,580	2,400	2,100
5130 Cafeteria Plan Benefits	58,851	67,696	80,200	66,500
5141 Unemployment Compensation	0	0	0	0
TOTAL	<u>88,854</u>	<u>104,386</u>	<u>118,500</u>	<u>104,900</u>
OPERATING EXPENSES				
5200 Office Supplies	0	0	0	1,000
5212 Motor Fuels	0	2,092	10,000	3,000
5218 Uniforms	4,377	1,612	5,000	3,000
5219 Other Miscellaneous Supplies	5,621	2,688	5,000	3,000
5241 Small Equipment	17,783	66,327	85,000	70,000
5306 Collection Services	30,340	27,821	0	0
5310 Contract Services	124,591	157,976	160,000	160,000
5355 Printing & Copying Services	0	1,012	500	500
5356 Copier, Printer Lease & Supplies	462	132	500	1,000
5409 Fleet Service Charges	21,234	5,272	12,000	6,000
5414 Software Lic & Mtc Agreements	0	0	0	0
5420 Depreciation	11,060	10,628	5,200	5,200
5427 Credit Card Commissions	2,799	4,919	0	0
5441 Other Services and Charges	3,940	2,467	11,200	5,000
5493 Cost Allocation	4,600	4,600	4,600	4,600
5580 Capital Equipment	0	51,585	550,000	585,000
5700 Transfer to General Fund	1,026,420	1,362,003	1,326,700	1,326,700
5700 Transfer to Special Revenue Funds	0	1,368	0	0
TOTAL	<u>1,253,227</u>	<u>1,702,502</u>	<u>2,175,700</u>	<u>2,174,000</u>
2512 TOTAL - METERS & ENFORCEMENT	1,526,158	1,998,969	2,517,300	2,503,700

City of Duluth Minnesota - 2016 Budget

West Superior Street Parking Facility Fund

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The West Superior Street Parking Facility Fund accounts for the construction, operation, and maintenance of the parking ramp located at 425 West Superior Street.

Estimated Income and Expense	2013 Actual	2014 Actual	2015 Budget	2016 Approved
REVENUES				
Operating Revenue	-	-	-	266,770
Non-Operating				
State of Minnesota Capital Grant	-	-	-	250,000
Revenue Bond Cash Balance Forward	-	-	-	350,000
	-	-	-	866,770
OPERATING EXPENSES				
Supplies	-	-	-	37,700
Other Services and Charges	-	-	-	258,700
Utilities	-	-	-	33,420
Depreciation and Amortization	-	-	-	291,508
Debt Service - Interest Accrual	-	-	-	379,971
	-	-	-	1,001,299
ESTIMATED OPERATING INCOME (LOSS)				
	-	-	-	(134,529)
Debt Service - Interest Payment	-	-	-	109,805
Capital Outlay-Buildings & Structures	-	-	-	500,000
Capital Outlay-Improvements Other Than Buildings	-	-	-	100,000
	-	-	-	709,805
ESTIMATED NON-OPERATING/OPERATING INCOME (LOSS)				
				(844,334)

City of Duluth Minnesota - 2016 Budget

West Superior Street Parking Facility Fund Estimated Budgetary Cash Balance

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<u>OPERATING FUND</u>	2015 Projected	2016 Approved
Estimated Operating Income (Loss)	-	(134,529)
<u>Other Sources</u>		
Bond Interest Accrual		379,971
Depreciation	-	291,508
	<hr/>	<hr/>
Total Other Sources	-	671,479
<u>Other Uses</u>		
Bond Interest Payment		(109,805)
Capital Outlay	-	(600,000)
	<hr/>	<hr/>
Total Other Uses	-	(709,805)
 ESTIMATED BUDGETARY YEAR END CASH BALANCE	 -	 (172,855)

City of Duluth Minnesota - 2016 Budget

West Superior Street Parking Facility Fund

506

Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING REVENUES:				
4373 Transient Parking	-	-	-	22,050
4374 Contract Parking	-	-	-	236,320
4374-01 Contract Parking Other	-	-	-	8,400
4654 Other Reimbursements	-	-	-	-
TOTAL OPERATING REVENUE	-	-	-	266,770
NON-OPERATING REVENUES:				
4220-01 State of Minnesota Capital Grant	-	-	-	250,000
4999 Cash Balance Forward from Sale of Revenue Bonds	-	-	-	350,000
TOTAL NON-OPERATING REVENUES	-	-	-	600,000
TOTAL REVENUE	-	-	-	866,770

City of Duluth Minnesota - 2016 Budget

West Superior Street Parking Facility

506

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	-	-	-	-
5220 Repair & Maintenance Supplies	-	-	-	37,700
5307 Admin/Management Fees	-	-	-	10,500
5310 Contract Services	-	-	-	240,000
5319 Other Professional Service	-	-	-	2,500
5320 Data Services	-	-	-	-
5321 Phone Service	-	-	-	-
5335 Mileage Reimbursement	-	-	-	-
5381 Electricity	-	-	-	17,400
5382 Water, Gas & Sewer	-	-	-	4,020
5384 Refuse Disposal	-	-	-	1,000
5386 Steam	-	-	-	12,000
5404 Equipment Maintenance/Repair	-	-	-	-
5405 Parking Lot Maintenance	-	-	-	-
5420 Depreciation	-	-	-	291,508
5427 Credit Card commissions	-	-	-	-
5441 Other Services and Charges	-	-	-	-
5450 Laundry	-	-	-	-
5493 Cost Allocation	-	-	-	4,700
5520 Capital Improvements-Buildings & Structures	-	-	-	500,000
5530 Capital Improvements-Improvements Other than Buildings	-	-	-	100,000
5580 Capital Equipment	-	-	-	-
5611 Bond Interest-Accrual	-	-	-	379,971
5611 Bond Interest Payment	-	-	-	109,805
5620 Fiscal Agents Fees	-	-	-	-
5622 Bond Amortization	-	-	-	-
5700 Transfer to General Fund	-	-	-	-
TOTAL	-	-	-	1,711,104
2510 TOTAL - W SUPERIOR STREET PARKING FACILITY	-	-	-	1,711,104

City of Duluth Minnesota - 2016 Budget

Public Works & Utilities Department – Utilities

Mission and Vision

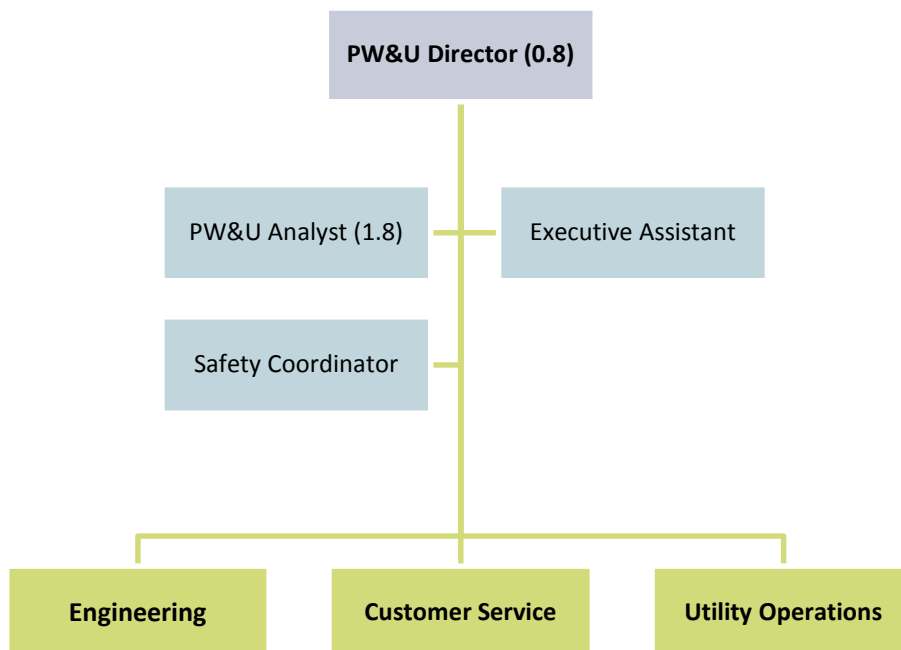
The mission of the Public Works and Utilities Department is to provide professional engineering services and water, natural gas, sanitary sewer, storm water, and street lighting utilities to Duluth's businesses and residents in a safe, cost-effective and environmentally sound manner.

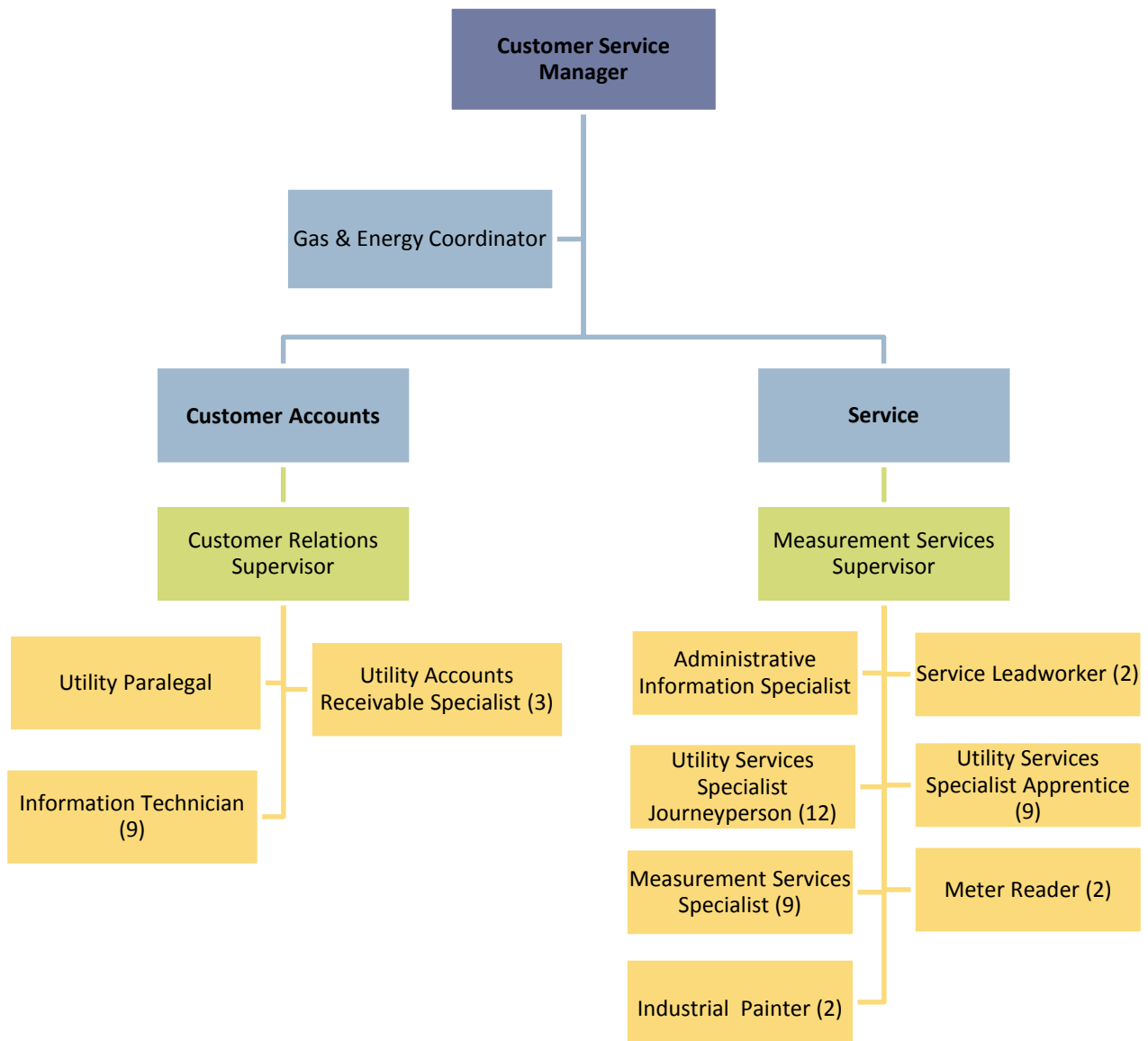
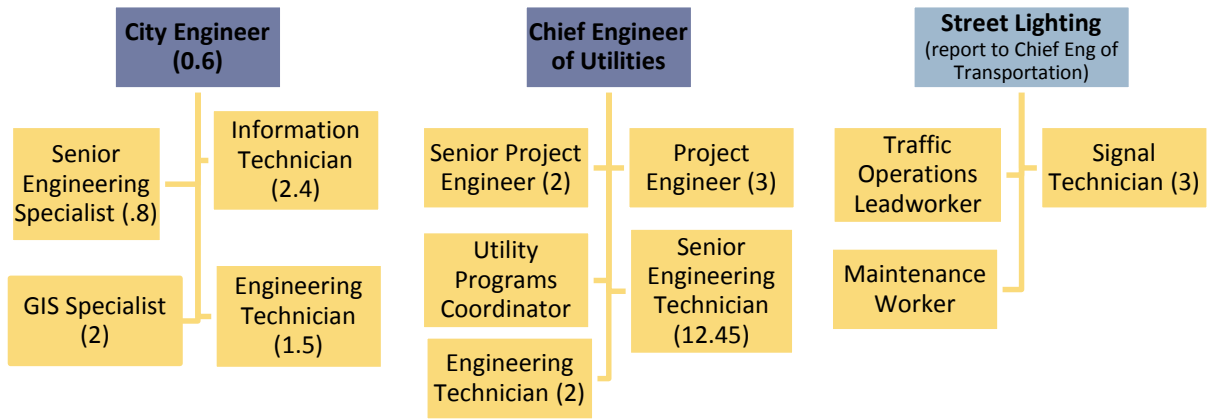
The Department's vision is to become a functionally integrated organization operating at optimum efficiencies and providing cost-effective and reliable service for all Duluthians.

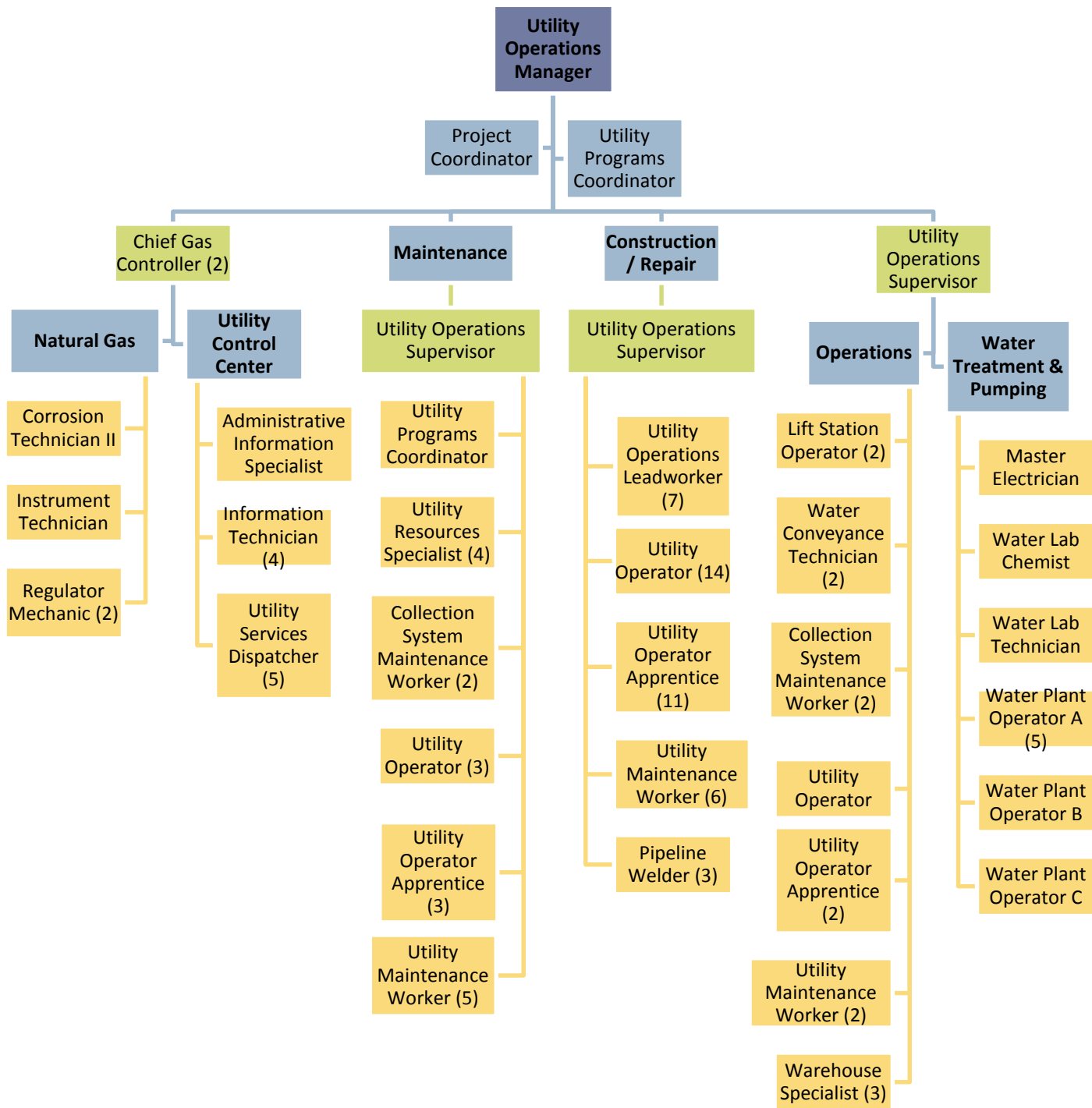
Structure

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

Public Works & Utilities Department – Utilities Organization Charts







City of Duluth Minnesota - 2016 Budget

Five-Year Goals & Objectives

- **Aerial Lift Bridge:** The stationary upper span of the Duluth Aerial Lift Bridge over the shipping channel needs to be repainted. This will be the 3rd and final phase of painting the entire bridge within the last 15 years. The old paint will be removed, and the bridge will be repainted with the same color as the towers and lower moveable span. Some minor structural repairs of the upper span will be incorporated into this project. The open-grated deck will also have some work done on it.
- **Decrease the Number of Water Main Breaks and Increase System Reliability:** 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. Emphasis will be on large water mains and water pumping/treatment facilities.
- **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 continue to grow. Outdated portions of the gas system are replaced on an annual basis.
- **Downtown Superior Street Reconstruction:** After thorough public involvement, the design phase is currently underway. Construction is anticipated to begin in 2017, lasting several construction seasons. The project will include water mains, storm sewer, sanitary sewer, signals and lighting, steam, road construction, and amenities.
- **Street Construction and Preservation:** With a finite budget, the Engineering Division will prioritize street projects that rehabilitate the most miles and will benefit the greatest number of residents. An automated pavement management program will be utilized to assist in choosing which roads to program for a specific year and whether a street would benefit most from a preservation project compared to a full reconstruct. Bridges are also programmed for rehabilitation or replacement as determined through bridge inspections.

City of Duluth Minnesota - 2016 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 budget is presented in the General Fund.

Mission and Core Services

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

	2013	2014	2015	2016	Difference
Budgeted FTE's	199.15	197.45	192.45	192.25	(0.20)
<u>Expenditures</u>	Actual	Actual	Budget	Proposed	Difference
Salaries and Benefits	17,796,497	17,524,244	18,554,400	19,145,800	591,400
Supplies	27,216,706	41,373,613	33,729,100	27,473,200	(6,255,900)
Other Services & Charges	16,734,005	17,271,025	18,596,300	17,444,500	(1,151,800)
Utilities	1,379,152	1,521,455	1,433,000	1,442,600	9,600
Depreciation/Amortization	5,041,995	5,320,384	5,817,800	5,899,300	81,500
Grants & Awards	2,378,658	1,487,851	1,588,000	650,000	(938,000)
Improvements -Non-Capital	462,219	536,275	490,000	375,000	(115,000)
Debt Service - Interest	910,050	862,624	837,100	698,800	(138,300)
Debt Service - Other	(11,567)	(11,556)	(11,600)	(9,800)	1,800
Capital Lease Interest	277,964	256,781	234,800	211,900	(22,900)
Total Operating	72,185,679	86,142,696	81,268,900	73,331,300	(7,937,600)
Non-Operating	10,161,764	14,574,776	11,909,100	10,802,300	(1,106,800)
Total Appropriation Budget	82,347,443	100,717,472	93,178,000	84,133,600	(9,044,400)

City of Duluth Minnesota - 2016 Budget

Utilities - Personnel Summary

		2013 Budget	2014 Budget	2015 Budget	2016 Proposed
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	-	-	-
1090	Measurement Services Supervisor	1.00	1.00	1.00	1.00
1080-1095	Utility Operations Supervisor	3.00	3.00	3.00	3.00
1075	Chief Gas Controller	1.00	2.00	2.00	2.00
1075	Water Plant Supervisor	1.00	1.00	1.00	-
1045-1055	Customer Relations Supervisor	1.00	1.00	1.00	1.00
136	Financial Analyst	1.00	1.00	1.00	-
135	Safety & Training Specialist	0.75	-	-	-
133	GIS Specialist	-	-	-	2.00
133	Safety Coordinator	-	1.00	1.00	1.00
133	Utility Paralegal	1.00	1.00	1.00	1.00
132	Utility Accounts Receivable Specialist	3.00	3.00	3.00	3.00
129	Administrative Information Specialist	1.40	2.00	2.00	2.00
126	Information Technician	16.60	16.50	16.50	15.40
121	Clerical Support Technician	2.00	1.00	-	-
121	Janitor I	2.00	2.00	-	-
39	Senior Project Engineer	-	2.00	2.00	2.00
36	Project Engineer	5.00	2.00	2.00	3.00
34	Senior Engineering Specialist	0.80	0.80	0.80	0.80
33	Public Works and Utilities Analyst	-	-	0.80	1.80
33	Utility Programs Coordinator	1.00	4.00	5.00	4.00
32	Corrosion Technician II	2.00	2.00	-	1.00
32	FOG Project Coordinator	1.00	1.00	-	-
32	Project Coordinator	2.80	0.80	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	1.00
31	Pipeline Welder	3.00	3.00	3.00	3.00
31	Senior Engineering Technician	12.20	11.45	10.45	12.45
31	Utility Resources Specialist	5.00	4.00	4.00	4.00
31	Water Plant Operator A	5.00	5.00	5.00	5.00
30	Appliance Mechanic Apprentice	-	3.00	2.00	-
30	Appliance Mechanic Journeyman	15.00	10.00	9.00	-
30	Instrument Technician	-	1.00	1.00	1.00

City of Duluth Minnesota - 2016 Budget

Utilities - Personnel Summary - continued

	2013 Budget	2014 Budget	2015 Budget	2016 Proposed
30 Senior Gas Control Operator	1.00	-	-	-
30 Utility Services Specialist Journeyperson	-	-	-	12.00
30 Warehouse Specialist	3.00	3.00	3.00	3.00
29 Corrosion Technician I	-	-	1.00	-
29 Gas Fitter	2.00	2.00	3.00	-
29 Industrial Painter	2.00	2.00	2.00	2.00
29 Lift Station Operator	2.00	2.00	2.00	2.00
29 Measurement Services Specialist	-	-	-	9.00
29 Meter Mechanic	1.00	1.00	1.00	-
29 Regulator Mechanic	3.00	2.00	2.00	2.00
29 Water Conveyance Technician	-	2.00	2.00	2.00
28 Collection System Maintenance Worker	9.00	5.00	4.00	4.00
28 EAM Coordinator	1.00	1.00	-	-
28 Engineering Technician	3.20	6.50	7.50	3.50
28 Gas Control Operator II	1.00	-	-	-
28 Utility Operator	17.00	24.00	18.00	18.00
28 Utility Operator Apprentice	12.00	6.00	16.00	16.00
28 Utility Service Journeyperson	11.00	6.00	6.00	-
28 Utility Services Specialist Apprentice	-	8.00	9.00	9.00
28 W & G Maintenance Journey Person	6.00	2.00	-	-
28 Water Plant Operator B	-	1.00	1.00	1.00
27 Water Lab Technician	1.00	1.00	1.00	1.00
26 Gas Control Operator I	1.00	-	-	-
26 Utility Service Dispatcher	5.00	5.00	5.00	5.00
24 Water Plant Operator C	2.00	1.00	1.00	1.00
23 Utility Maintenance Worker	9.00	14.00	12.00	13.00
22 Meter Reader	3.00	2.00	2.00	2.00
9 Executive Assistant	-	-	-	0.90
DEPARTMENT TOTAL	199.15	197.45	192.45	192.25

City of Duluth Minnesota - 2016 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 is water sales, representing 99% of total revenues for 2016. Significant categories of expense include personnel and benefits at 46% of total proposed expenses.

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

Estimated Income and Expense	2013 Actual	2014 Actual	2015 Budget	2016 Approved
REVENUE				
Operating	14,878,379	14,539,396	15,017,700	14,510,200
Non-Operating	102,527	93,397	41,200	181,600
	<u>14,980,906</u>	<u>14,632,793</u>	<u>15,058,900</u>	<u>14,691,800</u>
EXPENSES				
Personal Services	5,416,847	5,370,754	5,609,900	5,562,500
Supplies	1,427,435	1,359,760	1,375,600	1,417,900
Other Services & Charges	1,244,330	1,327,267	1,266,700	1,350,700
Utilities	1,198,239	1,307,206	1,249,900	1,255,200
Depreciation/Amortization	1,576,417	1,635,320	1,781,400	1,873,000
Improvements -Non-Capital	109,058	247,873	62,500	-
Debt Service - Interest	175,594	176,934	198,600	170,300
Debt Service - Other	(1,455)	(1,454)	(1,500)	(700)
Capital Lease Interest	100,067	92,441	84,500	76,300
Transfers	417,470	353,656	444,200	290,900
	<u>11,664,002</u>	<u>11,869,757</u>	<u>12,071,800</u>	<u>11,996,100</u>
ESTIMATED OPERATING INCOME (LOSS)				
	3,316,904	2,763,036	2,987,100	2,695,700
Other Sources of Cash	2,118,375	1,988,266	1,929,200	2,009,600
Other Uses of Cash	(5,213,526)	(5,272,989)	(3,888,200)	(4,973,800)
Increase (Decrease) in Cash	<u>221,753</u>	<u>(521,687)</u>	<u>1,028,100</u>	<u>(268,500)</u>

City of Duluth Minnesota - 2016 Budget

Water Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2015 Budget	2015 Projected	2016 Approved
ESTIMATED OPERATING INCOME (LOSS)	2,987,100	3,133,500	2,695,700
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,781,400	1,722,200	1,873,000
Interest from Bond Discount	(1,500)	(1,500)	(700)
Due from Other Funds	-	30,500	-
Special Assessment Principal	149,300	137,300	137,300
Total Other Sources of Cash	<u>1,929,200</u>	<u>1,888,500</u>	<u>2,009,600</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	-	23,300	-
Capital Improvements from Current Revenues	1,835,000	3,030,100	2,859,700
Infrastructure Improvements	-	1,600	-
Capital Equipment Purchases	292,900	288,000	320,000
Bond Principal Payments	1,548,700	1,548,700	1,574,400
AMR Lease Principal Payments	211,600	211,600	219,700
Total Other Uses of Cash	<u>3,888,200</u>	<u>5,103,300</u>	<u>4,973,800</u>
INCREASE (DECREASE) IN CASH	1,028,100	(81,300)	(268,500)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH- BEGINNING	<u>703,500</u>	<u>500,253</u>	<u>418,953</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH- ENDING	<u><u>1,731,600</u></u>	<u><u>418,953</u></u>	<u><u>150,453</u></u>

City of Duluth Minnesota - 2016 Budget

Water Fund

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Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING REVENUES:				
4636 Sale of Scrap	15,938	23,877	12,000	14,000
4680 Damage or Losses Recovered	-	-	-	-
4800 Meter Repair	15,553	45,791	25,000	30,000
4801 Off/On Charge	32,658	27,695	25,000	28,000
4802 Interest - Customer Accounts	48,045	46,303	45,000	44,000
4805 Reimbursements	36,429	2,505	5,000	3,000
4807 Water Tower Lease	117,648	138,581	135,000	-
4809 Miscellaneous Operating	15,592	26,311	14,000	15,000
4810 Metered Water Sales	10,992,766	10,524,394	11,048,300	10,709,800
4811 Water for Resale	1,206,067	1,308,121	1,308,300	1,256,200
4831 Fixed Rate Charges	2,385,961	2,385,423	2,395,100	2,405,200
4851 Interest Income	11,722	10,395	5,000	5,000
TOTAL OPERATING REVENUES	14,878,379	14,539,396	15,017,700	14,510,200
NON-OPERATING REVENUES:				
4220 State of Minnesota Operating	5,252	-	-	-
4230 Pera Aid	16,919	16,919	16,900	16,900
4601 Change in Fair Value Investments	(9,300)	3,060	-	-
4601 GASB #31 Adjustment	22,826	13,182	-	-
4806 Connection Fees	5,737	7,655	7,000	7,000
4850 Earnings on Investments	384	(31)	600	100
4853 Gain on Sale of Assets	-	13,590	1,000	1,000
4854 Utility Assessment	50,049	23,087	5,000	3,000
4730 Tranfers from Special Revenue Funds	-	5,275	-	135,000
4730 Tranfers from Enterprise Funds	10,660	10,660	10,700	18,600
TOTAL NON-OPERATING REVENUES	102,527	93,397	41,200	181,600
TOTAL REVENUE	14,980,906	14,632,793	15,058,900	14,691,800

