

CITY OF DULUTH, MINNESOTA

2026 Adopted Annual Budget



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Mayor

Roger Reinert

City Councilors

Wendy Durrwachter

Diane Desotelle

Roz Randorf

David Clanaugh

Arik Forsman

Jordan Johnson

Lynn Marie Nephew

Terese Tomanek

City Administrator's Office

Karla Culhane (interim)



City of Duluth Minnesota - 2026 Budget

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City of Duluth Minnesota - 2026 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

Roger Reinert January 2024 to January 2028

Councilors at Large

Arik Forsman January 2024 to January 2028

Jordan Johnson January 2026 to January 2030

Lynn Marie Nephew January 2024 to January 2028

Terese Tomanek January 2026 to January 2030

District Councilors

Wendy Durrwachter District 1 January 2024 to January 2028

Diane Desotelle District 2 January 2026 to January 2030

Roz Randorf District 3 January 2024 to January 2028

David Clanaugh District 4 January 2026 to January 2030

Janet Kennedy District 5 January 2024 to January 2028

APPOINTED OFFICIALS

City Administrator

Karla Culhane (Interim)

City Attorney

Terri Lehr

Authorities Directors

Airport Tom Werner

DECC Dan Hartman

DTA Christopher Belden

Spirit Mountain Ann Glumac (Interim)

City Department Heads

Finance Director

Nina Salinas

Property, Parks & Libraries

Erik Birkeland

Administrative Services

Open Position

Planning & Econ Development

Ben VanTassel

Workforce Development

Elena Foshay

Fire Chief

Shawn Krizaj

Police Chief

Mike Ceynowa

Public Works & Utilities

Jim Benning



Roger J. Reinert
Mayor



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Duluth, Minnesota 55802

The City of Duluth entered the 2026 budget cycle under significant financial pressure. Without action, the City faced a projected **17% property tax levy increase in 2026**, followed by another **10.5% increase in 2027**.

We made a clear commitment to the residents and businesses of Duluth from the start of the budget process that **property taxes must be both affordable and sustainable**. That commitment guided every conversation, every proposal, and every difficult decision made throughout this budget process.

This work also took place in a highly uncertain fiscal environment. The State held Local Government Aid flat. At a time when wages, materials, and operational costs continue to rise, a flat appropriation effectively amounted to a reduction in purchasing power. Simultaneously, the full state and local impacts of potential federal funding reductions remained unclear. This was anything but a “business as usual” budget year.

Duluth is a city of nearly 88,000 residents. After decades of population stagnation our community is now attracting new families, businesses, and visitors year over year. With that growth comes both opportunity and responsibility. Residents expect safe streets, reliable infrastructure, vibrant neighborhoods, and a city government that is a good steward of their tax dollars.

To meet that challenge, departments across the City were asked to take a hard look at how we operate and to bring forward recommendations grounded in several key questions:

- Do these proposals strengthen the delivery of essential city services while keeping them affordable for residents?
- How do these recommendations advance our five priority areas: **Housing at All Income Levels, Streets and Utilities, Commercial Tax Base Growth, Affordable Property Taxes, and a Vibrant Downtown?**
- Where can we innovate, modernize our approach, or thoughtfully discontinue legacy functions that no longer serve our mission?
- Are there opportunities to bring the talent, labor, and investment of our residents and businesses into this work as partners?

Moments of financial pressure also create opportunities for leadership and innovation. Departments were encouraged to think strategically about where the City’s limited resources can make the greatest difference. That meant focusing on the services residents rely on most, bringing forward new ideas, and being willing to change course when something is simply legacy or no longer delivering results.

This budget reflects that work. It is a plan that acknowledges the real financial challenges we face while staying true to our responsibility to residential and commercial property taxpayers. Importantly, it also keeps us focused on building a stronger Duluth that continues to grow, attract new investment, and remains a community of choice for current and future residents to live, work, and build their futures.

Sincerely,

Roger J. Reinert, Mayor

Duluth, Minnesota – A Comprehensive Profile



Located on the picturesque shores of Lake Superior, Duluth, Minnesota, is a dynamic city that combines natural beauty, industrial heritage, and a vibrant cultural scene. Duluth has carved out a distinct identity as a hub for tourism, education, and commerce in the Upper Midwest.

Geography and Climate

Duluth's geography is one of its most defining features. The city spans a hilly terrain, offering stunning views of Lake Superior, the largest freshwater lake in the world by surface area. The city's iconic aerial lift bridge, connecting the mainland to Park Point, is a testament to its maritime heritage and a symbol of its connection to the Great Lakes.

History

Duluth's history is deeply rooted in its strategic location and natural resources. The area was originally inhabited by the Ojibwe people, with European settlers arriving in the 17th century drawn by the fur trade. By the late 19th century, Duluth had become a key port for shipping iron ore from the Mesabi Range to industrial centers around the Great Lakes. This era of industrial growth earned Duluth the nickname "Zenith City," symbolizing its economic and cultural ascendancy.

Economy

Today, Duluth's economy blends traditional industries with modern innovations. The Port of Duluth-Superior remains a vital shipping hub, handling millions of tons of cargo annually. Tourism plays a major role, with visitors flocking to attractions such as Canal Park, the Great Lakes Aquarium, and the North Shore Scenic Drive. The city is also a center for healthcare and education, anchored by institutions like Essentia Health and Aspirus Health Care. Higher education is a major economic sector including the University of Minnesota Duluth (UMD), Lake Superior College, and the College of St. Scholastica. Duluth's manufacturing sector is also again on the asendency represented by multiple companies who make products in the community and ship throughout the region, nation, and globe.

Culture and Community

Duluth boasts a vibrant arts scene and a strong sense of community. The Duluth Entertainment Convention Center (DECC) hosts concerts, theater productions, and conventions, while local festivals such as the Bayfront Blues Festival and Homegrown Music Festival celebrate the region's musical talent. Art lovers can explore the Tweed Museum of Art or attend performances by the Duluth Superior Symphony Orchestra and Minnesota Ballet. The city's food and drink culture is well-established and feature a strong craft beer scene and locally owned restaurants highlighting regional ingredients.

Outdoor Recreation

Outdoor recreation is at the heart of Duluth's identity. The city is home to the Lakewalk, a scenic trail along Lake Superior, and numerous parks, including Chester Park and Hartley Nature Center. In winter, residents and visitors enjoy skiing, snowshoeing, and ice fishing, while summer brings opportunities for kayaking and sailing. Duluth is also a gateway to the North Shore, a rugged stretch of coastline featuring state parks, waterfalls, and the Superior Hiking Trail. Spirit Mountain offers year-round activities, from skiing and snowboarding in winter to mountain biking in summer.

Bond Rating

Standard & Poor's recognized Duluth's prudent approach to budgeting and steady economic growth and growing local revenues as strengths. They renewed the City of Duluth's AA bond rating with a stable outlook.

STRATEGIC GOALS & STRATEGIES

The City uses **Priority Based Budgeting** or “**Budgeting for Results**” to help align our resources with our priorities. Budgeting for Results helps to define what the priorities of the citizens are, what programs and services the City offers, how much the programs and services cost to provide, and what value the services and programs offer our citizens. For the 2026 budget process, all requests were vetted through this lens using higher weights for those priorities that aligned with the mayor’s priorities.

Departments use **performance measures** to measure alignment of operational activities with the priorities of the City. Each department has financial and non-financial performance measures included with the budget, as well as **accomplishments, goals and objectives**. These measures are used in decision making processes. The performance measures describe the definition of the City priority, the strategy and measurement, and the annual estimated and target amounts.

Community Facing Strategic Goals (External)

Housing At All Levels

- Mixed-Income Developments
- Incentivized Development
- Preservation of Existing Affordable Housing
- Sustainable and Energy-Efficient Housing
- Affordable and Inclusive Housing
- Safe and Effective Buildings and Spaces

Streets & Utilities

- Financially Sustainable
- Complete Streets Approach
- Coordinated Infrastructure Updates
- Resilient Utility Networks
- Efficient & Timely Snow Removal & De-Icing

Commercial Tax Base Growth

- Attract and Retain Businesses
- Foster Innovation and Entrepreneurship
- Strategic Land Use and Zoning
- Invest in Infrastructure and Public Spaces
- Targeted Industry Growth

Revitalizing Downtown

- Active Streets & Public Spaces
- 24/7 Activity Hubs
- Enhanced Public Safety Presence
- Smart Security Technology
- Collaboration with Businesses and Community Groups

Affordable Property Taxes

- Efficient Municipal Spending
- Diversified Revenue Streams
- Attract and Retain Businesses
- Smart Growth Strategies

STRATEGIC GOALS & STRATEGIES CONTINUED

Governance Strategic Goals (Internal)

Compliance

- Provide assurance of regulatory and policy compliance to build trust, accountability and foster transparency.

Customer Service

- Ensures timely and effective two-way communication with internal customers, residents and businesses providing equal access to information encouraging input from all areas of the organization and the community at large.

Fiscal Responsibility

- Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability

High Performing Organization

- Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish internal and external goals.

Long-Range Planning

- Supports decision-making with timely and accurate analysis, focusing on innovative, long-term solutions that benefit the community.

Trust and Engagement

- Develops sustainable fiscal and operational policies, which foster trust and transparency by ensuring accountability, efficiency, integrity, innovation and best practices in all operations.

Workforce

- Attract, develop, equip, motivate, and retain a high quality, diverse, engaged and productive workforce focused on creative service excellence.

BUDGET PRIORITIES AND ISSUES

The budget process for the City of Duluth reflects a disciplined and strategic approach to stable and responsible municipal financial management. The process leverages the expertise of our dedicated leadership team to establish clear priorities for the City while also identifying innovative financial solutions and budget opportunities to achieve City goals. The 2026 budget was meticulously developed in full compliance with the City's budget policies, the City Charter, and the State of Minnesota's Truth in Taxation laws, which govern public transparency and the property tax levy process.

One of the key concerns the Mayor and City Council regularly hear from the community is the need to keep property taxes affordable. This concern was taken seriously given rising inflation and the significant number of Duluth residents living on fixed incomes.

The budgeting process commenced with Mayor Roger Reinert presenting the proposed general fund budget and tax levy to the City Council on September 4, 2025. He proposed an inflation plus new growth budget, capturing 1.43% of the new growth generated from the City's commercial and residential tax base and accounting for 2.7% inflation representing the trailing 12-month CPI average. The combined total proposed increase was 4.13%. This approach initially resulted in a projected \$5.6 million deficit.

Departments across the City responded to this challenge by closely reviewing how the City operates and bringing forward recommendations to address the deficit, while keeping the five City priorities in focus:

- Affordable Property Taxes
- Downtown Duluth
- Streets and Utilities
- Housing at All Income Levels
- Growing the Commercial Tax Base

On October 31, 2025, the City hosted a full-day budget retreat for the City Council, during which each department presented its proposed budget. The deficit was addressed through a combination of revenue adjustments and expense reductions, organized into five key areas:

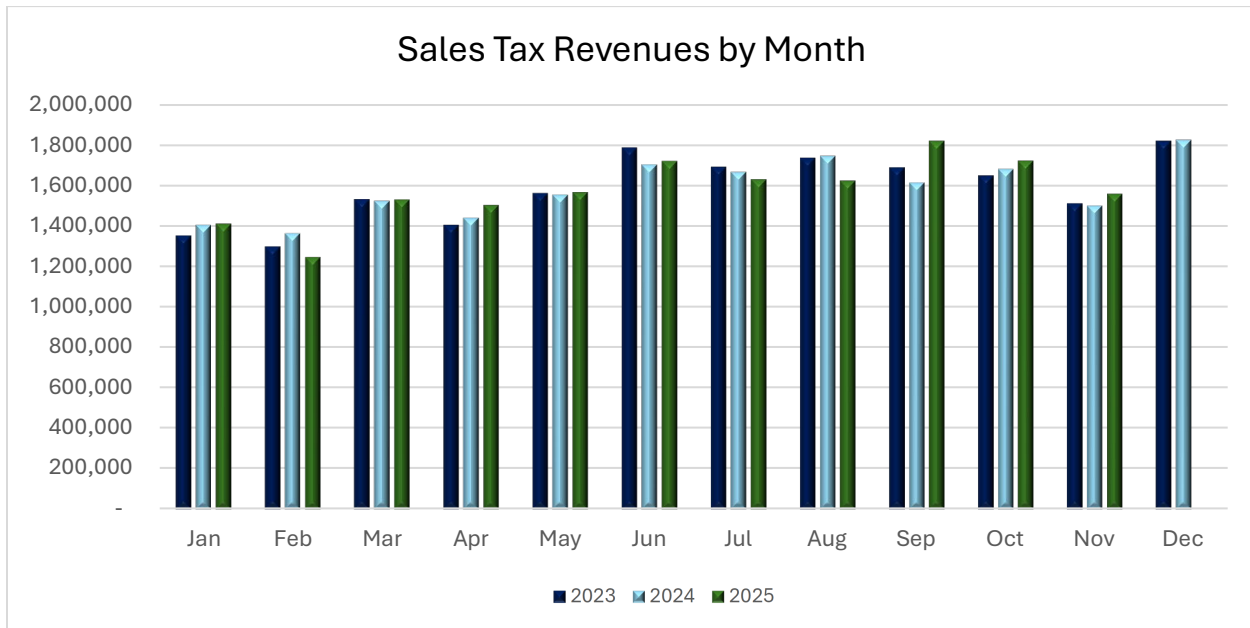
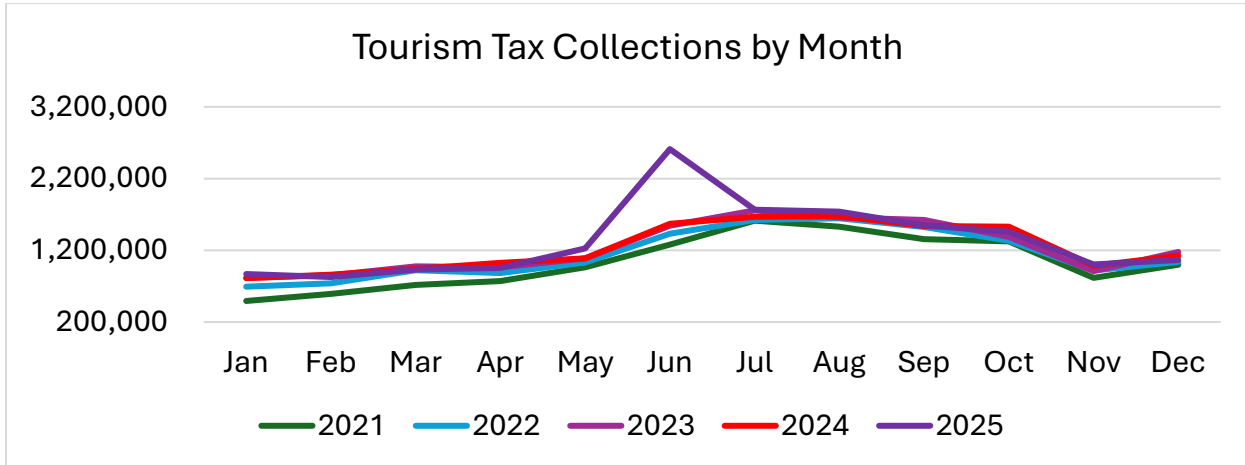
- Active management of our finances
- Earned revenue opportunities
- Addressing ballooning fire overtime
- Evaluating and aligning open full-time equivalent (FTE) positions
- Evaluating and aligning administrative and support functions

As a result, revenue projections were reassessed and increased by \$1.4 million, while expenses were decreased by \$4.2 million. Together, these measures reflect the City's commitment to its five strategic priorities.

BUDGET PRIORITIES AND ISSUES CONTINUED

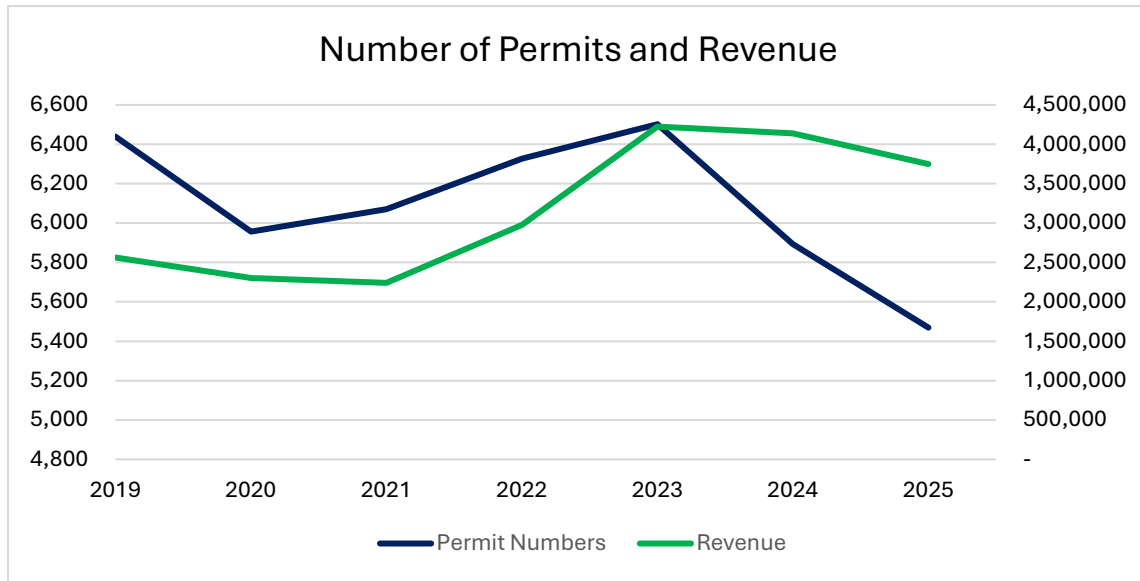
Budget and Economic Trends

The City of Duluth has begun to experience a period of slowing and stabilizing following the strong growth that occurred after the COVID-19 pandemic. This trend is reflected in both tourism and sales tax revenues. Tourism tax revenue finished 8% above 2024; however, this figure includes a one-time remittance related to tax collections that were inadvertently included on an entity's State of Minnesota sales tax returns. Excluding this one-time remittance, tourism tax revenue increased 1.4% from 2024 to 2025. This follows a .4% increase from 2023 to 2024. Sales tax revenue has remained relatively stable over the past three years. Data for December 2025 has not yet been received.



Permit activity has declined in recent years, including an 8% decrease in 2024 and a 7% decrease in 2025. The trend is starting to affect revenues, which declined 2% in 2024 and 9% in 2025. Looking ahead, the impact of interest rates on permit activity remains uncertain. Homeowners may proceed with remodeling projects despite higher borrowing costs, or elevated rates could lead to further reductions in permit activity.

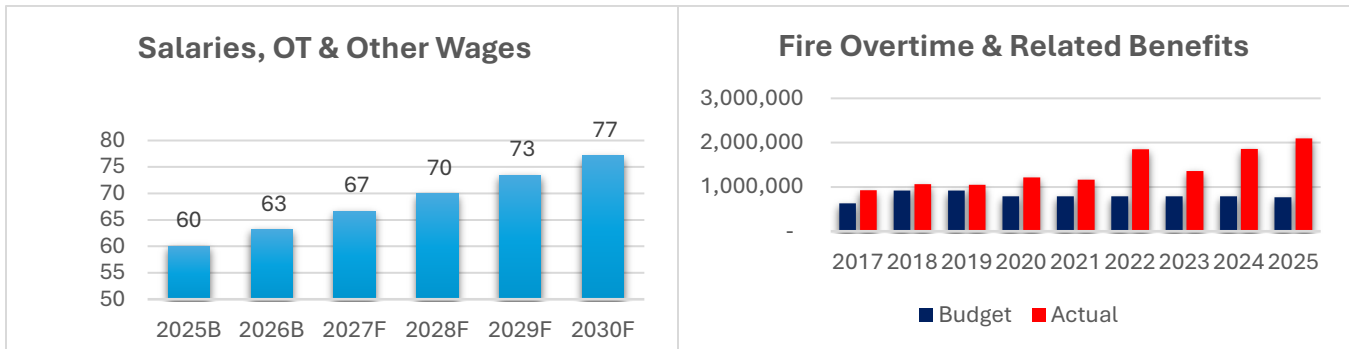
BUDGET PRIORITIES AND ISSUES CONTINUED



These trends make long-term budgeting increasingly difficult to forecast. Additional uncertainty stems from the City’s reliance on tourism while a new tourism marketing firm is promoting the community, as well as potential changes in federal policy that could affect tariffs and supply costs. Shifts in trade policy and tariffs can introduce significant volatility in project and material costs, further complicating financial projections.

The most significant challenge in coming years is the impact of recently negotiated collective bargaining agreements. In 2025, the City’s largest bargaining unit received a 4.5% wage increase. In 2026, they received a 6.5% increase in addition to a 4% step increase, followed by another 6% increase in 2027. Other bargaining units received similar increases, though at a smaller scale. The City estimates these agreements will increase personnel costs by approximately \$9.9 million over the three-year period.

In addition, the Fire Department exceeded its 2025 overtime budget by \$1.3 million. To address this issue, the 2026 budget includes the addition of three firefighters and establishes an overtime cap of \$850,000. These cost pressures are in addition to the City’s generous medical benefits and sick leave policies, as well as the new Minnesota Paid Leave Law, which continues to place upward pressure on overall personnel expenses.



BUDGET OVERVIEW

General Fund

Revenue Assumptions

The final approved 2026 General Fund revenue budget of \$113.22 million is an increase of \$3.79 million over the 2025 approved budget. The schedule below shows the changes in revenues by major type along with the assumptions used. The first grid shows the variance of the 2025 approved budget and the 2026 approved budget. The second chart shows the variance of the 2026 *proposed* budget and the 2026 *approved* budget.

**Bridge Schedule Outlining Revenue Variances between
2025 Approved Budget and 2026 Approved Budget**

Description	Amount (Millions)	Revenue Narrative
2025 Approved Budget	109.43	-
City Sales and Use Tax	0.86	In reviewing monthly sales tax revenue, adjusting for inflation, and other economic indicators, this increase is a conservative growth factor, and allows for sustainable increases to the general fund.
Property Tax	2.30	This represents the City Council approved tax levy increase.
Gas Utility in Lieu of Taxes	(0.45)	Projected Natural Gas Revenues based on May forecast of PILOT.
Minnesota Power Franchise Tax	0.16	Increase due to MN Power rate increases, and historical usage, MN Power franchise tax is based on their operating revenue.
Charges for Services	0.90	Historically, total charges for services were budgeted below actual amounts; this was reviewed and adjusted to better reflect expected revenue.
All Other Operating Revenues	0.02	All other changes throughout
2026 Approved Budget	113.22	-

**Bridge Schedule Outlining Revenue Variances between
2026 Proposed Budget and 2026 Approved Budget**

Description	Amount (Millions)	Revenue Narrative
2026 Proposed Budget	112.89	-
Property Tax	0.33	This reflects the portion of the tax levy increase approved by the City Council that exceeds the Mayor's requested amount.
2026 Approved Budget	113.22	-

BUDGET OVERVIEW CONTINUED

Expenditure Assumptions

As with revenues, the final approved 2026 General Fund Budget is \$3.79 million higher than the 2025 approved budget, with a \$5.21 million increase in salaries and benefits and a reduction in other expenses. The first grid shows the variance of the 2025 approved budget and the 2026 approved budget. The second chart shows the variance of the 2026 *proposed* budget and the 2026 *approved* budget.

**Bridge Schedule Outlining Expenditure Variances between
2025 Approved Budget and 2026 Approved Budget**

Description	Amount (Millions)	Expenditure Narrative
2025 Approved Budget	109.43	-
Salaries and Benefits	5.21	Varying salary increases and 7.5% medical increase
Fleet	0.26	Cost of parts, fleet rate increase, and sublet labor
Other Insurances	(0.46)	Reduction due to adequate balances in self-insurance funds.
All other Operating Expenditures	(1.22)	Other adjustments were made throughout based on analysis of City priorities, operational needs, and historical spending patterns.
2026 Approved Budget	113.22	-

**Bridge Schedule Outlining Expenditure Variances between
2026 Proposed Budget and 2026 Approved Budget**

Description	Amount (Millions)	Expenditure Narrative
2026 Proposed Budget	112.89	-
Salaries and Benefits	0.28	Additional support for various departments per City Council request.
Other Services and Charges	0.05	Additional support for boards and commissions per City Council request.
2026 Approved Budget	113.22	-

BUDGET OVERVIEW CONTINUED

FTE Adjustments

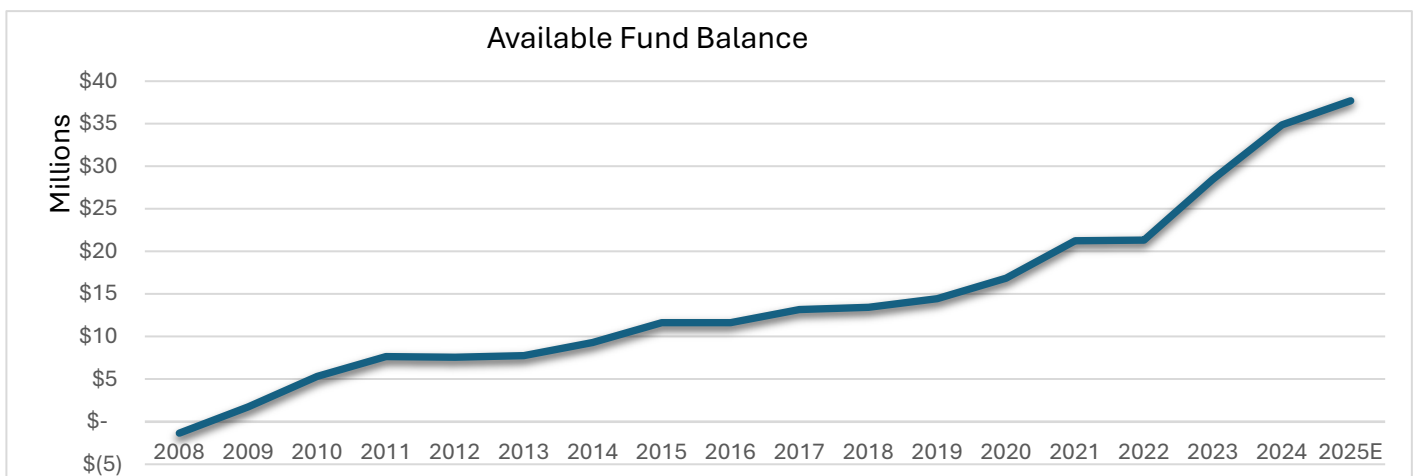
The total number of General Fund full-time equivalent positions was reduced by 3.80 FTEs. The changes by department are as follows:

Bridge Schedule Outlining FTE Variances between 2025 Approved Budget and 2026 Approved Budget

Description	FTE	FTE Narrative
2025 Full Time Equivalents (FTEs)	624.65	
Legislative and Executive	1.00	-1.0 Executive Assistant
		+1.0 Sr. Property Svc. Specialist (transfer from Facilities)
		+1.0 Paralegal (transfer from Public Works Enterprise Fund)
Property, Parks, and Libraries	(4.00)	-1.0 Park Maintenance Operations Coordinator
		-1.0 Librarian
		-1.0 Property, Parks, & Library Manager/Director restructure
		-1.0 Transfer to Attorney's office (Sr. Property Svc. Specialist)
Administrative Services	(2.00)	-1.0 IT Manager
		-1.0 Data Practices
Finance	(0.25)	-.25 Accountant I
Planning and Economic Development	0.45	+.45 Transfer from DEDA
Fire	-	-3.0 Returned temporary 2025 FTE transfer to Police
		+3.0 Firefighters
Police	1.00	+3.0 Returned temporary 2025 FTE from Fire
		-1.0 Deputy Chief
		-1.0 Lieutenant
2026 Full Time Equivalents (FTEs)	620.85	

General Fund Undesignated/Unreserved Fund Balance

The city has a fiscal policy of maintaining a collectible unassigned General Fund balance between sixteen (16) and eighteen (18) percent of the current year's General Fund operating budget. Based upon the 2026 General Fund ongoing operations budget of \$113.22 million, the minimum level (16%) would require a minimum fund balance of \$18.1 million.



BUDGET OVERVIEW CONTINUED

In 2008, the City ended with a negative fund balance of \$1.35 million due to record revenue deficits and a late December cut in Local Government Aid from the state. Since then, much effort has been concentrated on fund balance restoration and growth through various practices and policies. The fund balance growth has accelerated in large part due to the growth of sales tax post COVID. While the City budgets this revenue conservatively, it is also put to good use when it is strategic and sustainable. In 2024, the growth in fund balance allowed the City to use a planned one-time investment of \$9 million on capital projects and equipment.

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, Home Improvements Partnership Program, Energy Management, DECC Revenue, Community Development, Workforce, Senior Employment, Senior Nutrition and Community Resource Programs, Other Post-Employment Benefits (OPEB) Fund, Street System Utility Fund, Street Improvement Sales Tax Fund and the Street Light Fund.

OPEB (Other Post-Employment Benefits) Fund

The OPEB fund was created in 2007 for the purpose of accumulating 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. Due to the city's investment strategies along with high market returns, the market value of the OPEB trust fund nearly doubled since 2018. The city worked with the State Board of Investment to formulate an investment strategy to fund the forecasted future OPEB premiums where the SBI can lock in future cash flows that take advantage of high interest rates. Using the OPEB actuarial forecasts along with the SBI's investment strategy, the city is able to reduce the annual appropriated amount for retiree healthcare costs to \$3.5 million saving the general fund approximately \$4.5 million dollars. At the end of 2025 the trust fund accumulated assets of \$112 million.

Tourism Tax Fund

The Tourism Tax Fund provides the accounting for the revenue generated by tourism taxes received from food and beverage and hotel/motel receipts. In 2015, the 0.5% food and beverage tax and the 0.5% 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). The 2026 budgeted revenue is \$14.2 million with an additional \$1 million coming from the Tourism Tax Fund Balance. In 2026, \$2.053 million is budgeted to make debt payments for the projects along the St. Louis River Corridor. The Great Lakes Aquarium, Spirit Mountain, and the Lake Superior Zoo will receive operating subsidies from tourism taxes in the amounts of \$0.31 million, \$0.40 million, and \$0.51 million respectively. Capital Support and Debt service payments totaling \$5.926 million funded by

BUDGET OVERVIEW CONTINUED

the tourism tax fund go toward DECC improvements, Spirit Mountain, and the Lake Front Restoration Project. The total approved tourism tax budget can be found in the Appendix of this book.

Parks Fund

The Parks Fund was established to account for the property tax money dedicated to be used for City parks only, as approved by the citizens of Duluth in a November 2011 special referendum vote. Currently, the Parks property tax levy remains a fixed annual amount of \$2.6 million, with an additional \$280 thousand levied by the city.

Street System Maintenance Utility Fund

The Street System Maintenance Utility Fund accounts for the street maintenance property tax levy that was established to finance existing street improvement debt, enhanced maintenance, and street reconstruction activities. The 2025 levy remains at \$2.3 million in dedicated property tax revenue; however, the city will use approximately \$.36 million of fund balance as well.

Street Improvement Sales Tax Fund

The Street Improvement Sales Tax Fund was created in 2019 to account for the 0.5% sales tax increase dedicated to street improvements. A local sales tax referendum passed with a 77 percent favorable vote for the increased sales tax. The legislature passed the sales tax increase in 2019, and the State began collecting the sales tax in October of 2019. The dedicated fund will account for sales tax collections to be used solely for street improvements. In 2026, the estimated revenue is \$9.2 million.

Street Lighting Fund

Effective January 1, 2020, the Street Lighting Fund moved to a special revenue fund with dedicated property taxes as its main source of revenue. In 2008 a Street Light Utility was created by Council resolution as one of the City's budget recovery strategies. The operation was part of the General Fund using property taxes and other revenues to fund the activity. In 2008 the operation moved into 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 were designed to fully cover expenses of the utility. The street light user fees were completely phased-out effective December 31, 2019. The funding source for the street light fund is the property tax levy. The 2026 street light levy amount is \$2.54 million. Because this fund includes salaries and benefits, the city will need to increase the levy for this at some point in the near future.

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 2025 is \$123 million. The property tax levy for debt service in 2025 is \$7.564 million. The property tax supported bond issues approved for 2025 include capital equipment and improvements. Debt is discussed in greater detail in the Debt Service Section of the document.

BUDGET OVERVIEW CONTINUED

Capital Project Funds

The Capital Project Funds account for the Special Assessment Capital, Permanent Improvement Projects, Street Improvements Program, Capital Improvements, and Tourism and Recreation Projects. For 2026, a total of \$43.5 million in improvements are planned. The City will bond for \$2.146 million of capital improvement projects including fire hall improvements, civic building improvements, and other city building improvements. Additional capital projects funding will come from intergovernmental contributions from the State of Minnesota and Federal grants. Included in the 2026 budget are \$2.9 million in tourism and recreational projects. In 2015, the city bonded \$13.5 million for tourism and recreational capital projects along the St. Louis River Corridor. The payments on the bonds are being paid using the 0.5% food and beverage tax as well as the 0.5% hotel/motel tax included in the tourism tax special revenue fund. In 2023, the State Legislature approved a request from the City of Duluth to renew this tax to fund improvements to parks-based athletic venues that drive regional sports tourism. All capital projects are detailed in the separate capital improvement plan found in the back of this book.

Enterprise Funds

Enterprise Funds account for the expenses of the municipal utilities of Water, Gas, Sewer, Clean Water, Stormwater, and Steam; the Golf Division of the Parks and Recreation Department; the Parking Enterprise fund; and the Priley Drive Parking Facility fund. Rates are reviewed annually during budget season. Utility rate increases are approved by the Public Utilities Commission and the City Council through resolution.

Golf Enterprise Fund

The Golf Enterprise Fund accounts for the expenses and revenues associated with the City's municipal golf operations. In 2023, the City initiated capital improvements at Enger Park Golf Course, including significant infrastructure upgrades to support long-term operations. With that work complete, Enger Park Golf Course now operates a 27-hole course with a driving range. As a result of the capital investment, the fund began making debt service payments on bonds issued to finance a portion of the project. This is a new financial obligation for the fund.

Parking Enterprise Fund

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

Priley Drive Parking Facility Enterprise Fund

The Priley Drive Parking Facility fund was established to account for the construction, operation, and maintenance of the parking ramp located at Priley Drive. The parking facility was under construction from 2014-2016. It became operational in May of 2016.

BUDGET OVERVIEW CONTINUED

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, the Minnesota Paid Leave Fund 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.

Minnesota Paid Leave Fund

Beginning January 1, 2026, Minnesota implemented a statewide Paid Family and Medical Leave program funded through a payroll tax. The total premium rate is .88% of taxable wages, with costs shared equally between employers and employees, each contributing up to .44%. The program funds a state-administered benefit providing paid family and medical leave for eligible employees. After conducting a comprehensive financial and operational analysis, the City elected to self-insure rather than participate in the state program. The leave benefits currently provided by the City, through the collective bargaining agreements, exceed those required under the state program. Based on this analysis and the anticipated level of program utilization, the City determined that self-administering the benefit would be the most cost-effective and administratively appropriate approach.

Fleet Services Fund

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.

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 provide goods and services for a fee or on a cost-reimbursement basis. Within those two types are the classifications as shown below, with the name of the budgeted funds within those classifications also noted.