City of Duluth Minnesota - 2016 Budget

Director's Office

510-500-1900

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	49,120	47,839	66,300	70,100
5101 Permanent Employees - Overtime	697	199	500	500
TOTAL	49,817	48,038	66,800	70,600
EMPLOYEE BENEFITS				
5121 P.E.R.A.	6,160	19,355	4,800	5,100
5122 F.I.C.A. Social Security	3,030	2,886	4,100	4,400
5123 F.I.C.A. Medicare	725	699	1,000	1,000
5125 Dental Insurance	261	96	300	300
5126 Life Insurance	121	109	200	200
5127 Health Care Savings	1,499	1,750	600	600
5130 Cafeteria Plan Benefits	5,370	5,170	9,800	7,100
TOTAL	17,166	30,065	20,800	18,700
OPERATING EXPENSES				
5200 Office Supplies	163	26	100	100
5241 Small Equipment	156	-	300	200
5321 Telephone	120	120	100	100
5331 Training Expense	-	139	300	300
5335 Mileage Reimbursement - Local	75	39	100	100
5356 Copier, Printer Lease & Supplies	-	-	-	-
5438 Licenses	-	-	-	-
5441 Other Services and Charges	144	-	-	-
5700 Transfer to Special Revenue Funds	-	12,844	-	-
TOTAL	658	13,168	900	800
1900 TOTAL - DIRECTOR'S OFFICE	67,641	91,271	88,500	90,100

City of Duluth Minnesota - 2016 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	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING EXPENSES				
5420 Depreciation	1,576,417	1,635,320	1,781,400	1,873,000
5441 Other Services & Charges	-	-	-	-
5535 Improvements (Non-Capital)	109,058	247,873	62,500	-
5540 Equipment (Non-Capital)	-	1,848	10,000	12,000
5611 Bond Interest	175,594	176,934	198,600	170,300
5613 Interest from Bond Amortization	(1,455)	(1,454)	(1,500)	(700)
5614 Capital Lease Interest	100,067	92,441	84,500	76,300
5620 Fiscal Agents Fee	481	569	600	500
5621 Bond Issuance/Discount Fees	-	6,500	-	-
TOTAL	1,960,162	2,160,031	2,136,100	2,131,400
NON-OPERATING EXPENSES				
5532 Capital Improvements - Bonds	53,952	4,649,330	-	-
5533 Capital Improvements - Revenue Financing	1,365,157	1,352,732	1,835,000	2,859,700
5536 Utility Infrastructure Replacmt Proj	1,892,555	1,917,676	-	-
5580 Capital Equipment	227,462	313,466	292,900	320,000
TOTAL	3,539,126	8,233,204	2,127,900	3,179,700
1905 TOTAL - CAPITAL	5,499,288	10,393,235	4,264,000	5,311,100

City of Duluth Minnesota - 2016 Budget

Utility General Expense

510-500-1915

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

Expense Detail		2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	35,985	39,980	12,200	12,500
5101	Permanent Employees - Overtime	1,834	1,143	-	-
	TOTAL	37,819	41,123	12,200	12,500
EMPLOYEE BENEFITS					
5121	P.E.R.A.	2,545	2,560	900	900
5122	F.I.C.A. Social Security	2,313	2,493	800	800
5123	F.I.C.A. Medicare	541	583	200	200
5125	Dental Insurance	291	142	100	100
5126	Life Insurance	4,444	4,752	100	-
5127	Health Care Savings	370	(983)	100	100
5130	Cafeteria Plan Benefits	6,988	11,762	3,900	3,800
5133	Health or Fitness Program	57	-	-	-
5134	Other Post Retirement Benefits	12,251	(140,596)	-	-
5135	Retiree Health Insurance	524,435	528,653	550,600	552,600
5151	Worker's Compensation	61,400	40,800	38,300	44,800
	TOTAL	615,635	450,166	595,000	603,300
OPERATING EXPENSES					
5200	Office Supplies	504	15	500	200
5201	Computer Supplies/Software	28,956	22,146	-	-
5205	Safety & Training	2,029	6,182	900	900
5211	Cleaning & Janitorial Supplies	914	2,834	2,500	2,700
5212	Motor Fuels	-	-	-	200
5218	Uniforms	-	1,211	-	-
5219	Other Miscellaneous Supplies	140	3,836	-	-
5241	Small Equipment	2,481	2,560	700	700
5301	Auditing Services	1,063	629	1,400	1,000
5305	Medical Services/Testing Fees	2,534	2,858	2,500	2,700
5310	Contract Services	15,582	49,143	-	-
5319	Other Professional Services	-	377	-	-
5320	Data Services	10,834	10,731	15,000	18,800
5321	Telephone	10,022	6,947	8,900	6,200
5331	Training Expense	542	1,182	3,100	2,400
5333	Freight/Delivery Charges	-	419	-	-
5335	Mileage Reimbursement - Local	-	-	100	-
5355	Printing & Copying Services	666	-	-	-
5356	Copier, Printer Lease & Supplies	5,391	4,991	5,000	6,800
5360	Insurance	131,100	74,900	113,800	95,500
5381	Electricity	16,792	15,952	13,000	12,700
5382	Water, Gas & Sewer	18,605	22,748	21,000	19,700
5384	Refuse Disposal	3,082	3,006	3,600	3,200
5401	Building Repair & Maintenance	4,980	6,874	9,200	8,400
5404	Equipment Repair & Maintenance	13	-	5,000	5,000
5409	Fleet Services Charges	-	-	-	100
5414	Software Lic & Mtc Agreements	-	6,246	29,300	33,900
5433	Dues and Subscriptions	-	-	-	-
5441	Other Services & Charges	20,317	20,405	17,500	17,100
5450	Laundry	2,405	2,198	2,200	1,700
5457	Hydrant Maintenance	30,000	30,000	30,000	30,000
5493	Cost Allocation	383,200	383,200	385,300	385,300
5700	Transfer to General Fund	22,826	34,882	60,200	56,900
5700	Transfer to Special Revenue Funds	-	-	-	-
5700	Transfer to Internal Service Funds	148,000	120,000	104,000	68,000
	TOTAL	862,978	836,472	834,700	780,100
1915	TOTAL - GENERAL EXPENSE	1,516,432	1,327,761	1,441,900	1,395,900

City of Duluth Minnesota - 2016 Budget

Engineering

510-500-1930

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	294,021	336,672	346,000	354,900
5101 Permanent Employees - Overtime	21,299	27,870	25,000	25,000
5103 Temporary Wages	2,905	4,601	5,300	9,400
5118 Meal Allowance	250	190	-	-
TOTAL	318,475	369,333	376,300	389,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	22,499	25,648	25,500	28,000
5122 F.I.C.A. Social Security	19,139	22,234	23,300	24,100
5123 F.I.C.A. Medicare	4,476	5,200	5,500	5,600
5125 Dental Insurance	1,868	830	1,900	2,100
5126 Life Insurance	877	957	900	1,000
5127 Health Care Savings	5,861	5,502	6,000	4,600
5130 Cafeteria Plan Benefits	64,801	80,455	84,000	88,600
TOTAL	119,521	140,826	147,100	154,000
OPERATING EXPENSES				
5200 Office Supplies	625	610	300	600
5201 Computer Supplies	7,071	7,662	-	-
5203 Paper, Stationery and Forms	417	862	400	600
5205 Safety and Training Materials	189	233	500	300
5212 Motor Fuel	4,030	4,505	6,500	5,000
5218 Uniforms	-	-	-	-
5219 Other Miscellaneous Supplies	280	117	-	-
5240 Small Tools	793	969	800	800
5241 Small Equipment	1,224	3,438	2,700	1,900
5242 Survey Equipment and Supplies	3,135	2,035	5,600	5,500
5303 Engineering Services	-	-	-	75,000
5310 Contract Services	49	4,892	-	-
5320 Data Services	-	13	1,000	1,500
5321 Telephone	1,651	2,232	1,100	1,600
5322 Postage	-	104	100	100
5331 Training Expenses	2,449	1,169	3,300	3,000
5335 Mileage Reimbursement	158	469	300	300
5355 Printing and Copying	2,728	-	600	600
5356 Copier, Printer Lease & Supplies	4,313	3,889	4,500	800
5404 Equipment Maintenance Repair	393	346	600	700
5409 Fleet Services	3,642	4,201	3,000	3,000
5414 Software Lic & Mtc Agreements	-	1,102	7,300	10,000
5433 Dues and Subscriptions	300	225	600	600
5435 Books and Pamphlets	86	23	200	200
5438 Licenses	-	227	-	100
5441 Other Services and Charges	2,430	993	11,000	11,000
5486 One Call System	2,968	3,682	3,000	3,300
TOTAL	38,931	43,998	53,400	126,500
1930 TOTAL - ENGINEERING	476,927	554,157	576,800	669,800

City of Duluth Minnesota - 2016 Budget

Customer Service

510-500-1940

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	778,093	798,856	839,300	664,600
5101 Permanent Employees - Overtime	39,602	28,874	40,500	40,500
5103 Temporary Wages	-	9	-	-
5118 Meal Allowance	208	527	-	-
TOTAL	817,903	828,266	879,800	705,100
EMPLOYEE BENEFITS				
5121 P.E.R.A.	57,634	58,218	61,300	51,700
5122 F.I.C.A. Social Security	49,769	50,671	54,600	43,700
5123 F.I.C.A. Medicare	11,640	11,851	12,800	10,200
5125 Dental Insurance	5,599	2,296	5,500	4,200
5126 Life Insurance	2,625	2,648	2,800	2,000
5127 Health Care Savings	16,617	8,877	9,400	8,600
5130 Cafeteria Plan Benefits	182,426	204,935	209,900	163,000
TOTAL	326,310	339,496	356,300	283,400
OPERATING EXPENSES				
5200 Office Supplies	2,591	1,560	3,300	3,300
5201 Computer Supplies	251	193	400	300
5203 Paper/Stationery	-	-	2,300	800
5212 Motor Fuel	17,131	16,615	20,800	20,800
5215 Shop Materials	436	243	-	-
5218 Uniforms	2,855	4,188	2,500	1,800
5219 Other Miscellaneous Supplies	324	1,329	-	-
5220 Repair & Maintenance Supplies	40,220	36,092	44,000	25,000
5227 Utility System	67,969	3,295	110,800	140,800
5228 Painting Supplies	746	789	3,000	3,000
5240 Small Tools	1,410	10,981	2,500	2,600
5241 Small Equipment	2,378	9,932	4,200	6,000
5310 Contract Services	38,232	106,751	37,200	36,800
5320 Data Services	588	594	-	-
5321 Telephone	2,492	2,368	3,200	2,200
5322 Postage	42,220	46,649	51,500	49,600
5331 Training Expenses	1,001	1,050	7,800	6,700
5339 Armored Pickup	1,107	1,119	1,200	1,200
5355 Printing & Copying	27	803	700	1,700
5356 Copier, Printer Lease & Supplies	195	467	500	500
5401 Building Repair & Maintenance	195	46	-	-
5404 Equipment Maintenance & Repair	3,253	5,685	1,100	1,100
5409 Fleet Services	15,691	15,417	17,600	17,600
5414 Software Lic & Mtc Agreements	-	-	2,200	2,800
5427 Credit Card Commission	14,389	18,905	15,200	15,200
5432 Uncollectible Accounts	9,786	29,612	15,000	15,000
5441 Other Services & Charges	796	1,022	2,400	2,300
TOTAL	266,283	315,705	349,400	357,100
1940 TOTAL - CUSTOMER SERVICE	1,410,496	1,483,467	1,585,500	1,345,600

City of Duluth Minnesota - 2016 Budget

Utility Operations

510-500-1945

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

Expense Detail		2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	1,404,451	1,340,685	1,343,800	1,533,000
5101	Permanent Employees - Overtime	243,893	245,446	260,000	251,000
5103	Other Wages	-	6,699	-	-
5118	Meal Allowance	4,876	4,949	4,000	5,000
	TOTAL	1,653,220	1,597,779	1,607,800	1,789,000
EMPLOYEE BENEFITS					
5121	P.E.R.A.	114,873	111,337	98,100	130,600
5122	F.I.C.A. Social Security	100,452	97,116	99,400	110,600
5123	F.I.C.A. Medicare	23,609	22,956	23,300	25,900
5125	Dental Insurance	9,367	3,705	8,700	9,900
5126	Life Insurance	4,396	4,276	4,300	4,800
5127	Health Care Savings	26,050	22,378	12,600	27,800
5130	Cafeteria Plan Benefits	287,697	298,765	325,700	347,800
5141	Unemployment Compensation	967	4,148	-	-
	TOTAL	567,411	564,681	572,100	657,400
OPERATING EXPENSES					
5200	Office Supplies	1,776	2,133	2,500	2,000
5201	Computer Supplies/Software	-	5	4,000	300
5205	Safety & Training Materials	9,741	14,467	5,300	5,500
5210	Plant/Operating Supplies	24,621	26,601	16,000	16,000
5212	Motor Fuel	92,447	89,748	80,000	85,000
5215	Shop Materials	4,329	4,441	2,700	3,400
5218	Uniforms	3,135	6,465	5,700	8,600
5219	Other Miscellaneous Supplies	38	854	2,000	3,000
5220	Repair & Maintenance Supplies	16,820	12,691	4,700	8,800
5222	Paving Materials	17,498	30,154	20,000	25,000
5223	Salt & Sand	-	650	-	-
5224	Gravel & Other Maintenance Mtls	59,194	53,590	60,000	60,000
5227	Utility Maintenance Supply	412,424	413,667	310,000	358,900
5228	Painting Supplies	224	850	300	300
5240	Small Tools	23,976	25,575	9,000	14,300
5241	Small Equipment	22,873	14,095	10,000	10,700
5310	Contract Services	38,029	39,717	28,000	32,200
5320	Data Services	460	1,103	-	-
5321	Telephone	1,832	2,711	2,700	2,200
5331	Training Expenses	3,225	4,978	9,000	9,500
5333	Freight/Delivery Charges	78	68	-	-
5335	Mileage Reimbursement	2,915	2,951	4,000	3,500
5355	Printing and Copying	-	39	200	200
5356	Copier, Printer Lease & Supplies	467	208	500	500
5382	Water/Sewer/Gas	5,504	6,318	6,000	6,000
5384	Refuse Disposal	6,673	7,557	7,500	8,500
5401	Bldg/Structure Repair & Mtc	-	2,734	-	-
5404	Equipment Maintenance/Repair	6,314	8,130	3,000	6,000
5409	Fleet Service Charges	171,423	193,091	145,000	155,000
5414	Software Lic & Mtc Agreements	-	-	700	-
5415	Vehicle/Equipment Rental	3,135	39,732	12,000	14,000
5419	Other Rentals	7,409	3,276	-	-
5438	License	183	69	500	500
5441	Other Services & Charges	11,845	52,705	3,000	5,200
5450	Laundry	10,405	10,134	12,200	7,000
5700	Transfer to General Fund	246,644	185,930	280,000	166,000
	TOTAL	1,205,637	1,257,437	1,046,500	1,018,100
1945	TOTAL - UTILITY OPERATIONS	3,426,268	3,419,897	3,226,400	3,464,500

City of Duluth Minnesota - 2016 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		2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	616,094	639,619	657,200	594,600
5101	Permanent Employees - Overtime	23,788	23,480	25,000	25,000
5118	Meal Allowance	-	30	-	-
	TOTAL	639,882	663,129	682,200	619,600
EMPLOYEE BENEFITS					
5121	P.E.R.A.	45,290	47,667	48,600	45,800
5122	F.I.C.A. Social Security	38,719	40,368	42,300	38,400
5123	F.I.C.A. Medicare	9,055	9,441	9,900	9,000
5125	Dental Insurance	4,179	1,713	4,000	3,700
5126	Life Insurance	1,962	1,977	2,000	1,800
5127	Health Care Savings	5,929	20,817	12,300	5,700
5130	Cafeteria Plan Benefits	148,554	175,869	174,400	155,200
	TOTAL	253,688	297,852	293,500	259,600
OPERATING EXPENSES					
5200	Office Supplies	1,428	1,093	1,500	1,500
5201	Computer Supplies/Software	-	4,428	-	-
5210	Plant/Operating Supplies	16,111	6,819	9,000	7,000
5211	Cleaning/Janitorial Supplies	-	500	2,000	2,000
5212	Motor Fuel	6,371	8,206	5,000	8,000
5216	Treatment Chemicals	396,067	372,954	495,800	458,500
5218	Uniforms	2,381	4,492	2,800	2,800
5219	Other Miscellaneous Supplies	10,005	13,285	12,000	21,500
5220	Repair & Maintenance Supplies	104,147	99,603	76,000	76,000
5228	Painting Supplies	2,247	881	1,500	1,500
5240	Small Tools	298	225	6,000	4,500
5241	Small Equipment	9,866	6,830	16,200	8,700
5310	Contract Services	16,553	20,263	35,000	35,000
5319	Other Professional Services	19,647	2,466	5,000	5,000
5320	Data Services	727	5,116	700	-
5321	Telephone	1,155	1,156	1,200	1,200
5322	Postage	220	344	500	500
5331	Training Expenses	4,773	3,752	7,000	7,000
5335	Local Mileage Reimbursement	5,313	5,664	6,000	6,000
5355	Printing and Copying	548	128	800	800
5356	Copier, Printer Lease & Supplies	149	-	500	500
5381	Electricity	1,083,830	1,156,320	1,115,000	1,125,000
5382	Water & Sewer	73,508	105,868	94,900	91,800
5400	Misc Repair & Mtc Service	-	331	-	-
5401	Building Repair & Maintenance	23,296	12,468	16,200	32,200
5404	Equipment Maintenance/Repair	58,575	13,383	55,000	46,500
5409	Fleet Services	5,137	9,580	5,000	6,000
5433	Dues and Subscriptions	5,430	5,490	5,500	5,500
5438	Licenses	55	45	300	300
5441	Other Services & Charges	61,093	6,240	60,500	61,300
5450	Laundry	3,576	1,385	2,000	1,000
5483	Water Testing Fees	-	2,877	2,000	2,000
	TOTAL	1,912,506	1,872,192	2,040,900	2,019,600
1955	TOTAL-WATER TRMT & PUMPING	2,806,076	2,833,173	3,016,600	2,898,800

City of Duluth Minnesota - 2016 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 natural gas. Other services provided are the inspection, maintenance and servicing of customer gas utilization equipment.

The major funding source is gas sales which represents 96% of total revenues for 2016. The major category of expense is purchased gas, representing 62% of total proposed expenses.

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

Estimated Income and Expense	2013 Actual	2014 Actual	2015 Budget	2016 Approved
REVENUE				
Operating Revenues	1,399,481	2,207,307	1,512,600	1,526,000
Gas Sales	39,061,884	56,083,100	46,895,300	39,929,300
Non-Operating Revenues	114,132	235,832	95,900	127,200
	<u>40,575,497</u>	<u>58,526,239</u>	<u>48,503,800</u>	<u>41,582,500</u>
EXPENSES				
Personal Services	7,188,488	6,862,377	7,243,400	7,749,500
Supplies	1,004,138	1,015,131	991,200	973,000
Other Services & Charges	1,471,737	1,719,985	1,697,100	1,558,400
Natural Gas Purchases	24,132,568	38,271,381	30,737,100	24,422,000
Utilities	39,938	49,369	36,400	38,000
Depreciation/Amortization	1,313,680	1,354,779	1,500,300	1,497,700
Improvements -Non-Capital	54,102	101,211	57,500	60,000
Debt Service - Interest	176,414	151,368	136,100	84,200
Debt Service - Other	(21,507)	(21,517)	(21,500)	(21,500)
Capital Lease Interest	91,728	84,738	77,500	69,900
Transfers	2,611,361	3,070,011	4,124,100	3,036,700
	<u>38,062,647</u>	<u>52,658,833</u>	<u>46,579,200</u>	<u>39,467,900</u>
ESTIMATED OPERATING INCOME (LOSS)				
	2,512,850	5,867,406	1,924,600	2,114,600
Other Sources of Cash	1,594,465	1,323,202	1,659,200	1,647,200
Other Uses of Cash	<u>(4,266,172.00)</u>	<u>(4,752,213.00)</u>	<u>(7,038,600.00)</u>	<u>(5,046,900.00)</u>
Increase (Decrease) in Cash	<u>(158,857.00)</u>	<u>2,438,395</u>	<u>(3,454,800.00)</u>	<u>(1,285,100.00)</u>

City of Duluth Minnesota - 2016 Budget

Gas Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2015 Budget	2015 Projected	2016 Approved
ESTIMATED OPERATING INCOME (LOSS)	1,924,600	3,024,300	2,114,600
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,500,300	1,393,900	1,497,700
Interest from Bond Discount	(21,500)	(21,500)	(21,500)
Due from Other Funds	-	42,200	-
Energy Fund Loan Repayment	150,000	150,000	150,000
Special Assessment Principal	30,400	12,000	21,000
Total Other Sources of Cash	<u>1,659,200</u>	<u>1,576,600</u>	<u>1,647,200</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	-	45,700	-
Capital Improvements from Current Revenues	5,600,000	3,342,600	3,675,000
Capital Equipment Purchases	321,700	240,600	300,500
Bond Principal Payments	923,000	1,568,000	870,000
AMR Lease Principal Payment	193,900	193,900	201,400
Total Other Uses of Cash	<u>7,038,600</u>	<u>5,390,800</u>	<u>5,046,900</u>
INCREASE (DECREASE) IN CASH	(3,454,800)	(789,900)	(1,285,100)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>4,885,680</u>	<u>6,035,675</u>	<u>5,245,775</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>1,430,880</u></u>	<u><u>5,245,775</u></u>	<u><u>3,960,675</u></u>

City of Duluth Minnesota - 2016 Budget

Gas Fund

520

Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING REVENUES:				
4636 Sale of Scrap	1,803	506	1,000	1,000
4801 Off/On Charge	32,658	27,695	25,000	28,000
4802 Interest Earned on Customer Accts	115,757	195,244	145,000	120,000
4805 Reimbursements	107,973	785,925	220,000	225,000
4809 Miscellaneous Operating Revenue	85,865	67,034	65,000	70,000
4818 Servicing Appliances	369,251	400,969	300,000	340,000
4819 Comfort Policy	402,316	422,711	390,000	415,000
4820 Residential Firm	22,399,635	32,380,976	27,021,700	22,338,600
4822 Comm/Industrial Firm Large	9,805,774	15,307,779	12,499,200	10,560,300
4824 Comm/Industrial Interruptible Large	3,432,563	4,572,716	3,521,600	3,154,600
4827 Gas-Interruptible Transport	282,205	306,247	363,000	326,000
4831 Fixed Rate Charges	3,423,912	3,821,629	3,852,800	3,875,800
4851 Interest Income - Other Sources	1,653	976	3,600	1,000
TOTAL OPERATING REVENUES	40,461,365	58,290,407	48,407,900	41,455,300
NON-OPERATING REVENUES:				
4230 Pera Aid	23,365	23,365	23,400	23,400
4601 Change in Fair Value Investments	(44,934)	42,497	-	-
4601 GASB #31 Adjustment	73,362	95,975	-	-
4829 Two Tier Rate	49,604	46,332	48,000	64,000
4850 Earnings on Investments	1,775	6,244	4,500	6,000
4853 Gain on Sale of Assets	(4,983)	153	2,000	2,000
4854 Utility Special Assessments	(47)	1	2,000	2,000
4730 Transfers In from Special Revenue Funds	-	5,275	-	-
4730 Transfers In from Enterprise Funds	15,990	15,990	16,000	29,800
TOTAL NON-OPERATING REVENUES	114,132	235,832	95,900	127,200
TOTAL REVENUE	40,575,497	58,526,239	48,503,800	41,582,500

City of Duluth Minnesota - 2016 Budget

Director's Office

520-500-1900

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	57,760	57,691	75,800	80,900
5101 Permanent Employees - Overtime	844	279	500	500
TOTAL	<u>58,604</u>	<u>57,970</u>	<u>76,300</u>	<u>81,400</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	13,107	8,580	5,500	5,900
5122 F.I.C.A. Social Security	3,578	3,506	4,700	5,000
5123 F.I.C.A. Medicare	853	844	1,100	1,200
5125 Dental Insurance	338	127	400	400
5126 Life Insurance	157	145	200	200
5127 Health Care Savings	1,576	1,834	700	700
5130 Cafeteria Plan Benefits	6,918	6,889	11,500	8,800
TOTAL	<u>26,527</u>	<u>21,925</u>	<u>24,100</u>	<u>22,200</u>
OPERATING EXPENSES				
5200 Office Supplies	75	84	100	100
5241 Small Equipment	156	54	300	400
5321 Telephone	120	6,709	100	100
5331 Training/Travel	611	790	400	500
5335 Mileage Reimbursement Local	83	47	100	100
5356 Copier, Printer Lease & Supplies	-	-	-	-
5433 Dues & Subscription	202	101	-	-
5438 Licenses	-	-	-	-
5441 Other Services & Charges	144	-	-	-
5700 Transfer to Special Revenue Fund	-	16,499	-	-
TOTAL	<u>1,391</u>	<u>24,284</u>	<u>1,000</u>	<u>1,200</u>
1900 TOTAL - DIRECTOR'S OFFICE	86,522	104,179	101,400	104,800

City of Duluth Minnesota - 2016 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	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING EXPENSES				
5420 Depreciation	1,313,680	1,354,779	1,500,300	1,497,700
5441 Other Services & Charges	-	-	-	-
5535 Improvements (Non-Capital)	54,102	101,211	57,500	60,000
5540 Equipment (Non-Capital)	-	3,691	15,000	31,500
5611 Bond Interest	176,414	151,368	136,100	84,200
5613 Interest - Bond Amortization	(21,507)	(21,517)	(21,500)	(21,500)
5614 Capital Lease Interest	91,728	84,738	77,500	69,900
5620 Fiscal Agents Fee	613	613	600	600
TOTAL	<u>1,615,030</u>	<u>1,674,883</u>	<u>1,765,500</u>	<u>1,722,400</u>
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue Financing	2,306,600	3,024,878	5,600,000	3,675,000
5580 Capital Equipment	222,825	303,732	321,700	300,500
TOTAL	<u>2,529,425</u>	<u>3,328,610</u>	<u>5,921,700</u>	<u>3,975,500</u>
1905 TOTAL - CAPITAL	4,144,455	5,003,493	7,687,200	5,697,900

City of Duluth Minnesota - 2016 Budget

Utility General Expense

520-500-1915

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	41,954	48,941	30,600	31,300
5101 Permanent Employees - Overtime	1,537	791	-	-
TOTAL	43,491	49,732	30,600	31,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,021	3,218	2,300	2,300
5122 F.I.C.A. Social Security	2,642	2,988	1,900	1,900
5123 F.I.C.A. Medicare	618	699	400	500
5125 Dental Insurance	309	158	100	200
5126 Life Insurance	4,612	4,847	100	100
5127 Health Care Savings	417	420	300	300
5130 Cafeteria Plan Benefits	9,892	15,806	9,600	9,600
5133 Health or Fitness Program	255	-	-	-
5134 Other Post Retirement Benefits	42,870	(191,482)	-	-
5135 Retiree Health Insurance	816,970	896,001	912,100	891,200
5151 Worker's Compensation	81,100	51,100	48,600	56,500
TOTAL	962,706	783,755	975,400	962,600
OPERATING EXPENSES				
5200 Office Supplies	122	343	1,000	500
5201 Computer Supplies/Software	44,021	28,694	-	-
5205 Safety & Training	1,712	2,510	1,100	1,100
5211 Cleaning & Janitorial Supplies	7,287	5,451	2,500	2,700
5212 Motor Fuels	-	-	-	200
5218 Uniforms	-	287	-	-
5241 Small Equipment	2,470	2,774	700	700
5301 Auditing Services	1,063	629	1,400	1,000
5305 Medical Services/Testing Fees	3,454	2,863	2,500	2,700
5310 Contract Services	15,298	23,954	-	-
5319 Other Professional Services	-	1,507	-	-
5320 Data Services	16,447	11,211	44,200	48,700
5321 Telephone	12,197	12,394	14,000	10,300
5331 Training Expense	18,329	18,673	22,300	23,000
5333 Freight/Delivery Charges	-	320	-	-
5335 Mileage Reimbursement	-	-	100	-
5340 Advertising and Promotion	-	-	-	28,500
5355 Printing & Copying	78	-	-	-

City of Duluth Minnesota - 2016 Budget

Utility General Expense

520-500-1915

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
				(continued)
5356 Copier, Printer Lease & Supplies	4,019	4,299	3,700	6,800
5360 Insurance	62,000	62,000	62,500	62,700
5381 Electricity	14,805	14,609	13,000	12,700
5382 Water, Gas & Sewer	16,141	23,457	13,900	14,800
5384 Refuse Disposal	1,469	1,518	2,000	2,000
5401 Building Repair & Maintenance	3,176	6,127	7,100	6,400
5404 Equipment/Machinery Repair	13	-	12,500	11,300
5409 Fleet Service Charges	-	-	-	100
5414 Software Lic & Mtc Agreements	-	14,090	44,300	50,200
5433 Dues and Subscriptions	9,386	4,224	6,800	10,600
5438 Licenses	-	-	100	200
5441 Other Services & Charges	52,598	61,633	48,500	49,200
5450 Laundry	2,405	2,349	2,200	1,700
5452 Pipe Line Safety	12,236	11,551	12,000	12,000
5493 Cost Allocation	489,200	489,200	491,300	491,300
5711 Payment in Lieu of Taxes	2,375,793	2,832,296	4,027,100	2,876,000
5700 Transfer to General Fund	73,362	117,675	49,000	56,900
5700 Transfer to Special Revenue Fund	-	-	-	-
5700 Transfer to Internal Service Funds	137,700	103,000	38,000	-
TOTAL	3,376,781	3,859,638	4,923,800	3,784,300
1915 TOTAL - GENERAL EXPENSE	4,382,978	4,693,125	5,929,800	4,778,200