Governmental Fund Types

❖ General Fund

❖ Special Revenue Funds

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

- Workforce Investment Act
- DECC Revenue Fund
- Street Lighting Fund

❖ Debt Service Funds

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

❖ Capital Projects Funds

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

Propriety Fund Types

❖ Enterprise Funds

- Water Fund
- Sewer Fund
- Gas Fund
- Clean Water Surcharge Fund
- Stormwater Fund
- Golf Fund
- Steam Fund
- Parking Fund
- Priley Drive Parking Facility

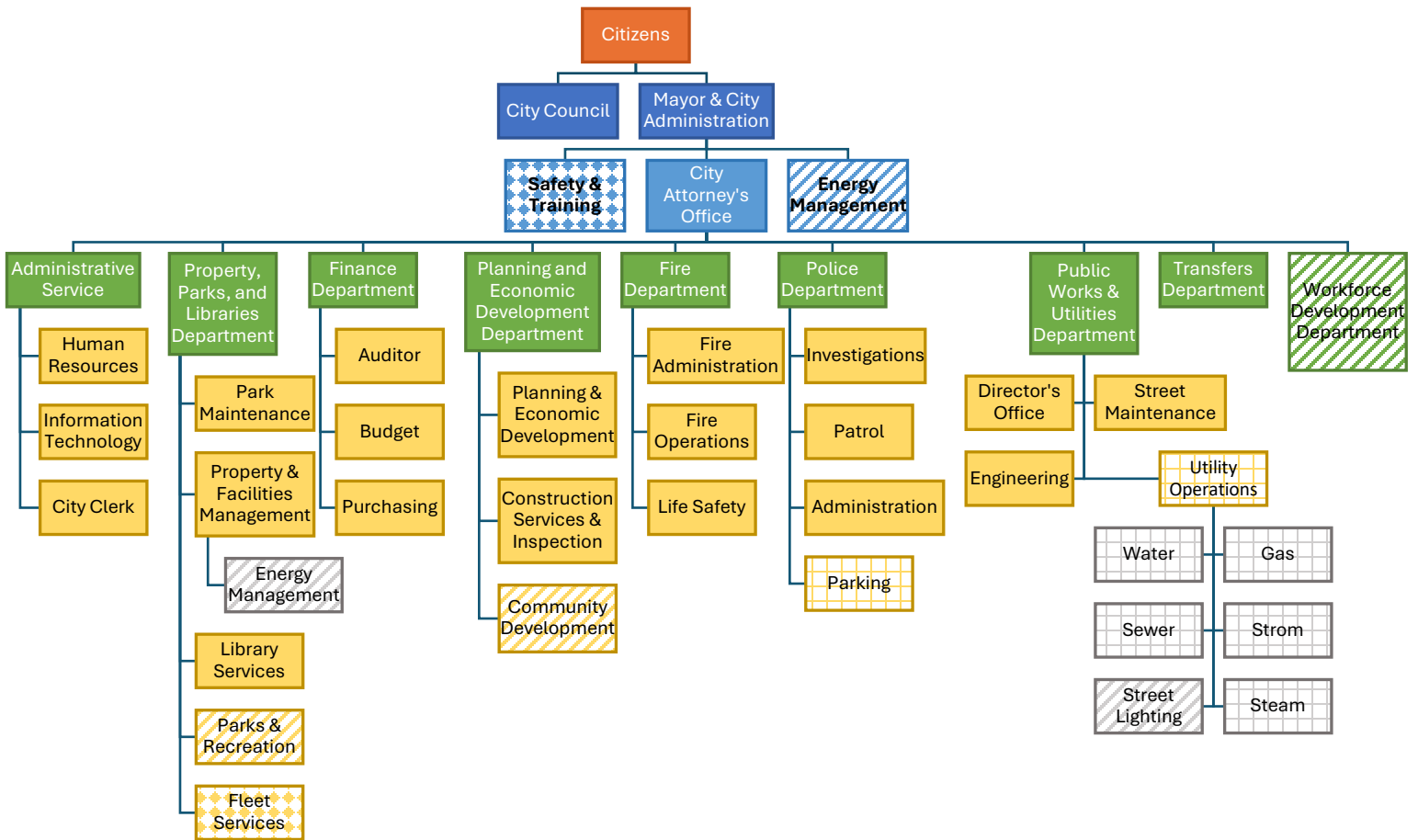
❖ Internal Service Funds


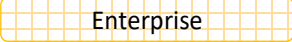

- Self-Insurance- Worker's Comp
- Self-Insurance – Liability
- Medical Health Fund
- Dental Health Fund
- Minnesota Paid Leave Fund
- Fleet Services

City of Duluth Minnesota - 2026 Budget

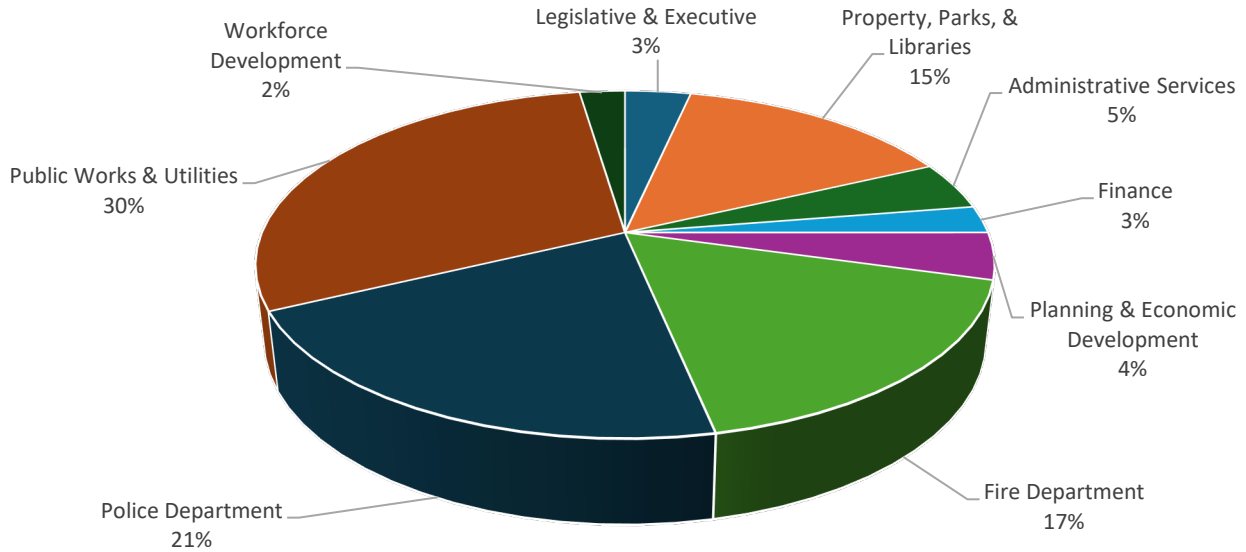
Citywide Personnel

Organization Chart



KEY
 Solid = General Fund
 Pattern=  Special Revenue
  Enterprise
  Internal Service

Citywide Personnel Summary 2026 Permanent FTE's by Department



Employees

Budgeted FTEs	2024	2025	2026	Difference
Legislative & Executive	29.55	30.40	30.80	0.40
Property, Parks, & Libraries	133.00	136.25	131.00	(5.25)
Administrative Services	42.00	42.00	40.00	(2.00)
Finance	23.60	22.85	22.60	(0.25)
Planning & Economic Development	42.00	39.00	39.00	-
Fire Department	151.00	156.00	156.00	-
Police Department	192.00	189.00	190.00	1.00
Public Works & Utilities	263.00	266.00	267.00	1.00
Workforce Development	19.28	19.44	21.28	1.84
Total	895.43	900.94	897.68	(3.27)

City of Duluth Minnesota - 2026 Budget

2026 Citywide Personnel Summary

LEGISLATIVE/EXECUTIVE

Budgeted FTEs	2024	2025	2026
Mayor & City Administration	9.00	9.00	8.00
City Attorney	17.80	19.80	21.80
Safety & Training	1.00	1.00	1.00
Energy Management	1.75	0.60	-
Department Total	29.55	30.40	30.80

PROPERTY, PARKS & LIBRARIES

Budgeted FTEs	2024	2025	2026
Park Maintenance	23.05	22.80	21.80
Library Services	48.00	48.50	47.50
Parks and Recreation	14.45	14.45	15.20
Property and Facilities Management	29.30	32.30	29.30
Fleet Services	17.20	17.20	17.20
Energy Management	1.00	1.00	-
Department Total	133.00	136.25	131.00

ADMINISTRATIVE SERVICES

Budgeted FTEs	2024	2025	2026
Human Resources	11.00	11.00	11.00
IT	24.00	24.00	23.00
Clerk	7.00	7.00	6.00
Department Total	42.00	42.00	40.00

FINANCE

Budgeted FTEs	2024	2025	2026
Budget	7.00	7.00	7.00
Auditor	10.60	9.85	9.60
Purchasing	6.00	6.00	6.00
Department Total	23.60	22.85	22.60

City of Duluth Minnesota - 2026 Budget

2026 Citywide Personnel Summary Continued

PLANNING & ECONOMIC DEVELOPMENT

Budgeted FTEs	2024	2025	2026
Planning	13.25	12.60	13.05
Construction Services	21.00	19.00	19.00
Community Development	7.75	7.40	6.95
Department Total	42.00	39.00	39.00

FIRE

Budgeted FTEs	2024	2025	2026
Fire Administration	6.00	6.00	6.00
Fire Operations	131.00	134.00	134.00
Life Safety	14.00	16.00	16.00
Department Total	151.00	156.00	156.00

POLICE

Budgeted FTEs	2024	2025	2026
Administration, Investigative, Patrol	184.00	181.00	182.00
Parking	8.00	8.00	8.00
Department Total	192.00	189.00	190.00

PUBLIC WORKS - GENERAL FUND

Budgeted FTEs	2024	2025	2026
Public Works Director	0.60	0.60	0.60
Street Maintenance	44.00	44.00	44.00
Engineering	15.20	15.20	9.20
<i>PW General Fund Subtotal</i>	<i>59.80</i>	<i>59.80</i>	<i>53.80</i>

PUBLIC WORKS - UTILITIES OPERATIONS

Budgeted FTEs	2024	2025	2026
Water	59.00	62.65	63.65
Gas	74.85	75.60	78.55
Sewer	36.75	35.35	33.20
Stormwater	27.30	27.30	26.50
Street Lighting	5.30	5.30	5.30
<i>PW Utilities Operations Subtotal</i>	<i>203.20</i>	<i>206.20</i>	<i>207.20</i>

City of Duluth Minnesota - 2026 Budget

2026 Citywide Personnel Summary Continued

PUBLIC WORKS DEPARTMENT TOTAL

Budgeted FTEs	2024	2025	2026
Public Works	263.00	266.00	261.00

Workforce Development

Budgeted FTEs	2024	2025	2026
Workforce Development	19.28	19.44	21.28

Total City FTE's

Budgeted FTEs	2024	2025	2026
Total City	895.43	900.94	891.68

FINANCIAL POLICIES

The City of Duluth's Financial Management Policies provide a framework for fiscal management of the City. In addition, policies are created so all parties operate under the same underlying assumptions. The majority of these policies represent long-standing principles and practices that operate independently of changing circumstances and conditions. Even so, all policies are reviewed annually by the Administration and staff to determine their continued appropriateness and completeness. The City of Duluth used these policies in the formulation of the 2026 budget and to the best of our knowledge the budget complies with these 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 Enterprise 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 by increasing applicable revenue streams.
- **Personnel Expenses** – Additional personnel shall be considered only after service needs have been thoroughly documented or if it is substantiated that new employees will result in increased revenue or operating efficiencies.

FINANCIAL POLICIES CONTINUED

- Grant Funded Programs** – All state and federal grants will be reviewed to determine 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 is accrued. Interest on special assessments receivable is not accrued or budgeted. Major revenues that are not subject to accrual because they are not available 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. Unbilled utility service receivables are recorded at year-end. Utility service revenue estimates are based on the number of customers times an estimated usage amount, minus a factor for delinquencies.

<u>Governmental Funds</u>	<u>Annual Operating Budget</u>	<u>Audited Financial Statements</u>
General Fund	Modified Accrual	Modified Accrual
Special Revenue Funds	Modified Accrual	Modified Accrual
Debt Service Funds	Modified Accrual	Modified Accrual
Capital Projects Funds	Modified Accrual	Modified Accrual

FINANCIAL POLICIES CONTINUED

<u>Proprietary Funds</u>	<u>Annual Operating Budget</u>	<u>Audited Financial Statements</u>
Enterprise Funds	Accrual	Accrual
Internal Service Funds	Accrual	Accrual
<u>Fiduciary Funds</u>	<u>Annual Operating Budget</u>	<u>Audited Financial Statements</u>
Pension (and Other Post Employment Benefits) Trust Funds	Accrual	Accrual

Budgetary Controls & Other - The City will develop and maintain accounting and budgetary control systems to adequately safeguard the assets held in public trust. The legal level of budgetary control is at the department level within a fund. Transfers may be made between departments with the approval of the City Administrator or his/her 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 by providing budgetary information in a meaningful, useful format in a timely manner.
- Staffing will be reported as full-time equivalents (FTE's) 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 measurements 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.

FINANCIAL POLICIES CONTINUED

- The City Administrator is deemed the budget officer of the City. He or she will administer policies and procedures necessary to ensure consistent application of City policies between departments.

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 provided on a per use basis 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 ensure 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, 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 to provide a positive cash balance 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.

FINANCIAL POLICIES CONTINUED

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 circumstances 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 five years or more.

FINANCIAL POLICIES CONTINUED

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 intergovernmental 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 Finance Director. The Debt Management Committee advises the Finance Director on the use of debt financing and debt management activities. The Debt Management Committee meets periodically at the call of the Finance Director and includes the following people:

- Finance Director
- City Auditor
- City Administrator
- Independent Financial Advisor as needed
- Independent Bond Counsel as needed

FINANCIAL POLICIES CONTINUED

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. Private placement is when the debt is sold directly to investors and not re-offered to the public.

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. 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 AA rating from Standard & Poor'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, 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.

FINANCIAL POLICIES CONTINUED

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 City’s financial position is indicative of its ability to adapt to unexpected circumstances, meet existing obligations, and it is a measure of overall flexibility. For these reasons, fund balance and cash balance carry a weight of 30 percent of the City’s bond rating scorecard.

Cash Flow and Contingency - In order for the City of Duluth to respond to unforeseen situations, as well as to positively impact the investment credit rating of the City, the City strives to maintain a collectible unassigned General Fund balance between 16% and 18% of the current year’s General Fund operating budget.

Additionally, the City’s municipal advisors strongly encourage the City to maintain a minimum balance of 40% of budgeted general fund revenues, using the unassigned General Fund balance and the Community Investment Trust (CIT) fund balance to reach the 40%. It is important to note, while the General Fund balance may have opportunity for annual growth, the CIT is dependent on market earnings and therefore does not have the opportunity for annual growth.

For all other funds, appropriate balances shall be maintained to reflect 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. Enterprise funds with salary and benefit costs shall strive to maintain a minimum cash balance in the Enterprise Fund of between 16% and 18% of operating expenses, as circumstance and economic conditions allow.

FINANCIAL POLICIES CONTINUED

- 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 - Fund balance in excess of 18% may be available for use on one-time expenditures such as capital projects, sustainability initiatives, and other one-time investments and programs that enhance efficiencies or reduce operating costs.

Fund balance above 16% and below 18% may be used to provide a short-term solution to maintaining services until projected revenue growth or necessary expenditure reductions are achieved to balance the budget. It is critical to identify and address the issues causing the budget imbalance. The City must evaluate the length and severity of economic conditions and their impact on future revenue projections to determine the extent of expenditure reductions or revenue increases required to achieve structural balance.

The use of fund balance below 16 percent is restricted to responding to a severe economic or other crisis. This category is only used in the most unusual or unexpected situation and is ideally never used.

Fund balance is the cumulative years' excess or deficit of all revenues and expenses. In the case of proprietary funds, this is termed unrestricted net position. 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 Auditor. The Investment Committee advises the Auditor on investment activities. The Investment Committee meets at least quarterly and includes the following persons:

- Finance Director
- City Auditor
- City Administrator
- 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.

FINANCIAL POLICIES CONTINUED

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 Finance Director 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 ensure 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.

FINANCIAL POLICIES CONTINUED

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

Proprietary

- 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. An Annual Comprehensive Financial Report is published by the City within six months of the following year. The Annual Comprehensive Financial Report will be posted on the City's website.

FINANCIAL POLICIES CONTINUED

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 Annual Comprehensive Financial Report to the Government Finance Officers Association (GFOA) to determine its eligibility for the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

BUDGET PROCESS

The Mayor was elected on a campaign of delivering core City services while maintaining affordable taxes. This approach emphasizes limiting the tax levy to new growth plus CPI and directing City resources toward essential services versus activities more appropriately provided by external organizations.

The Mayor shared four guiding principles with department directors to guide the 2026 budgeting process:

1. Focus on core city services.
2. Identify activities the City can stop doing.
3. Explore opportunities to partner with other organizations and entities.
4. Be Bold.

All departments submitted budget proposals and met with the Mayor and City Administrator to review and discuss. Five key areas were identified as priorities through this process:

1. Active management of our finances
2. Earned revenue opportunities
3. Addressing ballooning fire department overtime
4. Evaluating and aligning open full-time equivalent (FTE) positions
5. Evaluating and aligning administrative and support functions

The formal budget process began on September 4th, when Mayor Roger Reinert presented the proposed General Fund budget and tax levy to the City Council. The proposal outlined the City's financial outlook and identified a projected \$5.6 million budget deficit for 2026. For additional details about the budget, view the Mayor's remarks in ["A Conversation with the Mayor"](#). On September 22, 2025, the City Council amended the proposed maximum tax levy, adding an additional 1% to the Mayor's recommendation. On October 31, 2025, the City held a full-day budget retreat with the City Council, during which each department presented its budget proposal and identified where the deficit would be addressed.

On December 8, 2025, the City held public hearings at 6:00 p.m. in the Duluth City Council Chambers for Truth in Taxation, the Capital Improvement Plan, and the proposed issuance of general obligation capital improvement bonds. These hearings provided citizens with an opportunity to offer comments and pose questions. The final 2026 budgets, including all appropriations and tax levies, were approved by the City Council December 15, 2025. The City Council approved the final property tax levy, voting to increase the Mayor's proposed levy of 4.13% by an additional .75% resulting in a total levy of 4.88%.

Public Education and Engagement – Budget Retreat

The Finance Director and Budget Manager shared a Budget 101 presentation for councilors and the public to explain the overall budget process, their role in this process and highlighting key budgeting concepts. Following the overview, each Department Director presented their budgets during a full-day budget retreat. Efforts were made to keep presentations as consistent as possible and allow sufficient time for Councilor questions. This process proved effective: councilors expressed appreciation for the in-depth review of the budget, and fewer changes were requested later in the process.

BUDGET PROCESS CONTINUED

BUDGET CALENDAR

INTERNAL BUDGET DEADLINES:

May	Work collaboratively on budget goals, generate salary and benefit data
June	Fleet revenues, expenses and fuel allocations due in Financial System
June	General fund revenues due in Financial System
July	General fund expenditures due in Financial System
August	PW Utility funds, parks fund, parking fund due in Financial System
September	Special Revenue funds, Internal Service funds, Debt, Capital, Enterprise funds due in Financial System

ADMINISTRATIVE BUDGET REVIEWS

Aug-Oct	General Fund and Fleet, PW Utility Funds, Parks fund, Parking fund
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CAPITAL BUDGETS

July	Instructions and packets sent out to departments
Sept	CEP Rolling Stock and other Equipment Due
Sept	IT CEP projects due
Oct	CIP Projects Submitted
Oct	CIP and CEP administrative review meetings
Nov 24	Capital Improvement presentation to City Council

MAYOR'S BUDGET PRESENTATION to COUNCIL

Sept 4	2026 Proposed General Fund budget and tax levy presentation to Council
Sept 22	City Council sets preliminary budget and maximum property tax levy
Sept 30	2026 proposed budget book published on website

COUNCIL BUDGET REVIEW

Oct 31	Day Long Budget Retreat – Department Presentations
Sept-Dec	Authority Budget Presentations Scheduled by Council Finance Chair

TRUTH IN TAXATION MEETINGS

Dec 8	Truth in Taxation Hearing
Dec 15	Council approves final budget and levy

PROPERTY TAX REPORTING DEADLINES

Sept 30	Proposed maximum property tax levies due to St. Louis County
Dec 28	Final City property tax levies certified to St. Louis County
Dec 28	Certification of Truth in Taxation Compliance due to MN Department of Revenue
Dec 30	Property Tax Levy Report due to MN Department of Revenue

BUDGET PROCESS CONTINUED

PROPERTY TAX LEVY REVENUES

The City's final property tax levy (not including the Parks referendum levy) certified to the County was \$45,515,765; an increase of 4.88% over the 2025 levy.

The City's levy breakdown is shown below.

2026 Approved Property Tax Levy

Description	2025 Approved Levy	2026 Approved Levy	Change In Levy
General Operations	25,547,272	27,846,965	2,299,693
Provision for Tax Delinquency	150,000	150,000	-
Total General Operations Levy	25,697,272	27,996,965	2,299,693
Supplemental Parks Levy	280,000	280,000	-
Capital Projects Levy	4,547,400	4,547,400	-
Debt Service	7,564,200	7,564,200	-
Infrastructure Permanent Improvements	280,000	280,000	-
Total Capital Projects Levy	7,844,200	7,844,200	-
Street Light Levy	2,547,200	2,547,200	-
Street Maintenance Levy	2,300,000	2,300,000	-
Duluth Housing Trust Fund Levy	182,500	-	(182,500)
Total City Property Tax Levy	43,398,572	45,515,765	2,117,193

Description	Change	Percent
General Operations Levy Increase	2,299,693	5.30%
Duluth Housing Trust Fund Levy	(182,500)	-0.42%
2026 City Tax Levy Increase	2,117,193	4.88%

Description	Change	Percent
New Construction Growth	621,622	1.43%
Net Property Tax Impact After Growth	1,495,571	3.45%
2026 City Tax Levy Increase	2,117,193	4.88%

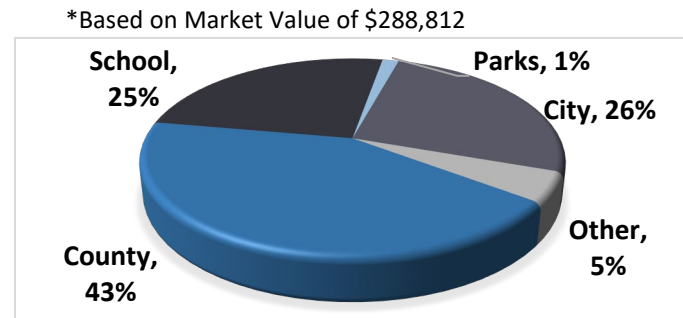
*Total General Operations Levy amount may differ on other pages in budget book due to rounding.

In addition, the City, on behalf of city authorities and voter approved referendum, approved levy requests as follows: The **Duluth Transit Authority (DTA)** in the amount of \$3,069,399; the **Housing and Redevelopment Authority (HRA)** in the amount of \$2,068,889; and **Parks Fund** in the amount of \$2,600,000. The DTA and HRA levies are separated on the property tax statement and are not included in the City levy.

BUDGET PROCESS CONTINUED

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 27% of the total. The chart below shows an average resident's property tax bill with the breakdown by taxing entity.

Taxing Entity	2026 Property Taxes	
City of Duluth	\$ 990	26%
Parks	\$ 57	1%
St. Louis County	\$ 1,613	43%
School District 709	\$ 949	25%
Other Entities	\$ 185	5%
Total Average Bill	\$ 3,794	100%



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 comments on the City's proposed budget and property tax levy for the year 2026 prior to its approval.

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

The statement is a comparison of your actual 2025 tax bill with the proposed tax bill for 2026. 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.

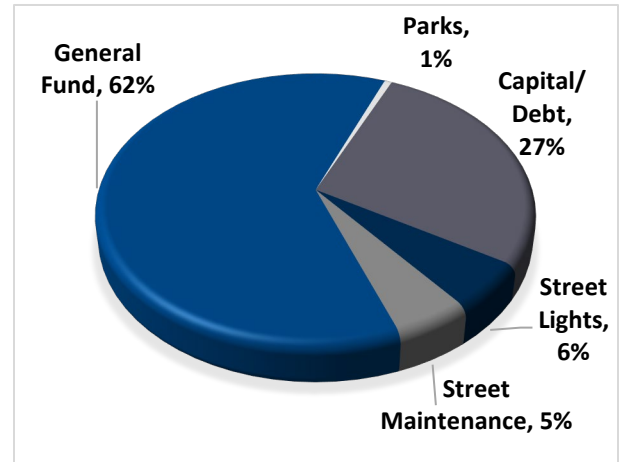
Who can I talk to about my property's market value?

The St. Louis County Assessor's Office can answer your questions about market value. The Assessor's Office telephone number is 218.726.2383. Also, you can search for properties, access property related information, and view frequently asked questions on the St. Louis County website: <https://www.stlouiscountymn.gov/departments-a-z/assessor/property-information>.

BUDGET PROCESS CONTINUED

What services do property taxes fund?

Approximately 27 percent of the City property tax levy funds debt service or capital improvements and equipment. Five percent funds the Street Maintenance Utility Fund for street improvements. Six percent of the levy funds the Street Light Utility fund. Approximately one percent of the levy supplements parks. The remaining 62 percent goes into the City's General Fund to pay for services such as police, fire, libraries, planning and zoning, and street maintenance. For 2026, the portion of the City's general services paid for with property taxes is \$28 million or 25% of the general fund budget. To put the amount into perspective, this does not even cover the Police Department's 2026 funding requirements totaling \$30.4 million.



If property taxes only cover 25 percent 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 (LGA) from the State of Minnesota at \$35.2 million or 31 percent of total general fund revenue. City Sales and Use tax contributes \$18.5 million or 16 percent of total general fund revenue.

LONG-RANGE OPERATING FINANCIAL PLANS

CITY LONG-RANGE PLANNING PROCESSES

The City of Duluth uses several planning processes to guide financial and operational decision-making. Some of these processes, such as capital budget and capital improvement planning, have been in place for many years, while others have been implemented more recently. Together, these tools help provided elected officials, residents, managers and staff with the information needed to plan for future needs and evaluate the effectiveness and value of City services. Outlined below the five-year forecast is a brief overview of the key assumptions the City of Duluth uses in its budget and planning process.

Long-Range Planning

Throughout the year, the Budget team and Finance Director monitor current and historical economic trends and review state and federal economic reports to assess conditions at the national, regional and local levels. The analysis forms the basis of the City's five-year revenue and expenditure forecasts, which incorporate both economic indicators and internal data.

These forecasts are presented to the City Administrator and the Mayor at the start of the budget process to outline the short and long-term economic environment. Major changes are explained, and projections are linked to relevant economic indicators when appropriate or explained when indicators are not directly applicable. Conservative assumptions guide the forecasts; revenue growth is generally projected at modest levels, and expenditures are typically assumed to increase 2-3 percent annually. For expenditure categories with higher projected growth, additional context is provided, such as changes in state law or increase in contractual salaries and benefits. Finally, economic indicators used in the analysis are shared along with their recent trends and key uncertainties that could affect future outcomes.

Key Revenue Assumptions in General Fund Long-Range Model

Property Taxes

Property Taxes are the second largest source of revenue in the general fund, and the only revenue the City can directly control. An annual property tax increase is modeled in future years, with 4.88 percent general fund operational increases in 2026 and then, higher increases in future years due to collective bargaining salary increases. Future years may be adjusted as budgets are refined through appropriation reductions or revenue increases.

Sales Tax

General Sales and Use Tax is a one-percent excise tax on gross receipts from retail sales or materials purchased for use within the City of Duluth. Revenues are deposited in the General fund and may be used to support general City services. Sales tax revenue was increased to \$18.5 million in 2026 as consumer spending has remained strong. While growth in this revenue source has begun to level off, it has not declined. In future years, the budget is expected to increase to a sustainable level and then grow in line with overall economic activity, such as gross domestic product.

LONG-RANGE OPERATING FINANCIAL PLANS CONTINUED

Minnesota Power Franchise Fee

These fees represent three percent (3%) of Minnesota Power's gross electric sales for service within the city and are applied to customers' bills for electric service. Minnesota Power's most recent 2025 Integrated Resource Plan (IRP) continues its Energy Forward strategy, which calls for significant expansion of renewable energy (targeting approximately 80% renewable by 2030 and 90% by 2035) and the replacement of coal-fired generation with newer natural gas generation and other resources. The resource mix is designed to align with Minnesota's state requirement for utilities to achieve 100% carbon-free electricity by 2040. It is reasonable to increase this revenue source by 4 percent looking at historical trends in usage and the Energy Information Administration's regional electricity price and sales forecasts.

Multiple Dwelling License

Multiple Dwelling Licenses are rental licenses to ensure safe occupancy of rental homes. These license renewals are on a three-year cycle. The forecasts are calculated by the cost of the license fee multiplied by the number of licenses each year. These fees were recently right sized to reflect the actual cost of the work but are typically increased by the Consumer Price Index (CPI) each year, so moderate increases are reasonable.

Other Financing Sources

Other Financing Sources are transfers in from other funds (Grants, Tourism, Enterprise etc.) that typically support personnel costs. These are relatively stable transfers with only contractual salary and benefit increases to cover personnel costs. Any transfers that support personnel costs have been increased by the forecasted cost of future salary and benefit increases.

Local Government Aid

Local Government Aid (LGA) is the largest source of revenues for the General Fund. Historically, increases have been less than 1% per year. The State currently projects a \$3.7 billion budget surplus in the 2026-2027 biennium, though longer-range forecasts still show spending growth outpacing revenue, implying potential shortfalls and only modest growth in revenue without major cuts. In the City's 2026 budget, LGA is budgeted with not change from the prior year and only very small increases are projected over the next five years.

Inspection Fees

Inspection fees are construction permit fees. When City-initiated lead line permits are removed from the total, permits are down 15% compared with 2019. However, the valuation of permits issued has increased by 46% since 2019, keeping permit revenue stable. The revenue forecast projects growth over the next five years based on GDP projections.

Gas Utility in Lieu of Taxes

According to the Energy Information Agency, natural gas prices in this region are expected to remain relatively stable for both residential and commercial customers. Based on consumption volumes, projected natural gas costs, and historical price averages, the City is forecasting that the Gas Utility in Lieu of Taxes will remain relatively flat for the next five years.

LONG-RANGE OPERATING FINANCIAL PLANS CONTINUED

Key Expenditure Assumptions in General Fund Long-Range Model

Salaries & Benefits

Under current collective bargaining agreements (CBAs), salary and benefits for 2027 are expected to increase by approximately 6%. Most of these CBAs are set to expire at the end of 2027 and will be subject to renegotiation. Forecasts for 2028 and beyond anticipate lower rate increases, contingent on the outcomes of negotiations with the respective collective bargaining units.

Medical Insurance

In 2026, the Medica premium increased by 7.5%, reflecting the ongoing upward pressure on health care costs. This rise is consistent with broader national trends, where employers and insurers are experiencing significantly elevated cost increases driven by medical inflation, higher utilization of services and expensive specialty drugs and treatments. Because of these sustained cost pressures, the projections in this forecast assume continuing 7.5% annual increases in health insurance premiums beyond 2026 if the plan is not restructured.

Worker's Compensation and Liability Insurance

Recent changes to state law require peace officers and firefighters with qualifying psychological conditions to complete a period of treatment before applying for duty disability benefits. During this treatment period, employers must continue paying the employee's full wages and benefits, with eligible costs reimbursed by the State. The legislation was supported by a one-time state funding allocation to reimburse local governments for these costs. Once those funds are depleted, the City will be responsible for covering the full cost of salary, benefits and any final settlement associated with the claim.

Fleet Services

This line reflects the General Fund portion of Fleet costs, reflecting the City's ongoing investment in maintaining its vehicle fleet. It includes projected salary and benefit increases for Fleet staff, as well as modest year over year increases for parts and sublet labor costs, which are necessary to support routine repairs and outsourced work. Based on these inputs, the forecast assumes an average annual growth of approximately 4% in these costs each year.

Motor Fuels

For motor fuel cost projections, the forecast is based on the Energy Information Administration's (EIA) national retail gasoline and diesel price outlook, adjusted to reflect regional and state cost components. Recent EIA forecasts show relatively modest changes in retail fuel prices through 2027, with some slight increases as crude price assumptions and refining margins evolve. Given this outlook and inherent volatility along with the expectation that a growing share of the City's fleet will transition to hybrid vehicles, this forecast assumes an average growth rate of 2% in motor fuel costs going forward.

LONG-RANGE OPERATING FINANCIAL PLANS CONTINUED

CITY OF DULUTH LONG RANGE FORECAST

Description	2026	2027	2028	2029	2030	2031
Property Taxes	27,997,000	33,073,666	36,063,979	39,241,162	42,571,696	46,064,423
City Sales Tax	18,486,500	18,819,257	19,176,823	19,522,006	19,873,402	20,231,123
Minnesota Power Franchise Tax	4,010,000	4,178,019	4,353,078	4,535,472	4,725,508	4,923,506
Multiple Dwelling License	892,500	1,071,000	1,092,420	1,114,268	1,136,554	1,159,285
Other Financing Sources	7,429,400	7,689,429	7,958,559	8,197,316	8,443,235	8,696,532
Local Government Aid	35,231,100	35,319,178	35,407,476	35,495,994	35,584,735	35,673,697
Inspection Fees	3,561,300	3,625,403	3,694,287	3,760,783	3,828,477	3,897,391
Gas Utility In Lieu of Taxes	2,800,000	2,807,000	2,814,018	2,821,053	2,828,105	2,835,175
All Other Revenue Sources	12,660,800	12,666,612	12,667,647	12,668,738	12,670,349	12,671,960
Cash Reserves	150,000	-	-	-	-	-
Total Revenues	113,218,600	119,249,564	123,228,286	127,356,791	131,662,061	136,153,093
Salaries (OT + Other Wages)	63,186,800	66,978,008	68,987,349	71,056,969	73,188,678	75,384,339
Medical	14,016,700	15,067,953	16,198,049	17,412,903	18,718,870	20,122,786
PERA	7,826,900	8,296,514	8,545,410	8,801,772	9,065,825	9,337,799
Retiree Medical	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000
All other Benefits	5,664,900	5,979,403	6,154,430	6,334,953	6,521,154	6,712,827
Insurance (work comp + liability)	2,814,900	2,814,900	2,814,900	2,814,900	2,814,900	2,814,900
Fleet Services	3,610,900	3,755,336	3,905,549	4,042,243	4,183,722	4,330,153
Motor Fuels	880,000	897,600	915,552	933,863	952,540	971,591
All Other Expenditures	12,117,500	12,359,850	12,607,047	12,859,188	13,116,372	13,378,699
Total Expenditures	113,218,600	119,249,564	123,228,286	127,356,791	131,662,061	136,153,093

LONG RANGE OPERATING FINANCIAL PLAN AND RELATION TO ACHIEVING STRATEGIC GOALS

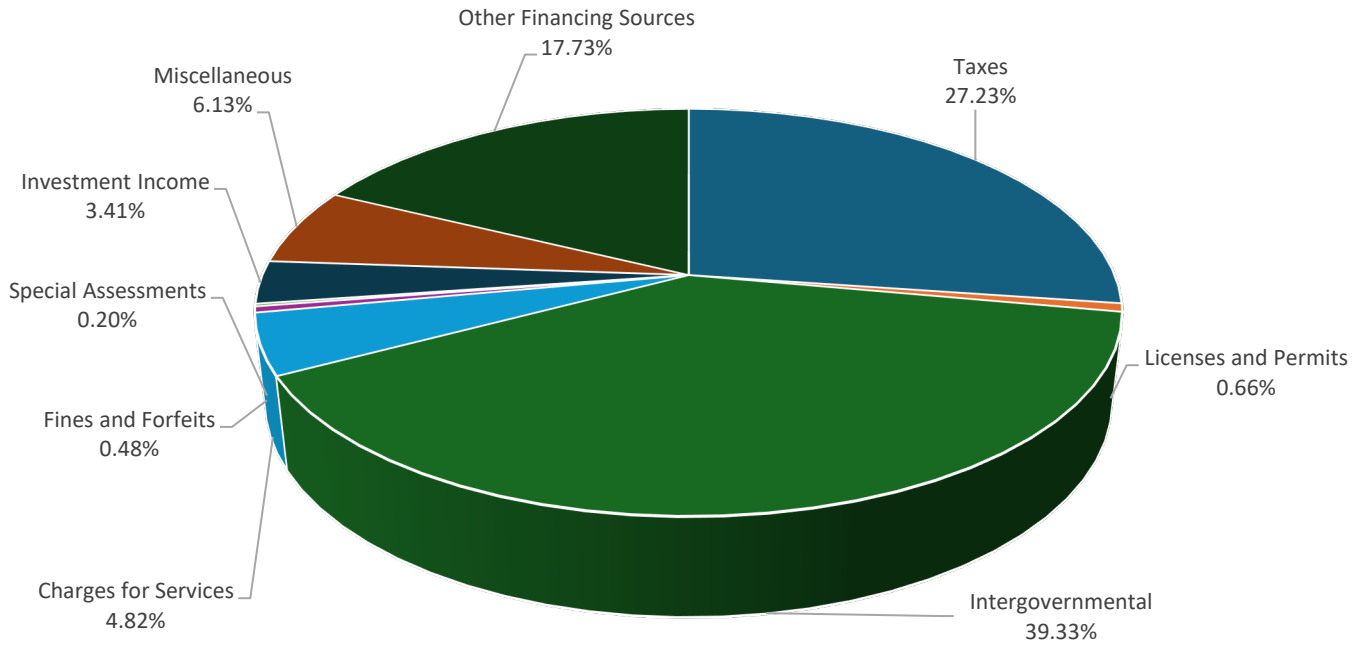
When developing the long-range operating financial plan, potential challenges can be identified well in advance. Using Budgeting for Results (Priority Based Budgeting), the City evaluates programs based on their alignment with strategic goals and reallocates resources from lower-priority programs to those that deliver the greatest value to the community. The Budgeting for Results framework also provides an annual snapshot of how resources are aligned with strategic priorities, supporting ongoing efforts to shift funding toward programs that best advance the City's goals.