City of Duluth Minnesota - 2016 Budget

Engineering

520-500-1930

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	651,015	613,537	619,000	708,300
5101 Permanent Employees - Overtime	46,192	66,746	45,000	65,000
5103 Temporary Wages	3,017	4,601	5,300	9,400
5118 Meal Allowance	550	1,330	-	-
TOTAL	700,774	686,214	669,300	782,700
EMPLOYEE BENEFITS				
5121 P.E.R.A.	49,541	48,433	45,700	57,200
5122 F.I.C.A. Social Security	42,432	41,496	41,500	48,500
5123 F.I.C.A. Medicare	9,924	9,705	9,700	11,300
5125 Dental Insurance	3,990	1,489	3,400	4,100
5126 Life Insurance	1,873	1,718	1,700	2,000
5127 Health Care Savings	10,647	10,218	8,600	9,200
5130 Cafeteria Plan Benefits	140,800	143,582	148,200	172,000
TOTAL	259,207	256,641	258,800	304,300
OPERATING EXPENSES				
5200 Office Supplies	687	697	300	600
5201 Computer Supplies	8,345	30,331	-	-
5203 Paper, Stationery and Forms	448	521	300	400
5205 Safety & Training Materials	586	233	500	500
5212 Motor Fuel	7,968	9,392	9,000	9,000
5218 Uniforms	-	-	-	-
5219 Other Miscellaneous Supplies	280	117	-	-
5240 Small Tools	893	1,013	800	1,000
5241 Small Equipment	1,405	8,953	10,000	5,000
5242 Survey Equipment and Supplies	6,075	2,243	5,600	5,500
5303 Engineering Services	19,865	41,414	10,000	-
5310 Contract Services	49	-	-	-
5320 Data Services	-	13	1,400	2,000
5321 Telephone	4,488	4,300	3,800	3,300
5322 Postage	-	98	100	100
5331 Training Expenses	2,698	6,902	14,300	10,300
5335 Mileage Reimbursement	47	146	300	300
5355 Printing and Copying	420	500	200	400
5356 Copier, Printer Lease & Supplies	4,313	4,037	4,700	1,000
5404 Equipment Maintenance Repair	862	763	600	700
5409 Fleet Services	9,740	13,243	7,000	9,000
5414 Software Lic & Mtc Agreements	-	1,182	11,600	15,700
5433 Dues and Subscriptions	300	274	600	900
5435 Books and Pamphlets	86	23	200	200
5438 Licenses	-	227	-	400
5441 Other Services and Charges	2,695	1,935	13,100	13,200
5486 One Call System	2,893	3,726	2,900	3,300
TOTAL	75,143	132,283	97,300	82,800
1930 TOTAL - ENGINEERING	1,035,124	1,075,138	1,025,400	1,169,800

City of Duluth Minnesota - 2016 Budget

Customer Service

520-500-1940

Customer Accounts provides meter reading, billing, payment collection and account services for utility customers. Service provides installation, inspection, repair and replacement of meters and 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	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	2,159,596	2,155,023	2,252,900	2,186,600
5101 Permanent Employees - Overtime	114,931	86,177	119,500	114,500
5103 Temporary Wages	15,913	12,428	20,100	20,000
5118 Meal Allowance	488	1,161	-	-
TOTAL	<u>2,290,928</u>	<u>2,254,789</u>	<u>2,392,500</u>	<u>2,321,100</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	160,103	157,686	164,900	169,700
5122 F.I.C.A. Social Security	139,818	138,166	148,300	143,900
5123 F.I.C.A. Medicare	32,699	32,313	34,800	33,600
5125 Dental Insurance	14,945	5,995	14,400	13,900
5126 Life Insurance	7,011	6,914	7,200	6,800
5127 Health Care Savings	52,937	26,951	23,400	42,300
5130 Cafeteria Plan Benefits	493,291	545,271	555,800	567,700
TOTAL	<u>900,804</u>	<u>913,296</u>	<u>948,800</u>	<u>977,900</u>
OPERATING EXPENSES				
5200 Office Supplies	2,978	3,032	3,900	4,000
5201 Computer Supplies/Software	430	403	600	400
5203 Paper/Stationery	-	-	3,500	1,200
5210 Plant/Operating Supplies	6,775	27,516	17,000	17,000
5212 Motor Fuel	58,074	57,214	63,600	62,800
5215 Shop Materials	19,609	9,916	15,500	15,500
5218 Uniforms	7,309	11,850	5,800	7,200
5219 Other Miscellaneous Supplies	113,860	109,028	111,000	132,000
5220 Repair & Maintenance Supplies	36,582	37,435	22,000	25,000
5227 Utility System Maintenance Supply	140,745	178,138	282,800	249,900
5228 Painting Supplies	8,846	9,372	7,500	7,500
5240 Small Tools	15,466	18,064	17,500	14,500
5241 Small Equipment	1,555	10,962	21,100	21,800
5310 Contract Services	57,348	58,479	59,800	58,900

(continued)

City of Duluth Minnesota - 2016 Budget

Customer Service

520-500-1940

Customer Accounts provides meter reading, billing, payment collection and account services for utility customers. Service provides installation, inspection, repair and replacement of meters and 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	2013 Actual	2014 Actual	2015 Budget	2016 Approved
5320 Data Services	2,352	2,375	-	-
5321 Telephone	8,848	8,646	7,600	8,200
5322 Postage	63,371	69,973	77,500	79,400
5331 Training / Travel	5,245	11,184	23,500	19,900
5335 Mileage Reimbursement	-	-	-	-
5339 Armored Pickup	1,661	1,811	1,800	1,900
5340 Advertising and Promotion	125,932	126,873	134,700	72,600
5355 Printing & Copying	27	1,275	1,400	3,400
5356 Copier, Printer Lease & Supplies	249	772	700	700
5401 Bldg/Structure Repair & Maintenance	268	156	-	-
5404 Equipment Repair & Maintenance	4,694	7,408	1,600	1,600
5409 Fleet Services	49,418	54,417	47,700	47,200
5414 Software Lic & Mtc Agreements	-	-	3,300	4,100
5427 Credit Card Commissions	36,395	50,986	38,400	38,400
5432 Uncollectible Accounts	45,475	130,783	65,000	65,000
5433 Dues and Subscriptions	485	830	800	900
5438 Licenses	-	-	100	-
5441 Other Services & Charges	3,321	3,089	3,700	3,700
5487 Conservation Improvement	120,479	157,274	176,900	53,400
5615 Customer Deposit Refund Interest	2,982	1,654	-	-
5700 Transfer to Special Revenue Funds	6,843	-	-	-
TOTAL	947,622	1,160,915	1,216,300	1,018,100
1940 TOTAL - CUSTOMER SERVICES	4,139,354	4,329,000	4,557,600	4,317,100

City of Duluth Minnesota - 2016 Budget

Utility Operations

520-500-1945

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,014,924	953,342	969,300	1,239,600
5101 Permanent Employees - Overtime	129,573	127,650	155,000	145,500
5118 Meal Allowance	3,089	2,854	3,000	3,000
TOTAL	1,147,586	1,083,846	1,127,300	1,388,100
EMPLOYEE BENEFITS				
5121 P.E.R.A.	78,923	76,050	70,400	100,900
5122 F.I.C.A. Social Security	70,252	66,573	69,700	85,900
5123 F.I.C.A. Medicare	16,469	15,651	16,300	20,100
5125 Dental Insurance	6,579	2,599	6,000	7,900
5126 Life Insurance	3,092	3,002	3,000	3,800
5127 Health Care Savings	22,934	17,632	9,100	20,500
5130 Cafeteria Plan Benefits	193,520	197,315	205,700	254,900
5141 Unemployment Compensation	967	4,148	-	-
TOTAL	392,736	382,970	380,200	494,000
OPERATING EXPENSES				
5200 Office Supplies	4,701	5,265	3,000	4,000
5201 Computer Supplies/Software	-	-	4,000	500
5205 Safety & Training Materials	40,133	16,773	4,000	5,300
5210 Plant Operations Supplies	37,988	21,009	11,500	13,500
5212 Motor Fuel	59,854	58,674	70,000	65,000
5215 Shop Materials	16,894	13,767	9,300	11,000
5218 Uniforms	9,206	7,463	4,700	6,200
5219 Other Miscellaneous Supplies	505	532	2,000	3,500
5220 Repair and Maintenance Supplies	18,607	19,065	6,500	6,800
5222 Paving Materials	20,417	19,370	15,000	20,000
5223 Salt & Sand	-	1,047	-	-
5224 Gravel & Other Maintenance Supplies	58,571	36,225	25,000	35,000
5227 Utility Maintenance Supply	108,679	95,295	156,300	136,300
5228 Painting Supplies	529	153	500	500
5240 Small Tools	18,158	22,437	9,000	14,300
5241 Small Equipment	824	4,500	8,700	8,700
5310 Contract Services	5,182	12,121	9,100	15,300
5321 Telephone	2,140	2,281	3,000	2,500

(continued)

City of Duluth Minnesota - 2016 Budget

Utility Operations

520-500-1945

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
5331 Training Expense	2,344	4,003	4,600	4,600
5333 Freight/Delivery Charges	-	483	-	-
5335 Mileage Reimbursement	2,088	2,106	3,500	2,500
5355 Printing and Copying	-	32	500	300
5356 Copier, Printer Lease & Supplies	744	1,487	700	1,000
5384 Refuse Disposal	5,653	5,148	5,500	5,500
5401 Bldg/Structure Repair & Mtc	-	68	-	-
5404 Equipment Repair & Maintenance	2,066	4,100	1,500	4,500
5409 Fleet Service Charges	101,272	101,280	95,000	95,000
5414 Software Lic & Mtc Agreements	-	-	700	-
5415 Vehicle/Equipment Rental	1,026	5,960	4,500	5,500
5419 Other Rentals	1,577	-	-	-
5441 Other Services & Charges	3,854	396	2,500	2,000
5450 Laundry	6,166	6,244	7,400	4,100
5700 Transfer to General Fund	17,663	541	10,000	103,800
TOTAL	<u>546,841</u>	<u>467,825</u>	<u>478,000</u>	<u>577,200</u>
1945 TOTAL - UTILITY OPERATIONS	2,087,163	1,934,641	1,985,500	2,459,300

City of Duluth Minnesota - 2016 Budget

Natural Gas

520-500-1960

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	295,222	252,806	255,800	275,400
5101 Permanent Employees - Overtime	6,752	11,012	7,000	7,500
5118 Meal Allowance	80	80	-	-
TOTAL	302,054	263,898	262,800	282,900
EMPLOYEE BENEFITS				
5121 P.E.R.A. Contribution	20,107	18,962	18,900	20,900
5122 F.I.C.A. Social Security	18,423	15,993	16,300	17,500
5123 F.I.C.A. Medicare	4,309	3,740	3,800	4,100
5125 Dental Insurance	1,579	564	1,300	1,300
5126 Life Insurance	743	651	600	600
5127 Health Care Savings	7,747	12,533	2,400	2,600
5130 Cafeteria Plan Benefits	50,163	54,898	54,000	54,000
TOTAL	103,071	107,341	97,300	101,000
OPERATING EXPENSES				
5200 Office Supplies	568	105	500	500
5201 Computer Supplies/Software	11,898	12,367	-	-
5210 Plant Operations Supplies	25,415	21,816	20,700	20,700
5212 Motor Fuel	7,554	5,844	7,000	6,000
5218 Uniforms	163	913	900	900
5219 Other Miscellaneous Supplies	3,772	363	1,000	1,300
5220 Repair & Maintenance Supplies	62,024	77,377	23,500	21,500
5228 Painting Supplies	-	19	300	-
5241 Small Equipment	2,919	8,125	3,800	5,000
5280 Natural Gas Purchases	24,132,568	38,271,381	30,737,100	24,422,000
5310 Contract Services	38	3,353	-	-
5319 Other Professional Services	2,203	-	3,000	3,000
5320 Data Services	28,283	28,937	1,900	-
5321 Telephone	2,005	1,850	2,700	1,600
5331 Training Expense	12,382	14,100	14,000	13,400
5335 Local Mileage Reimbursement	716	709	1,000	800
5355 Printing and Copying	17	-	400	100
5356 Copier, Printer Lease & Supplies	-	-	500	300
5381 Electricity	7,886	9,606	8,000	9,000
5382 Water/Sewer/Gas	1,106	1,697	1,500	1,500
5400 Miscellaneous Repair & Maint	1,233	1,644	-	-
5404 Equipment Maintenance Repair	-	-	5,000	9,500
5409 Fleet Services Charges	2,347	4,037	5,000	5,000
5414 Software Lic & Mtc Agreements	-	-	500	1,200
5433 Dues and Subscriptions	5,241	5,902	6,600	6,100
5438 Licenses	-	-	-	-
5441 Other Services & Charges	1,013	6,483	9,000	3,000
TOTAL	24,311,351	38,476,628	30,853,900	24,532,400
1960 TOTAL - NATURAL GAS	24,716,476	38,847,867	31,214,000	24,916,300

City of Duluth Minnesota - 2016 Budget

Sewer Fund

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

The major expense category is for contractual services and charges paid to the Western Lake Superior Sanitary District (WLSSD), constituting 54% of total proposed expenses. Presented below is a summary of the major categories of revenues and expenses over a four year period.

Estimated Income and Expense	2013 Actual	2014 Actual	2015 Budget	2016 Approved
REVENUE				
Operating Revenue	18,736,960	17,661,274	18,682,200	19,017,300
Non-Operating Revenue	572,455	634,253	32,900	58,900
	19,309,415	18,295,527	18,715,100	19,076,200
EXPENSES				
Personal Services	3,199,183	3,081,717	3,380,600	3,390,600
Supplies	368,597	429,040	345,000	363,600
Other Services & Charges	1,129,059	1,125,709	1,081,000	1,033,900
WLSSD Treatment	8,610,904	8,229,318	8,609,500	8,702,700
Utilities	120,282	140,657	120,500	122,700
Depreciation/ Amortization	1,292,942	1,313,963	1,409,300	1,437,500
Sanitary Sewer -Grants	1,010,228	800,184	1,088,000	450,000
Improvements -Non-Capital	156,510	53,323	112,500	50,000
Debt Service - Interest	308,007	302,949	277,000	242,500
Debt Service - Other	12,140	12,161	12,100	13,100
Capital Lease Interest	86,169	79,602	72,800	65,700
Transfers	161,820	232,732	79,000	160,500
	16,455,841	15,801,355	16,587,300	16,032,800
ESTIMATED OPERATING INCOME (LOSS)				
	2,853,574	2,494,172	2,127,800	3,043,400
Other Sources of Cash	1,785,218	1,657,141	1,558,600	1,644,000
Other Uses of Cash	(3,518,717)	(3,707,934)	(4,722,800)	(4,269,000)
Increase (Decrease) in Cash	1,120,075	443,379	(1,036,400)	418,400

City of Duluth Minnesota - 2016 Budget

Sewer Fund Estimated Unrestricted Cash Balance

OPERATING FUND	<u>2015 Budget</u>	<u>2015 Projected</u>	<u>2016 Approved</u>
ESTIMATED OPERATING INCOME (LOSS)	2,127,800	3,592,800	3,043,400
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,409,300	1,333,700	1,437,500
Interest from Bond Discount	12,100	12,200	13,100
Due from Other Funds	-	30,700	-
Special Assessment Principal	137,200	193,400	193,400
Total Other Sources of Cash	<u>1,558,600</u>	<u>1,570,000</u>	<u>1,644,000</u>
<u>Other Uses of Cash</u>			
Capital Grants	-	442,500	-
Due to Other Funds	-	24,000	-
Infrastructure System Replacement Fund	51,500	128,600	76,800
Capital Improvements from Current Revenues	2,290,000	3,511,200	2,000,000
Infrastructure Improvements	-	-	-
Capital Equipment Purchases	329,800	349,400	240,300
Bond Principal Payments	1,869,300	1,874,700	1,762,800
AMR Lease Principal Payment	182,200	182,200	189,100
Total Other Uses of Cash	<u>4,722,800</u>	<u>6,512,600</u>	<u>4,269,000</u>
INCREASE (DECREASE) IN CASH	(1,036,400)	(1,349,800)	418,400
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>2,819,793</u>	<u>2,762,772</u>	<u>1,412,972</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>1,783,393</u></u>	<u><u>1,412,972</u></u>	<u><u>1,831,372</u></u>

City of Duluth Minnesota - 2016 Budget

Sewer Fund

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Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING REVENUES:				
4636 Sale of Materials	2,091	1,061	1,200	1,000
4802 Interest Earned on Customer Accounts	53,410	60,824	56,000	56,000
4805 Reimbursements	64,531	29,101	27,500	27,000
4809 Misc. Operating Revenue	2,719	(129,887)	1,500	2,000
4831 Fixed Rate Charges	1,921,805	1,923,176	1,922,300	1,923,100
4833 Sewer Revenues	16,577,074	15,651,943	16,584,200	16,893,600
4834 Fond du Lac Grinder Pump Surcharge	11,510	11,400	11,500	11,600
4839 Point of Sale Inspection Fee	95,741	103,983	75,000	100,000
4851 Interest Income - Other Sources	8,079	9,673	3,000	3,000
TOTAL OPERATING REVENUES	18,736,960	17,661,274	18,682,200	19,017,300
NON-OPERATING REVENUES:				
4210 Federal Grants - Capital	-	5,624	-	-
4220 Minnesota Grants - Capital	449,282	439,724	-	-
4230 Pera Aid	8,283	8,283	8,300	8,300
4601 Change in Fair Value Investments	(20,447)	15,377	-	-
4601 GASB #31 Adjustment	11,076	20,760	-	-
4806 Connection Fees	-	-	4,500	-
4850 Earnings on Investments	322	1,543	700	700
4853 Gain on Sale of Assets	-	4,731	-	-
4854 Utility Special Assessments	114,509	123,506	10,000	35,000
4730 Transfer from Special Projects Funds	-	5,275	-	-
4730 Transfer from Enterprise Funds	9,430	9,430	9,400	14,900
TOTAL NON-OPERATING REVENUES	572,455	634,253	32,900	58,900
TOTAL REVENUE	19,309,415	18,295,527	18,715,100	19,076,200

City of Duluth Minnesota - 2016 Budget

Director's Office

530-500-1900

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	44,951	45,476	63,900	67,300
5101 Permanent Employees - Overtime	623	177	500	500
TOTAL	45,574	45,653	64,400	67,800
EMPLOYEE BENEFITS				
5121 P.E.R.A.	6,970	11,744	4,700	4,900
5122 F.I.C.A. Social Security	2,766	2,737	4,000	4,200
5123 F.I.C.A. Medicare	663	664	900	1,000
5125 Dental Insurance	223	88	300	300
5126 Life Insurance	103	99	100	100
5127 Health Care Savings	1,461	1,727	600	600
5130 Cafeteria Plan Benefits	4,597	4,699	9,400	6,700
TOTAL	16,783	21,758	20,000	17,800
OPERATING EXPENSES				
5200 Office Supplies	-	-	-	-
5241 Small Equipment	156	54	300	200
5321 Telephone	120	120	100	100
5331 Training Expense	-	-	500	300
5335 Mileage Reimbursement	71	37	100	100
5356 Copier, Printer Lease & Supplies	91	41	100	100
5438 Licenses	-	-	-	-
5441 Other Services & Charges	-	1,950	-	-
5700 Transfer to Special Revenue Funds	-	7,809	-	-
TOTAL	438	10,011	1,100	800
1900 TOTAL - DIRECTOR'S OFFICE	62,795	77,422	85,500	86,400

City of Duluth Minnesota - 2016 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	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING EXPENSES				
5420 Depreciation	1,292,942	1,313,963	1,409,300	1,437,500
5441 Other Services & Charges	-	-	-	-
5535 Improvements (Non-Capital)	156,510	53,323	112,500	50,000
5540 Equipment (Non-Capital)	3,541	1,508	25,000	10,500
5611 Bond Interest	308,007	302,949	277,000	242,500
5613 Interest - from Amortization	12,140	12,161	12,100	13,100
5614 Capital Lease Interest	86,169	79,602	72,800	65,700
5620 Fiscal Agents Fee	2,144	2,231	2,400	2,100
5621 Bond Issuance/Discount Fees	-	6,500	-	-
TOTAL	1,861,453	1,772,237	1,911,100	1,821,400
NON-OPERATING EXPENSES				
5532 Capital Improvements-Bond	-	521,419	-	-
5533 Capital Improvements - Revenue	418,298	387,214	2,290,000	2,000,000
5536 Utility Infrastructure Replace. Proj.	456,941	743,566	-	-
5580 Capital Equipment	264,503	159,693	329,800	240,300
TOTAL	1,139,742	1,811,892	2,619,800	2,240,300
1905 TOTAL - CAPITAL	3,001,195	3,584,129	4,530,900	4,061,700

City of Duluth Minnesota - 2016 Budget

Utility General Expense

530-500-1915

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	26,800	28,973	9,200	9,400
5101 Permanent Employees - Overtime	995	694	-	-
TOTAL	<u>27,795</u>	<u>29,667</u>	<u>9,200</u>	<u>9,400</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	1,856	1,767	700	700
5122 F.I.C.A. Social Security	1,692	1,782	600	600
5123 F.I.C.A. Medicare	396	417	100	100
5125 Dental Insurance	208	104	-	100
5126 Life Insurance	1,161	1,317	-	-
5127 Health Care Savings	262	228	100	100
5130 Cafeteria Plan Benefits	5,140	9,082	2,800	2,900
5133 Health or Fitness Program	57	-	-	-
5134 Other Post Retirement Benefits	(19,547)	(82,582)	-	-
5135 Retiree Health Insurance	165,505	188,228	198,700	187,200
5151 Worker's Compensation	27,700	31,000	20,000	25,700
TOTAL	<u>184,430</u>	<u>151,343</u>	<u>223,000</u>	<u>217,400</u>
OPERATING EXPENSES				
5200 Office Supplies	120	87	500	200
5201 Computer Supplies/Software	29,956	20,804	-	-
5205 Safety & Training	542	333	700	700
5211 Cleaning & Janitorial Supplies	909	2,043	2,500	2,700
5212 Motor Fuels	-	-	-	200
5218 Uniforms	-	219	-	-
5219 Other Miscellaneous Supplies	-	-	-	-
5241 Small Equipment	2,065	2,438	700	700
5301 Auditing Services	1,063	629	1,400	1,000
5305 Medical Services/Testing Fees	2,534	2,862	3,100	2,700
5310 Contract Services	59,221	21,692	1,500	1,000
5319 Other Professional Services	-	4,034	-	-
5320 Data Services	13,782	8,066	15,500	18,800
5321 Telephone	7,649	6,186	7,400	4,800
5331 Training / Travel	355	313	2,800	2,300
5335 Mileage Reimbursement - Local	-	-	100	-

(continued)

City of Duluth Minnesota - 2016 Budget

Utility General Expense

530-500-1915

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
5355 Printing & Copying Services	78	-	-	-
5356 Copier, Printer Lease & Supplies	4,013	3,688	3,700	6,700
5360 Insurance	75,700	88,000	23,100	(18,400)
5381 Electricity	15,963	15,162	13,000	12,700
5382 Water, Gas & Sewer	12,997	18,958	14,500	15,000
5384 Refuse Disposal	1,130	1,518	2,000	2,000
5401 Building Repair & Maintenance	3,186	5,713	7,000	6,300
5404 Equipment/Machinery Repair & Mtc	13	-	7,500	8,700
5409 Fleet Service Charges	-	-	-	100
5414 Software Lic & Mtc Agreements	-	9,895	30,300	32,800
5433 Dues & Subscriptions	1,790	-	-	-
5438 Licenses	-	-	-	-
5441 Other Services & Charges	13,467	14,572	12,500	12,700
5450 Laundry	2,405	2,198	2,200	1,700
5493 Cost Allocation	306,900	306,900	308,000	308,000
5700 Transfer to General Fund	11,076	42,360	49,000	56,800
5700 Transfer to Special Revenue Funds	-	-	-	-
5700 Transfer to Internal Service Funds	147,700	161,000	-	-
TOTAL	<u>714,614</u>	<u>739,670</u>	<u>509,000</u>	<u>480,200</u>
1915 TOTAL - UTILITY GENERAL	926,839	920,680	741,200	707,000

City of Duluth Minnesota - 2016 Budget

Engineering

530-500-1930

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	314,695	364,861	363,600	385,800
5101 Permanent Employees - Overtime	23,367	26,673	20,000	20,000
5103 Temporary Wages	2,905	4,601	5,200	9,300
5118 Meal Allowance	204	185	-	-
TOTAL	341,171	396,320	388,800	415,100
EMPLOYEE BENEFITS				
5121 P.E.R.A.	23,972	27,610	26,700	29,800
5122 F.I.C.A. Social Security	20,506	23,922	24,100	25,700
5123 F.I.C.A. Medicare	4,796	5,595	5,600	6,000
5125 Dental Insurance	1,930	867	1,900	2,200
5126 Life Insurance	905	1,000	1,000	1,000
5127 Health Care Savings	5,597	6,069	5,800	4,800
5130 Cafeteria Plan Benefits	67,041	79,728	78,400	84,900
TOTAL	124,747	144,791	143,500	154,400
OPERATING EXPENSES				
5200 Office Supplies	584	840	300	600
5201 Computer Supplies	7,481	8,249	-	-
5203 Paper, Stationary & Forms	417	507	300	500
5205 Safety & Training Materials	25	233	500	500
5212 Motor Fuels	4,094	5,192	2,800	4,500
5218 Uniforms	-	-	-	-
5219 Other Miscellaneous Supplies	280	117	-	-
5240 Small Tools	743	969	800	800
5241 Small Equipment	730	4,953	2,900	1,900
5242 Survey Equipment and Supplies	3,050	2,035	5,600	5,500
5303 Engineering Services	-	294	-	-
5310 Contract Services	55	-	-	-
5320 Data Services	-	20	1,000	1,500
5321 Telephone	1,531	2,301	1,000	2,000
5322 Postage	-	237	100	100
5331 Training Expenses	1,868	1,340	7,200	5,900

(continued)

City of Duluth Minnesota - 2016 Budget

Engineering

530-500-1930

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
5335 Mileage Reimbursement - Local	215	2,585	2,000	2,000
5355 Printing and Copying	1,437	2,338	500	1,000
5356 Copier, Printer Lease & Supplies	4,313	3,889	4,600	900
5404 Equipment Maintenance/Repair	393	346	600	700
5409 Fleet Services Charges	3,837	5,192	3,000	3,000
5414 Software Lic & Mtc Agreements	-	1,102	7,900	10,600
5433 Dues & Subscriptions	300	221	800	800
5435 Books & Pamphlets	86	23	200	200
5438 Licenses	-	362	-	100
5441 Other Services and Charges	2,772	3,171	13,200	13,200
5486 One Call System	2,968	3,682	2,900	3,300
TOTAL	37,179	50,198	58,200	59,600
1930 TOTAL - ENGINEERING	503,097	591,309	590,500	629,100

City of Duluth Minnesota - 2016 Budget

Customer Service

530-500-1940

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	236,094	233,001	248,000	177,600
5101 Permanent Employees - Overtime	4,893	4,179	2,500	500
5118 Meal Allowance	55	60	-	-
TOTAL	241,042	237,240	250,500	178,100
EMPLOYEE BENEFITS				
5121 P.E.R.A.	16,737	16,606	17,900	12,900
5122 F.I.C.A. Social Security	14,674	14,549	15,500	11,000
5123 F.I.C.A. Medicare	3,432	3,403	3,600	2,600
5125 Dental Insurance	1,791	707	1,700	1,200
5126 Life Insurance	841	812	900	600
5127 Health Care Savings	3,454	2,879	3,700	1,700
5130 Cafeteria Plan Benefits	53,226	53,605	54,700	42,200
TOTAL	94,155	92,561	98,000	72,200
OPERATING EXPENSES				
5200 Office Supplies	795	903	1,200	1,000
5201 Computer Supplies	-	171	300	200
5203 Paper/Stationery	-	-	2,100	600
5212 Motor Fuel	1,413	1,575	1,400	1,400
5218 Uniforms	-	239	-	-
5241 Small Equipment	238	2,923	700	2,200
5310 Contract Services	33,752	34,488	32,900	29,400
5321 Telephone	198	198	400	300
5322 Postage	37,373	41,266	45,700	39,700
5331 Training Expense	885	762	1,600	1,400
5339 Armored Pickup	979	1,013	1,100	900
5355 Printing & Copying	-	662	200	1,200
5356 Copier, Printer Lease & Supplies	110	326	400	300
5401 Building Repair & Maintenance	238	57	-	-
5404 Equipment Repair & Maintenance	2,057	2,042	700	600
5409 Fleet Services	2,082	1,333	1,200	1,200
5414 Software Lic & Mtc Agreements	-	-	1,900	2,300

(continued)

City of Duluth Minnesota - 2016 Budget

Customer Service

530-500-1940

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

Expense Detail	2013	2014	2015	2016
	Actual	Actual	Budget	Approved
5427 Credit Card Commission	19,308	23,918	20,800	20,800
5432 Uncollectible Accounts	(16,337)	24,449	25,000	25,000
5441 Other Services & Charges	12,662	11,028	800	700
TOTAL	<u>95,753</u>	<u>147,353</u>	<u>138,400</u>	<u>129,200</u>
1940 TOTAL-CUSTOMER SERVICES	430,950	477,154	486,900	379,500