COMPREHENSIVE CAPITAL BUDGET AND PLAN

Producing a five-year Capital Improvement Plan remains a key City priority and serves as the foundation for the annual capital budget proposal. The plan supports both short and long-term capital planning, coordinates capital needs across City departments, and responds to bond rating agency recommendations for a structured and comprehensive capital planning process. Formal capital planning also helps the City prioritize infrastructure investments and align projects with long-term financial capacity. In 2025, the Budget Office collaborated with Fleet, Facilities, Engineering, Parks and IT divisions to develop the five-year plan (see the Capital Book section).

City of Duluth Minnesota - 2026 Budget

2026 Total Approved Revenues



Type	2024 Actual	2025 Budget	2026 Approved
Taxes	94,277,589	87,035,500	91,122,600
Licenses and Permits	2,627,304	2,443,800	2,193,400
Intergovernmental	102,628,814	112,567,322	131,599,453
Charges for Services	14,638,352	14,935,560	16,134,684
Fines and Forfeits	1,409,621	1,511,500	1,620,900
Special Assessments	909,710	683,400	678,200
Investment Income	13,622,168	12,754,763	11,411,287
Miscellaneous	21,985,174	19,203,631	20,499,713
Other Financing Sources	73,767,120	49,829,100	59,332,400
Operating Revenues	132,315,895	156,575,610	132,407,700
Non-Operating Revenues	4,561,344	5,583,411	5,130,978
Total 2026 Revenues	462,743,091	463,123,597	472,131,315

City of Duluth Minnesota - 2026 Budget

City Revenues

Taxes	2024 Actual	2025 Budget	2026 Approved	Difference
General Fund	53,399,721	48,203,000	51,539,900	3,336,900
Special Revenue Fund	32,606,116	30,477,200	31,207,200	730,000
Debt Service Fund	7,994,840	8,075,300	8,095,500	20,200
Capital Projects Fund	276,912	280,000	280,000	-
Taxes Total	94,277,589	87,035,500	91,122,600	4,087,100

Licenses and Permits	2024 Actual	2025 Budget	2026 Approved	Difference
General Fund	2,257,925	2,182,700	1,827,200	(355,500)
Special Revenue Fund	131,997	109,400	132,900	23,500
Enterprise Fund	237,382	151,700	233,300	81,600
Licenses and Permits Total	2,627,304	2,443,800	2,193,400	(250,400)

Intergovernmental	2024 Actual	2025 Budget	2026 Approved	Difference
General Fund	41,913,925	39,891,100	39,884,100	(7,000)
Special Revenue Fund	13,581,064	11,304,602	11,575,633	271,031
Debt Service Fund	829,300	827,300	-	(827,300)
Capital Projects Fund	20,058,133	25,044,320	29,929,720	4,885,400
Enterprise Fund	25,732,255	35,500,000	50,210,000	14,710,000
Internal Service Fund	514,137	-	-	-
Intergovernmental Total	102,628,814	112,567,322	131,599,453	19,032,131

Charges for Services	2024 Actual	2025 Budget	2026 Approved	Difference
General Fund	7,947,158	7,293,800	8,187,200	893,400
Special Revenue Fund	1,572,723	1,828,726	1,785,300	(43,426)
Enterprise Fund	5,118,470	5,813,034	6,162,184	349,150
Charges for Services Total	14,638,352	14,935,560	16,134,684	1,199,124

Fines and Forfeits	2024 Actual	2025 Budget	2026 Approved	Difference
General Fund	249,300	202,000	202,000	-
Special Revenue Fund	127,217	100,000	100,000	-
Enterprise Fund	1,033,105	1,209,500	1,318,900	109,400
Fines and Forfeits Total	1,409,621	1,511,500	1,620,900	109,400

City of Duluth Minnesota - 2026 Budget

City Revenues Continued

Special Assessments	2024 Actual	2025 Budget	2026 Approved	Difference
General Fund	663,678	534,800	539,800	5,000
Capital Projects Fund	246,032	148,600	138,400	(10,200)
Special Assessments Total	909,710	683,400	678,200	(5,200)

Investment Income	2024 Actual	2025 Budget	2026 Approved	Difference
General Fund	143,925	-	-	-
Special Revenue Fund	12,255,552	12,754,763	11,411,287	(1,343,476)
Debt Service Fund	44,442	-	-	-
Capital Projects Fund	153,186	-	-	-
Enterprise Fund	124,696	-	-	-
Internal Service Fund	900,367	-	-	-
Investment Income Total	13,622,168	12,754,763	11,411,287	(1,343,476)

Miscellaneous	2024 Actual	2025 Budget	2026 Approved	Difference
General Fund	6,806,539	544,200	659,000	114,800
Special Revenue Fund	7,902,623	14,235,519	14,529,588	294,069
Debt Service Fund	2,290,153	2,118,900	2,203,000	84,100
Capital Projects Fund	846,427	985,530	2,630,690	1,645,160
Enterprise Fund	1,306,895	384,475	392,425	7,950
Internal Service Fund	2,832,537	935,007	85,010	(849,997)
Miscellaneous Total	21,985,174	19,203,631	20,499,713	1,296,082

Other Financing Sources	2024 Actual	2025 Budget	2026 Approved	Difference
General Fund	29,746,607	10,127,500	10,229,400	101,900
Special Revenue Fund	21,016,023	13,057,900	9,922,300	(3,135,600)
Debt Service Fund	5,969,602	6,385,700	6,439,500	53,800
Capital Projects Fund	14,270,812	19,653,000	12,128,000	(7,525,000)
Enterprise Fund	2,674,296	605,000	20,613,200	20,008,200
Internal Service Fund	89,780	-	-	-
Other Financing Sources Total	73,767,120	49,829,100	59,332,400	9,503,300

City of Duluth Minnesota - 2026 Budget

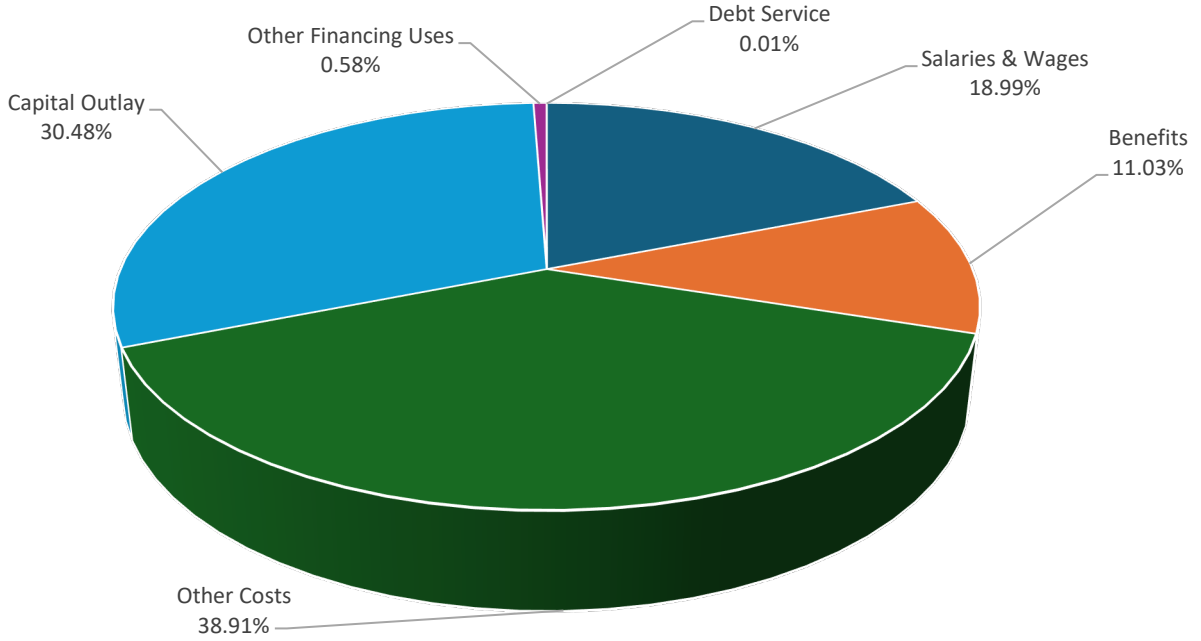
City Revenues Continued

Operating Revenues	2024 Actual	2025 Budget	2026 Approved	Difference
General Fund	298	-	-	-
Special Revenue Fund	5,196	-	-	-
Enterprise Fund	94,952,082	113,336,900	123,915,300	10,578,400
Internal Service Fund	37,358,319	43,238,710	8,492,400	(34,746,310)
Operating Revenues Total	132,315,895	156,575,610	132,407,700	(24,167,910)

Non Operating Revenues	2024 Actual	2025 Budget	2026 Approved	Difference
General Fund	-	450,000	150,000	(300,000)
Special Revenue Fund	-	2,376,111	2,136,678	(239,433)
Enterprise Fund	4,561,344	2,757,300	2,844,300	87,000
Non-Operating Revenues Total	4,561,344	5,583,411	5,130,978	(452,433)

City Revenue Total	2024 Actual	2025 Budget	2026 Approved	Difference
Total	462,743,091	463,123,597	472,131,315	9,007,718

2026 Total Approved Expenditures



Type	2024 Actual	2025 Budget	2026 Approved
Salaries & Wages	81,546,708	85,663,938	91,040,439
Benefits	54,141,984	51,671,803	52,859,332
Other Costs	227,374,035	222,693,071	186,514,523
Capital Outlay	58,053,575	115,333,410	146,080,255
Other Financing Uses	3,228,860	3,000,000	2,800,000
Debt Service	46,344	47,800	47,900
Total 2026 Expenditures	424,391,506	478,410,022	479,342,449

City of Duluth Minnesota - 2026 Budget

City Expenses

Salaries & Wages	2024 Actual	2025 Budget	2026 Approved	Difference
General Fund	58,509,826	59,671,700	63,186,800	3,515,100
Special Revenue Fund	5,409,420	6,640,238	6,453,169	(187,069)
Enterprise Fund	15,148,650	16,728,300	18,982,200	2,253,900
Internal Service Fund	2,478,812	2,623,700	2,418,270	(205,430)
Taxes Total	81,546,708	85,663,938	91,040,439	5,376,501

Benefits	2024 Actual	2025 Budget	2026 Approved	Difference
General Fund	34,996,485	28,918,100	30,608,500	1,690,400
Special Revenue Fund	6,210,528	12,360,503	12,628,932	268,429
Enterprise Fund	12,160,272	9,681,800	8,869,800	(812,000)
Internal Service Fund	774,698	711,400	752,100	40,700
Licenses and Permits Total	54,141,984	51,671,803	52,859,332	1,187,529

Other Costs	2024 Actual	2025 Budget	2026 Approved	Difference
General Fund	50,749,206	20,493,300	19,077,300	(1,416,000)
Special Revenue Fund	53,100,248	60,254,958	54,095,397	(6,159,561)
Debt Service Fund	16,274,306	16,202,100	16,776,600	574,500
Capital Projects Fund	2,567,198	71,000	-	(71,000)
Enterprise Fund	67,506,151	85,390,311	91,002,986	5,612,675
Internal Service Fund	37,176,926	40,281,402	5,562,240	(34,719,162)
Intergovernmental Total	227,374,035	222,693,071	186,514,523	(36,178,548)

Capital Outlay	2024 Actual	2025 Budget	2026 Approved	Difference
General Fund	755,141	346,000	346,000	-
Special Revenue Fund	5,501,801	8,832,715	6,790,300	(2,042,415)
Capital Projects Fund	43,966,041	50,409,095	43,476,455	(6,932,640)
Enterprise Fund	7,830,593	55,745,600	95,467,500	39,721,900
Charges for Services Total	58,053,575	115,333,410	146,080,255	30,746,845

Debt Service	2024 Actual	2025 Budget	2026 Approved	Difference
Enterprise Fund	46,344	47,800	47,900	100
Fines and Forfeits Total	46,344	47,800	47,900	100

City of Duluth Minnesota - 2026 Budget

City Expenses Continued

Other Financing Uses	2024 Actual	2025 Budget	2026 Approved	Difference
Enterprise Fund	3,228,860	3,000,000	2,800,000	(200,000)
Special Assessments Total	3,228,860	3,000,000	2,800,000	(200,000)

City Expenses Total	2024 Actual	2025 Budget	2026 Approved	Difference
Total	424,391,506	478,410,022	479,342,449	932,427

City of Duluth Minnesota - 2026 Budget

Detail by Fund

General Fund

Fund	Estimated Beginning Balance	Revenues	Expenses	Balance	% Change Fund Balance
General Fund	37,699,042	113,218,600	113,218,600	37,699,042	0%
Total	37,699,042	113,218,600	113,218,600	37,699,042	-

Special Revenue Funds

Fund	Estimated Beginning Balance	Revenues	Expenses	Balance	% Change Fund Balance
Zoo	(54,462)	2,783,300	2,775,900	(47,062)	14%
Parks Fund	3,499,841	3,135,100	3,135,100	3,499,841	0%
Special Projects	6,809,089	2,026,400	2,026,400	6,809,089	0%
Duluth Police Grant Programs	133,589	1,494,455	1,494,455	133,589	0%
Capital Equipment	8,070,236	4,829,900	5,410,500	7,489,636	7%
Economic Development	3,255,492	206,849	198,861	3,263,480	0%
Community Investment Trust	37,507,885	1,000,000	1,000,000	37,507,885	0%
Energy Management	1,692,649	1,821,800	1,821,800	1,692,649	0%
Tourism Taxes	3,066,245	15,328,300	15,328,300	3,066,245	0%
HOME Investment Prtnrshp Program	(21,709)	2,506,764	2,506,764	(21,709)	0%
Community Development	879,155	2,548,668	2,548,668	879,155	0%
CD and Housing Administration	(4,258)	890,789	890,789	(4,258)	0%
Workforce Development	636,505	3,531,029	3,531,029	636,505	0%
Senior Programs	2,273	-	-	2,273	0%
Other Post Employment Benefits	112,195,414	22,014,932	18,794,932	115,415,414	3%
DECC Revenue Fund	6,698,652	4,476,600	3,336,500	7,838,752	17%
Street System Maint Utility	3,911,884	2,300,000	2,658,900	3,552,984	9%
Street Improvement Sales Tax	10,366,846	9,200,000	9,200,000	10,366,846	0%
Street Lighting Utility	1,619,575	2,593,200	3,192,700	1,020,075	37%
Total	200,264,901	82,688,086	79,851,598	203,101,389	-

City of Duluth Minnesota - 2026 Budget

Detail by Fund Continued

Debt Service Funds

Fund	Estimated Beginning Balance	Revenues	Expenses	Balance	% Change Fund Balance
General Obligation	7,904,875	8,043,700	8,132,400	7,816,175	1%
G O Debt Service-Other Sources	11,326,205	8,163,000	8,166,000	11,323,205	0%
Tax Increment	384,749	531,300	478,200	437,849	14%
Total	19,615,829	16,738,000	16,776,600	19,577,229	-

Capital Projects Fund

Fund	Estimated Beginning Balance	Revenues	Expenses	Balance	% Change Fund Balance
Special Assessment	78,636	18,800	-	97,436	24%
Permanent Improvement	(2,120,165)	23,043,400	23,043,400	(2,120,165)	0%
Street Improvement Program	(2,095,045)	9,769,600	7,674,555	-	100%
Capital Improvements	(4,207,950)	9,828,000	9,828,000	(4,207,950)	0%
Tourism & Recreational Projects	(1,084,716)	2,447,710	2,930,500	(1,567,506)	45%
Total	(9,429,240)	45,107,510	43,476,455	(7,798,185)	-

Internal Service Fund

Fund	Estimated Beginning Balance	Revenues	Expenses	Balance	% Change Fund Balance
Self Insurance	1,799,780	1,842,350	1,981,500	1,660,630	8%
Self Insurance-Liabilities	158,597	949,860	968,010	140,447	11%
Group Health	17,917,726	36,241,160	37,884,951	16,273,935	9%
Minnesota Paid Leave	-	780,000	780,000	-	0%
Dental Health	558,991	1,239,888	1,318,655	480,224	14%
Fleet Services	653,051	5,785,200	5,783,100	655,151	0%
Total	21,088,146	46,838,458	48,716,216	19,210,388	-

City of Duluth Minnesota - 2026 Budget

Detail by Fund Continued

Enterprise Fund

Fund	Estimated Beginning Balance	Revenues	Expenses	Balance	% Change Fund Balance
Golf	2,407,173	3,504,109	3,181,186	2,730,096	13%
Parking Fund	35,723,216	6,522,500	6,242,700	36,003,016	1%
Priley Drive Parking Facility	5,220,505	1,142,000	1,382,100	4,980,405	5%
Water	94,558,347	71,499,000	73,355,500	92,701,847	2%
Water Infrastructure Surcharge	-	23,000,000	22,821,500	178,500	0%
Gas	79,457,322	56,432,300	57,645,900	78,243,722	2%
Sewer	77,744,197	22,215,200	24,239,400	75,719,997	3%
Clean Water Surcharge Fund	33,289,555	-	-	33,289,555	0%
Stormwater	30,260,464	10,521,600	14,585,800	26,196,264	13%
Steam	24,239,021	10,852,900	13,716,300	21,375,621	12%
Total	382,899,801	205,689,609	217,170,386	371,419,024	-

Percent Changes for Governmental Funds Greater than 10%

Lake Superior Zoological Gardens Fund – The fund balance is gradually increasing as revenue-generating strategies are implemented, including adjustments to various program fees and the expansion of on-site visitor experiences.

DECC Revenue – This reflects 2025 budgeted expenditures. The City transfers any difference in revenue to the DECC.

Street Lighting Fund – Spending reflects the planned use of previously accumulated property tax revenue to cover increasing salaries and benefits costs related to street lighting operations.

Tax Increment Debt Service – The City captures 10% of tax increment financing proceeds. Revenue in this fund will continue to grow.

Special Assessment Capital Project – This fund captures the remaining assessments associated with improvements financed through special assessments. The collected revenues will be transferred out in future years to support associated capital financing.

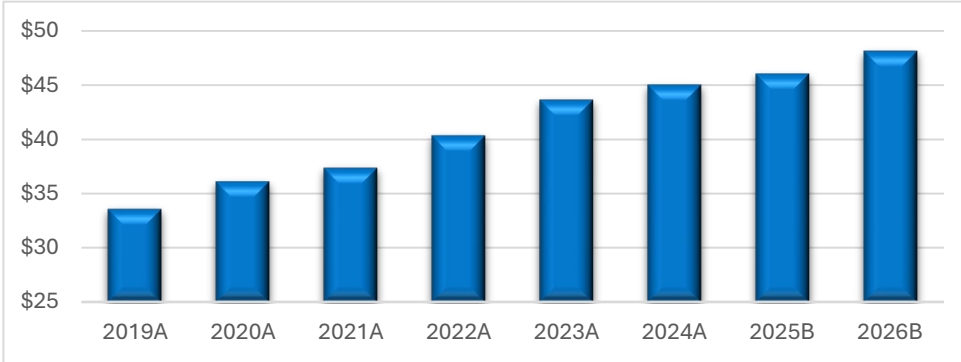
Street Improvement Program – Planned expenditures to support the improvement of several miles of city streets as part of the ongoing street improvement program.

Tourism and Recreational Projects – This reflects the City beginning to spend funds on the Athletic Venue Reinvestment Initiative prior to issuing bonds to finance the project.

MAJOR REVENUE SOURCE ANALYSIS

Property Tax Levy (in millions)

(A: Actual B: Budget)



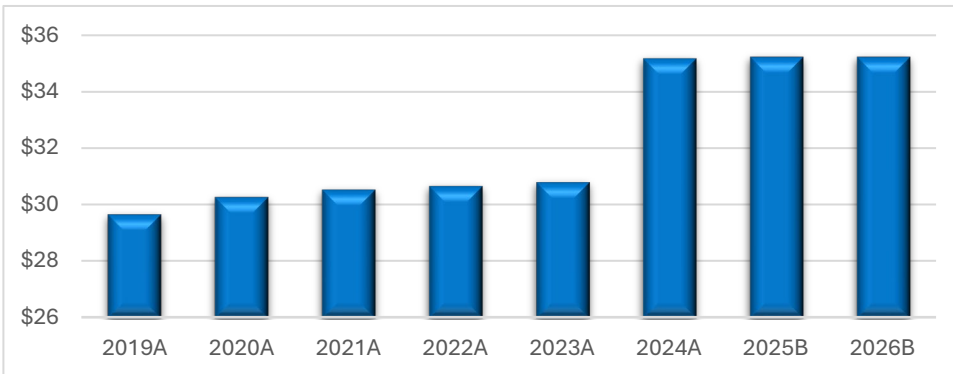
2019A	\$33.58
2020A	\$36.13
2021A	\$37.35
2022A	\$40.33
2023A	\$43.63
2024A	\$45.01
2025B	\$46.00
2026B	\$48.12

Description and 2026 Budget

Property taxes are levied on property based on its assessed value and classification in accordance with state statute. Total market values within the City have increased. Estimated market values and tax rates are provided in the statistical section of the Appendix. The City of Duluth’s tax levy increased by 4.6% compared with last year’s budget (including the Parks RMV levy). The 2026 property tax levy includes a \$2.30 million increase to support general operations, while funding levels for debt service and capital funding remain unchanged from the previous year.

Local Government Aid (in millions)

(A: Actual B: Budget)



2019A	\$29.67
2020A	\$30.28
2021A	\$30.54
2022A	\$30.67
2023A	\$30.81
2024A	\$35.18
2025B	\$35.23
2026B	\$35.23

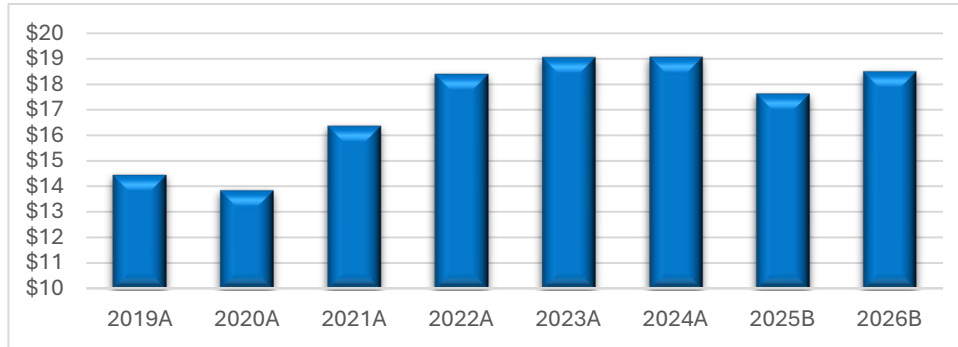
Description and 2026 Budget

State aid to cities through the Local Government Aid (LGA) program has undergone many changes since its inception in 1971, including modifications to the formula, legislative cuts, and governor allotments during periods of state budget deficits. From 2010 to 2014, the City of Duluth’s LGA funding fell below the 2009 level. LGA remained relatively flat from 2014 to 2019. In 2024, the City received an increase of \$4.37 million. For 2026 the City’s certified LGA amount is \$35.23 million, unchanged from 2025. The City continues to lobby for future LGA increases that keep pace with inflation and the rising cost of providing municipal services.

MAJOR REVENUE SOURCE ANALYSIS

General Sales & Use Tax (in millions)

(A: Actual B: Budget)



2019A	\$14.45
2020A	\$13.85
2021A	\$16.37
2022A	\$18.38
2023A	\$19.03
2024A	\$19.05
2025B	\$17.62
2026B	\$18.49

Description and 2026 Budget

General Sales and Use Tax is a one percent excise tax on gross receipts from retail sales and certain materials purchased for use within the City of Duluth. Revenues are deposited in the General Fund and may be used to support general City operations.

Several policy changes have affected this revenue source in recent years. State legislation eliminated the City’s authority to collect sales tax on motor vehicle purchases, and the State now collects and remits taxes from out-of-state and online sellers. In 2024, the State also transitioned its administrative charge for collecting local sales tax from a flat fee to a percentage-based model. The City has elected to net this administrative cost directly against sales tax revenues.

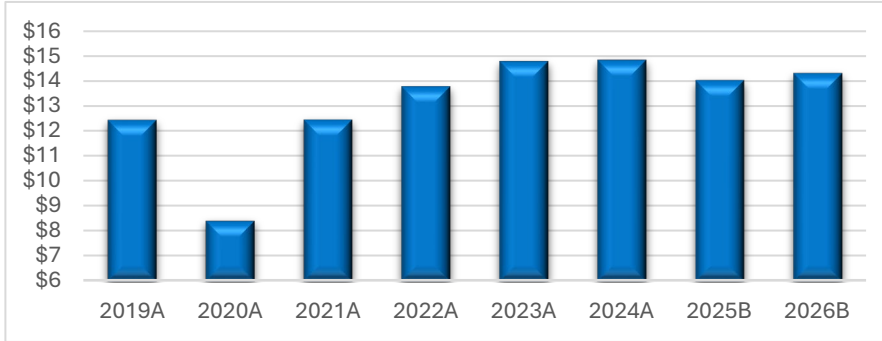
Sales tax projections continue to assume moderate, sustainable growth given the sensitivity of this revenue to economic conditions. Consumer spending represents more than two-thirds of U.S. economy activity and is closely tied to employment levels, wage growth, inflation and interest rates. Recent economic data indicates that while consumer spending remains resilient, overall growth is moderating as higher borrowing costs, inflation pressures and rising household debt constrain discretionary spending.

Given these uncertainties, the City continues to monitor national and regional economic indicators to assess whether taxable sales growth reflects a sustained increase in consumer spending.

MAJOR REVENUE SOURCE ANALYSIS

Tourism Taxes (in millions)

(A: Actual B: Budget)



2019A	\$12.42
2020A	\$ 8.41
2021A	\$12.43
2022A	\$13.75
2023A	\$14.75
2024A	\$14.81
2025B	\$14.00
2026B	\$14.28

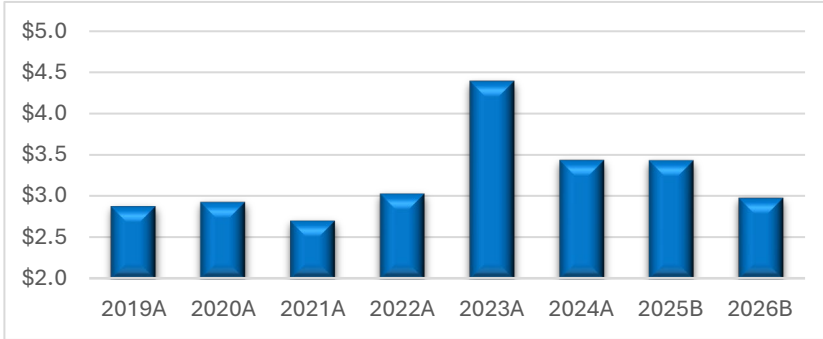
Description and 2026 Budget

Tourism taxes are applied to food and beverage sales and hotel/motel accommodations and are recognized in a special revenue fund which is allocated by Council action. Approximately 50% of these revenues are used to fund existing debt on the Amsoil Arena and the St. Louis River Corridor projects. In 2015, the 0.5% hotel/motel tax and 0.5% food and beverage tax were reinstated to support tourist-related capital improvements along the St. Louis River Corridor. Monthly tourism tax data shows modest growth in 2025 for food, beverage and lodging receipts compared with 2024, though hotel/motel collections have declined slightly while food and beverage collections have increased slightly. Overall growth remains slow relative to prior years, suggesting a softening demand. The City anticipates a moderation in tourism tax revenues in 2026 and beyond and continues to monitor economic indicators to inform revenue projections and budget planning.

MAJOR REVENUE SOURCE ANALYSIS

Gas & Steam in Lieu of Taxes (in millions)

(A: Actual B: Budget)



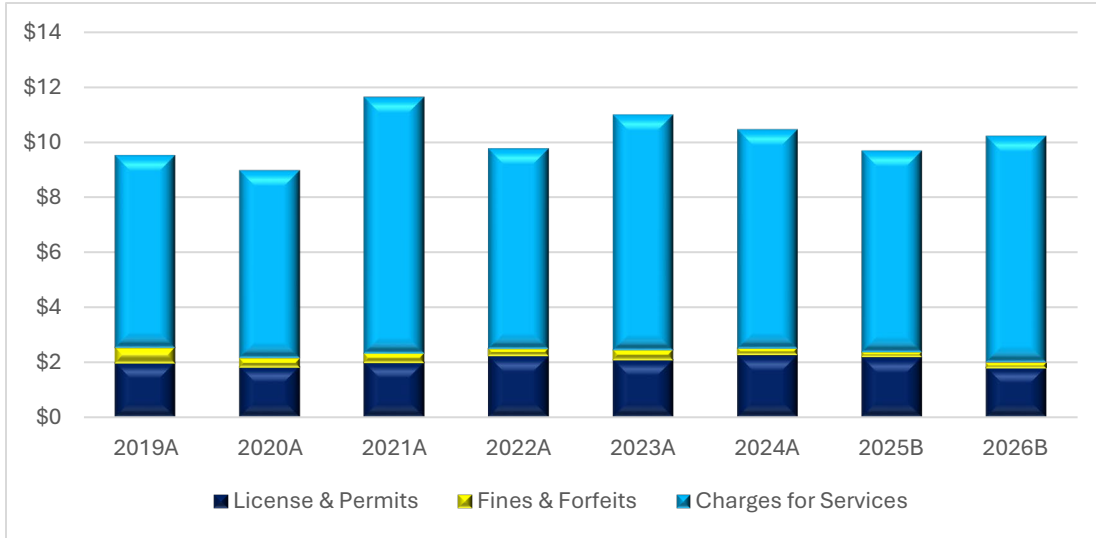
2019A	\$2.88
2020A	\$2.93
2021A	\$2.71
2022A	\$3.03
2023A	\$4.39
2024A	\$3.44
2025B	\$3.43
2026B	\$2.98

Description and 2026 Budget

Payment in Lieu of Taxes (PILOT) revenue is derived from payments made by municipal utilities in lieu of property taxes for services provided. The largest source of PILOT revenues is the municipal gas utility, with a minimal contribution from the steam utility. Payments are based on each utility’s annual gross receipts and per City ordinance, effective January 1, 2015, gas utility PILOT funds are allocated to the General Fund and the Street System Utility Fund. The base amount of \$3.6 million, adjusted annually for the Consumer Price Index, is directed to the General Fund, with any incremental gas PILOT above the base directed to the Street System Utility Fund. Fluctuations in natural gas pricing and customer usage related to the prior heating season affect PILOT for both the gas and steam utilities. The 2026 budgeted PILOT revenues are projected at \$2.8 million, a 13% decrease compared with the 2025 budgeted amount, reflecting lower projected annual gross receipts based on recent utility trends.

MAJOR REVENUE SOURCE ANALYSIS

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



(A: Actual B: Budget)

Year	License & Permits	Fines & Forfeits	Charges for Services	Total
2019A	\$1.99	\$0.54	\$6.99	\$9.52
2020A	\$1.85	\$0.33	\$6.80	\$8.97
2021A	\$2.00	\$0.34	\$9.29	\$11.63
2022A	\$2.22	\$0.28	\$7.26	\$9.76
2023A	\$2.10	\$0.36	\$8.53	\$10.99
2024A	\$2.26	\$0.25	\$7.95	\$10.45
2025B	\$2.18	\$0.20	\$7.29	\$9.68
2026B	\$1.83	\$0.20	\$8.19	\$10.22

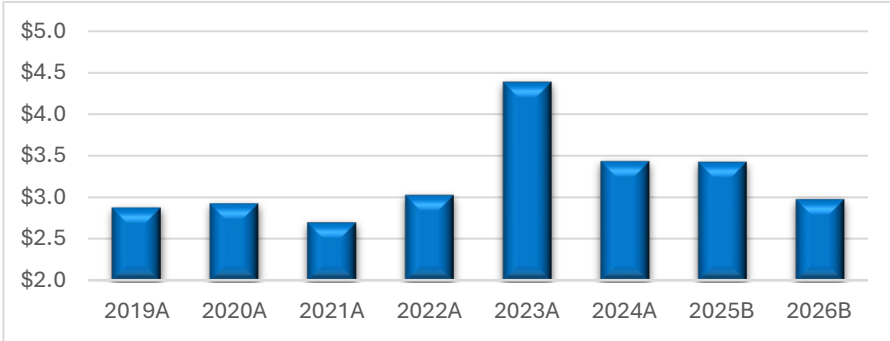
Description and 2026 Budget

These revenues in the General Fund include a range of sources such as licenses, permits, fines, forfeits, and charges for services, including various fees. Fees are reviewed annually by the City administration, adjusted for inflation (2.43% for 2026), and submitted to the City Council as a consolidated package for approval. This process helps ensure that fees remain current and more accurately reflect the cost of providing the associated services. Licenses and permit revenues are budgeted lower in 2026 compared with 2025, reflecting the lowest year in the three-year cycle for multiple dwelling licenses.

MAJOR REVENUE SOURCE ANALYSIS

Parking Fund Operating Revenue (in millions)

(A: Actual B: Budget)



2019A	\$5.57
2020A	\$4.29
2021A	\$4.59
2022A	\$6.09
2023A	\$7.00
2024A	\$6.05
2025B	\$7.29
2026B	\$7.66

Description and 2026 Budget

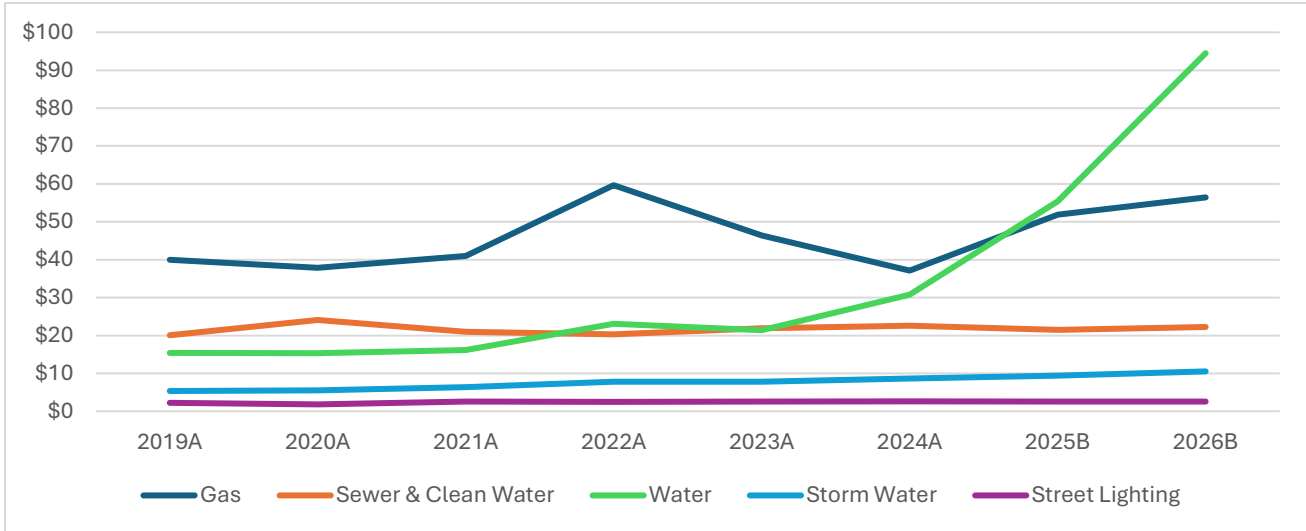
The City of Duluth parking funds account for all revenue and expenses related to the operation and maintenance of City-owned parking ramps, lots, and meters, both on and off-street. The City has two parking funds; one fund to account for the financial activity of the Priley Drive Parking Facility, and one fund to account for the financial activity of all other parking ramps, lots, and meters. The Parking Division continues to explore strategies to increase utilization of off-street parking facilities, including facility security enhancements and adjustments to parking pricing.

Recent improvements to ramp access control and security systems were completed in 2025 to enhance safety and customer confidence, and the hourly on-street parking rate was increased in 2026 to align with parking ramp rates concurrent with the phased removal of coin-operated meters and transition to digital payment options. These actions, alongside promotional efforts such as complimentary parking events in select ramps during peak shopping periods, are intended to support both ramp usage and overall downtown accessibility.