City of Duluth Minnesota - 2016 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	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	903,435	868,502	960,200	1,051,000
5101 Permanent Employees - Overtime	111,959	80,970	120,000	112,200
5103 Temporary Wages	-	9,379	-	-
5118 Meal Allowance	2,531	1,770	2,500	2,000
TOTAL	<u>1,017,925</u>	<u>960,621</u>	<u>1,082,700</u>	<u>1,165,200</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	73,030	66,776	70,900	85,800
5122 F.I.C.A. Social Security	61,840	58,280	67,000	72,100
5123 F.I.C.A. Medicare	14,463	13,630	15,700	16,900
5125 Dental Insurance	7,092	2,554	6,400	7,100
5126 Life Insurance	3,288	2,949	3,200	3,400
5127 Health Care Savings	22,564	23,152	12,200	17,500
5130 Cafeteria Plan Benefits	258,465	252,261	290,200	293,800
5141 Unemployment Compensation	483	543	-	-
TOTAL	<u>441,225</u>	<u>420,145</u>	<u>465,600</u>	<u>496,600</u>
OPERATING EXPENSES				
5200 Office Supplies	6,111	2,587	2,500	2,500
5201 Computer Supplies	1,397	1,000	5,000	1,300
5205 Safety & Training Materials	5,590	9,729	5,400	5,600
5210 Plant Operations Supplies	18,604	28,146	25,600	25,600
5212 Motor Fuel	65,193	62,184	60,000	62,000
5215 Shop Materials	-	880	1,000	1,600
5218 Uniforms	2,186	3,887	7,100	11,900
5219 Other Miscellaneous Supplies	1,520	1,482	2,000	2,000
5220 Repair and Maintenance Supplies	31,406	25,287	16,200	14,000
5222 Paving Materials	20,604	18,834	17,500	20,000
5224 Gravel and other Mtc Materials	50,577	36,100	45,500	46,000
5227 Utility Maintenance Supply	74,911	146,954	76,500	94,000
5240 Small Tools	7,768	10,630	7,000	7,000
5241 Small Equipment	7,559	4,864	18,900	15,200
5310 Contract Services	48,739	34,793	19,000	24,300
5319 Other Professional Services	7,410	-	-	-
5320 Data Services	8,460	5,183	-	-
5321 Telephone	1,380	1,000	1,100	1,000

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City of Duluth Minnesota - 2016 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	2013 Actual	2014 Actual	2015 Budget	2016 Approved
5331 Training Expense	20,847	24,582	15,800	15,900
5333 Freight/Delivery Charges	-	525	500	1,000
5335 Mileage Reimbursement	15,215	5,839	8,000	3,000
5355 Printing and Copying	1,181	26	1,500	800
5356 Copier, Printer Lease & Supplies	94	131	500	500
5381 Electricity	79,986	92,023	78,000	80,000
5382 Water, Gas & Sewer	11,336	14,514	15,000	15,000
5384 Refuse Disposal	13,254	12,897	13,200	13,200
5404 Equipment Maintenance/Repair	2,821	6,434	4,700	13,500
5409 Fleet Service Charges	127,948	108,368	100,000	110,000
5410 Fond Du Lac Grinder Pump	2,728	3,144	3,000	3,300
5414 Software Lic & Mtc Agreements	-	-	2,400	1,400
5415 Vehicle/Equipment Rental	1,198	1,498	3,000	3,000
5419 Other Rentals	-	-	-	-
5433 Dues and Subscriptions	445	234	500	500
5438 Licenses	297	1,063	500	500
5441 Other Services & Charges	16,959	10,996	10,500	11,500
5443 Board & Meeting Expenses	-	47	-	-
5450 Laundry	12,332	11,701	8,900	5,200
5700 Transfer to General Fund	3,044	21,563	30,000	103,700
TOTAL	669,100	709,125	606,300	716,000
1945 TOTAL - UTILITY OPERATIONS	2,128,250	2,089,891	2,154,600	2,377,800

City of Duluth Minnesota - 2016 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		2013 Actual	2014 Actual	2015 Budget	2016 Approved
5484	Western Lake Superior Sanitary District Srv Charge	8,610,904	8,229,318	8,609,500	8,702,700
5485	Western Lake Superior Sanitary District Testing	218,818	217,982	218,800	218,800
1965	TOTAL- SEWER TREATMENT	8,829,722	8,447,300	8,828,300	8,921,500

City of Duluth Minnesota - 2016 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	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	479,192	419,291	453,200	409,900
5101 Permanent Employees - Overtime	26,051	16,557	30,000	30,000
5103 Temporary Wages	-	-	-	-
5118 Meal Allowance	185	260	300	300
TOTAL	505,428	436,108	483,500	440,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	35,848	30,937	32,600	32,100
5122 F.I.C.A. Social Security	30,780	26,704	30,000	27,300
5123 F.I.C.A. Medicare	7,199	6,245	7,000	6,400
5125 Dental Insurance	2,899	1,170	2,700	2,500
5126 Life Insurance	1,410	1,350	1,400	1,200
5127 Health Care Savings	4,395	4,003	4,100	3,700
5130 Cafeteria Plan Benefits	76,377	75,101	73,600	83,200
TOTAL	158,908	145,510	151,400	156,400
OPERATING EXPENSES				
5200 Office Supplies	94	97	500	300
5201 Computer Supplies	32	-	500	200
5205 Safety & Training	-	-	200	200
5212 Motor Fuels	4,147	2,840	5,000	4,500
5218 Uniforms	281	750	1,100	1,100
5220 Repair & Maintenance Supplies	-	-	500	-
5227 Utility System Maintenance Supplies	-	-	1,000	-
5240 Small Tools	-	-	400	-
5241 Small Equipment	17,019	17,905	22,000	24,200
5320 Data Services	-	-	-	-
5321 Telephone	1,986	1,608	2,200	1,400
5322 Postage	-	-	500	300
5331 Training Expense	784	-	4,700	3,500
5335 Mileage Reimbursement	6,325	10,000	13,000	11,000
5355 Printing & Copying	-	-	1,000	500
5356 Copier, Printer Lease & Supplies	-	-	500	200
5404 Equipment Maintenance Repair	-	-	2,300	1,400
5409 Fleet Services	5,500	4,552	6,000	2,000
5418 Vehicle/Equipment Lease	-	-	-	9,600
5441 Other Services and Charges	-	3,495	1,500	1,000

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City of Duluth Minnesota - 2016 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	2013 Actual	2014 Actual	2015 Budget	2016 Approved
5450 Laundry	2,003	2,313	3,400	2,100
5482 Private Property Sewer Grants	1,010,228	800,184	1,088,000	450,000
TOTAL	<u>1,048,399</u>	<u>843,744</u>	<u>1,154,300</u>	<u>513,500</u>
1970 TOTAL INFLOW & INFILTRATION	1,712,735	1,425,362	1,789,200	1,110,100

City of Duluth Minnesota - 2016 Budget

Clean Water Surcharge Fund

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

Estimated Income and Expense	2013 Actual	2014 Actual	2015 Budget	2016 Approved
REVENUE				
Operating Revenue	1,806,789	1,842,153	1,843,000	1,840,100
Non-Operating Revenue	1,641,355	129,825	300	600
	<u>3,448,144</u>	<u>1,971,978</u>	<u>1,843,300</u>	<u>1,840,700</u>
EXPENSES				
Other Services & Charges	5,542	5,910	10,400	8,400
Depreciation/ Amortization	372,249	564,027	598,800	582,400
Grants & Awards	1,368,430	687,667	500,000	200,000
Improvements - Non-Capital	2,516	-	-	-
Debt Service - Interest	190,247	177,857	175,700	158,800
Debt Service - Other	-	-	-	-
Transfers	9,607	3,407	-	-
	<u>1,948,591</u>	<u>1,438,868</u>	<u>1,284,900</u>	<u>949,600</u>
ESTIMATED OPERATING INCOME (LOSS)	1,499,553	533,110	558,400	891,100
Other Sources of Cash	372,249	564,027	598,800	578,300
Other Uses of Cash	(2,840,919)	(1,415,977)	(1,122,200)	(1,120,900)
Increase (Decrease) in Cash	<u>(969,117)</u>	<u>(318,840)</u>	<u>35,000</u>	<u>348,500</u>

City of Duluth Minnesota - 2016 Budget

Clean Water Fund Estimated Unrestricted Cash Balance

<u>OPERATING FUND</u>	<u>2015 Budget</u>	<u>2015 Projected</u>	<u>2016 Approved</u>
ESTIMATED OPERATING INCOME (LOSS)	558,400	915,900	891,100
<u>Other Sources of Cash</u>			
Depreciation and Amortization	598,800	578,300	582,400
Total Other Sources of Cash	<u>598,800</u>	<u>578,300</u>	<u>582,400</u>
<u>Other Uses of Cash</u>			
Capital Grants	-	-	-
Budget Carry-Over for Encumbrances	-	-	-
Capital Improvements from Current Revenues	-	-	-
Infrastructure Replacement	-	-	-
Bond Principal Payments	1,122,200	1,202,200	1,120,900
Total Other Uses of Cash	<u>1,122,200</u>	<u>1,202,200</u>	<u>1,120,900</u>
INCREASE (DECREASE) IN CASH	35,000	292,000	352,600
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>113,515</u>	<u>50,874</u>	<u>342,874</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>148,515</u></u>	<u><u>342,874</u></u>	<u><u>695,474</u></u>

City of Duluth Minnesota - 2016 Budget

Clean Water Surcharge Fund

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Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING REVENUES				
4836 I & I Surcharge	(14,781)	17,995	15,000	8,000
4837 Clean Water Surcharge	1,821,570	1,824,158	1,828,000	1,832,100
TOTAL	1,806,789	1,842,153	1,843,000	1,840,100
NON-OPERATING REVENUES				
4209 Federal Grants - Capital	-	-	-	-
4220 Minnesota Grants - Capital	1,634,691	125,900	-	-
4601 Change in Fair Value Investments	(3,193)	292	-	-
4601 GASB #31 Adjustment	9,607	3,407	-	-
4850 Earnings on Investments	250	226	300	600
TOTAL	1,641,355	129,825	300	600
TOTAL REVENUE	3,448,144	1,971,978	1,843,300	1,840,700

City of Duluth Minnesota - 2016 Budget

Clean Water Surcharge Fund

532

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING EXPENSES				
5301 Auditing Services	3,509	-	3,000	2,000
5420 Depreciation	372,249	564,027	598,800	582,400
5427 Credit Card Commissions	2,033	2,312	2,400	2,400
5432 Uncollectible Accounts	-	3,598	5,000	4,000
5434 Grants & Awards	1,368,430	687,667	500,000	200,000
5535 Non-Capital Improvements	2,516	-	-	-
5611 Bond Interest	190,247	177,857	175,700	158,800
5700 Transfers to General Fund	9,607	3,407	-	-
TOTAL	<u>1,948,591</u>	<u>1,438,868</u>	<u>1,284,900</u>	<u>949,600</u>
NON-OPERATING EXPENSES				
5532 Capital Improvements-Bond	2,267,656	56,000	-	-
5533 Capital Improvements-Revenue	36,083	-	-	-
5536 Utility Infrastructure Replacement	4,109	-	-	-
TOTAL	<u>2,307,848</u>	<u>56,000</u>	<u>-</u>	<u>-</u>
TOTAL EXPENSES	4,256,439	1,494,868	1,284,900	949,600

City of Duluth Minnesota - 2016 Budget

Stormwater Fund

535

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

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

Estimated Income and Expense	2013 Actual	2014 Actual	2015 Budget	2016 Approved
REVENUE				
Stormwater Sewer Service	4,704,073	4,583,257	4,700,000	4,690,100
Miscellaneous Revenue	49,810	44,575	18,500	26,500
Non-Operating	38,752	88,023	5,900	11,800
	<u>4,792,635</u>	<u>4,715,855</u>	<u>4,724,400</u>	<u>4,728,400</u>
EXPENSES				
Personal Services	1,991,979	2,209,396	2,320,500	2,443,200
Supplies	283,968	298,301	280,200	296,700
Other Services and Charges	503,923	511,428	700,300	663,000
Utilities	20,693	24,223	26,200	26,700
Depreciation and Amortization	486,707	452,295	528,000	508,700
Improvements - Non-Capital	140,033	133,868	257,500	265,000
Debt Service - Interest	59,788	53,516	49,700	43,000
Bond Amortization	(745.00)	(746.00)	(700.00)	(700.00)
Transfers Out	568,252	691,602	584,000	639,300
	<u>4,054,598</u>	<u>4,373,883</u>	<u>4,745,700</u>	<u>4,884,900</u>
ESTIMATED OPERATING INCOME (LOSS)	738,037	341,972	(21,300.00)	(156,500.00)
Other Sources of Cash	481,313	620,767	527,900	508,600
Other Uses of Cash	(1,074,025)	(1,404,444)	(1,458,500)	(1,631,500)
Increase (Decrease) in Cash	<u>145,325</u>	<u>(441,705)</u>	<u>(951,900)</u>	<u>(1,279,400)</u>

City of Duluth Minnesota - 2016 Budget

Stormwater Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2015 Budget	2015 Projected	2016 Approved
ESTIMATED OPERATING INCOME (LOSS)	(21,300)	242,600	(156,500)
<u>Other Sources of Cash</u>			
Depreciation and Amortization	528,000	441,700	508,700
Interest from Bond Discount	(700)	(700)	(700)
Due from Other Funds	-	68,900	-
Special Assessment Principal	600	600	600
Total Other Sources of Cash	<u>527,900</u>	<u>510,500</u>	<u>508,600</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	-	19,400	-
Capital Improvements from Current Revenues	940,000	1,275,900	1,225,000
Capital Equipment Purchases	299,700	332,200	181,800
Bond Principal Payments	218,800	218,800	224,700
Total Other Uses of Cash	<u>1,458,500</u>	<u>1,846,300</u>	<u>1,631,500</u>
INCREASE (DECREASE) IN CASH	(951,900)	(1,093,200)	(1,279,400)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>1,938,650</u>	<u>2,083,144</u>	<u>989,944</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>986,750</u></u>	<u><u>989,944</u></u>	<u><u>(289,456)</u></u>

City of Duluth Minnesota - 2016 Budget

Stormwater Fund

535

Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING REVENUES:				
4636 Sale of Materials	9,237	4,525	3,000	3,000
4170 Miscellaneous Permits & Licenses	-	21,400	-	10,000
4835 Stormwater Revenues	4,704,073	4,583,257	4,700,000	4,690,100
4802 Interest Earned on Customer Accounts	12,447	13,917	13,500	12,000
4805 Reimbursements	24,664	963	1,200	800
4809 Miscellaneous Operating Revenues	-	-	300	200
4851 Interest - Other Sources	3,462	3,770	500	500
TOTAL OPERATING REVENUES	4,753,883	4,627,832	4,718,500	4,716,600
NON-OPERATING REVENUES:				
4210 Federal Grants - Capital	-	-	-	-
4210 Federal Grants - Operating	10,000	-	-	-
4601 Change in Fair Value Investments	(21,777)	11,309	-	-
4601 GASB #31 Adjustment	23,031	28,907	-	-
4850 Earnings on Investments	627	2,026	1,000	600
4853 Gain/Loss - Sales of Fixed Assets	-	40,500	-	-
4854 Utility Assessments	21,951	(1,397)	-	-
4730 Transfers from Special Revenue Funds	-	1,758	-	-
4730 Transfers from Enterprise Funds	4,920	4,920	4,900	11,200
TOTAL NON-OPERATING REVENUES	38,752	88,023	5,900	11,800
TOTAL REVENUE	4,792,635	4,715,855	4,724,400	4,728,400

City of Duluth Minnesota - 2016 Budget

Director's Office

535-500-1900

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	44,950	45,476	63,900	67,300
5101 Permanent Employees - Overtime	623	177	500	500
TOTAL	45,573	45,653	64,400	67,800
EMPLOYEE BENEFITS				
5121 P.E.R.A.	4,164	4,685	4,700	4,900
5122 F.I.C.A. Social Security	2,766	2,737	4,000	4,200
5123 F.I.C.A. Medicare	663	664	900	1,000
5125 Dental Insurance	223	87	300	300
5126 Life Insurance	103	99	100	100
5127 Health Care Savings	1,461	1,727	600	600
5130 Cafeteria Plan Benefits	4,596	4,699	9,400	6,700
TOTAL	13,976	14,698	20,000	17,800
OPERATING EXPENSES				
5200 Office Supplies	-	-	-	-
5241 Small Equipment	156	-	300	200
5321 Telephone	120	120	100	100
5331 Training Expense	-	-	300	200
5335 Mileage Reimbursement-Local	71	37	100	100
5356 Copier, Printer Lease & Supplies	5	-	100	100
5441 Other Services & Charges	-	-	-	-
5700 Transfer to Special Revenue Funds	-	5,575	-	-
TOTAL	352	5,732	900	700
1900 TOTAL - DIRECTOR'S OFFICE	59,901	66,083	85,300	86,300

City of Duluth Minnesota - 2016 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	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING EXPENSES				
5420 Depreciation	486,707	452,295	528,000	508,700
5441 Other Services & Charges	-	50	-	-
5535 Improvements (Non-Capital)	140,033	133,868	257,500	265,000
5540 Equipment (Non-Capital)	1,188	1,097	-	10,500
5611 Bond Interest	59,788	53,516	49,700	43,000
5613 Interest from Amortization	(745)	(746)	(700)	(700)
5620 Fiscal Agent Fees	438	438	400	400
TOTAL	<u>687,409</u>	<u>640,518</u>	<u>834,900</u>	<u>826,900</u>
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue	436,413	973,697	940,000	1,225,000
5580 Capital Equipment	209,211	171,376	299,700	181,800
TOTAL	<u>645,624</u>	<u>1,145,073</u>	<u>1,239,700</u>	<u>1,406,800</u>
1905 TOTAL - CAPITAL	1,333,033	1,785,591	2,074,600	2,233,700

City of Duluth Minnesota - 2016 Budget

Utility General Expense

535-500-1915

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	26,799	28,973	9,200	9,400
5101 Permanent Employees - Overtime	995	694	-	-
TOTAL	<u>27,794</u>	<u>29,667</u>	<u>9,200</u>	<u>9,400</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	1,857	1,769	700	700
5122 F.I.C.A. Social Security	1,692	1,783	600	600
5123 F.I.C.A. Medicare	396	417	100	100
5125 Dental Insurance	208	103	-	100
5126 Life Insurance	98	119	-	-
5127 Health Care Savings	263	228	100	100
5130 Cafeteria Plan Benefits	5,140	9,082	2,800	2,900
5133 Health or Fitness Program	57	-	-	-
5134 Other Post Retirement Benefits	(26,399)	(14,712)	-	-
5135 Retiree Health Insurance	9,528	10,290	10,900	10,300
5151 Worker's Compensation	600	7,500	7,300	12,000
TOTAL	<u>(6,560)</u>	<u>16,579</u>	<u>22,500</u>	<u>26,800</u>
OPERATING EXPENSES				
5200 Office Supplies	120	-	500	200
5201 Computer Supplies/Software	16,474	15,882	-	-
5205 Safety & Training Materials	529	248	700	700
5211 Cleaning and Janitorial Supplies	909	2,040	2,500	2,700
5212 Motor Fuels	-	-	-	200
5218 Uniforms	-	219	-	-
5241 Small Equipment	2,065	3,000	700	700
5301 Auditing Services	356	209	600	400
5305 Medical Services/Testing Fees	1,739	2,855	2,900	2,700
5310 Contract Services	500	13,042	-	-
5319 Other Professional Services	-	-	-	-
5320 Data Services	8,468	4,293	5,800	9,100
5321 Telephone	4,167	3,728	4,500	2,800
5331 Training Expenses	2,214	675	2,800	2,300
5335 Mileage Reimbursement - Local	-	-	100	-
5356 Copier, Printer Lease & Supplies	4,049	3,688	3,700	6,700
5360 Insurance	-	-	8,800	9,200

(continued)

City of Duluth Minnesota - 2016 Budget

Utility General Expense

535-500-1915

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
5381 Electricity	11,879	11,328	13,000	12,700
5382 Water & Gas	7,658	12,810	13,200	14,000
5384 Refuse Disposal	8,021	8,201	6,500	8,000
5401 Building Repair & Maintenance	2,419	4,299	6,900	6,100
5404 Equipment/Machinery Repair & Mtc	13	-	-	-
5409 Fleet Service Charges	-	-	-	100
5414 Software Lic & Mtc Agreements	-	317	16,700	22,600
5433 Dues & Subscriptions	5,844	-	-	-
5441 Other Services and Charges	34,736	31,740	8,700	8,700
5450 Laundry	2,405	2,198	2,200	1,700
5493 Cost Allocation Charges	150,700	150,700	151,800	151,800
5700 Transfer to General Fund	23,031	50,507	49,000	56,800
5700 Transfer to Special Revenue Funds	-	-	-	-
5700 Transfer to Internal Service Funds	131,800	121,000	100,000	91,000
TOTAL	420,096	442,979	401,600	411,200
1915 TOTAL - UTILITY EXPENSE	441,330	489,225	433,300	447,400

City of Duluth Minnesota - 2016 Budget

Engineering

535-500-1930

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

Expense Detail		2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	390,749	467,467	459,100	439,900
5101	Permanent Employees - Overtime	33,273	26,386	25,000	25,000
5103	Temporary Wages	3,017	4,601	5,200	9,300
5118	Meal Allowance	204	180	-	-
	TOTAL	427,243	498,634	489,300	474,200
EMPLOYEE BENEFITS					
5121	P.E.R.A.	29,273	34,630	34,100	34,400
5122	F.I.C.A. Social Security	25,232	29,812	30,300	29,400
5123	F.I.C.A. Medicare	5,901	6,972	7,100	6,900
5125	Dental Insurance	2,276	1,095	2,400	2,400
5126	Life Insurance	1,067	1,265	1,200	1,200
5127	Health Care Savings	6,240	7,053	12,500	5,500
5130	Cafeteria Plan Benefits	89,556	115,414	113,800	104,900
5141	Unemployment Compensation	-	-	-	-
	TOTAL	159,545	196,241	201,400	184,700
OPERATING EXPENSES					
5200	Office Supplies	584	697	300	500
5201	Computer Supplies	7,837	12,247	1,000	1,000
5203	Paper, Stationery and Forms	408	492	300	500
5205	Safety & Training Materials	576	224	500	500
5212	Motor Fuel	3,147	3,378	2,000	3,000
5218	Uniforms	-	-	-	-
5219	Other Miscellaneous Supplies	280	126	-	-
5240	Small Tools	743	1,059	800	800
5241	Small Equipment	1,258	5,572	2,700	4,100
5242	Survey Equipment and Supplies	3,268	2,035	5,600	5,500
5303	Engineering Services	19,807	8,620	135,000	75,000
5310	Contract Services	42	14,561	5,000	5,000
5320	Data Services	58	592	1,400	1,500
5321	Telephone	2,195	2,903	1,600	2,500
5322	Postage	-	-	100	100
5331	Training Expenses	4,235	3,019	9,100	6,800
5335	Mileage Reimbursement	1,669	5,655	6,000	2,000
5355	Printing and Copying	1,143	614	5,600	300
5356	Copier, Printer Lease & Supplies	4,313	3,889	4,400	800
5404	Equipment Maintenance Repair	110	524	600	700
5409	Fleet Services	3,158	3,872	2,600	3,300
5414	Software Lic & Mtc Agreements	-	348	8,700	11,800
5418	Vehicle/Equipment Lease	-	-	-	-
5433	Dues and Subscriptions	300	1,225	900	400
5435	Books and Pamphlets	86	23	200	200
5438	Licenses	-	352	-	300
5441	Other Services and Charges	788	5,850	68,700	26,000
5486	One Call system	2,968	3,682	3,000	3,300
	TOTAL	58,973	81,559	266,100	155,900
1930	TOTAL - ENGINEERING	645,761	776,434	956,800	814,800

City of Duluth Minnesota - 2016 Budget

Customer Service

535-500-1940

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

Expense Detail		2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	106,261	104,060	111,200	111,700
5101	Permanent Employees - Overtime	2,614	2,216	1,500	500
5118	Meal Allowance	29	32	-	-
	TOTAL	108,904	106,308	112,700	112,200
EMPLOYEE BENEFITS					
5121	P.E.R.A.	7,544	7,430	8,000	8,200
5122	F.I.C.A. Social Security	6,639	6,527	7,000	7,000
5123	F.I.C.A. Medicare	1,552	1,526	1,600	1,600
5125	Dental Insurance	801	309	800	800
5126	Life Insurance	376	361	400	400
5127	Health Care Savings	1,606	1,323	1,700	1,000
5130	Cafeteria Plan Benefits	23,459	22,954	23,600	25,800
	TOTAL	41,977	40,430	43,100	44,800
OPERATING EXPENSES					
5200	Office Supplies	366	456	600	800
5201	Computer Supplies	-	89	200	200
5203	Paper/Stationery	-	-	1,100	500
5241	Small Equipment	124	57	300	300
5310	Contract Services	17,714	17,994	17,200	22,100
5321	Telephone	102	102	200	200
5322	Postage	19,526	21,530	23,900	29,800
5331	Training Expense	462	397	800	1,000
5339	Armored Pickup	511	533	600	700
5355	Printing & Copying	-	300	100	900
5356	Copier, Printer Lease & Spplies	49	162	200	300
5401	Building Repair & Maintenance	170	40	-	-
5404	Equipment Repair & Maintenance	99	102	300	400
5409	Fleet Services	-	-	-	-
5427	Credit Card Commission	5,022	6,079	5,600	5,600
5432	Uncollectible Accounts	2,578	8,050	5,000	5,000
5441	Other Services & Charges	1,455	49	500	600
	TOTAL	48,178	55,940	56,600	68,400
1940	TOTAL - CUSTOMER SERVICES	199,059	202,678	212,400	225,400

City of Duluth Minnesota - 2016 Budget

Utility Operations

535-500-1945

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	779,817	808,756	891,700	987,700
5101 Permanent Employees - Overtime	68,291	77,793	80,000	82,200
5103 Other Wages	-	10,719	-	-
5118 Meal Allowance	1,553	2,198	1,500	1,800
TOTAL	849,661	899,466	973,200	1,071,700
EMPLOYEE BENEFITS				
5121 P.E.R.A.	60,386	61,927	64,900	78,300
5122 F.I.C.A. Social Security	51,874	55,147	60,200	66,300
5123 F.I.C.A. Medicare	12,131	12,897	14,100	15,500
5125 Dental Insurance	5,658	2,367	5,900	6,600
5126 Life Insurance	2,666	2,730	2,900	3,200
5127 Health Care Savings	13,043	27,515	17,400	21,300
5130 Cafeteria Plan Benefits	178,108	199,137	219,300	242,600
TOTAL	323,866	361,720	384,700	433,800
OPERATING EXPENSES				
5200 Office Supplies	630	1,435	2,500	2,000
5201 Computer Supplies/Software	993	26	4,500	600
5205 Safety & Training Materials	1,481	6,240	3,100	3,100
5210 Plant Operating Supplies	12,149	12,902	9,700	9,700
5212 Motor Fuels	59,325	52,238	60,000	60,000
5218 Uniforms	1,187	3,853	5,600	7,700
5219 Other Miscellaneous Supplies	554	24	2,000	3,000
5220 Repair and Maintenance Supplies	25,432	17,341	8,000	8,300
5222 Blacktop	21,313	23,345	25,000	24,000
5224 Gravel and Other Maintenance Materials	57,345	70,748	38,500	56,000
5227 Utility Maintenance Supplies	51,521	50,032	80,500	81,000
5240 Small Tools	4,232	1,498	3,800	3,500
5241 Small Equipment	8,962	10,798	16,900	15,400
5310 Contract Services	16,399	5,215	9,300	13,200
5320 Data Services	187	-	-	-
5321 Telephone	1,124	752	1,300	1,600
5322 Postage	134	-	200	-

(continued)

City of Duluth Minnesota - 2016 Budget

Utility Operations

535-500-1945

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

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
5331 Training Expense	2,608	1,464	8,000	7,600
5333 Freight and Delivery Charges	-	339	300	300
5335 Mileage Reimbursement	9,550	1,541	2,000	3,000
5355 Printing & Copying	4,102	46	100	5,100
5356 Copier, Printer Lease & Supplies	-	-	300	300
5382 Water /Sewer/Gas	1,156	85	-	-
5384 Refuse Disposal	12,730	4,751	11,800	11,800
5404 Equipment/Maintenance Repair	2,007	3,438	5,000	5,000
5409 Fleet Services	107,313	116,184	100,000	105,000
5414 Software Lic & Mtc Agreements	-	-	1,700	1,000
5415 Vehicle/Equip Rent	17,396	29,312	18,000	23,000
5433 Dues and Subscriptions	-	50	400	2,700
5438 Licenses	-	-	500	500
5441 Other Services & Charges	4,725	633	3,500	28,000
5443 Board & Meeting Expenses	-	-	-	-
5450 Laundry	9,635	8,949	7,600	4,700
5700 Transfer to General Fund	413,421	514,520	435,000	491,500
TOTAL	<u>847,611</u>	<u>937,759</u>	<u>865,100</u>	<u>978,600</u>
1945 TOTAL - UTILITY OPERATIONS	2,021,138	2,198,945	2,223,000	2,484,100

City of Duluth Minnesota - 2016 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	2013 Actual	2014 Actual	2015 Budget	2016 Approved
REVENUE				
Operating	7,635,963	6,622,781	6,759,200	7,097,700
Miscellaneous	257,010	702,279	330,400	229,800
	7,892,973	7,325,060	7,089,600	7,327,500
EXPENSES				
Duluth Steam Co-op				
Management Contract	2,369,053	2,368,952	2,576,400	2,565,900
Fuel Expense	3,664,944	3,089,613	3,122,300	3,069,700
Other Operating &	-	-	-	-
Maintenance Expense	512,574	602,133	568,100	666,300
Depreciation	1,029,288	1,082,205	1,095,500	1,095,400
In Lieu of Taxes	152,719	132,456	152,800	152,800
Bond Interest	117,550	111,650	105,200	227,000
	7,846,128	7,387,009	7,620,300	7,777,100
ESTIMATED OPERATING				
INCOME/(LOSS)	46,845	(61,949)	(530,700)	(449,600)

City of Duluth Minnesota - 2016 Budget

Steam Utility Fund

540

Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING REVENUES:				
4654 Other Reimbursements	-	30,580	-	-
4801 Off/On Charge	280	-	-	-
4802 Interest Earned on Customer Accounts	15,424	35,791	18,000	18,000
4809 Misc Non-Operating Income	12,166	12,022	8,800	8,800
4840 Energy Charge	3,627,111	2,916,711	2,974,300	2,948,200
4841 Steam Flat Rate	200	-	-	-
4842 Capacity Charge	3,604,256	3,111,722	3,252,000	3,636,000
4843 Steam Repair - Labor	2,160	1,480	2,400	2,400
4844 Steam Repair - Materials	4,012	2,565	2,400	2,400
4845 Hot Water Sales	87,236	186,353	172,100	162,900
4846 Chilled Water Capacity Charge	198,253	198,253	198,300	198,300
4847 Chilled Water Energy Charge	84,865	127,304	130,900	120,700
TOTAL OPERATING REVENUES	7,635,963	6,622,781	6,759,200	7,097,700
MISCELLANEOUS REVENUES:				
4210 Pass-thru Federal Grants	45,447	21,334	100,000	-
4270 Other Grants	-	50,000	-	-
4850 Earnings on Investments	(11,443)	10,605	600	-
4855 DECC Capacity Charge	223,006	227,842	229,800	229,800
4730 Transfer from Special Revenue Funds	-	392,498	-	-
TOTAL MISCELLANEOUS REVENUES	257,010	702,279	330,400	229,800
TOTAL REVENUE	7,892,973	7,325,060	7,089,600	7,327,500

City of Duluth Minnesota - 2016 Budget

Steam Utility Fund

540

Expense Detail by Division		2013 Actual	2014 Actual	2015 Budget	2016 Approved
1490	Production	3,664,944	3,089,613	3,122,300	3,069,700
1491	Chiller Production	47,986	67,304	72,600	78,000
1492	Production Maintenance	264,821	224,939	129,600	168,100
1493	Transmission & Distribution	92,171	89,786	192,500	254,000
1494	Customer Accounting	5,834	8,645	11,900	11,900
1495	Administration & General	3,685,690	3,763,595	3,977,800	3,960,000
1497	Hot Water	-	31,477	8,400	8,400
1499	Debt Service & Capital	84,682	111,650	105,200	227,000
TOTAL EXPENSES		7,846,128	7,387,009	7,620,300	7,777,100

City of Duluth Minnesota - 2016 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	2013 Actual	2014 Actual	2015 Budget	2016 Approved
5216 Chemicals	27,546	47,667	48,000	54,000
5220 Repair and Mtc Supplies	3,685	7,547	-	-
5310 Contract Services	-	7,130	-	-
5311 Security Services	417	-	-	-
5381 Electricity	199,851	229,455	247,200	231,900
5382 Water, Gas and Sewer	209,128	171,480	206,000	226,700
5383 Natural Gas	682,889	30,264	240,200	73,400
5384 Refuse Disposal	1,113	1,963	1,800	1,800
5385 Oil	35,202	67,540	35,700	36,700
5387 Coal	2,456,214	2,470,950	2,278,400	2,388,900
5388 Ash Handling	48,899	54,524	65,000	56,300
5432 Uncollectible Accounts	-	1,093	-	-
1490 TOTAL - PRODUCTION	3,664,944	3,089,613	3,122,300	3,069,700

City of Duluth Minnesota - 2016 Budget

Chiller Production

540-1491

Records the variable cost of producing and distributing chilled water.

Expense Detail		2013 Actual	2014 Actual	2015 Budget	2016 Approved
5216	Chemicals	7,107	10,379	3,000	7,500
5220	Repair & Mntc Supplies	583	333	4,000	4,000
5310	Contract Services	5,188	22,258	25,200	25,300
5381	Electricity	29,244	29,020	34,700	34,700
5382	Water, Gas & Sewer	5,864	5,314	5,700	6,500
1491	TOTAL - PRODUCTION	47,986	67,304	72,600	78,000

City of Duluth Minnesota - 2016 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		2013 Actual	2014 Actual	2015 Budget	2016 Approved
5205	Safety Equipment & Supplies	8,369	8,847	12,100	12,100
5216	Chemicals	812	834	-	-
5220	Repair Materials & Supplies	173,381	160,772	57,000	96,000
5310	Contract Services	81,647	54,395	60,500	60,000
5441	Other Services & Charges	612	91	-	-
1492	TOTAL - PRODUCTION MAINTENANCE	264,821	224,939	129,600	168,100

City of Duluth Minnesota - 2016 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	2013 Actual	2014 Actual	2015 Budget	2016 Approved
5220 Chemicals	-	-	-	-
5220 Repair Materials & Supplies	32,486	35,974	58,500	52,800
5310 Contract Services	59,685	53,812	134,000	201,200
5409 Fleet Services Charges	-	-	-	-
1493 TOTAL - TRANSMISSIONS & DISTRIBUTION	92,171	89,786	192,500	254,000

City of Duluth Minnesota - 2016 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	2013 Actual	2014 Actual	2015 Budget	2016 Approved
5200 Office Supplies	-	499	500	500
5322 Postage	534	1,734	1,200	1,200
5432 Uncollectible Accounts	5,300	6,412	10,200	10,200
1494 TOTAL - CUSTOMER ACCOUNTING	5,834	8,645	11,900	11,900

City of Duluth Minnesota - 2016 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	2013 Actual	2014 Actual	2015 Budget	2016 Approved
5200 Office Supplies	5,324	4,881	3,800	3,800
5301 Audit Fees	1,098	996	1,200	1,200
5304 Legal Services	-	2,642	3,000	3,000
5307 Management Contract	2,369,053	2,368,952	2,576,400	2,565,900
5319 Other Professional Services	18,517	40,767	-	-
5321 Telephone Service	4,505	8,818	7,800	7,800
5322 Postage	-	-	600	600
5340 Advertising & Promotion	-	4,939	10,200	6,000
5361 General Liability Boiler Insurance	3,072	470	4,000	4,000
5404 Equipment/Machinery Repair & Mtc	-	200	-	-
5415 Vehicle/Equip Rent (Short-term)	-	219	-	-
5420 Depreciation	1,029,288	1,082,205	1,095,500	1,095,400
5438 Licenses Operating	50,440	63,120	64,000	61,000
5441 Other Services & Charges	2,174	1,803	7,800	7,800
5443 Board & Meeting Expenses	-	1,627	1,200	1,200
5480 Payment in Lieu of Taxes	152,719	132,456	152,800	152,800
5493 Cost Allocation	49,500	49,500	49,500	49,500
1495 TOTAL - ADMINISTRATION & GENERAL	3,685,690	3,763,595	3,977,800	3,960,000

City of Duluth Minnesota - 2016 Budget

Hot Water

540-1497

Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
5216 Chemicals	-	2,658	-	-
5220 Repair & Maintenance Supplies	-	7,435	-	-
5310 Contract Services	-	14,696	8,400	8,400
5381 Electricity	-	6,688	-	-
1497 TOTAL - HOT WATER	-	31,477	8,400	8,400

City of Duluth Minnesota - 2016 Budget

Debt Service

540-1499

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

Expense Detail		2013 Actual	2014 Actual	2015 Budget	2016 Approved
5611	Bond Interest	76,153	69,964	49,900	173,200
5612	Other Debt Interest	1,535	-	15,400	13,900
5613	Interest from Bond Discount	39,162	-	-	-
5614	Capital Lease Interest	-	-	-	-
5620	Fiscal Agents Fee	700	1,050	700	700
5622	Bond Amortization	-	40,636	39,200	39,200
5530	Improvements Other than Bldgs	(32,868)	-	-	-
5580	Capital Equipment	-	-	-	-
1499	TOTAL - DEBT SERVICE	84,682	111,650	105,200	227,000

City of Duluth Minnesota - 2016 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	2013 Actual	2014 Actual	2015 Budget	2016 Approved
REVENUE				
Operating Revenue	2,214,922	2,219,441	1,980,000	1,550,100
Non-Operating	(16,570.00)	10,043	220,000	647,600
	<u>2,198,352</u>	<u>2,229,484</u>	<u>2,200,000</u>	<u>2,197,700</u>
EXPENSE				
Personal Services	378,549	439,516	455,600	458,900
Supplies	134,552	283,281	315,300	336,100
Other Services and Charges	134,559	289,449	369,500	662,400
Utilities	687,984	664,973	716,000	680,000
Depreciation	211,452	234,755	221,000	229,300
Transfers	41,000	42,140	41,000	37,200
	<u>1,588,096</u>	<u>1,954,114</u>	<u>2,118,400</u>	<u>2,403,900</u>
ESTIMATED OPERATING INCOME / (LOSS)	610,256	275,370	81,600	(206,200.00)
Other Sources of Cash	235,094	350,856	221,000	229,300
Other Uses of Cash	(167,394)	(694,386)	(500,000)	(350,000)
Increase (Decrease) in Cash	<u>677,956</u>	<u>(68,160)</u>	<u>(197,400)</u>	<u>(326,900)</u>

BUDGETED FTE'S	2013	2014	2015	2016
9 Executive Assistant	0.0	0.1	0.1	0.1
32 Traffic Operations Leadworker	1.0	1.0	1.0	1.0
30 Electrician	1.0	0.0	0.0	0.0
30 Signal Technician	2.0	3.0	3.0	3.0
22 Maintenance Worker	1.0	1.0	1.0	1.0
Division Total	5.0	5.1	5.1	5.1

City of Duluth Minnesota - 2016 Budget

Street Lighting Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2015 Budget	2015 Projected	2016 Approved
ESTIMATED OPERATING INCOME (LOSS)	81,600	190,500	(206,200)
<u>Other Sources of Cash</u>			
Depreciation and Amortization	221,000	235,100	229,300
Total Other Sources of Cash	<u>221,000</u>	<u>235,100</u>	<u>229,300</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	-	8,500	-
Capital Improvements from Current Revenues	-	1,000,000	350,000
Capital Equipment Purchases	500,000	395,000	-
Total Other Uses of Cash	<u>500,000</u>	<u>1,403,500</u>	<u>350,000</u>
INCREASE (DECREASE) IN CASH	(197,400)	(977,900)	(326,900)
EST. UNRESTRICTED CASH AND DEBT SERVICE CASH- BEGINNING	<u>1,673,107</u>	<u>1,853,046</u>	<u>875,146</u>
EST. UNRESTRICTED CASH AND DEBT SERVICE CASH- ENDING	<u><u>1,475,707</u></u>	<u><u>875,146</u></u>	<u><u>548,246</u></u>

City of Duluth Minnesota - 2016 Budget

Street Lighting Fund

550

Revenue Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING REVENUES:				
4838 Street Lighting Fee	2,136,660	2,133,613	1,925,000	1,496,600
4636 Sale of Scrap	887	1,836	1,000	1,000
4654 Other Reimbursements	51,461	51,452	17,000	17,000
4680 Damages or Losses Recovered	16,012	21,720	30,000	30,000
4802 Interest Earned	9,902	10,820	7,000	5,500
TOTAL OPERATING REVENUE	2,214,922	2,219,441	1,980,000	1,550,100
NON-OPERATING REVENUES:				
4005 Current Property Taxes	-	-	220,000	647,600
4601 Change in Fair Value Investments	(16,570)	10,043	-	-
TOTAL NON-OPERATING REVENUES	(16,570)	10,043	220,000	647,600
TOTAL REVENUE	2,198,352	2,229,484	2,200,000	2,197,700

City of Duluth Minnesota - 2016 Budget

Street Lighting Fund

550

Operating Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	234,912	283,327	294,500	303,200
5101 Permanent Employees - Overtime	32,464	29,142	38,000	35,000
5103 Temporary Employees - Regular	11,479	-	5,900	-
5118 Meal Allowance	30	-	-	-
TOTAL	278,885	312,469	338,400	338,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	17,593	21,939	21,400	24,700
5122 F.I.C.A. Social Security	16,230	19,219	21,000	21,000
5123 F.I.C.A. Medicare	3,796	4,495	4,900	4,900
5125 Dental Insurance	1,497	791	1,800	1,900
5126 Life Insurance	788	917	900	900
5127 Health Care Savings Plan	1,978	14,593	2,800	2,900
5130 Cafeteria Plan Benefits	57,782	65,093	64,400	64,400
TOTAL	99,664	127,047	117,200	120,700
OPERATING EXPENSES				
5200 Office Supplies	876	971	1,000	1,000
5201 Computer Supplies	65	87	-	-
5205 Safety & Training	4,584	5,317	1,500	3,000
5211 Cleaning/Janitorial Supplies	2,142	2,201	1,500	1,500
5212 Motor Fuels	7,927	9,476	11,000	11,000
5218 Uniforms	922	2,637	2,300	2,500
5219 Other Miscellaneous Supplies	8,477	6,154	4,000	5,000
5226 Sign & Signal Supplies	56,574	38,383	65,400	63,400
5230 Street Lighting Supplies	34,169	202,016	213,100	175,000
5240 Small Tools	5,431	4,018	5,000	5,000
5241 Small Equipment	13,385	12,021	10,500	68,700
5310 Contract Services	13,271	120,606	180,000	270,000
5319 Other Professional Services	-	14,719	50,000	250,000
5321 Telephone	2,322	2,197	2,300	2,400
5331 Travel/Training	3,024	6,596	3,000	3,000
5335 Mileage Reimbursement - Local	3,339	3,010	3,500	3,500

City of Duluth Minnesota - 2016 Budget

Street Lighting Fund

550

Operating Expense Detail	2013 Actual	2014 Actual	2015 Budget	2016 Approved
OPERATING EXPENSES CONTINUED				
5381 Electricity	687,984	664,973	716,000	680,000
5389 Street Lighting	7,040	14,938	18,000	18,000
5401 Bldg/Structure Repair & Maintenance	-	-	1,000	500
5404 Equipment Repair & Maintenance	1,193	329	500	1,500
5409 Fleet Service Charges	35,777	56,125	45,000	48,000
5414 Software Lic & Mtc Agreements	-	70	500	2,100
5415 Equipment Rental	-	-	500	500
5420 Depreciation	211,452	234,755	221,000	229,300
5432 Uncollectible Accounts	5,196	7,215	1,000	1,000
5433 Dues & Subscriptions	150	85	100	100
5435 Books	-	-	100	100
5438 Licenses	238	150	200	200
5441 Other Services & Charges	2,318	2,827	2,900	1,000
5450 Laundry	1,691	1,582	1,900	1,500
5493 Cost Allocation	59,000	59,000	59,000	59,000
5700 Interfund Transfers Out	41,000	42,140	41,000	37,200
TOTAL	<u>1,209,547</u>	<u>1,514,598</u>	<u>1,662,800</u>	<u>1,945,000</u>
TOTAL OPERATING EXPENSES	1,588,096	1,954,114	2,118,400	2,403,900
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue Financing	36,189	-	-	350,000
5580 Capital Equipment	<u>126,502</u>	<u>693,742</u>	<u>500,000</u>	<u>-</u>
TOTAL NON-OPERATING EXPENSES	162,691	693,742	500,000	350,000
TOTAL STREET LIGHT UTILITY	1,750,787	2,647,856	2,618,400	2,753,900

Internal Service Funds

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	8,507,567	9,671,664	11,079,091	10,949,599
REVENUES				
Participation from Other Funds	12,854,198	13,457,796	22,997,624	22,483,874
Charges for Services	4,459,225	4,387,006	4,161,900	4,086,900
Miscellaneous	2,451,020	2,103,173	1,879,656	1,896,128
TOTAL REVENUES	<u>19,764,443</u>	<u>19,947,975</u>	<u>29,039,180</u>	<u>28,466,902</u>
EXPENSES				
Personal Services	1,777,768	1,960,458	2,011,900	2,096,600
Other Expenditures	4,982,058	5,070,470	4,868,918	4,879,804
Claims	11,840,521	11,509,621	22,287,854	22,362,869
TOTAL EXPENSES	<u>18,600,346</u>	<u>18,540,548</u>	<u>29,168,672</u>	<u>29,339,273</u>
FUND BALANCE - DECEMBER 31	9,671,664	11,079,091	10,949,599	10,077,228

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	1,732,423	1,851,433	1,653,542	1,383,042
REVENUES				
Transfer from City Funds:				
General	500,000	500,000	500,000	600,000
Public Utility	170,800	130,400	114,200	139,000
Other Reimbursements	157,712	139,339	45,700	62,400
TOTAL REVENUES	<u>828,512</u>	<u>769,739</u>	<u>659,900</u>	<u>801,400</u>
EXPENSES				
Personal Services	231,212	383,815	319,600	349,600
Claims:				
Worker's Compensation	172,157	277,664	283,200	217,900
Other Services and Charges	306,133	306,152	327,600	317,700
TOTAL EXPENSES	<u>709,502</u>	<u>967,631</u>	<u>930,400</u>	<u>885,200</u>
FUND BALANCE - DECEMBER 31	1,851,433	1,653,542	1,383,042	1,299,242

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	1,864,523	1,543,677	1,415,156	1,361,256
REVENUES				
Transfer from City Funds:				
General	(17,221)	150,000	400,000	400,000
Public Utility	268,800	224,900	188,200	149,000
Duluth Steam	3,072	470	500	3,400
Spirit Mountain	640	-	300	-
Duluth Airport	150	-	100	47,700
DEDA	20,925	23,000	23,000	23,500
Other Reimbursements	20,273	33,750	-	-
TOTAL REVENUES	296,639	432,120	612,100	623,600
EXPENSES				
Claims: Liability	214,419	290,586	387,700	357,800
Property/Boiler Insurance	112,056	108,666	107,300	158,100
Other Services and Charges	291,010	161,389	171,000	168,400
TOTAL EXPENSES	617,485	560,641	666,000	684,300
FUND BALANCE - DECEMBER 31	1,543,677	1,415,156	1,361,256	1,300,556

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	4,041,835	5,110,186	7,139,085	7,229,016
REVENUES				
City Employer/Employee Premiums	11,170,123	12,105,405	20,952,156	20,325,242
Sub-Group Employer/Employee Premium	1,607,488	1,709,674	1,765,760	1,765,760
Miscellaneous	596,393	190,252	-	-
TOTAL REVENUES	<u>13,374,004</u>	<u>14,005,331</u>	<u>22,717,916</u>	<u>22,091,002</u>
EXPENSES				
Personal Services	255,000	255,000	255,000	255,000
Claims	10,809,882	10,209,223	20,837,310	20,989,978
Other Services and Charges	<u>1,240,771</u>	<u>1,512,209</u>	<u>1,535,675</u>	<u>1,535,675</u>
TOTAL EXPENSES	<u>12,305,653</u>	<u>11,976,432</u>	<u>22,627,985</u>	<u>22,780,653</u>
FUND BALANCE - DECEMBER 31	5,110,186	7,139,085	7,229,016	6,539,365

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	492,040	598,973	162,683	214,160
REVENUES				
City Employer/Employee Premiums	736,909	323,621	819,168	796,032
Sub-Group Employer/Employee Premiums	69,154	30,158	68,196	67,968
TOTAL REVENUES	806,063	353,779	887,364	864,000
EXPENSES				
Claims	644,063	732,148	779,644	797,191
Other Services and Charges	55,067	57,921	56,243	60,029
TOTAL EXPENSES	699,130	790,069	835,887	857,220
FUND BALANCE - DECEMBER 31	598,973	162,683	214,160	220,940

City of Duluth Minnesota - 2016 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.

	2013 Actual	2014 Actual	2015 Budget	2016 Approved
FUND BALANCE - JANUARY 1	376,746	567,395	708,625	762,125
REVENUES				
Fleet Services				
General Fund	3,307,423	3,234,984	3,071,900	3,056,600
Parks Fund	11,012	4,044	9,000	5,000
Golf Fund	66,966	53,386	66,000	0
Parking Fund	21,234	7,365	22,000	0
Water and Gas	612,097	645,464	587,200	600,000
Sewer	214,213	191,235	179,400	188,900
Stormwater	172,944	175,671	164,600	171,600
Street Light Utility	43,704	65,601	56,000	59,000
Other	9,632	9,256	5,800	5,800
TOTAL REVENUES	4,459,225	4,387,006	4,161,900	4,086,900
EXPENSES				
Personal Services	921,554	938,077	1,034,100	1,072,400
Benefits	370,002	383,566	403,200	419,600
Other Expenses	2,977,020	2,924,133	2,671,100	2,639,900
TOTAL EXPENSES	4,268,576	4,245,776	4,108,400	4,131,900
FUND BALANCE - DECEMBER 31	567,395	708,625	762,125	717,125
BUDGETED FTE'S				
1115 Manager, Maintenance Operations	0.2	0.25	0.25	0.25
1050 Mgr, Maintenance & Supply	1	1	1	1
133 Budget Analyst	0.2	0.25	0.1	0.1
32 Fleet Services Leadworker	2	2	2	2
28 Fleet Assistant	0	0	1	1
28 Mechanic	6	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	1	1
22 Maintenance Worker	1	1	1	1
Division Total	18.4	18.5	18.35	18.35

City of Duluth Minnesota - 2016 Budget

Fleet Services

660-015

EXPENSE DETAIL	2013 Actual	2014 Actual	2015 Budget	2016 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	908,871	922,352	1,014,100	1,052,400
5101 Permanent Employees - Overtime	12,683	12,397	20,000	20,000
5103 Temporary Employees - Regular	0	3,328	0	0
TOTAL	921,554	938,077	1,034,100	1,072,400
5121 P.E.R.A.	63,189	64,394	74,300	77,100
5122 F.I.C.A. Social Security	56,051	57,158	64,100	66,500
5123 F.I.C.A. Medicare	13,109	13,368	15,000	15,600
5125 Dental Insurance	6,622	2,670	6,600	6,800
5126 Life Insurance	4,877	4,492	3,300	3,300
5127 Health Care Savings Plan	15,127	14,590	9,400	10,000
5130 Cafeteria Plan Benefits	211,027	226,894	230,500	240,300
TOTAL	370,002	383,566	403,200	419,600
OTHER EXPENDITURES				
5200 Office Supplies	2,159	1,265	1,500	1,500
5201 Computer Supplies/Software	805	35	1,500	1,500
5205 Safety & Training Materials	1,796	2,544	4,000	4,000
5210 Plant/Operating Supplies	19,395	16,728	16,000	16,000
5212 Motor Fuel	1,512,294	1,411,289	1,320,700	1,140,700
5215 Shop Materials	16,256	15,200	5,000	5,000
5219 Other Miscellaneous Supplies	4,131	2,442	10,000	6,500
5221 Equipment Repair Supplies	984,742	1,050,148	900,100	1,000,100
5240 Small Tools	6,868	11,108	10,000	11,000
5241 Small Equipment	3,039	0	2,000	2,000
5405 Medical Services/Testing Fees	0	0	500	500
5319 Other Professional Services	0	0	1,500	1,500
5320 Data Services	4,441	2,831	5,000	5,000
5321 Telephone	742	729	500	500
5331 Travel/Training	4,029	770	8,000	8,000
5335 Mileage Reimbursement	-	-	-	-
5356 Copier, Printer Lease & Supplies	5,122	3,498	5,000	5,000
5381 Electricity	15,132	14,482	15,800	15,800
5382 Water, Gas and Sewer	14,962	19,513	25,000	25,000
5384 Refuse Disposal	596	611	2,000	2,000
5401 Building Structure Repair	3,244	3,974	6,000	6,000
5404 Equipment Repair & Maintenance	145,854	163,408	129,500	179,500
5414 Software Licenses & Maintenance	0	0	1,900	1,900
5418 Vehicle/Equipment Lease	-	-	-	-
5419 Other Rental	0	0	1,500	1,500
5420 Depreciation	63,759	55,925	42,800	41,600
5438 Licenses	1,395	6,598	4,000	6,500
5441 Other Services and Charges	41,280	16,684	25,100	25,100
5450 Laundry	16,779	16,151	18,000	18,000
5493 Cost Allocation Charges	108,200	108,200	108,200	108,200
5580 Capital Equipment	0	12,000	40,000	30,000
5700 Transfer to Special Revenue Funds	-	-	-	-
TOTAL	2,977,020	2,936,133	2,711,100	2,669,900
TOTAL EXPENSES	4,268,576	4,257,776	4,148,400	4,161,900

CAPITAL PROGRAM



CAPITAL BUDGET AND PLAN

The City of Duluth's Capital Budget includes capital improvement projects to City infrastructure, such as facility enhancements and expansion, upgrades to parks and trails, and improvements to streets and utilities. Also included in the Capital Budget are capital equipment rolling stock, such as public safety vehicles, and non-rolling stock such as technology and public safety equipment.

The City's Capital Budget and Plan addresses current and future improvements to the City's infrastructure, facilities, and properties by combining elements of both budgeting (current year needs) and planning (five year plan). The purpose of the Capital Budget is two-fold: first, to prioritize and fund the most urgent needs in the coming year's budget; and secondly, to identify future capital needs with sufficient lead time so decisions may be made to our best advantage. This section presents a summary of the 2016 Capital Budget and the 2016 through 2020 Capital Improvement Plans.

2016 Proposed Improvements

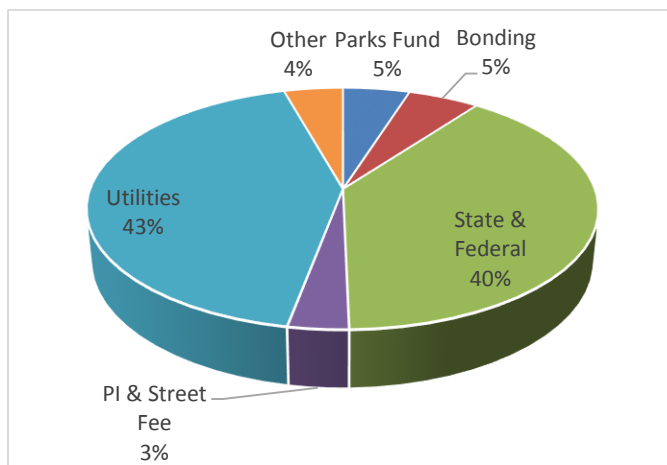
The 2016 Capital Program outlines total proposed projects in the amount of \$27,858,000 funded through various sources including bonding, the Parks Fund, the ½ and ½ tax, state and federal grants, the Permanent Improvement Fund, the Street System Maintenance Fee, and utility revenue. Included in the Capital Budget are projects for facilities, parks and trails, streets and bridges, and the Water, Gas, Sewer, Stormwater and Street Lighting utilities. The chart below shows the breakdown of funding for the 2016 program.

Capital improvements to city buildings and infrastructure will be funded by issuing a capital improvement bond in the amount of \$1,250,000.

Parks and trails are to be funded by federal grants totaling \$1,973,000; state grants totaling \$2,550,000; St Louis River Corridor bond proceeds (½ and ½ tax) of \$2,985,000; and the Parks Fund contribution of \$585,000 for a combined program total of \$8,093,000.

The Street and Bridge Improvement and Preservation program for 2016 totals \$8,405,300. Funding sources include aids and grants, current year utility revenue, Permanent Improvement Fund, developer contributions, and the Street System Maintenance Fee.

2016 Capital Utility Projects total \$10,109,700 and will be funded with utility revenue.

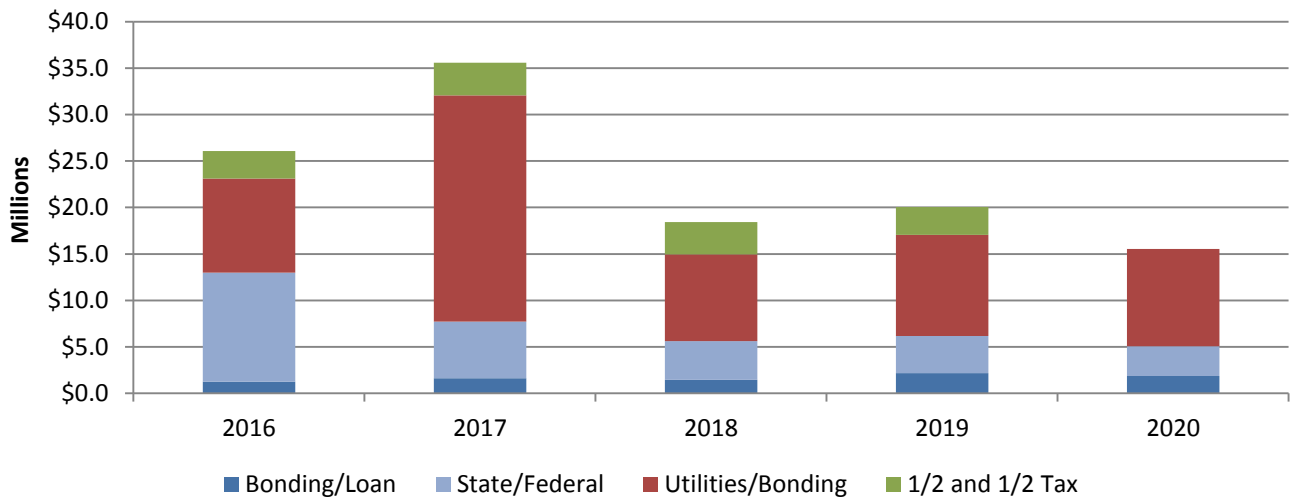


Bonding	\$ 1,250,000
Parks Fund	\$ 585,000
½ and ½ Tax	\$ 2,985,000
State/Fed	\$ 11,748,300
PI/Street Fee	\$ 780,000
Other	\$ 400,000
Utilities	<u>\$ 10,109,700</u>
Total 2016 Plan	\$ 27,858,000

Five Year Improvement Plan Funding

The City has identified \$125.6 million in improvements along with funding sources over the course of the next five years. The City will bond for certain types of improvements as allowed in State Statute. For 2016, the City is proposing to bond for \$1.2 million in capital improvements. Future years of bonding include \$1.6 million in 2017, \$1.4 million in 2018, \$2.2 million in 2019, and \$1.9 million in 2020 for a combined five year total of \$8.3 million. Also included in the five year capital plan are park and trail projects totaling \$20.7 million; of which \$3 million will be funded out of the Parks Fund, \$2.1 million from Federal grants, \$13 million from the St Louis River Corridor bond proceeds (½ and ½ tax), and \$2.6 million from state grants. The five year plan for street and bridge projects includes \$31.4 million in projects with \$17.1 million in funding from Municipal State Aid. Additional funding sources for street and bridge projects include \$3 million from a state bridge bond, \$4.4 million from state and federal grants, \$1.4 million from property tax dollars levied in the Permanent Improvement Fund, \$5.1 million from the Street System Maintenance Fee, and \$.4 million from developer and St Louis County contributions for the Kenwood/Arrowhead project. Over the next five years, the Utility Funds will finance \$50.1 million using operating revenues, along with an additional \$15 million in bonding for a water pipe replacement project.