MAJOR REVENUE SOURCE ANALYSIS

Public Utility Revenues (in millions)

(A: Actual B: Budget)



Year	Gas	Sewer & Clean Water	Water	Storm Water	Street Lighting	Total
2019A	\$39.95	\$20.07	\$15.38	\$5.35	\$2.22	\$82.97
2020A	\$37.85	\$24.09	\$15.33	\$5.48	\$1.82	\$84.57
2021A	\$41.02	\$20.93	\$16.15	\$6.34	\$2.55	\$86.98
2022A	\$59.66	\$20.30	\$23.06	\$7.83	\$2.45	\$113.29
2023A	\$46.40	\$21.93	\$21.43	\$7.84	\$2.59	\$100.18
2024A	\$37.12	\$22.56	\$30.76	\$8.65	\$2.62	\$101.71
2025B	\$51.86	\$21.46	\$55.40	\$9.43	\$2.59	\$140.74
2026B	\$56.43	\$22.22	\$94.50	\$10.52	\$2.59	\$186.26

Description and 2026 Budget

The City owns and operates five public utilities and established the Duluth Public Utilities Commission in 2010 to establish utility rates and recommend utility budgets for annual review and approval by the City Council. In May 2025 a water infrastructure surcharge was added to support debt service, construction, and maintenance of the City’s water treatment, storage and distribution system, while the clean water surcharge was reduced to zero. City utility rates are routinely reviewed and adjusted, and the 2026 rate schedule adopted by Duluth’s Comfort Systems residential and commercial utilities reflects updated charges for water and natural gas effective with meter readings after January 1, 2026, and updated sewer charges effective with meter readings after March 1, 2026.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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For the Fiscal Year Beginning

January 01, 2025

Christopher P. Morill

Executive Director



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5/29/2025

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(Chicago, Illinois)—Government Finance Officers Association is pleased to announce that **City of Duluth, Minnesota** received GFOA's Distinguished Budget Presentation Award for its budget.

The award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as:

- a policy document
- a financial plan
- an operations guide
- a communications device

Budget documents must be rated "proficient" in all four categories, and in the fourteen mandatory criteria within those categories, to receive the award.

There are over 1,700 participants in the Budget Awards Program. The most recent Budget Award recipients, along with their corresponding budget documents, are posted quarterly on GFOA's website. Award recipients have pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America.

Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources, and practical research for more than 25,000 members and the communities they serve.

City of Duluth Minnesota - 2026 Budget

General Fund

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, planning, 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 expenditures are itemized below.

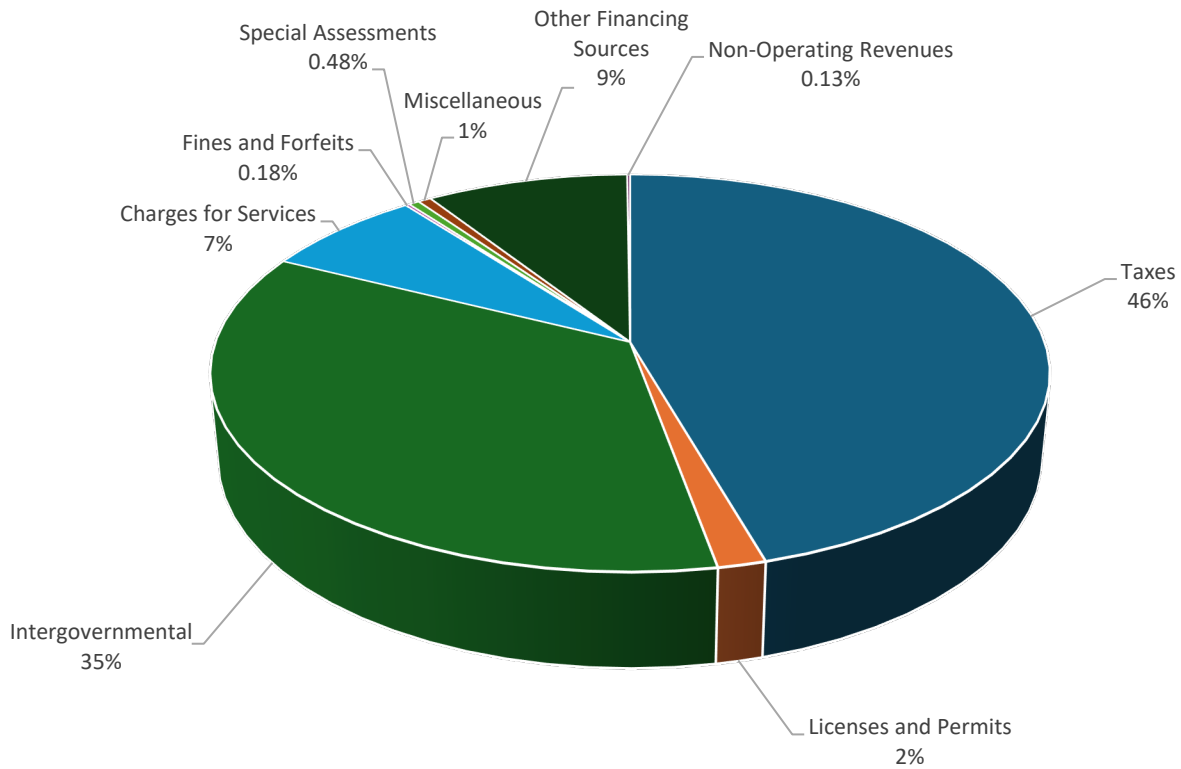
Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved
Taxes	53,399,721	48,203,000	51,539,900
Licenses and Permits	2,257,925	2,182,700	1,827,200
Intergovernmental	41,913,925	39,891,100	39,884,100
Charges for Services	7,947,158	7,293,800	8,187,200
Fines and Forfeits	249,300	202,000	202,000
Special Assessments	663,678	534,800	539,800
Investment Income	143,925	-	-
Miscellaneous	6,806,539	544,200	659,000
Other Financing Sources	29,746,607	10,127,500	10,229,400
Operating Revenues	298	-	-
Non-Operating Revenues	-	450,000	150,000
Total Revenues	143,129,075	109,429,100	113,218,600

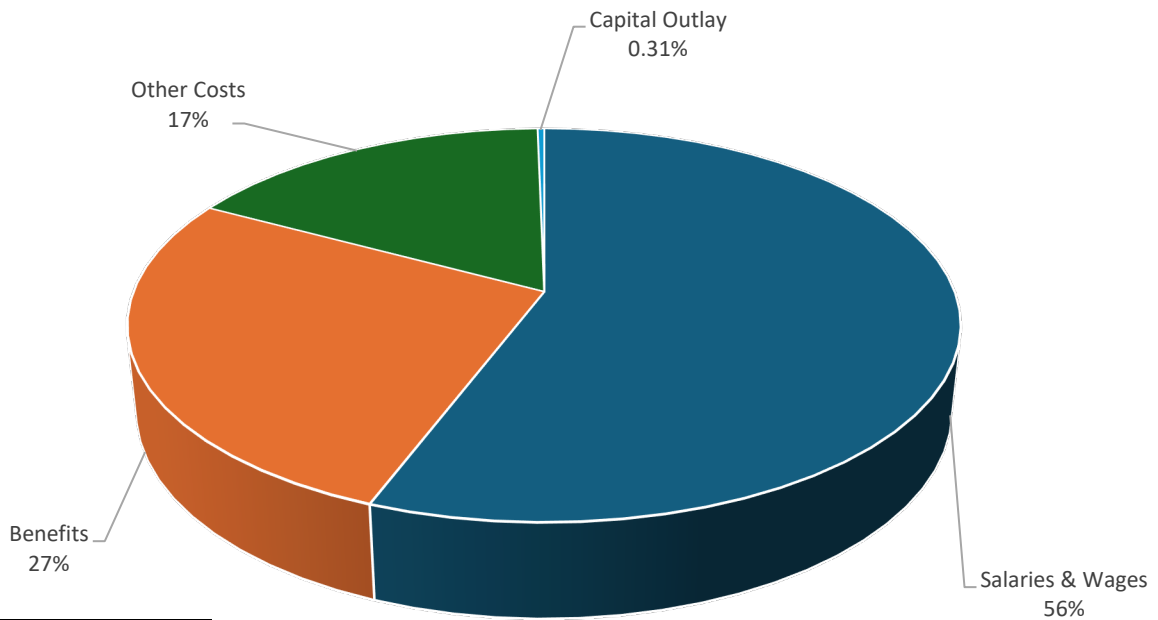
Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved
Salaries & Wages	58,509,826	59,671,700	63,186,800
Benefits	34,996,485	28,918,100	30,608,500
Other Costs	50,749,206	20,493,300	19,077,300
Capital Outlay	755,141	346,000	346,000
Total Expenditures	145,010,658	109,429,100	113,218,600

2026 General Fund Approved Revenues



2026 General Fund Approved Expenditures



*Graphs may not add to exactly 100% due to rounding

City of Duluth Minnesota - 2026 Budget

General Fund Revenue Detail

Taxes	2024 Actual	2025 Budget	2026 Approved	Difference
4005 - Current Property Taxes	28,972,546	25,547,300	27,847,000	2,299,700
4010 - Delinquent Property Taxes	144,881	150,000	150,000	-
4015 - Mobile Home Taxes	77,882	90,000	90,000	-
4040 - City Sales and Use Tax	19,047,297	17,617,300	18,486,500	869,200
4050 - Charitable Gambling 3% Tax	44,740	30,000	40,000	10,000
4070 - Minnesota Power Franchise Tax	3,863,141	3,852,000	4,010,000	158,000
4071 - Northeast Cable Franchise Tax	637,170	690,000	690,000	-
4072 - Northern MN Utility Franchise Tax	7,192	11,000	11,000	-
4080 - Forfeited Tax Sale Apportionment	-	10,000	10,000	-
4090 - Other Taxes	604,872	205,400	205,400	-
Taxes Total	53,399,721	48,203,000	51,539,900	3,336,900

Licenses and Permits	2024 Actual	2025 Budget	2026 Approved	Difference
4101 - Liquor License	462,334	425,000	425,000	-
4102 - Beer License	5,696	11,200	11,200	-
4105 - Hotel-Motel License	7,324	7,000	7,000	-
4106 - Garbage Collectors License	19,710	18,000	18,000	-
4107 - Horse and Carriage License	308	400	400	-
4108 - Emergency Wrecker Svc License	5,647	6,000	6,000	-
4109 - Gas Station License	11,291	10,500	10,500	-
4111 - Pawnbrokers License	916	1,100	1,100	-
4112 - Peddlers License	12,832	10,000	10,000	-
4113 - Precious Metal Dealer License	1,760	1,800	1,800	-
4114 - Pet Shop License	380	600	600	-
4116 - Dog Kennels License	300	400	400	-
4117 - Massage Establishment & Therapist	15,247	12,000	12,000	-
4118 - Cigarette License	12,659	12,000	12,000	-
4119 - Motor Vehicle	4,409	5,300	5,300	-
4120 - Taxi-Taxi Vehicle Permits	7,062	9,000	9,000	-
4121 - Coin Operator Devices License	11,496	8,000	8,000	-
4122 - Pool and Bowling License	611	600	600	-
4124 - Tree Service Contractor License	279	1,400	1,400	-
4125 - Transportation Network Companies License	-	7,400	7,400	-
4126 - Shared Active Mobility Systems	16,140	14,000	14,000	-
4150 - Pet License	8,551	-	-	-
4151 - Fill Permit	10,659	5,000	3,000	(2,000)
4152 - Excavation Permit	23,732	25,000	25,000	-

City of Duluth Minnesota - 2026 Budget

Licenses and Permits Continued	2024 Actual	2025 Budget	2026 Approved	Difference
4153 - Multiple Dwelling License	1,199,280	1,250,000	892,500	(357,500)
4154 - Commercial Use/Occupancy Permit	150,686	130,000	149,500	19,500
4155 - Special Event Permit	7,766	3,500	3,500	-
4160 - Fire Protection Systems Permit Fees	116,528	95,500	80,000	(15,500)
4170 - Miscellaneous Permits & Licenses	144,322	112,000	112,000	-
Licenses and Permits Total	2,257,925	2,182,700	1,827,200	(355,500)

Intergovernmental	2024 Actual	2025 Budget	2026 Approved	Difference
4209 - Direct Federal Grants	42,757	16,000	16,000	-
4220 - State of Minnesota	26,518	4,000	-	(4,000)
4221 - Local Government Aid	35,175,072	35,231,100	35,231,100	-
4222 - State Property Tax Aid	316	-	-	-
4225 - Ski Trail Reimbursement	9,420	11,000	-	(11,000)
4227 - Police Training Reimbursement	137,855	135,000	135,000	-
4232 - State Insurance Premium	2,976,168	2,420,800	2,420,800	-
4233 - State of MN PERA Contribution	1,268,031	-	-	-
4240 - Municipal State Aid	1,686,740	1,496,100	1,496,100	-
4260 - St Louis County	170,314	138,400	138,400	-
4261 - Independent School District 709	335,000	366,700	366,700	-
4300 - In Lieu of Tax	85,735	72,000	80,000	8,000
Intergovernmental Total	41,913,925	39,891,100	39,884,100	(7,000)

Charges for Services	2024 Actual	2025 Budget	2026 Approved	Difference
4307 - Planning & Zoning Fee	121,459	87,500	165,500	78,000
4310 - Assessment Cost Services	6,750	10,000	10,000	-
4311 - Assessment Certificate Fee	47,013	40,000	40,000	-
4315 - Cost Allocation	3,362,660	3,844,000	4,134,000	290,000
4319 - Attorney Services	11,426	9,000	9,000	-
4320 - MIS Services	14,920	11,000	11,000	-
4322 - Animal Shelter Fees	20,695	12,000	12,000	-
4323 - Garnishment Fees	90	-	-	-
4326 - Criminal History/Local Records Check	200	-	-	-
4328 - Pawnbroker Transaction Surcharge	39,083	16,100	17,200	1,100
4329 - False Alarm Fees & Penalties	12,837	5,000	5,000	-
4340 - Fire Protection Services	8,400	4,200	4,200	-
4341 - Hydrant Maintenance Services	30,000	30,000	30,000	-
4351 - Building Inspection Fee	3,470,206	2,515,000	3,053,000	538,000
4352 - Plumbing Inspection Fee	290,845	260,000	213,800	(46,200)

City of Duluth Minnesota - 2026 Budget

Charges for Services Continued	2024 Actual	2025 Budget	2026 Approved	Difference
4353 - Electrical Inspection Fee	46,969	-	-	-
4354 - HVAC-R Inspection Fee	377,031	225,000	257,500	32,500
4355 - Signs Inspection Fee	22,447	20,000	20,000	-
4356 - House Moving Inspection Fee	10,905	15,000	15,000	-
4357 - Mobile Home Inspection Fee	579	2,000	2,000	-
4359 - CAF Admin Fee	16,318	18,000	18,000	-
4361 - RZP Registration Fee	36,325	20,000	20,000	-
4370 - Engineering Services	-	150,000	150,000	-
Charges for Services Total	7,947,158	7,293,800	8,187,200	893,400

Fines and Forfeits	2024 Actual	2025 Budget	2026 Approved	Difference
4470 - License Penalties	-	1,500	1,500	-
4472 - Administrative Fines	49,354	500	500	-
4473 - Court Fines	181,687	200,000	200,000	-
4474 - Police Felony Forfeitures	18,258	-	-	-
Fines and Forfeits Total	249,300	202,000	202,000	-

Special Assessments	2024 Actual	2025 Budget	2026 Approved	Difference
4500 - Assessments	652,344	521,000	526,000	5,000
4501 - Assessment Penalty & Interest	11,333	13,800	13,800	-
Special Assessments Total	663,678	534,800	539,800	5,000

Investment Income	2024 Actual	2025 Budget	2026 Approved	Difference
4601 - Earnings on Investments	143,925	-	-	-
Investment Income Total	143,925	-	-	-

Miscellaneous	2024 Actual	2025 Budget	2026 Approved	Difference
4622 - Rent of Buildings	85,250	97,700	103,400	5,700
4623 - Rent of Land	18,793	15,400	15,500	100
4627 - Concessions & Commissions	25,000	25,800	26,500	700
4631 - Media Sales	15,035	9,500	10,500	1,000
4635 - Auction Proceeds	6,129	-	-	-
4636 - Sale of Materials	3,663	5,000	5,000	-
4640 - Sale of Land	-	-	100,000	100,000
4644 - Misc Fees, Sales & Services	122,493	89,200	83,400	(5,800)
4650 - Salaries Reimbursement	73,575	10,000	10,000	-

City of Duluth Minnesota - 2026 Budget

Miscellaneous Continued	2024 Actual	2025 Budget	2026 Approved	Difference
4654 - Other Reimbursements	6,272,937	139,600	152,700	13,100
4655 - Drug Task Force Reimbursement	3,181	-	-	-
4660 - Gifts and Donations	216	-	-	-
4700 - Other Sources	28,070	-	-	-
4701 - 2% Retention Surtax	2,197	2,000	2,000	-
4702 - Fond du Luth Proceeds	150,000	150,000	150,000	-
Miscellaneous Total	6,806,539	544,200	659,000	114,800

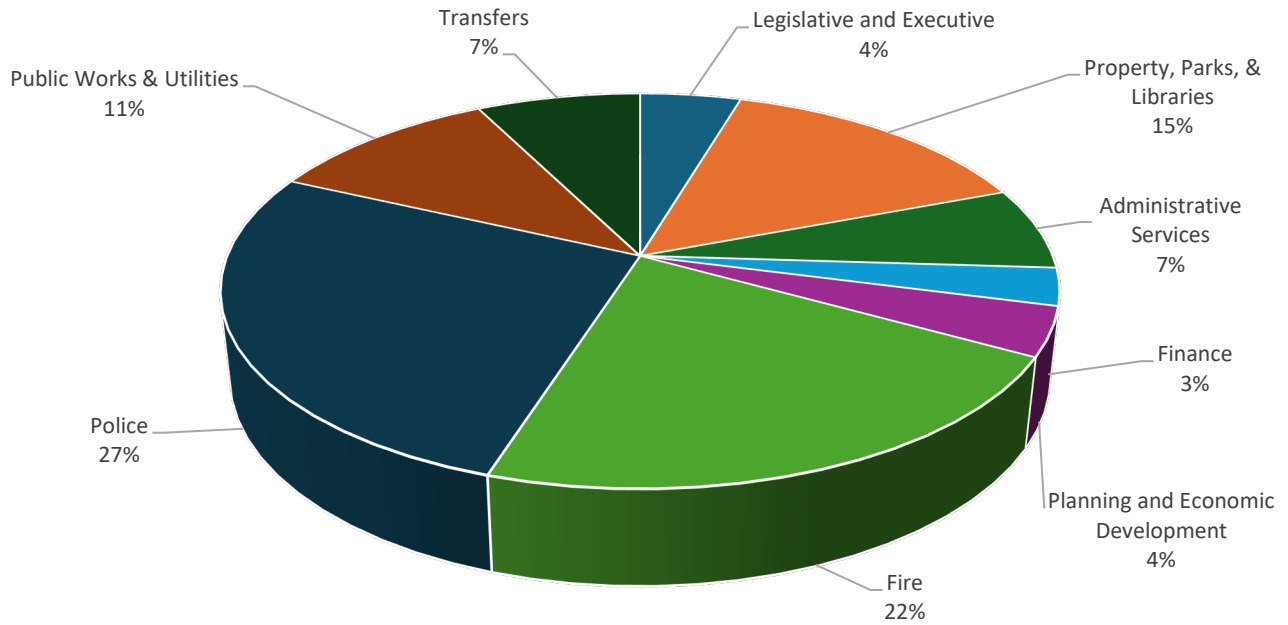
Other Financing Sources	2024 Actual	2025 Budget	2026 Approved	Difference
4730 - Interfund Transfers In	26,088,931	6,695,500	7,247,400	551,900
4731 - Gas Utility in Lieu of Taxes	3,228,860	3,250,000	2,800,000	(450,000)
4732 - Steam Utility in Lieu of Taxes	207,789	182,000	182,000	-
4755 - Lease Proceeds	221,027	-	-	-
Other Financing Sources Total	29,746,607	10,127,500	10,229,400	101,900