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



	2016	2017	2018	2019	2020	Total
Bonding/Loan	1,250,000	1,600,000	1,450,000	2,175,000	1,870,000	8,345,000
State/Federal	11,748,300	6,100,400	4,175,000	4,000,000	3,200,000	29,223,700
PI & Street Fee	780,000	1,080,000	1,280,000	1,580,000	1,780,000	6,500,000
Utilities/Bonding	10,109,700	24,374,500	9,320,000	10,880,000	10,450,000	65,134,200
Parks Fund/Other	985,000	642,500	597,500	585,000	585,000	3,395,000
1/2 and 1/2 Tax	2,985,000	3,500,000	3,500,000	3,000,000		12,985,000
Total Plan	27,858,000	37,297,400	20,322,500	22,220,000	17,885,000	125,582,900

2016 CAPITAL IMPROVEMENTS PROGRAM FUNDING SOURCES

	Bond	Parks Fund	1/2 & 1/2 Tax	PI/ Prior Yr PI	Aids/ Grants	Street Mtce Fee	Utility Revenue	Other	Total
Facilities									
Buildings City-Wide	725,000								725,000
Maintenance	450,000								450,000
Fire Department	75,000								75,000
	1,250,000	-		-	-	-	-	-	1,250,000
Parks and Trails									
Parks		410,000	1,430,000		1,900,000				3,740,000
Traverse Trail		100,000	400,000		400,000				900,000
Cross City Trail			630,000		1,723,000				2,353,000
Western Waterfront Renewal			425,000		500,000				925,000
Destination Loop Hikes			100,000						100,000
Lakewalk Phase VI		75,000							75,000
	-	585,000	2,985,000	-	4,523,000	-	-	-	8,093,000
Street & Bridge Reconstruction and Preservation Program									
Misc Annual Infrastructure				280,000					280,000
Street Preservation					200,000	200,000			400,000
Skyline Parkway Walls					125,000				125,000
Superior Street Reconstruction					625,000				625,000
Congdon Boulevard					200,000				200,000
Aerial Lift Bridge					5,400,000				5,400,000
Arrowhead/Kenwood Intersection					300,000	300,000		400,000	1,000,000
Commonwealth Ave Reconstruction					375,300				375,300
	-	-		280,000	7,225,300	500,000	-	400,000	8,405,300
Capital Utility Projects									
4th Street Reconstruction							1,534,700		1,534,700
Michigan Street							150,000		150,000
Pump Station Service Upgrade							75,000		75,000
Water Plant HVAC							1,100,000		1,100,000
4th St., 4th Ave E to Hawthorne							950,000		950,000
18th & 19th Avenues East							650,000		650,000
Gas Main Extensions & Services							1,500,000		1,500,000
Meter Relocations							400,000		400,000
Michigan St. Regulator Station							75,000		75,000
Regulator Station Upgrades							100,000		100,000
4th Street Reconstruction							500,000		500,000
Superior Street Lining							1,500,000		1,500,000
Annual Street Projects							100,000		100,000
Brewery Creek							50,000		50,000
Citywide Down Drains							250,000		250,000
Culvert at Congdon Blvd							750,000		750,000
Lower Coffee Creek							75,000		75,000
4th Street Fiber Optic Project							250,000		250,000
Signals and Lights Ethernet							100,000		100,000
	-	-		-	-	-	10,109,700	-	10,109,700
	1,250,000	585,000	2,985,000	280,000	11,748,300	500,000	10,109,700	400,000	27,858,000

2016-2020 CAPITAL IMPROVEMENTS PROGRAM PROJECT SUMMARY

	2016	2017	2018	2019	2020	Total
Capital Improvement Program						
CIP eligible building improvements	505,000	1,000,000	880,000	1,310,000	1,095,000	4,790,000
City Center West police/library building improvemer	-	50,000	425,000	50,000	-	525,000
Main library improvements	25,000	-	-	-	-	25,000
Mt Royal library improvements	125,000	-	-	-	-	125,000
Police multimodal substation building improvements	70,000	-	-	-	-	70,000
42nd tool house improvements	-	-	-	100,000	-	100,000
Riley Road tool house improvements	250,000	100,000	-	-	-	350,000
Fleet building improvements	200,000	50,000	75,000	-	75,000	400,000
Firehall #1 improvements	-	100,000	-	175,000	250,000	525,000
Firehall #2 improvements	-	-	-	-	130,000	130,000
Firehall #4 improvements	-	-	70,000	-	125,000	195,000
Firehall #7 improvements	-	-	-	40,000	195,000	235,000
Firehall #8 improvements	75,000	-	-	-	-	75,000
Firehall #10 improvements	-	300,000	-	-	-	300,000
Firehall #11 improvements	-	-	-	500,000	-	500,000
Capital Improvement Program Total	1,250,000	1,600,000	1,450,000	2,175,000	1,870,000	8,345,000
Parks and Trails						
Traverse Trail	900,000	100,000	100,000	100,000	100,000	1,300,000
Cross City Trail	2,353,000	-	-	-	-	2,353,000
Western Waterfront Renewal	925,000	-	-	-	-	925,000
Destination Loop Hikes	100,000	-	-	-	-	100,000
Trail - Other	-	1,800,000	1,800,000	2,000,000	-	5,600,000
Lakewalk VI - shared use - Water Street	75,000	312,900	-	-	-	387,900
Playground	105,000	80,000	100,000	100,000	100,000	485,000
Fields	-	75,000	165,000	185,000	185,000	610,000
Community Centers	150,000	100,000	100,000	100,000	100,000	550,000
Parks - Other	105,000	1,100,000	1,120,000	1,100,000	100,000	3,525,000
Zoo/Fairmount Park	1,200,000	700,000	700,000	-	-	2,600,000
Gary New Duluth CRA	530,000	-	-	-	-	530,000
Chambers Grove Park	1,000,000	-	-	-	-	1,000,000
Hartley Park	650,000	50,000	-	-	-	700,000
Parks and Trails Total	8,093,000	4,317,900	4,085,000	3,585,000	585,000	20,665,900
Street & Bridge Reconstruction and Preservation Program						
9th and 8th Street Reclamation	-	-	-	1,300,000	-	1,300,000
Aerial Lift Bridge	5,400,000	-	-	-	-	5,400,000
Arrowhead/Kenwood	1,000,000	-	-	-	-	1,000,000
College Street	-	200,000	-	-	-	200,000
Commonwealth Avenue	375,300	-	-	-	-	375,300
Concrete Pavement Repairs	-	860,000	-	-	-	860,000
Congdon Blvd	200,000	3,215,000	-	-	-	3,415,000
Decker Road	-	-	1,412,500	-	-	1,412,500
East 3rd Street Recondition	-	-	-	1,400,000	-	1,400,000
Junction and St Marie	-	-	-	-	900,000	900,000
Maxwell Avenue	-	-	375,000	-	-	375,000
Misc Annual Infrastructure	280,000	280,000	280,000	280,000	280,000	1,400,000
Railroad Street	-	-	-	-	1,000,000	1,000,000
Redwing Street	-	-	600,000	-	-	600,000
Skyline Parkway Walls	125,000	950,000	-	-	-	1,075,000
Street Preservation	400,000	1,100,000	1,000,000	1,300,000	1,500,000	5,300,000
Superior Street	625,000	400,000	1,300,000	1,300,000	1,300,000	4,925,000
West Anoka Street	-	-	500,000	-	-	500,000
Street, Bridge and Preservation Total	8,405,300	7,005,000	5,467,500	5,580,000	4,980,000	31,437,800

2016-2020 CAPITAL IMPROVEMENTS PROGRAM PROJECT SUMMARY

	2016	2017	2018	2019	2020	Total
Capital Utility Projects						
4th Street Reconstruction	1,534,700	900,000	-	-	-	2,434,700
Downtown Streets Design	-	40,000	-	-	-	40,000
East Superior Water Main	-	70,000	-	-	-	70,000
Filter Sand Replacement	-	175,000	-	-	-	175,000
Hidden Valley Phase 2	-	1,050,000	-	-	-	1,050,000
Michigan Street - Water	150,000	-	-	-	-	150,000
Middle/Woodland Pump Station	-	-	-	2,000,000	2,000,000	4,000,000
Pump Station Service Upgrade	75,000	-	-	-	-	75,000
Riveted Steel Pipe Replacement	-	15,000,000	-	-	-	15,000,000
Superior Street Reconstruction - Water	-	-	1,400,000	1,600,000	2,000,000	5,000,000
Water Main Replacement	-	-	400,000	1,500,000	1,500,000	3,400,000
Water Plant HVAC	1,100,000	-	-	-	-	1,100,000
Water Plant Electrical Upgrade	-	-	1,600,000	-	-	1,600,000
WTP Building & Structure Repairs	-	-	900,000	-	-	900,000
3rd St, Vernon, 2nd Street Alley	-	-	-	200,000	-	200,000
4th St., 4th Ave E to Hawthorne	950,000	1,164,500	-	-	-	2,114,500
18th & 19th Avenues East	650,000	-	-	-	-	650,000
20th & 23rd Ave. W, 10th Street	-	-	-	1,000,000	-	1,000,000
48th Avenue East	-	750,000	-	-	-	750,000
58th Avenue West	-	-	-	200,000	-	200,000
Building Shells for Reg Stations	-	-	120,000	-	-	120,000
Gas Main Extensions & Services	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
London Road Gas Project	-	300,000	-	-	-	300,000
Meter Relocations	400,000	300,000	300,000	300,000	-	1,300,000
Michigan Street Gas Project	-	-	120,000	-	-	120,000
Michigan St. Regulator Station	75,000	-	-	-	-	75,000
Regulator Station Upgrades	100,000	-	-	-	-	100,000
Relocate Airpark/Martin Regs	-	-	150,000	-	-	150,000
Steel Main Replacements	-	-	-	-	500,000	500,000
Stora Enso Flow Meter	-	-	-	100,000	-	100,000
Superior Street Reconstruction - Gas	-	-	30,000	30,000	-	60,000
Woodland Ave Gas Project	-	-	500,000	-	-	500,000
4th Street Reconstruction	500,000	500,000	-	-	-	1,000,000
Lift Station Improvements	-	-	-	450,000	450,000	900,000
Sanitary Sewer Rehab/Reline	-	200,000	750,000	750,000	750,000	2,450,000
Superior Street Lining	1,500,000	1,500,000	-	-	-	3,000,000
Annual Street Projects	100,000	100,000	100,000	100,000	100,000	500,000
Block Long Culvert & Ditch	-	-	100,000	100,000	100,000	300,000
Brewery Creek	50,000	200,000	300,000	-	-	550,000
Citywide Down Drains	250,000	-	250,000	250,000	250,000	1,000,000
Clarkhouse Creek	-	75,000	-	100,000	-	175,000
Culvert at Congdon Boulevard	750,000	-	-	-	-	750,000
Downtown Streets Design	-	50,000	-	-	-	50,000
Gary New Duluth System	-	100,000	100,000	100,000	100,000	400,000
Greys Creek	-	100,000	-	-	-	100,000
Lower Coffee Creek	75,000	-	100,000	-	-	175,000
Norton Road & Thurber Road	-	-	-	-	600,000	600,000
Superior Street Reconstruction - Storm	-	-	300,000	300,000	300,000	900,000
4th Street Fiber Optic Project	250,000	-	-	-	-	250,000
Decorative Street Lights	-	200,000	200,000	200,000	200,000	800,000
Signals and Lights Ethernet	100,000	100,000	100,000	100,000	100,000	500,000
Capital Utility Projects Total	10,109,700	24,374,500	9,320,000	10,880,000	10,450,000	65,134,200
GRAND TOTAL	27,858,000	37,297,400	20,322,500	22,220,000	17,885,000	125,582,900

5 YEAR CAPITAL IMPROVEMENTS PROGRAM BY FUNDING SOURCE

	2016	2017	2018	2019	2020	Total
Bond	1,250,000	1,600,000	1,450,000	2,175,000	1,870,000	8,345,000
Parks Fund	585,000	632,500	585,000	585,000	585,000	2,972,500
1/2 & 1/2 Tax	2,985,000	3,500,000	3,500,000	3,000,000	-	12,985,000
Permanent Improvement Fund	280,000	280,000	280,000	280,000	280,000	1,400,000
Street System Maintenance Fee	500,000	800,000	1,000,000	1,300,000	1,500,000	5,100,000
Federal Grants	1,973,000	2,485,400	900,000	860,000	-	6,218,400
State Funding						
State Bridge Bond	3,000,000					3,000,000
MSA	3,850,000	3,615,000	3,275,000	3,140,000	3,200,000	17,080,000
DNR	375,300					375,300
Grants	2,550,000	-	-	-	-	2,550,000
Other Funding Sources	400,000	10,000	12,500	-	-	422,500
Utilities - Bonding						
Water	-	15,000,000	-	-	-	15,000,000
Utilities - Current Year Revenue						
Water	2,859,700	2,235,000	4,300,000	5,100,000	5,500,000	19,994,700
Gas	3,675,000	4,014,500	2,720,000	3,330,000	2,000,000	15,739,500
Sewer	2,000,000	2,200,000	750,000	1,200,000	1,200,000	7,350,000
Stormwater	1,225,000	625,000	1,250,000	950,000	1,450,000	5,500,000
Street Lighting	350,000	300,000	300,000	300,000	300,000	1,550,000
	10,109,700	9,374,500	9,320,000	10,880,000	10,450,000	50,134,200
TOTAL ALL FUNDING SOURCES	27,858,000	37,297,400	20,322,500	22,220,000	17,885,000	125,582,900

Capital Improvement Program Summary

Operating Cost Implications of 2016 Proposed Projects:

The Capital Improvement Program is the principal funding program the City uses to make large, planned improvements and corrections to its building inventory and infrastructure. It traditionally consists of issuing general obligation bonds for city hall, public safety facilities, libraries and public works facilities. The City maintains 150 structures with an average age of over 40 years. These structures require accessibility and code compliance efforts.

Projects	2016	2017	2018	2019	2020	Total
Buildings City-Wide	725,000	1,050,000	1,305,000	1,360,000	1,095,000	5,535,000
Maintenance Buildings	450,000	150,000	75,000	100,000	75,000	850,000
Fire Buildings	75,000	400,000	70,000	715,000	700,000	1,960,000
Total	1,250,000	1,600,000	1,450,000	2,175,000	1,870,000	8,345,000

Funding	2016	2017	2018	2019	2020	Total
Capital Improvement Bond	1,250,000	1,600,000	1,450,000	2,175,000	1,870,000	8,345,000

Buildings City-Wide

Description:

It is important to maintain a city-wide program of facility system replacements and accessibility compliance for structures. Many remote sites need masonry tuck pointing; this is our primary point of water migration into finished spaces. We have damaged window heads, sills and parapets which also need repairs. Additionally, many remote sites are being heated with boilers or furnaces which are 20 years old and beyond. Replacing these with modern, high efficient units with electronic controls can realize 15% annual energy savings over the continued life of the structure. All of these types of system replacements and facility upgrades are aimed at keeping these public buildings in the best state of repair and function possible with the funding available.

Project	2016	2017	2018	2019	2020	Total
CIP eligible building improvements	505,000	1,000,000	880,000	1,310,000	1,095,000	4,790,000
City Center West police/library building improvements	-	50,000	425,000	50,000	-	525,000
Main library improvements	25,000					25,000
Mt Royal library improvements	125,000	-	-	-	-	125,000
Police multimodal substation building improvements	70,000	-	-	-	-	70,000
Total	725,000	1,050,000	1,305,000	1,360,000	1,095,000	5,535,000

Funding	2016	2017	2018	2019	2020	Total
Capital Improvement Bond	725,000	1,050,000	1,305,000	1,360,000	1,095,000	5,535,000

Maintenance

Description:

As a group of CIP eligible facilities, the Maintenance buildings that support the activities of Property and Facilities Management and Maintenance Operations represent some of the most rapidly deteriorating CIP eligible facilities that the City currently owns. Each of these facilities have significant capital needs that are extremely critical to maintain facility integrity and to continue operations as viable assets housing core City services. The group of maintenance facilities represents many challenges and some opportunities. As part of a longer term strategy for this element of the portfolio, the reality that most of these facilities have capital improvement needs in excess of 50% of their replacement value has driven Property and Facilities Management to consider investments that are primarily aimed at maintaining the facility integrity and ensuring the safety and comfort of City staff working out of these facilities while not significantly improving the assets. As assets, this group of buildings have significant value for potential resale, as most are located on prime real estate, and should a longer term solution aimed at a total consolidation of maintenance activities into one newly constructed facility come to fruition, the focus of this part of the capital plan is on - primarily - maintaining the status quo in a manner that sufficiently meets the operational needs and protects the assets from significant deterioration over the next 5 years.

Project	2016	2017	2018	2019	2020	Total
42nd tool house improvements				100,000	-	100,000
Riley Road tool house improvements	250,000	100,000				350,000
Fleet building improvements	200,000	50,000	75,000		75,000	400,000
Total	450,000	150,000	75,000	100,000	75,000	850,000

Funding	2016	2017	2018	2019	2020	Total
Capital Improvement Bond	450,000	150,000	75,000	100,000	75,000	850,000

Fire Department

Description:

Over the next five years, the City is proposing to invest \$1.96 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	2016	2017	2018	2019	2020	Total
Firehall #1 improvements	-	100,000	-	175,000	250,000	525,000
Firehall #2 improvements	-	-	-	-	130,000	130,000
Firehall #4 improvements	-	-	70,000	-	125,000	195,000
Firehall #7 improvements	-	-	-	40,000	195,000	235,000
Firehall #8 improvements	75,000	-	-	-	-	75,000
Firehall #10 improvements	-	300,000	-	-	-	300,000
Firehall #11 improvements	-	-	-	500,000	-	500,000
Total	75,000	400,000	70,000	715,000	700,000	1,960,000

Funding	2016	2017	2018	2019	2020	Total
Capital Improvement Bond	75,000	400,000	70,000	715,000	700,000	1,960,000

Parks and Trails Summary

Description:

Park and trail capital projects are funded from three major sources: the Parks Fund, the 1/2 and 1/2 tax, and federal and state grants. The Parks Fund allocates monies each year for small park and trail capital projects (usually less than \$100,000 each). The 1/2 and 1/2 tax was authorized to fund a total of \$18 million park, trail, and outdoor recreation projects in the St. Louis River Corridor. The City Council in 2015 preliminarily approved a slate of projects to be funded by the 1/2 and 1/2 tax. The 1/2 and 1/2 tax and the Parks Fund are used to leverage large state and federal grants that substantially increase the magnitude of park and trail capital improvements. Selection and design of capital projects is shaped by input and direction from the community, the Parks Commission, and the City Council.

Projects	2016	2017	2018	2019	2020	Total
Trails	4,353,000	2,212,900	1,900,000	2,100,000	100,000	10,665,900
Parks	3,740,000	2,105,000	2,185,000	1,485,000	485,000	10,000,000
Total	8,093,000	4,317,900	4,085,000	3,585,000	585,000	20,665,900

Funding	2016	2017	2018	2019	2020	Total
Federal Grant	1,973,000	185,400	-	-	-	2,158,400
State Grant	2,550,000	-	-	-	-	2,550,000
Parks Fund	585,000	632,500	585,000	585,000	585,000	2,972,500
1/2 and 1/2 Tax	2,985,000	3,500,000	3,500,000	3,000,000	-	12,985,000
Total	8,093,000	4,317,900	4,085,000	3,585,000	585,000	20,665,900

Assumptions

*Full spending of 1/2 and 1/2 tax by 2019.

*No new grant awards for 2016-2020.

Trails Detail

Project	2016	2017	2018	2019	2020	Total
Traverse Trail	900,000	100,000	100,000	100,000	100,000	1,300,000
Cross City Trail	2,353,000	-	-	-	-	2,353,000
Western Waterfront Renewal	925,000	-	-	-	-	925,000
Destination Loop Hikes	100,000	-	-	-	-	100,000
Trail - Other	-	1,800,000	1,800,000	2,000,000	-	5,600,000
Lakewalk VI - shared use Water St	75,000	312,900	-	-	-	387,900
Total	4,353,000	2,212,900	1,900,000	2,100,000	100,000	10,665,900

Funding	2016	2017	2018	2019	2020	Total
Federal Grant	1,973,000	185,400	-	-	-	2,158,400
State Grant	650,000	-	-	-	-	650,000
Parks Fund	175,000	227,500	100,000	100,000	100,000	702,500
1/2 and 1/2 Tax	1,555,000	1,800,000	1,800,000	2,000,000	-	7,155,000
Total	4,353,000	2,212,900	1,900,000	2,100,000	100,000	10,665,900

City of Duluth 2016-2020 Capital Improvement Plan

Parks Detail

	2016	2017	2018	2019	2020	Total
Playground	105,000	80,000	100,000	100,000	100,000	485,000
Fields	-	75,000	165,000	185,000	185,000	610,000
Community Centers	150,000	100,000	100,000	100,000	100,000	550,000
Parks - Other	105,000	1,100,000	1,120,000	1,100,000	100,000	3,525,000
Zoo/Fairmount Park	1,200,000	700,000	700,000	-	-	2,600,000
Gary New Duluth CRA	530,000	-	-	-	-	530,000
Chambers Grove Park	1,000,000	-	-	-	-	1,000,000
Hartley Park	650,000	50,000	-	-	-	700,000
Total	3,740,000	2,105,000	2,185,000	1,485,000	485,000	10,000,000

Funding	2016	2017	2018	2019	2020	Total
Federal Grant						
State Grant	1,900,000	-	-	-	-	1,900,000
Parks Fund	410,000	405,000	485,000	485,000	485,000	2,270,000
1/2 and 1/2 Tax	1,430,000	1,700,000	1,700,000	1,000,000	-	5,830,000
Total	3,740,000	2,105,000	2,185,000	1,485,000	485,000	10,000,000

Street Improvement & Bridge Projects Summary

Description:

These projects include street reconstruction, street preservation and bridge maintenance. Funding sources include municipal state aid, federal funds, grants, street system maintenance fee, St Louis County, developer contributions, and utility revenue.

Operating Cost Implications of 2016 Approved Projects:

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

Project	2016	2017	2018	2019	2020	Total
9th and 8th Street Reclamation				1,300,000		1,300,000
Aerial Lift Bridge	5,400,000					5,400,000
Arrowhead/Kenwood	1,000,000					1,000,000
College Street		200,000				200,000
Commonwealth Avenue	375,300					375,300
Concrete Pavement Repairs		860,000				860,000
Congdon Blvd	200,000	3,215,000				3,415,000
Decker Road			1,412,500			1,412,500
East 3rd Street Recondition				1,400,000		1,400,000
Junction and St Marie					900,000	900,000
Maxwell Avenue			375,000			375,000
Misc Annual Infrastructure	280,000	280,000	280,000	280,000	280,000	1,400,000
Railroad Street					1,000,000	1,000,000
Redwing Street			600,000			600,000
Skyline Parkway Walls	125,000	950,000				1,075,000
Street Preservation	400,000	1,100,000	1,000,000	1,300,000	1,500,000	5,300,000
Superior Street	625,000	400,000	1,300,000	1,300,000	1,300,000	4,925,000
West Anoka Street			500,000			500,000
Total	8,405,300	7,005,000	5,467,500	5,580,000	4,980,000	31,437,800

Funding	2016	2017	2018	2019	2020	Total
Federal	-	2,300,000	900,000	860,000	-	4,060,000
State	7,225,300	3,615,000	3,275,000	3,140,000	3,200,000	20,455,300
Street System Mtce Fee	500,000	800,000	1,000,000	1,300,000	1,500,000	5,100,000
Permanent Improvement	280,000	280,000	280,000	280,000	280,000	1,400,000
Other	400,000	10,000	12,500	-	-	422,500
Total	8,405,300	7,005,000	5,467,500	5,580,000	4,980,000	31,437,800

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 walls, and guard rail repair.

Project	2016	2017	2018	2019	2020	Total
Permanent Improvements	225,000	200,000	200,000	200,000	200,000	1,025,000
Patch & Sidewalks	55,000	80,000	80,000	80,000	80,000	375,000
Total	280,000	280,000	280,000	280,000	280,000	1,400,000

Funding	2016	2017	2018	2019	2020	Total
PI Fund	280,000	280,000	280,000	280,000	280,000	1,400,000

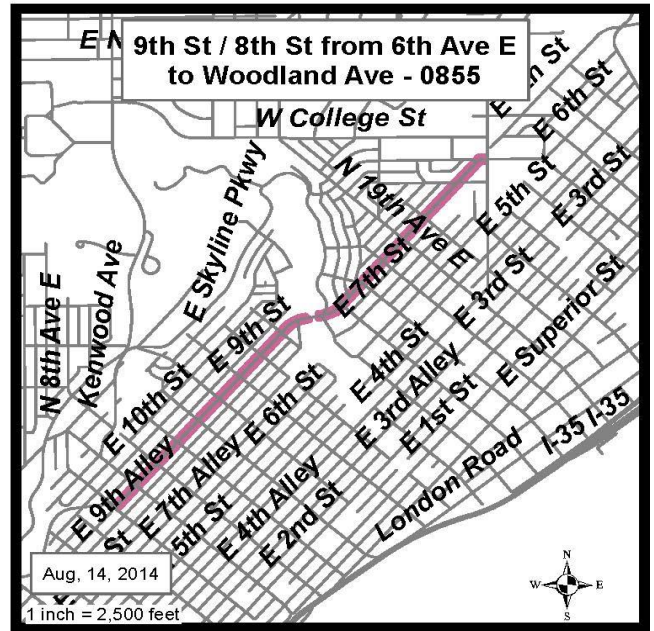
Street Improvement & Bridge Projects

Project Title:

9th Street/8th Street Reclamation
6th Ave E to Woodland Ave

Funding Source:

	FY 2019
Federal/ATP	860,000
MSA	440,000
PROJECT TOTAL:	\$1,300,000



Project Title:

Aerial Lift Bridge
Painting and Misc Structural Repairs

Funding Source:

	FY 2016
MSA	2,400,000
State Bridge Bond	3,000,000
PROJECT TOTAL:	\$5,400,000



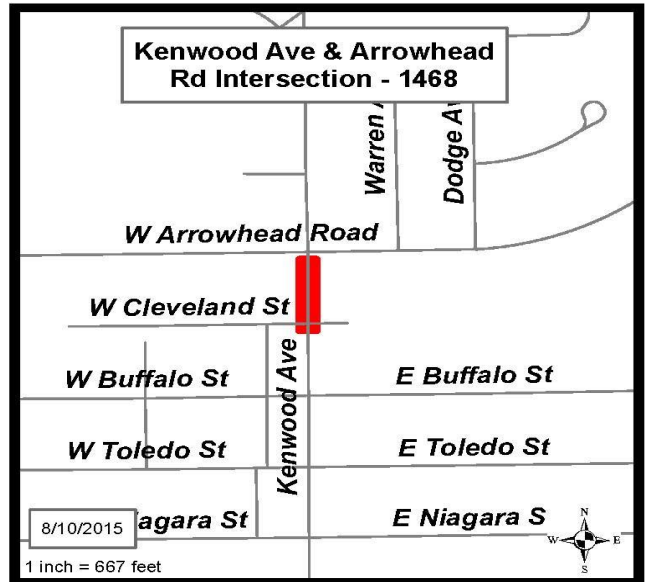
Street Improvement & Bridge Projects

Project Title:

Arrowhead/Kenwood and West Cleveland Intersections

Funding Source:

	FY 2016
MSA	300,000
Street System Mtce Fee	300,000
Other	400,000
	\$1,000,000
PROJECT TOTAL:	\$1,000,000

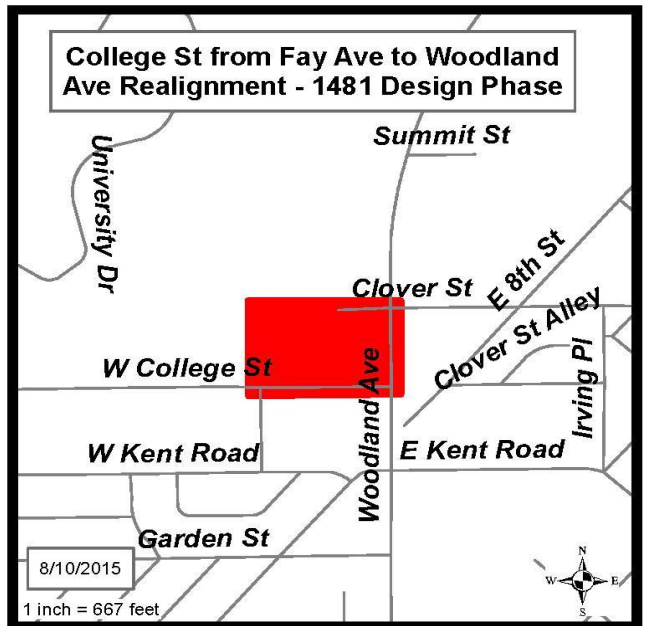


Project Title:

College Street Realignment - Design Phase

Funding Source:

	FY 2017
Street System Mtce Fee	200,000
	\$200,000
PROJECT TOTAL:	\$200,000



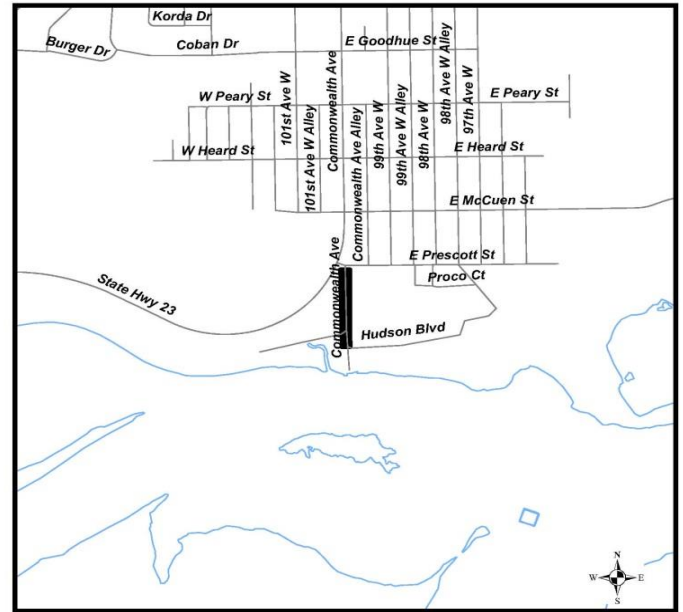
Street Improvement & Bridge Projects

Project Title:

Commonwealth Ave Reconstruction,
from East Prescott St to Boy Scout Landing

Funding Source:

	FY 2016
DNR	375,300
PROJECT TOTAL:	\$375,300



Commonwealth Ave from Prescott St to Boy Scout Landing - 1319

Project Title:

Concrete Pavement Repairs -
Various Locations

Funding Source:

	FY 2017
MSA	850,000
Sewer	5,000
Water	5,000
PROJECT TOTAL:	\$860,000

NO MAP AVAILABLE

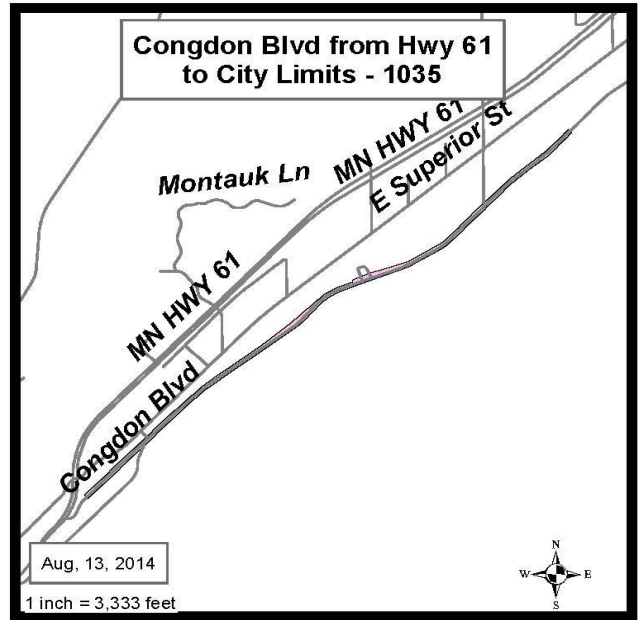
Street Improvement & Bridge Projects

Project Title:

Congdon Boulevard widening
and reclamation

Funding Source:

	FY 2016 - 2017
Federal/ATP	1,500,000
MSA	1,915,000
	\$3,415,000
PROJECT TOTAL:	\$3,415,000

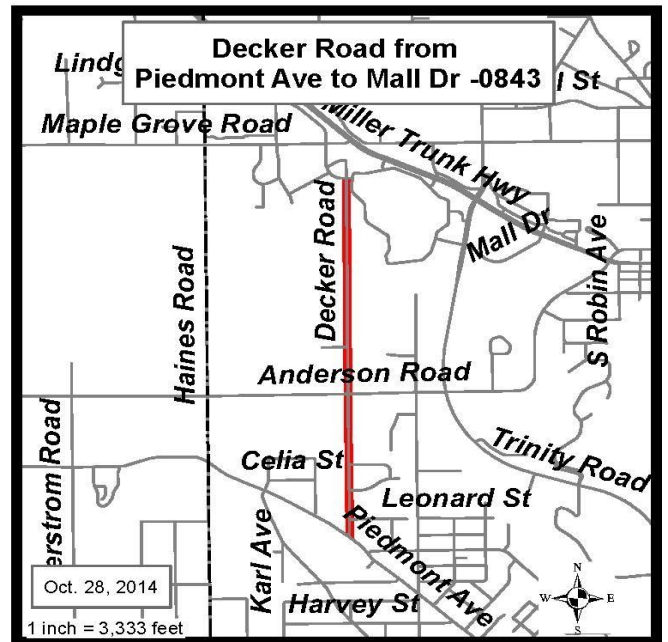


Project Title:

Decker Road, Piedmont Avenue to
Mall Drive

Funding Source:

	FY 2018
Federal/ATP	900,000
MSA	500,000
Water	12,500
	\$1,412,500
PROJECT TOTAL:	\$1,412,500



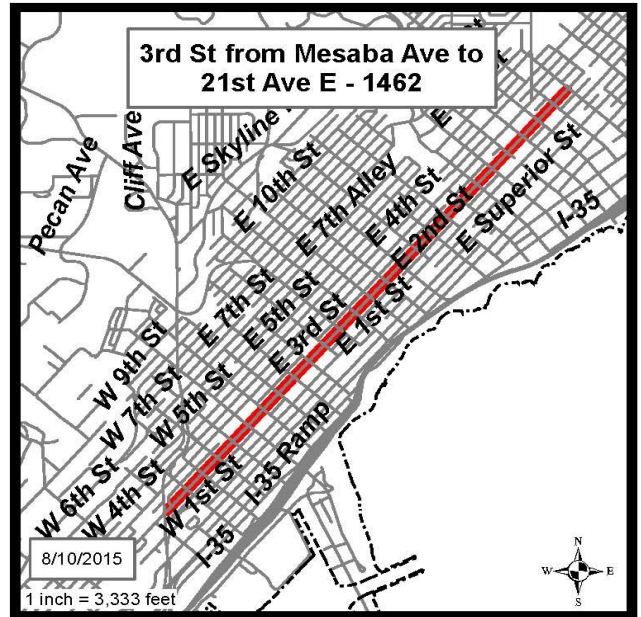
Street Improvement & Bridge Projects

Project Title:

East 3rd Street Recondition,
from Mesaba Ave to 21st Ave E

Funding Source:

	FY 2019
MSA	1,400,000
PROJECT TOTAL:	\$1,400,000



Project Title:

Junction Ave / St. Marie, from
19th Ave E to Wallace

Funding Source:

	FY 2020
MSA	900,000
PROJECT TOTAL:	\$900,000



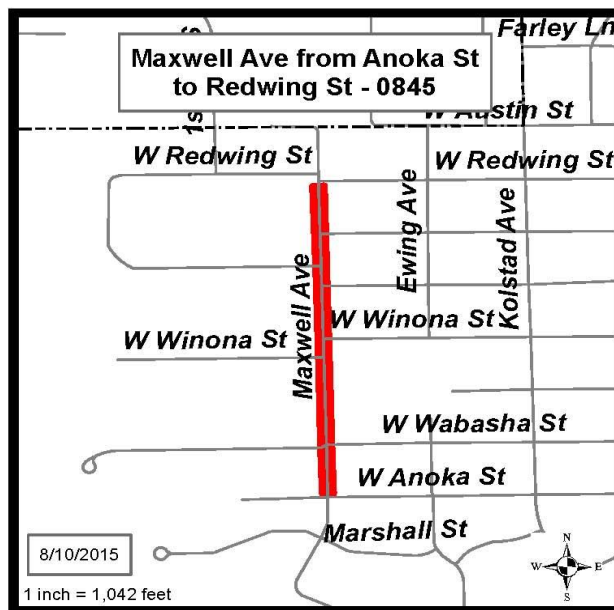
Street Improvement & Bridge Projects

Project Title:

Maxwell Ave, from Anoka Street
to Redwing Street

Funding Source:

	FY 2018
MSA	375,000
PROJECT TOTAL:	\$375,000

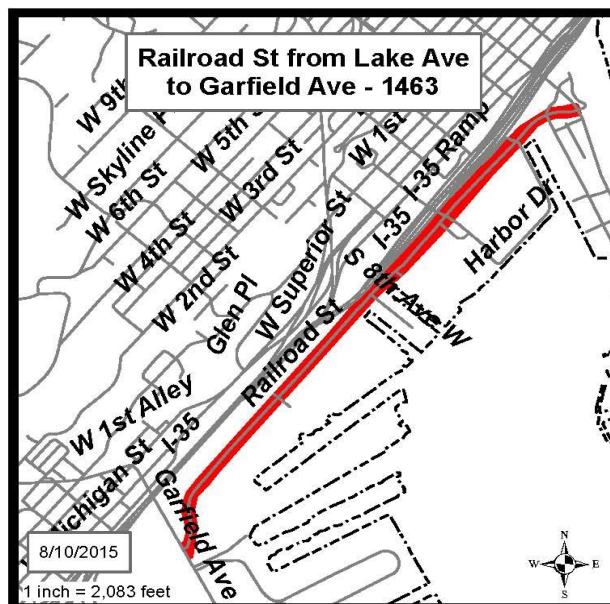


Project Title:

Railroad Street, from Lake Ave
to Garfield Ave

Funding Source:

	FY 2020
MSA	1,000,000
PROJECT TOTAL:	\$1,000,000



Street Improvement & Bridge Projects

Project Title:

Redwing Street: Mill and Overlay

Funding Source:

	<u>FY 2018</u>
MSA	600,000
PROJECT TOTAL:	\$600,000



Project Title:

Skyline Parkway Retaining Wall Repairs

Funding Source:

	<u>FY 2016-2017</u>
MSA	275,000
Federal/ATP	800,000
PROJECT TOTAL:	\$1,075,000

NO MAP AVAILABLE

Street Improvement & Bridge Projects

Project Title:

Street Preservation Projects -
Various Locations

Funding Source:

NO MAP AVAILABLE

	<u>FY 2016-2020</u>
MSA	700,000
Street System Mtce Fee	4,600,000
PROJECT TOTAL:	\$5,300,000

Project Title:

Superior Street Reconstruction

Funding Source:

	<u>FY 2016-2020</u>
MSA	4,925,000
PROJECT TOTAL:	\$4,925,000



Street Improvement & Bridge Projects

Project Title:

West Anoka Street

Funding Source:

	FY 2018
MSA	500,000
PROJECT TOTAL:	\$500,000



Capital Utility Projects Summary

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

Operating Cost Implications of 2016 Approved Projects:

The Water Fund projects are for replacement and rehabilitation of the water system to increase system reliability and will have no operating expense impact. The Gas Fund projects will have very little operating expense impact with the exception of the gas main extensions, which will have minimal maintenance and corrosion protection costs that will be offset by new customer account revenue. Sanitary sewer projects for rehabilitation and relining will provide future savings to sanitary sewer treatment costs through a reduction of inflow and infiltration flows. Stormwater projects will result in indirect savings through cost avoidance of surface water damage. Street Lighting's citywide replacement of existing street light fixtures to LED luminaires is anticipated to reduce annual costs for electricity and maintenance.

Projects	2016	2017	2018	2019	2020	Total
Water	2,859,700	17,235,000	4,300,000	5,100,000	5,500,000	34,994,700
Gas	3,675,000	4,014,500	2,720,000	3,330,000	2,000,000	15,739,500
Sewer	2,000,000	2,200,000	750,000	1,200,000	1,200,000	7,350,000
Stormwater	1,225,000	625,000	1,250,000	950,000	1,450,000	5,500,000
Street Lighting	350,000	300,000	300,000	300,000	300,000	1,550,000
Total	10,109,700	24,374,500	9,320,000	10,880,000	10,450,000	65,134,200

Funding	2016	2017	2018	2019	2020	Total
Water - Current Revenue	2,859,700	2,235,000	4,300,000	5,100,000	5,500,000	19,994,700
Water - Improvement Bonds	-	15,000,000	-	-	-	15,000,000
Gas - Current Revenue	3,675,000	4,014,500	2,720,000	3,330,000	2,000,000	15,739,500
Sewer - Current Revenue	2,000,000	2,200,000	750,000	1,200,000	1,200,000	7,350,000
Stormwater - Current Revenue	1,225,000	625,000	1,250,000	950,000	1,450,000	5,500,000
Street Lighting - Current Revenue	350,000	300,000	300,000	300,000	300,000	1,550,000
Total	10,109,700	24,374,500	9,320,000	10,880,000	10,450,000	65,134,200

Capital Utility Projects

Description: Water Capital Projects

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 and pump station upgrades will increase system reliability to meet water demand. Significant facility improvements are required at the Lakewood Water Treatment Plant. Built in 1975, this facility is aging and requires renovation of HVAC and electrical systems as well as structural repairs to both the treatment plant and pump building.

Project	2016	2017	2018	2019	2020	Total
4th Street Reconstruction	1,534,700	900,000				2,434,700
Downtown Streets Design		40,000				40,000
East Superior Water Main		70,000				70,000
Filter Sand Replacement		175,000				175,000
Hidden Valley Phase 2		1,050,000				1,050,000
Michigan Street - Water	150,000					150,000
Middle/Woodland Pump Station				2,000,000	2,000,000	4,000,000
Pump Station Service Upgrade	75,000					75,000
Riveted Steel Pipe Replacement		15,000,000				15,000,000
Superior Street Reconstruction - Water			1,400,000	1,600,000	2,000,000	5,000,000
Water Main Replacement			400,000	1,500,000	1,500,000	3,400,000
Water Plant HVAC	1,100,000					1,100,000
Water Plant Electrical Upgrade			1,600,000			1,600,000
WTP Building & Structure Repairs			900,000			900,000
Total	2,859,700	17,235,000	4,300,000	5,100,000	5,500,000	34,994,700

Funding	2016	2017	2018	2019	2020	Total
Water - Current Revenue	2,859,700	2,235,000	4,300,000	5,100,000	5,500,000	19,994,700
Water - Improvement Bond	-	15,000,000	-	-	-	15,000,000
Total	2,859,700	17,235,000	4,300,000	5,100,000	5,500,000	34,994,700

Capital Utility Projects

Description: **Natural Gas Capital Projects**

The proposed gas projects over the next five years include the continued extension of the system into unserved areas and the relocation of gas meters due to code requirements. Other significant costs include projects to replace existing thin wall plastic mains and older steel mains where leaks occur.

Project	2016	2017	2018	2019	2020	Total
3rd St, Vernon, 2nd Street Alley				200,000		200,000
4th St., 4th Ave E to Hawthorne	950,000	1,164,500				2,114,500
18th & 19th Avenues East	650,000					650,000
20th & 23rd Ave. W, 10th Street				1,000,000		1,000,000
48th Avenue East		750,000				750,000
58th Avenue West				200,000		200,000
Building Shells for Reg Stations			120,000			120,000
Gas Main Extensions & Services	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
London Road Gas Project		300,000				300,000
Meter Relocations	400,000	300,000	300,000	300,000		1,300,000
Michigan Street Gas Project			120,000			120,000
Michigan St. Regulator Station	75,000					75,000
Regulator Station Upgrades	100,000					100,000
Relocate Airpark/Martin Regs			150,000			150,000
Steel Main Replacements					500,000	500,000
Stora Enso Flow Meter				100,000		100,000
Superior Street Reconstruction - Gas			30,000	30,000		60,000
Woodland Ave Gas Project			500,000			500,000
Total	3,675,000	4,014,500	2,720,000	3,330,000	2,000,000	15,739,500

Funding	2016	2017	2018	2019	2020	Total
Gas - Current Revenue	3,675,000	4,014,500	2,720,000	3,330,000	2,000,000	15,739,500

Capital Utility Projects

Description: **Sanitary Sewer Capital Projects**

The proposed sanitary sewer projects over the next five years focus on the continued lining or rehabilitation of leaking pipes and the reconstruction of 48 sanitary sewer lift stations located throughout the city.

Project	2016	2017	2018	2019	2020	Total
4th Street Reconstruction	500,000	500,000				1,000,000
Lift Station Improvements				450,000	450,000	900,000
Sanitary Sewer Rehab/Reline		200,000	750,000	750,000	750,000	2,450,000
Superior Street Lining	1,500,000	1,500,000				3,000,000
Total	2,000,000	2,200,000	750,000	1,200,000	1,200,000	7,350,000

Funding	2016	2017	2018	2019	2020	Total
Sewer Current Revenue	2,000,000	2,200,000	750,000	1,200,000	1,200,000	7,350,000

Capital Utility Projects

Description: **Stormwater Capital Projects**

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 Greys Creek is planned to repair deteriorated public infrastructure. Significant future costs will occur in the repair and replacement of storm sewer in steep slope areas that discharge into streams located throughout the city.

Project	2016	2017	2018	2019	2020	Total
Annual Street Projects	100,000	100,000	100,000	100,000	100,000	500,000
Block Long Culvert & Ditch			100,000	100,000	100,000	300,000
Brewery Creek	50,000	200,000	300,000			550,000
Citywide Down Drains	250,000		250,000	250,000	250,000	1,000,000
Clarkhouse Creek		75,000		100,000		175,000
Culvert at Congdon Boulevard	750,000					750,000
Downtown Streets Design		50,000				50,000
Gary New Duluth System		100,000	100,000	100,000	100,000	400,000
Greys Creek		100,000				100,000
Lower Coffee Creek	75,000		100,000			175,000
Norton Road & Thurber Road					600,000	600,000
Superior Street Reconstruction - Storm			300,000	300,000	300,000	900,000
Total	1,225,000	625,000	1,250,000	950,000	1,450,000	5,500,000

Funding	2016	2017	2018	2019	2020	Total
Stormwater - Current Revenue	1,225,000	625,000	1,250,000	950,000	1,450,000	5,500,000

Capital Utility Projects

Description: **Street Lighting Capital Projects**

The proposed Street Lighting Capital plan over the next five years continues the city wide replacement of roadway and decorative street light fixtures with energy saving LED luminaires and control systems. It also includes funding to provide city wide communications connectivity to the signals and lighting systems, and will specifically fund installation of fiber optic communications as part of the County's Fourth Street project in 2016.

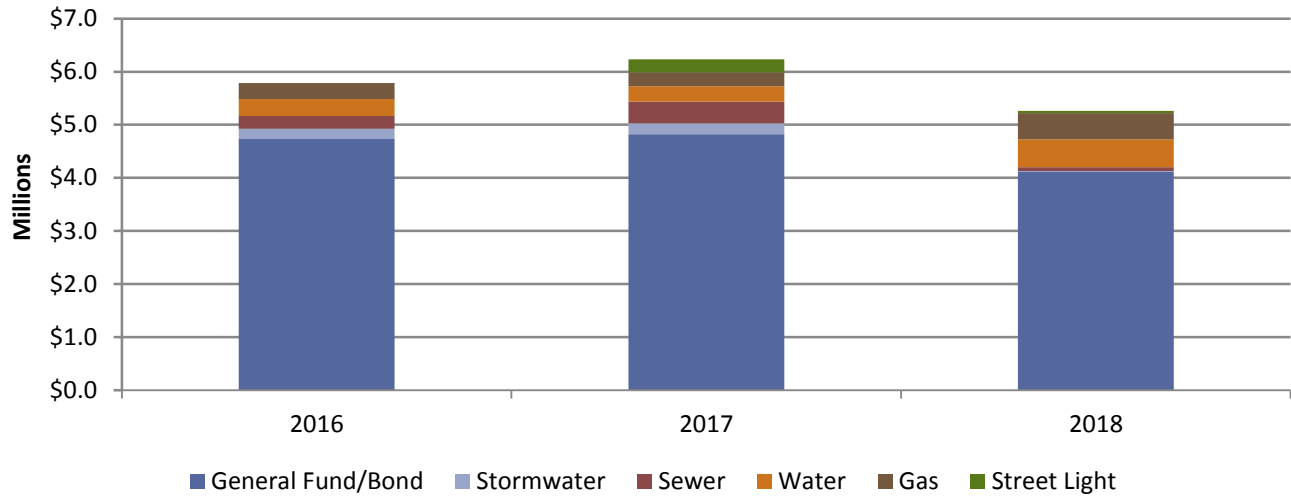
Project	2016	2017	2018	2019	2020	Total
4th Street Fiber Optic Project	250,000	-	-	-	-	250,000
Decorative Street Lights	-	200,000	200,000	200,000	200,000	800,000
Signals and Lights Ethernet	100,000	100,000	100,000	100,000	100,000	500,000
Total	350,000	300,000	300,000	300,000	300,000	1,550,000

Funding	2016	2017	2018	2019	2020	Total
Street Lighting - Current	350,000	300,000	300,000	300,000	300,000	1,550,000

CAPITAL EQUIPMENT BUDGET AND PLAN

Three Year Equipment Plan

The objective of the City's Three year equipment plan is to maintain city equipment by budgeting an adequate dollar amount annually for replacement on a timely basis. \$17.3 million is proposed in this plan for the period of 2016 through 2018. Of that total, equipment for the General Fund is \$13.7 million to be financed with bonds. The balance of \$3.6 million is proposed for the combined enterprise funds of Water, Gas, Stormwater, Sewer, and Street Lighting. Shown in the chart below are the various funding sources by year for the plan.



	2016	2017	2018	Total
General Fund/Bond	4,743,910	4,824,000	4,113,000	13,680,910
Stormwater	181,800	202,400	15,800	400,000
Sewer	240,300	408,300	71,200	719,800
Water	320,000	292,800	527,400	1,140,200
Gas	300,500	260,000	490,600	1,051,100
Street Light	-	244,000	45,000	289,000
Total Plan	5,786,510	6,231,500	5,263,000	17,281,010

2016 Proposed Equipment

The City is proposing a total of \$5.8 million in capital equipment expenditures for 2016. This includes equipment for General Fund operating departments and the utility funds named above. The General Fund portion is \$4.7 million to be financed with bonds and the utility portion is \$1.1 million to be paid for out of current year revenues.

For General Fund departments, the City is proposing the purchase of \$2.1 million in rolling stock vehicles – the largest purchase being Maintenance Operations equipment totaling \$806,000; fire apparatus totaling \$600,000; police vehicles totaling \$600,000; and Construction Services totaling \$50,000. The non-rolling stock equipment plan of \$2.7 million proposed by City for 2016 is for technology improvements and replacements, as well as library, police, and fire equipment.

The breakdown of equipment for the utility funds in 2016 includes \$81,600 for non-rolling stock equipment and \$961,000 for rolling stock vehicles for a total of \$1,042,600 in 2016.

City of Duluth 2016 - 2018 Capital Equipment Program

General Fund Rolling Stock Vehicles

	2016	2017	2018	Total
Fire Department				
Fire Trucks/Apparatus	600,000	600,000	625,000	1,825,000
Vehicle Replacements		35,000		35,000
Arson Van Replacement		35,000		35,000
Rescue Boat/Plow Truck			40,000	40,000
Subtotal Fire Department	600,000	670,000	665,000	1,935,000
Construction Services				
Inspector Vehicles	50,000	50,000	50,000	150,000
Subtotal Constructive Services	50,000	50,000	50,000	150,000
Police Department				
Police Vehicles	600,000	600,000	600,000	1,800,000
Subtotal Police Department	600,000	600,000	600,000	1,800,000
Facilities Management				
Platform Truck		100,000		100,000
1 Ton w/Service Body		60,000	60,000	120,000
1 Ton Cargo Van			40,000	40,000
Subtotal Facilities Management	-	160,000	100,000	260,000
Maintenance Operations				
Street Maintenance				
Sweeper	200,000	200,000	200,000	600,000
4 x 4 Pickup	40,000	40,000	45,000	125,000
3/4 ton pickup w/plow		60,000		60,000
Tandem Dump Truck		300,000		300,000
Plow Truck w/wing	230,000	230,000		460,000
1 ton cab/chassis w/dump & plow		125,000		125,000
3 yard Loader		195,000	225,000	420,000
Retro Sander Truck - perm mount	168,000	340,000	340,000	848,000
Retro - RDS Body truck w/plow	168,000			168,000
Subtotal Street Maintenance	806,000	1,490,000	810,000	3,106,000
Park Maintenance				
4WD wide area mower		22,000		22,000
Turbo wide area mower		53,000		53,000
1 Ton w/Plow		71,000		71,000
4 x 4 Dump & Chipper Truck		58,000		58,000
Skidsteer			62,000	62,000
Pickup			42,000	42,000
Various Mowers			75,000	75,000
Trailers			42,000	42,000
Subtotal Park Maintenance	-	204,000	221,000	425,000
Subtotal Maintenance Operations				
Public Works				
Engineering Vehicles			17,000	17,000
Subtotal Transportation Engineering	-	-	17,000	17,000
Rolling Stock Bond Total	2,056,000	3,174,000	2,463,000	7,693,000

City of Duluth 2016 - 2018 Capital Equipment Program

General Fund Non-Rolling Stock Equipment

	2016	2017	2018	Total
IT				
Enterprise Wide PC Replacements	180,000	200,000	200,000	580,000
Enterprise Wide Laptop Replacements	100,000	100,000	100,000	300,000
Microsoft License True-Up	75,000	50,000	50,000	175,000
Software Replacement	1,500,000			1,500,000
Police Evidence Inventory Scanner and PDA	15,000			15,000
Police AFIS Machine	15,000			15,000
Radio System VHF/ARMER Replacement	200,000			200,000
Network Equipment Replacements	270,000	300,000	300,000	870,000
PCI Security Requirements		50,000	50,000	100,000
Pictometry Imagery	30,000			30,000
Document Mgt		100,000	100,000	200,000
Personnel Actions	20,000			20,000
Library Credit Card Acceptance	25,000			25,000
Conference Room Technology Needs		50,000	50,000	100,000
Desktop Re-cabling Project		100,000	100,000	200,000
Security Card Access Door Additions		100,000	100,000	200,000
Communications Systems Enhancements		200,000	200,000	400,000
BCA Security Regulations		50,000	50,000	100,000
High Speed WAN Expansion		50,000	50,000	100,000
ITSC Project Planning		300,000	300,000	600,000
Total Proposed MIS Non-Rolling Stock	2,430,000	1,650,000	1,650,000	5,730,000
Library				
Microfilm reader/printer/scanner	10,000			10,000
Interior Book Drop for main library	5,000			5,000
Exterior book drop for Michigan St level of main library	7,500			7,500
Fire				
Turnout Gear, Hose, SCBA	50,000			50,000
Police				
TRT Equipment	40,000			40,000
Body Camera Replacements	35,060			35,060
Digital Recorders	70,350			70,350
Patrol Rifles	10,000			10,000
Taser	30,000			30,000
	257,910	-	-	257,910
Non-Rolling Stock Bond Total	2,687,910	1,650,000	1,650,000	5,987,910
TOTAL GENERAL FUND EQUIPMENT BOND PROPOSAL	4,743,910	4,824,000	4,113,000	13,680,910

City of Duluth 2016 - 2018 Capital Equipment Program

Utility Funds Equipment

	2016	2017	2018	Total
Water Fund				
Cars/Pick-ups	64,700	54,500	33,700	152,900
Trucks/Vans	136,000	39,200	213,200	388,400
Dump Trucks	77,500	43,200	147,200	267,900
Backhoe/Loader	-	78,700	84,000	162,700
Excavator/Vactor	-	-	-	-
Other Rolling Stock	2,500	57,200	29,300	89,000
Non-Rolling Capital Equipt.	39,300	20,000	20,000	79,300
Subtotal Water Fund	320,000	292,800	527,400	1,140,200
Gas Fund				
Cars/Pick-ups	36,200	51,300	37,700	125,200
Trucks/Vans	235,000	156,800	246,800	638,600
Dump Trucks	-	10,800	162,800	173,600
Backhoe/Loader	-	26,300	21,000	47,300
Excavator/Vactor	-	-	-	-
Other Rolling Stock	2,500	4,800	12,300	19,600
Non-Rolling Capital Equipt.	26,800	10,000	10,000	46,800
Subtotal Gas Fund	300,500	260,000	490,600	1,051,100
Sewer Fund				
Cars/Pick-ups	30,500	9,200	5,800	45,500
Trucks/Vans	172,000	56,000	-	228,000
Dump Trucks	-	54,000	54,000	108,000
Backhoe/Loader	-	19,600	-	19,600
Excavator/Vactor	-	150,000	-	150,000
Other Rolling Stock	28,500	109,500	1,400	139,400
Non-Rolling Capital Equipt.	9,300	10,000	10,000	29,300
Subtotal Sewer Fund	240,300	408,300	71,200	719,800
Stormwater Fund				
Cars/Pick-ups	23,600	-	5,800	29,400
Trucks/Vans	-	-	-	-
Dump Trucks	131,500	155,000	-	286,500
Backhoe/Loader	-	29,400	-	29,400
Excavator/Vactor	-	-	-	-
Other Rolling Stock	20,500	8,000	-	28,500
Non-Rolling Capital Equipt.	6,200	10,000	10,000	26,200
Subtotal Stormwater Fund	181,800	202,400	15,800	400,000
Street Lighting				
Cars/Pick-ups	-	36,000	27,000	63,000
Trucks/Vans	-	-	-	-
Aerial Bucket Truck	-	190,000	-	190,000
Non-Rolling Capital Equipt.	-	18,000	18,000	36,000
Subtotal Street Lighting Fund	-	244,000	45,000	289,000
Utility Funds Grand Total	1,042,600	1,407,500	1,150,000	3,600,100

APPENDIX



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 of 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.

That the parks fund prior year unexpended budget appropriation not anticipated in the original budget shall be added to the current year budget appropriation as approved by the chief administrative officer or designee.

Section 2. That the city auditor be authorized to approve the payments of \$3,011,200 from the gas and steam public utility funds to the general fund for administrative services; comprised of \$2,876,000 or seven percent of the gross revenues of the gas utility fund to the general fund; and \$135,200 from public utilities steam fund to the general fund.

Section 3. That the mayor or the chief administrative officer or their designees may make transfers from budget item to budget item as may be considered necessary for the proper administration of the city government for the year. However, the total of any transfers to or from any budget item in excess of ten percent of the appropriation therefore as herein made shall be made only upon approval of the city council. For the purpose of the Section, the term budget item shall mean the amount appropriated to the various funds delineated as fixed charges in the budget summary, the accounts numbers 110 through the 700 series shall each be considered budget items within the general fund, as defined in Chapter 8, Section 54 of the City Charter, the account numbered 205 in the parks fund, and 290 in the Street system Maintenance Utility, the accounts numbered 510 in the water division, 520 in the gas division, 530 and 532 in the sewer division, 535 in the stormwater division, 540 in the steam division, 550 in the street light division, 503 in the golf division, 505 and 506 in the parking division.

Section 4. That the salaries shall be in accordance with the pay plan in effect as provided by Section 22 of the City Charter, as amended.

Section 5. That the city auditor may create or abolish an accounting fund when required by law or proper accounting procedures.

Section 6. That the city auditor be authorized to make temporary loans to and from the city's various funds as needed in the conduction of the day-to-day operations of the city.

Section 7. That the appropriations as set forth in this section constitutes the budget of the City of Duluth for the calendar year of 2016.

GENERAL FUND		
110	Legislative and executive - total	\$ 3,048,700
121	Public administration - total	\$23,796,600
125	Finance - total	\$ 2,659,400
132	Planning and construction services - total	\$ 2,385,500

135	Business and economic deve	\$ 596,500
150	Fire - total	\$15,546,600
160	Police - total	\$20,328,700
500	Public works - total	\$ 1,816,500
700	Transfers and other functions	\$ 9,827,700
	Total General Fund	\$80,006,200

PARKS FUND		
205	Community Resources	\$ 2,721,000

PUBLIC ENTERPRISE		
503	Golf fund - total	\$ 2,234,889
505	Parking fund - total	\$ 4,932,780
506	W Superior St Parking Facility	\$ 1,711,104

PUBLIC UTILITIES		
510	Water fund - total	\$15,175,800
520	Gas fund - total	\$43,443,400
530 & 532	Sewer and clean water fund	\$19,222,700
535	Stormwater fund - total	\$ 6,291,700
540	Steam fund - total	\$ 7,777,100
550	Street lighting - total	\$ 2,753,900
290	Street System Maintenance U	\$ 2,774,500

Section 8. That the chief administrative officer or their designee shall provide the council with a final budget report within three months of the end of the budget year setting forth the original approved and the modified budgets for each line item included in this ordinance and explaining in narrative form the reasons for any significant differences between the original approved and the modified budgets.

Section 9. That the city will review all state and federal grants prior to acceptance and determine the program’s funding status. A statement should be included on each grant resolution outlining items such as whether the grant represents a one-time revenue, an ongoing funding source, or a partial funding source with a local match required. The future fiscal impact of the program on the budget will be discussed prior to acceptance of the grant.

The programs funded by state and federal grants shall be reduced or eliminated accordingly if state or federal revenue are reduced or eliminated and another funding source is not secure. Local funding will be available after a full review to determine whether the program should be continued.

Section 10. That this ordinance shall take effect January 1, 2016.

STATEMENT OF PURPOSE: This ordinance established the City of Duluth budget and appropriates monies for the operation of city departments. Provisions of this ordinance are in conformance with the Duluth City Charter and Minnesota state law. The ordinance sets the 2016 budget for the city's general fund; the parks fund; the seven utility funds of water, gas, sewer, stormwater, steam, street lighting, and street system maintenance utility; and the three public enterprise funds of parking, W Superior St parking facility, and golf.



Legislation Details (With Text)

File #: 15-099-O Name:
Type: Ordinance Status: Passed
File created: 11/24/2015 In control: Finance
On agenda: 12/7/2015 Final action: 12/15/2015
Title: AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR GENERAL PURPOSES FOR THE YEAR 2016.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
12/14/2015	1	City Clerk	attested	
12/14/2015	1	Mayor	approved	
12/14/2015	1	City Council		
12/7/2015	1	City Council		

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR GENERAL PURPOSES FOR THE YEAR 2016.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2016 for general operations is hereby determined to be the sum of \$21,630,792 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 \$14,128,900.

Section 3. That there will be levied for the support of the street lighting fund the sum of \$647,592.

Section 4. That for the payment of debt, there will be levied for the general obligation debt fund the sum of \$6,574,300.

Section 5. 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 6. That this ordinance shall take effect January 1, 2016.

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2016.



Legislation Details (With Text)

File #: 15-096-O Name:

Type: Ordinance Status: Passed

File created: 11/23/2015 In control: Finance

On agenda: 12/7/2015 Final action: 12/15/2015

Title: AN ORDINANCE DETERMING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL PARKS FUND LEVY FOR THE YEAR 2016.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
12/14/2015	1	City Clerk	attested	
12/14/2015	1	Mayor	approved	
12/14/2015	1	City Council		
12/7/2015	1	City Council		

AN ORDINANCE DETERMING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL PARKS FUND LEVY FOR THE YEAR 2016.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2016 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, 2016.

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2016 for the parks fund levy. Ordinance 10134, approved by voter referendum on November 9, 2011, created a dedicated parks fund and special levy in the amount of \$2.6 million per year to be utilized for parks and recreation purposes only.



Legislation Details (With Text)

File #: 15-100-O Name:
Type: Ordinance Status: Passed
File created: 11/24/2015 In control: Finance
On agenda: 12/7/2015 Final action: 12/15/2015
Title: AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL TAXING DISTRICT, DULUTH TRANSIT AUTHORITY, FOR THE YEAR 2016.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
12/14/2015	1	Mayor	approved	
12/14/2015	1	City Clerk	attested	
12/14/2015	1	City Council		
12/7/2015	1	City Council		

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL TAXING DISTRICT, DULUTH TRANSIT AUTHORITY, FOR THE YEAR 2016.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2016 for Duluth Transit Authority taxing district's operations is hereby determined to be the sum of \$1,491,900 which sum is levied against the taxable property of the city of Duluth and appropriated to the various accounts as set forth in the following sections, viz:

Section 2. That pursuant to Minnesota Statutes, Section 458A.31, Subd.1, there will be levied for transit operations the sum of \$1,491,900.

Section 3. That this ordinance shall take effect January 1, 2016.

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2016 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 2016 is opting not to request the full levy available by Minnesota Statute 458A.31. Instead, the DTA is requesting \$1,491,900, or \$100,000 more than the

previous year.



Legislation Details (With Text)

File #: 15-0830R Name:
Type: Resolution Status: Passed
File created: 11/24/2015 In control: Finance
On agenda: 12/7/2015 Final action: 12/7/2015
Title: RESOLUTION ESTABLISHING ANNUAL BONDING PLAN FOR 2016.
Sponsors:
Indexes:
Code sections:
Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/7/2015	1	Mayor	approved	
12/7/2015	1	City Council		

RESOLUTION ESTABLISHING ANNUAL BONDING PLAN FOR 2016.

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 2016.

General obligation bonds and notes to be issued in 2016	\$14,450,000
General obligation bonds and notes scheduled to be retired in 2016	\$16,116,000
Net anticipated decrease in general obligation bonding for 2016	(\$1,666,000)

STATEMENT OF PURPOSE: This resolution sets forth the city's estimated bond and note issuances and repayments for the year 2016 as required by Section 20-33 of the city code. The city estimates its bonding activity in 2016 will result in a net decrease of \$1.67 million in the amount of the city's general obligation outstanding debt during 2016; see Exhibit A for estimated debt issuance.

The amounts set forth in this resolution are estimates only based on the needs anticipated at this time; the actual amounts may vary. There is nothing in the ordinance which prevents the amounts set forth in the plan from being modified as circumstances and needs change.



Legislation Details (With Text)

File #: 15-0811R Name:
 Type: Resolution Status: Passed
 File created: 11/19/2015 In control: Finance
 On agenda: 12/7/2015 Final action: 12/14/2015
 Title: RESOLUTION APPROVING CAPITAL IMPROVEMENT PLAN AND STATING INTENT TO ISSUE GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS UNDER MINNESOTA STATUTES, SECTION 475.521.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
12/14/2015	1	Mayor	approved	
12/14/2015	1	City Council		
12/7/2015	1	City Council		

RESOLUTION APPROVING CAPITAL IMPROVEMENT PLAN AND STATING INTENT TO ISSUE GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS UNDER MINNESOTA STATUTES, SECTION 475.521.

CITY PROPOSAL:

BE IT RESOLVED, by the city council (the "Council") of the city of Duluth, Minnesota (the "City"), as follows:

Section 1. Capital improvement plan.

1.01 (a) Under and pursuant to Minnesota Statutes, Section 475.521 (the "Act"), the Council has authorized preparation of a capital improvement plan for the years 2016 through 2020 which has been presented to the Council in the section entitled "Capital Improvement Program Summary" in the document entitled "2016-2020 Capital Improvement Budget and Five-Year Plan" (the "Plan");

(b) A notice of public hearings has been published in accordance with the Act, and the Council has held on December 7, 2015, a public hearing as required by the Act, to provide an opportunity for residents to express their views on the Plan;

(c) The Council has considered the following for each project discussed in the Plan and for the overall Plan:

(1) The condition of the City's existing infrastructure, including the projected need for repair or replacement;

- (2) The likely demand for the improvement;
- (3) The estimated cost of the improvement;
- (4) The available public resources;
- (5) The level of overlapping debt in the City;
- (6) The relative benefits and costs of alternative uses of the funds;
- (7) Operating costs of the proposed improvements; and

(8) Alternatives for providing services more efficiently through shared facilities with other cities or local government units.

1.02 (a) Based on the considerations set forth in the Plan and Section 1.01(c) hereof, the Council finds that the Plan is desirable and beneficial to the City and its residents;

(b) The Council finds that the proposed improvements under the Plan will result in no unnecessary duplication of public facilities provided by other units of government in the region.

1.03 The Plan is approved.

Section 2. (a) Under and pursuant to the authority contained in the Act and Minnesota Statutes, Chapter 475, the City is authorized to issue capital improvement bonds to provide funds for capital improvements pursuant to the Plan.

(b) The Council also held a public hearing on December 7, 2015, after notice of public hearing required by the Act, on the City's intention to issue general obligation capital improvement bonds, in an amount not to exceed \$1,400,000 for the purposes set forth in the notice of public hearing. All persons who desired to speak at the public hearing were heard and written comments were considered.

(c) The Council hereby finds and determines that it is necessary, expedient and in the best interests of the City's residents that the City issue, sell and deliver general obligation capital improvement bonds in the maximum amount of \$1,400,000 (the "Bonds"), for the purpose of providing funds for the following capital improvements under the Plan: improvements to eligible facilities (City Hall, libraries, public safety facilities and public works facilities) under the Act throughout the City, including improvements to the main library, Mt. Royal library, police multimodal substation building, 42nd tool house, Riley Road tool house, fleet building and Firehall #8, and for the payment of costs of issuance of the Bonds.

(d) If, within 30 days after December 7, 2015, a valid petition is filed with the City Clerk calling for a vote on the proposition of issuing the Bonds, signed by voters residing within the boundaries of the City equal to five percent of the votes cast in the City in the last general election, the Bonds shall not be issued until the question of their issuance has been authorized by a majority of the voters voting on the question at the next general or special election called to decide the question.

(e) This resolution constitutes a declaration of official intent under Treasury Regulations Section 1.150-2. The City reasonably expects to acquire or construct all or a portion of the capital improvements prior to the issuance of the capital improvement bonds and to reimburse expenditures incurred with respect to such capital improvement program with the proceeds of the capital

improvement bonds.

STATEMENT OF PURPOSE: This resolution approves the 2016-2020 capital improvement plan, declares the City's intent to issue general obligation capital improvement bonds in 2016 in an amount not to exceed \$1,400,000 for certain capital improvements as listed in the resolution. The estimated costs of the capital improvements to be financed by the 2016 Bonds are \$1,250,000 plus underwriter discount and costs of issuance.



Legislation Details (With Text)

File #: 15-0812R Name:

Type: Resolution Status: Passed

File created: 11/19/2015 In control: Finance

On agenda: 12/7/2015 Final action: 12/7/2015

Title: RESOLUTION OF THE CITY OF DULUTH, MINNESOTA, STATING THE INTENT TO ISSUE GENERAL OBLIGATION CAPITAL EQUIPMENT NOTES, SERIES 2016, AND APPROVING THE CAPITAL EQUIPMENT LIST ASSOCIATED WITH THE NOTES IN THE APPROXIMATE AMOUNT OF \$4,900,000.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/7/2015	1	Mayor	approved	
12/7/2015	1	City Council		

RESOLUTION OF THE CITY OF DULUTH, MINNESOTA, STATING THE INTENT TO ISSUE GENERAL OBLIGATION CAPITAL EQUIPMENT NOTES, SERIES 2016, AND APPROVING THE CAPITAL EQUIPMENT LIST ASSOCIATED WITH THE NOTES IN THE APPROXIMATE AMOUNT OF \$4,900,000.

CITY PROPOSAL:

BE IT RESOLVED, by the city council (the "Council") of the city of Duluth, Minnesota (the "City"), as follows:

Section 1. Under and pursuant to the provisions of Minnesota Statutes, sections 410.32 and 412.301 (the "Act"), and Minnesota Statutes, Chapter 475, and the City Charter, the City is authorized to issue its general obligation capital equipment notes to provide funds to purchase capital equipment having an expected useful life at least as long as the term of the capital equipment notes.

Section 2. The Council declares the intent of the City to issue capital equipment notes in 2016 in an amount up to \$4,743,910 to finance the purchase of capital equipment authorized by the Act, together with an additional amount to pay costs of issuance of the capital equipment notes and discount in an amount estimated to be not more than \$156,090.

Section 3. The capital equipment to be financed includes those items of equipment set forth on the list attached hereto as Exhibit A, which list of equipment is hereby approved for purchase in 2016.

Section 4. The terms and conditions of the capital equipment notes and the sale thereof shall be established by further resolution of the Council.

Section 5. This resolution constitutes a declaration of official intent under Treasury

Regulations Section 1.150-2. The City reasonably expects to acquire all or a portion of the capital equipment prior to the issuance of the capital equipment notes and to reimburse expenditures incurred with respect to such capital equipment purchase program with the proceeds of the capital equipment notes.

STATEMENT OF PURPOSE: This resolution states the City's intent to issue general obligation capital equipment notes in 2016 to finance the purchase of capital equipment. It further approves the capital equipment list as items to be financed in 2016 in an amount up to \$4,743,910 plus an additional amount for costs of issuance and discount.



Legislation Details (With Text)

File #: 15-0791R Name:
 Type: Resolution Status: Passed
 File created: 11/12/2015 In control: Finance
 On agenda: 11/23/2015 Final action: 11/23/2015
 Title: RESOLUTION DISTRIBUTING THE ESTIMATED 2016 HOTEL-MOTEL AND FOOD AND BEVERAGE TOURISM TAXES.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
11/23/2015	1	Mayor	approved	
11/23/2015	1	City Council		

RESOLUTION DISTRIBUTING THE ESTIMATED 2016 HOTEL-MOTEL AND FOOD AND BEVERAGE TOURISM TAXES.

CITY PROPOSAL:

RESOLVED, that the 2016 hotel-motel and food and beverage tourism taxes, as estimated, be distributed in the following manner:

	Total	Promotional & Operational Support	Capital & Debt Service
3% Hotel/motel tax	\$ 2,512,200	\$ 960,900	\$ 1,551,300
1% Hotel/motel tax	\$ 837,400	\$ 837,400	
1% Food and beverage	\$ 2,470,900	\$ 2,470,900	
Additional 2% hotel/motel	\$ 1,561,700	\$ 780,900	\$ 780,800
Additional .75% food and beverage	\$ 1,853,200		\$ 1,853,200
Additional .5% food/beverage and .5% hotel/motel	\$ 1,625,900		\$ 1,625,900
Total	\$ 10,861,300	\$ 5,050,100	\$ 5,811,200
DECC- Amsoil Arena debt service	\$ 3,404,500		\$ 3,404,500
Spirit Mountain bond - Chalet	\$ 500,000		\$ 500,000
Spirit Mountain Adventure Park lease	\$ 145,700		\$ 145,700
Visit Duluth	\$ 1,775,000	\$ 1,775,000	

Other advertising and publicity	\$ 200,000	\$ 200,000	
General fund tourism activities support	\$ 895,000	\$ 895,000	
General fund tourist-related park maintenance	\$ 200,000	\$ 200,000	
Lake Superior Zoo	\$ 510,000	\$ 510,000	
Great Lakes Aquarium	\$ 360,000	\$ 360,000	
Business improvement district	\$ 200,000	\$ 200,000	
Heritage & Arts Center/Depot	\$ 226,800	\$ 226,800	
Capital projects	\$ 135,100		\$ 135,100
Public arts	\$ 40,000	\$ 40,000	
Sister cities	\$ 40,000	\$ 40,000	
Lake Superior & Mississippi Railroad	\$ 20,000	\$ 20,000	
Rail alliance	\$ 12,500	\$ 12,500	
DECC - Bayfront Park management	\$ 60,000	\$ 60,000	
DECC - Blue Bridge operations	\$ 38,000	\$ 38,000	
Glensheen matching funds	\$ 50,000	\$ 50,000	
St Louis River Corridor debt service	\$ 1,625,900		\$ 1,625,900
Spirit Mountain operations	\$ 250,000	\$ 250,000	
Mounted patrol support	\$ 30,000	\$ 30,000	
Tourism-related grant fund	\$ 50,000	\$ 50,000	
Undesignated fund balance	\$ 92,800	\$ 92,800	
Total	\$ 10,861,300	\$ 5,050,100	\$ 5,811,200

STATEMENT OF PURPOSE: This resolution distributes the 2016 estimated tourism taxes as required by Minnesota State Statutes, City ordinance, or City policy. 2016 revenue is projected to increase 4.02% over 2015 expected revenue.

Legislated and contractual tourism tax increases include the DECC-Amsoil Arena debt service, the St Louis River Corridor debt service, and Visit Duluth.

2016 tourism tax allocation increases include \$50,000 to the Depot for a grant match, \$33,600 for advertising and publicity, \$15,800 for capital projects, and \$297,100 to the general fund for enhanced park maintenance costs, mounted patrol costs, and other general fund tourism-related activities.

New allocations being proposed include \$250,000 for Spirit Mountain operations and \$50,000 for a tourism-related grant fund.



Legislation Details (With Text)

File #: 15-0833R Name:
Type: Resolution Status: Passed
File created: 11/25/2015 In control: Finance
On agenda: 12/7/2015 Final action: 12/7/2015
Title: RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2016 TO DECEMBER 31, 2016, OPERATION BUDGET OF THE DULUTH AIRPORT AUTHORITY.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/7/2015	1	Mayor	approved	
12/7/2015	1	City Council		

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2016 TO DECEMBER 31, 2016, OPERATION BUDGET OF THE DULUTH AIRPORT AUTHORITY.

CITY PROPOSAL:

RESOLVED, that the operations budget for the fiscal year January 1, 2016 to December 31, 2016, in the amount of \$25,618,660 for the Duluth Airport Authority is hereby approved.

STATEMENT OF PURPOSE: This resolution adopts the 2016 operating budget for the Duluth Airport Authority, a detailed budget is attached as Exhibit A.

The 2016 operating budget represents a decrease of \$46,801 under the 2015 budget. The 2016 capital improvement costs will increase \$17,116,840 over the 2015 budget.



Legislation Details (With Text)

File #: 15-0834R Name:
Type: Resolution Status: Passed
File created: 11/25/2015 In control: Finance
On agenda: 12/7/2015 Final action: 12/14/2015
Title: RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2016 TO DECEMBER 31, 2016, OPERATION BUDGET OF THE DULUTH TRANSIT AUTHORITY.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/14/2015	1	Mayor	approved	
12/14/2015	1	City Council		
12/7/2015	1	City Council		

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2016 TO DECEMBER 31, 2016, OPERATION BUDGET OF THE DULUTH TRANSIT AUTHORITY.

CITY PROPOSAL:

RESOLVED, that the operation budget for the fiscal year January 1, 2016 to December 31, 2016, in the amount of \$15,304,686 for the Duluth Transit Authority is hereby approved.

STATEMENT OF PURPOSE: This resolution adopts the 2016 operating budget for the Duluth Transit Authority, a detailed budget is attached as Exhibit A.

The budget includes an increase of \$479,612 or 3.2% over the 2015 budget. This resolution adopts the budget as presented for the current year.



Legislation Details (With Text)

File #: 15-0848R Name:
Type: Resolution Status: Passed
File created: 12/2/2015 In control: Finance
On agenda: 12/14/2015 Final action: 12/14/2015
Title: RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2016 TO DECEMBER 31, 2016 BUDGETS OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/14/2015	1	Mayor	approved	
12/14/2015	1	City Council		

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2016 TO DECEMBER 31, 2016 BUDGETS OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY.

CITY PROPOSAL:

RESOLVED, that the DEDA operating fund, debt service fund, capital projects fund, MRO maintenance fund, and storefront loan fund budgets, attached in Exhibit A are hereby approved.

STATEMENT OF PURPOSE: This resolution adopts the various DEDA budgets for fiscal year 2016. The DEDA adopted the DEDA budgets at its December 2, 2015, meeting.

CITY OF DULUTH, MINNESOTA

DEMOGRAPHIC AND ECONOMIC STATISTICS

<u>Fiscal Year</u>	<u>Population</u>	<u>Total Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Per Capita School Enrollment</u>	<u>Unemployment Rate</u>
2005	85,889	2,082,363,825	24,245	11,123	4.6%
2006	85,170	2,200,368,620	25,835	10,050	4.3%
2007	85,439	2,330,534,215	27,277	9,819	4.8%
2008	85,220	2,390,569,327	28,052	9,554	6.3%
2009	85,530	2,286,461,687	26,733	9,195	7.4%
2010	86,265	2,260,614,999	26,205	8,780	7.0%
2011	86,277	2,324,435,029	26,942	8,815	5.9%
2012	86,200	2,368,110,337	27,472	8,686	5.7%
2013	86,128	2,510,964,467	29,154	8,517	4.9%
2014	86,128*	2,521,215,130*	29,273	8,517*	3.6%

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.

* Estimates

MINNESOTA CITIES HOUSING STOCK COMPARISON

Age of Housing Stock	Duluth		Rochester		St. Cloud		Mankato	
Total Housing Units	37,873		46,005		27,480		16,283	
1980 or newer	6,267	16.5%	22,623	49.2%	11,818	43.0%	6,670	41.0%
1960 to 1979	6,741	17.8%	12,444	27.0%	7,775	28.3%	3,465	21.3%
1940 to 1959	7,606	20.1%	7,176	15.6%	3,870	14.1%	2,749	16.9%
1939 or earlier	17,259	45.6%	3,762	8.2%	4,017	14.6%	3,399	20.8%

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	4,930	1	8.25%
St. Louis County	Government	1,956	2	3.27%
University of Minnesota - Duluth	Education	1,700	3	2.85%
St. Luke's Hospital	Healthcare / hospital	1,554	4	2.60%
Independent School District No. 709	Education	1,426	5	2.39%
Uniprise (United Health Care)	Education	1,368	6	2.29%
Allete (Minnesota Power)	Electric utility	1,322	7	2.21%
Duluth Air National Guard Base	Military	1,068	8	1.79%
City of Duluth	Government	863	9	1.44%
US Government	Government	850	10	1.42%
		<u>17,037</u>		<u>28.51%</u>

Source: Northland Connection's website

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

CITY OF DULUTH FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31

<u>Function:</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General government	114.40	113.90	129.30	125.75	127.65
Public Safety					
Police	187.00	185.00	185.00	178.50	178.50
Fire	140.00	140.00	138.00	141.00	142.00
Public Works	123.80	118.60	93.20	87.10	85.90
Culture and recreation					
Parks and recreation	7.50	7.50	9.00	10.00	10.00
Zoo	0.00	0.00	0.00	0.00	0.00
Library	43.50	43.50	48.50	49.00	49.00
Urban & Economic Development	59.00	62.50	60.50	60.25	59.53
Water & Gas	124.80	128.20	131.59	133.00	132.60
Sewer	38.40	38.40	39.24	40.20	39.33
Stormwater	24.20	24.20	25.92	26.00	25.52
Golf	0.00	0.00	0.00	0.00	0.00
Parking	4.00	3.00	3.00	8.00	8.00
Street Lighting	4.00	5.00	5.00	5.00	5.10
Total	<u>870.60</u>	<u>869.80</u>	<u>868.25</u>	<u>863.80</u>	<u>863.13</u>

CITY OF DULUTH, MINNESOTA

TOTAL ESTIMATED MARKET VALUES

<u>Fiscal Year End</u>	<u>Total Estimated Market Value</u>	<u>Tax Capacity</u>	<u>% Capacity to Market Value</u>	<u>Tax Rate</u>
2005	4,824,334,700	51,118,182	1.06%	0.24215
2006	5,036,127,627	56,123,821	1.11%	0.22183
2007	5,188,965,700	60,063,072	1.16%	0.22939
2008	5,483,418,320	63,722,897	1.16%	0.23259
2009	5,706,520,800	66,655,461	1.17%	0.25403
2010	5,696,100,100	67,344,436	1.18%	0.26331
2011	5,531,528,600	65,577,970	1.19%	0.27956
2012	5,569,039,800	61,532,873	1.10%	0.31597
2013	5,473,015,800	61,948,785	1.13%	0.33198
2014	5,584,098,600	62,430,044	1.12%	0.32338

PRINCIPAL PROPERTY TAXPAYERS

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Estimated Market Value</u>	<u>Rank</u>	<u>% of Market Value</u>
Minnesota Power	Electric utility	205,491,800	1	3.68%
Simon Property, Inc.	Shopping mall	52,741,300	2	0.94%
Essentia Health	Healthcare / hospital	46,977,000	3	0.84%
Sherman Associates	Real estate developmen	45,342,900	4	0.81%
Wisconsin Central LTD	Railway	25,454,200	5	0.46%
ZMC Hotels	Hotels	21,402,000	6	0.38%
IRET Properties	Property management	19,349,600	7	0.35%
Riverland AG Corp	Grain elevators	18,334,000	8	0.33%
NewPage (StoraEnso)	Paper mill	17,859,100	9	0.32%
US Bank	Bank/Office building	17,481,400	10	0.31%
		470,433,300		8.42%

CITY OF DULUTH, MINNESOTA

OPERATING INDICATORS BY FUNCTION

	2010	2011	2012	2013	2014
Police					
Criminal offences	10,540	11,278	9,924	10,828	9,472
Cleared by arrest	4,436	4,231	3,785	4,473	4,070
Traffic violations	5,241	9,746	9,499	11,152	9,307
Parking violations	56,292	51,991	46,492	51,361	55,097
Fire					
Number of calls answered	8,484	9,262	9,587	10,816	11,114
Number of inspections conducted	1,200	1,200	1,200	1,200	1,200
Public works					
Construction permits:					
Permits issued	2,026	1,700	2,325	2,054	2,030
Estimated cost of construction during year	\$ 238,186,019	\$ 173,357,959	\$ 104,841,877	\$ 137,097,967	\$ 182,409,369
Culture and recreation					
Parks and recreation department					
Participation in special events	48,896	15,436	18,129	40,045	30,749
Participation in recreation	31,905	39,839	35,681	27,393	28,304
Zoo regular customers	102,986	93,705	71,842	58,306	65,270
Library					
Registered borrowers	46,592	47,965	50,171	50,491	48,147
Items in collection*	620,101	463,418	457,999	467,050	456,753
Items loaned	929,161	902,221	953,270	959,432	923,063
Library visits	380,982	376,817	460,918	484,917	492,106
Internet uses	62,379	66,394	89,070	106,662	118,825
Reference/research questions answered**	80,678	79,443	90,155	84,838	89,232
Water					
Meters in service	30,317	29,069	28,082	28,051	28,131
Average number of gallons treated per month	481,950,833	461,125,000	468,170,000	433,795,000	433,676,667
Water pumped - million cubic feet	773.1	739.8	756.1	695.9	695.7
Water sold - million cubic feet	665.5	589.6	644.4	606.0	591.0
Daily average consumption in gallons	15,844,958	15,160,274	13,206,643	12,418,716	14,257,863
Gas					
Meters in service	26,668	26,693	27,542	27,452	26,585
MMBTU sold	4,617,923	5,184,800	4,528,009	5,355,988	5,679,683
Sewer					
Number of service connections	28,845	28,845	27,250	27,956	27,956
Daily average treatment in gallons	14,859,000	13,284,575	12,137,000	12,843,000	14,257,000
Stormwater					
Cleaning storm sewer pipe (in feet)	14,734	14,750	230,165	31,658	2,700
Steam District #1					
Steam sold (in 1,000 lbs)	403,085	409,295	379,257	394,762	300,669
Golf					
Season passes	1,024	985	1,028	879	840
Daily tickets	32,252	32,101	35,121	31,401	28,860
Carts	10,670	12,553	14,751	14,019	15,056
Rounds played	79,430	75,480	84,740	63,196	60,172

CAPITAL ASSETS BY FUNCTION

	2010	2011	2012	2013	2014
Police					
Patrol units	96	94	93	93	93
Fire					
Fire stations	9	9	8	8	8
Public works					
Miles of streets and alleys:					
Miles of streets - paved	469.00	470.23	470.43	470.49	472.51
Miles of streets - unpaved	48.02	48.02	48.02	47.96	47.96
Miles of sidewalk	277.00	409.00	409.90	410.98	410.98
Number of street lights:					
Ornamental lamps (no. of bulbs)	3,930	3,930	3,930	3,930	3,930
Overhead street lamps	3,665	3,665	3,665	3,665	3,665
Culture and recreation					
Parks and recreation department					
Number of parks	127	127	128	128	128
Park acreage	15,255	15,255	12,000	12,000	12,000
Number of ski hills	2	2	2	2	2
Number of municipal tennis courts	17	17	17	17	19
Community clubs/field houses operated	22	22	21	21	19
Number of athletic fields	57	57	57	57	57
Number of hiking trails	13	14	14	14	14
Library department					
Libraries/branches	3	3	3	3	3
Water					
Miles of water mains	424.10	426.30	426.74	428.30	429.50
Number of hydrants	2,535	2,583	2,597	2,671	2,677
Maximum daily capacity of plant in gallons	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000
Gas					
Miles of gas mains	512.40	511.00	520.00	527.00	534.70
Sewer					
Miles of sanitary sewers	392.00	382.00	406.20	398.00	402.00
Stormwater					
Miles of storm sewers	431.00	431.00	431.00	443.00	435.00
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.