Operating Revenues	2024 Actual	2025 Budget	2026 Approved	Difference
4805 - Reimbursements	298	-	-	-
Operating Revenues Total	298	-	-	-

Non-Operating Revenues	2024 Actual	2025 Budget	2026 Approved	Difference
4999 - Cash Balance Forward	-	450,000	150,000	(300,000)
Non-Operating Revenues Total	-	450,000	150,000	(300,000)

General Fund Revenues	2024 Actual	2025 Budget	2026 Approved	Difference
Total	143,129,075	109,429,100	113,218,600	3,789,500

2026 General Fund Approved Expenditures By Department



Department	2026 Approved
Legislative and Executive	5,207,100
Property, Parks, & Libraries	16,589,200
Administrative Services	7,616,600
Finance	3,473,100
Planning and Economic Development	4,542,300
Fire	24,798,600
Police	30,464,700
Public Works & Utilities	12,053,800
Transfers	8,473,200
Total 2026 Expenditures	113,218,600

This graph shows the General Fund departmental budgets as a percent of the total General Fund expenditures for budget fiscal year 2026. The largest category is public safety with the Police and Fire departments comprising 49% of the total; followed by Property, Parks, & Libraries at 15%. The General Fund portion of the Public Works department comprises 11% of the total. The remaining departments totaled together are 26%.

City of Duluth Minnesota - 2026 Budget

General Fund Expenditures

Salaries & Wages	2024 Actual	2025 Budget	2026 Approved	Difference
5100 - Permanent Salaries	54,387,708	57,232,200	60,643,500	3,411,300
5101 - Premium Pay	3,124,679	1,646,400	1,720,200	73,800
5103 - Other Wages	992,204	782,900	812,900	30,000
5118 - Meal Allowance	5,235	10,200	10,200	-
Salaries & Wages Total	58,509,826	59,671,700	63,186,800	3,515,100

Benefits	2024 Actual	2025 Budget	2026 Approved	Difference
5120 - State of MN PERA Contribution Emplc	1,268,031	-	-	-
5121 - PERA Retirement	7,172,906	7,439,400	7,826,900	387,500
5122 - FICA - Social Security	1,649,620	1,748,500	1,906,000	157,500
5123 - FICA - Medicare	825,015	856,700	909,100	52,400
5125 - Dental Insurance	242,752	271,200	274,300	3,100
5126 - Life Insurance	254,553	325,100	329,300	4,200
5127 - Health Care Savings Plan (HCSP)	2,063,052	1,741,600	1,901,200	159,600
5128 - Minnesota Paid Family Leave	-	-	276,000	276,000
5130 - Cafeteria Plan Benefits	12,341,273	13,344,000	14,016,700	672,700
5133 - Health or Fitness Program	108,153	45,600	23,000	(22,600)
5135 - Retiree Medical Insurance	9,044,606	3,100,000	3,100,000	-
5141 - Unemployment Compensation	26,525	46,000	46,000	-
Benefits Total	34,996,485	28,918,100	30,608,500	1,690,400

Other Costs	2024 Actual	2025 Budget	2026 Approved	Difference
5200 - Office Supplies	67,861	65,000	65,000	-
5201 - Computer Supplies/Software	58,845	47,400	46,900	(500)
5202 - Audiovisual & Photography	159	500	500	-
5203 - Paper/Stationery/Forms	2,025	2,400	2,400	-
5205 - Safety & Training Materials	126,231	136,900	134,900	(2,000)
5210 - Plant/Operating Supplies	17,047	21,800	21,800	-
5211 - Cleaning/Janitorial Supplies	97,389	130,600	130,600	-
5212 - Motor Fuels	707,127	1,094,100	880,000	(214,100)
5214 - Food for Animals	3,791	3,000	3,000	-
5215 - Shop Materials	5,143	2,500	2,500	-
5217 - Ammunition	77,326	50,000	50,000	-
5218 - Uniforms	172,521	158,500	159,250	750
5219 - Other Miscellaneous Supplies	162,177	126,800	143,900	17,100
5220 - Repair & Maintenance Supplies	356,377	459,200	373,000	(86,200)

City of Duluth Minnesota - 2026 Budget

Other Costs Continued	2024 Actual	2025 Budget	2026 Approved	Difference
5223 - Salt & Sand	623,665	1,038,000	838,000	(200,000)
5224 - Gravel & Other Mtce Materials	70,147	146,700	66,700	(80,000)
5225 - Park/Landscape Materials	14,503	35,000	35,000	-
5226 - Sign & Signal Materials	14,475	65,000	19,000	(46,000)
5228 - Painting Supplies	102,830	93,800	93,300	(500)
5229 - Ground Mtc Supplies	-	200	200	-
5240 - Small Tools	12,010	14,200	13,200	(1,000)
5241 - Small Equip-Office/Operating	77,729	48,400	48,700	300
5242 - Survey Locating Equipment and Supplies	2,020	7,200	8,000	800
5301 - Auditing Services	130,172	116,800	135,000	18,200
5303 - Engineering Services	14,107	39,900	39,900	-
5304 - Legal Services	71,655	87,000	87,000	-
5306 - Collection Services	3,170	5,000	5,000	-
5309 - Technology Services	190,142	185,800	221,900	36,100
5310 - Contract Services	655,518	609,900	605,500	(4,400)
5312 - Lobbyist Fees	128,337	150,000	150,000	-
5319 - Other Professional Services	308,164	387,100	279,000	(108,100)
5320 - Data Services	207,471	202,400	216,400	14,000
5321 - Phone Service	230,971	203,800	212,300	8,500
5322 - Postage	64,848	73,400	73,400	-
5331 - Travel/Training	210,717	224,300	234,200	9,900
5335 - Local Mileage Reimbursement	21,680	34,400	5,400	(29,000)
5340 - Advertising & Promotion	885	900	900	-
5355 - Printing & Copying Services	41,771	85,100	56,000	(29,100)
5356 - Copier, Printer Lease & Supplies	75,775	126,400	126,300	(100)
5360 - Insurance	2,589,965	3,773,900	2,814,900	(959,000)
5381 - Electricity	714,079	778,000	855,800	77,800
5382 - Water, Gas & Sewer	731,226	866,200	795,800	(70,400)
5384 - Refuse Disposal	121,719	122,800	122,800	-
5385 - Oil	11,753	25,900	15,900	(10,000)
5386 - Steam	211,486	360,000	200,000	(160,000)
5399 - Skywalk Expenses	38,650	30,000	30,000	-
5400 - Misc Repair & Mtc Service	-	300	-	(300)
5404 - Equipment/Machinery Repair & Mtc	157,929	231,100	203,100	(28,000)
5409 - Fleet Services Charges	3,077,491	3,354,300	3,610,900	256,600
5411 - Land Rental/Easements	3,969	5,500	5,500	-
5412 - Building Rental	122,782	280,000	286,000	6,000
5413 - Library Materials/Svcs Rental	52,977	55,000	55,000	-
5414 - Software Licenses and Maintenance Agreements	1,389,247	1,741,300	1,640,750	(100,550)
5415 - Vehicle/Equip Rent (Short-term)	36,658	54,000	54,400	400

City of Duluth Minnesota - 2026 Budget

Other Costs Continued	2024 Actual	2025 Budget	2026 Approved	Difference
5418 - Vehicle/Equip Lease (Long-term)	365,731	400,000	400,000	-
5419 - Other Rentals	72,000	75,000	95,000	20,000
5427 - Credit Card Commissions	3,860	4,000	1,000	(3,000)
5433 - Dues & Subscription	85,264	101,500	101,800	300
5434 - Grants & Awards	-	600	600	-
5435 - Books & Pamphlets	3,603	9,600	8,100	(1,500)
5437 - Automated Pawn System	15,605	16,100	16,100	-
5438 - Licenses	7,897	7,900	8,700	800
5439 - Special Projects & Events	1,750	5,000	5,000	-
5440 - Emergency Management	20,902	20,000	20,000	-
5441 - Other Services & Charges	1,565,099	1,163,900	1,677,000	513,100
5443 - Board & Meeting Expenses	5,285	10,100	10,000	(100)
5444 - Mayor's Contingent Account	-	5,000	5,000	-
5446 - Tuition Reimbursement	11,497	20,000	10,000	(10,000)
5447 - Payment to Other Govt Agencies	14,514,830	-	-	-
5448 - Police Training	100,198	235,000	235,000	-
5450 - Laundry	44,490	35,900	35,900	-
5453 - Building Demolition	5,835	-	-	-
5454 - Contract Tree Services	24,999	30,000	30,000	-
5461 - Energy Efficiency Projects	5,833	9,000	9,000	-
5490 - Donations to Civic Organizations	2,500	2,500	2,500	-
5604 - Lease Principal	130,589	-	-	-
5614 - Lease Interest	49,055	-	-	-
5700 - Interfund Transfers Out	19,325,669	384,500	131,700	(252,800)
Other Costs Total	50,749,206	20,493,300	19,077,300	(1,416,000)

Capital Outlay	2024 Actual	2025 Budget	2026 Approved	Difference
5535 - Non-Capital Improvements	5,567	-	-	-
5580 - Capital Equipment	283,922	-	-	-
5590 - Library Materials	465,652	346,000	346,000	-
Capital Outlay Total	755,141	346,000	346,000	-

General Fund Expenditures	2024 Actual	2025 Budget	2026 Approved	Difference
Total	145,010,658	109,429,100	113,218,600	3,789,500

City of Duluth Minnesota - 2026 Budget

2026 General Fund Approved Expenditures By Department & Division

LEGISLATIVE AND EXECUTIVE

Division	Salaries & Wages	Overtime	Other Wages	Benefits	Other Costs	Capital Outlay	TOTAL
City Council	-	-	124,200	10,000	82,700	-	216,900
Mayor & City Administration	934,000	-	10,800	401,700	44,800	-	1,391,300
Attorney's Office	2,522,600	-	30,000	985,200	61,100	-	3,598,900
Department Total	3,456,600	-	165,000	1,396,900	188,600	-	5,207,100

PROPERTY, PARKS, & LIBRARIES

Division	Salaries & Wages	Overtime	Other Wages	Benefits	Other Costs	Capital Outlay	TOTAL
Park Maintenance	1,807,300	75,000	151,000	831,800	1,229,100	-	4,094,200
Library	3,619,700	800	101,800	1,585,200	535,900	346,000	6,189,400
Facilities Management	2,425,500	25,000	13,700	967,200	2,874,200	-	6,305,600
Department Total	7,852,500	100,800	266,500	3,384,200	4,639,200	346,000	16,589,200

ADMINISTRATIVE SERVICES

Division	Salaries & Wages	Overtime	Other Wages	Benefits	Other Costs	Capital Outlay	TOTAL
Human Resources	1,147,200	-	10,000	491,100	105,000	-	1,753,300
Information Technology	2,430,400	10,000	-	990,400	1,355,900	-	4,786,700
City Clerk	639,200	1,400	85,000	268,600	82,400	-	1,076,600
Department Total	4,216,800	11,400	95,000	1,750,100	1,543,300	-	7,616,600

FINANCE

Division	Salaries & Wages	Overtime	Other Wages	Benefits	Other Costs	Capital Outlay	TOTAL
Budget Office	809,200	6,400	-	274,700	37,100	-	1,127,400
Auditor's Office	922,300	7,600	-	337,000	359,700	-	1,626,600
Purchasing	492,300	-	-	212,600	14,200	-	719,100
Department Total	2,223,800	14,000	-	824,300	411,000	-	3,473,100

PLANNING AND ECONOMIC DEVELOPMENT

Division	Salaries & Wages	Overtime	Other Wages	Benefits	Other Costs	Capital Outlay	TOTAL
Planning & Development	1,264,100	-	-	518,500	62,900	-	1,845,500
Construction Services & Inspection	1,816,200	-	-	736,200	144,400	-	2,696,800
Department Total	3,080,300	-	-	1,254,700	207,300	-	4,542,300

City of Duluth Minnesota - 2026 Budget

2026 General Fund Approved Expenditures Continued

FIRE DEPARTMENT

Division	Salaries & Wages	Overtime	Other Wages	Benefits	Other Costs	Capital Outlay	TOTAL
Fire Administration	865,000	-	-	299,900	56,500	-	1,221,400
Fire Operations	13,098,400	850,000	-	6,366,500	941,100	-	21,256,000
Life Safety	1,582,400	11,300	-	618,400	109,100	-	2,321,200
Department Total	15,545,800	861,300	-	7,284,800	1,106,700	-	24,798,600

POLICE DEPARTMENT

Division	Salaries & Wages	Overtime	Other Wages	Benefits	Other Costs	Capital Outlay	TOTAL
Police	19,064,300	489,700	256,400	9,076,000	1,578,300	-	30,464,700
Department Total	19,064,300	489,700	256,400	9,076,000	1,578,300	-	30,464,700

PUBLIC WORKS

Division	Salaries & Wages	Overtime	Other Wages	Benefits	Other Costs	Capital Outlay	TOTAL
Director's Office	77,200	-	-	25,900	1,000	-	104,100
Street Maintenance	3,436,800	187,000	-	1,689,600	4,141,800	-	9,455,200
Transportation Engineering	1,048,100	40,500	30,000	429,700	130,900	-	1,679,200
Moveable Bridges	501,800	15,500	-	246,500	51,500	-	815,300
Department Total	5,063,900	243,000	30,000	2,391,700	4,325,200	-	12,053,800

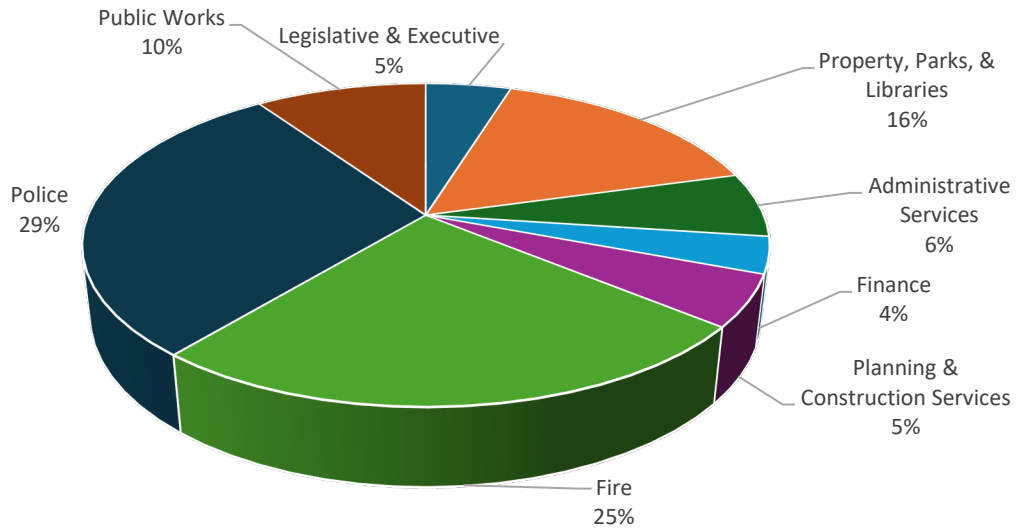
TRANSFERS

Division	Salaries & Wages	Overtime	Other Wages	Benefits	Other Costs	Capital Outlay	TOTAL
Transfers	139,500	-	-	46,000	8,287,700	-	8,473,200

TOTALS

Division	Salaries & Wages	Overtime	Other Wages	Benefits	Other Costs	Capital Outlay	TOTAL
General Fund	60,643,500	1,720,200	812,900	27,408,700	22,287,300	346,000	113,218,600

General Fund Personnel Summary 2026 Approved FTE by Department



Employees

Budgeted FTEs	2024	2025	2026	Difference
Legislative & Executive	26.80	28.80	29.80	1.00
Property, Parks, & Libraries	100.35	102.60	98.60	(4.00)
Administrative Services	42.00	42.00	40.00	(2.00)
Finance	23.60	22.85	22.60	(0.25)
Planning & Construction Services	34.25	31.60	32.05	0.45
Fire	151.00	156.00	156.00	-
Police	184.00	181.00	182.00	1.00
Public Works	59.80	59.80	59.80	-
Total	621.80	624.65	620.85	(3.80)

City of Duluth Minnesota - 2026 Budget

2026 General Fund Personnel Summary

LEGISLATIVE/EXECUTIVE

Budgeted FTEs	2025	2026	Difference	Narrative
Mayor & City Administration	9.00	8.00	(1.00)	Removed 1 open Executive Assistant position. Mayor and City Administrator will share an Executive Assistant.
City Attorney	19.80	21.80	2.00	Transferred 1 Utility Operations Paralegal from Public Works & transferred 1 Senior Property Services Specialist from Property & Facilities.
Department Total	28.80	29.80	1.00	

PROPERTY, PARKS & LIBRARIES

Budgeted FTEs	2025	2026	Difference	Narrative
Park Maintenance	22.80	21.80	(1.00)	Removed 1 open Park Maint Operations Coordinator position.
Library Services	48.50	47.50	(1.00)	Removed 1 open Librarian I position.
Property and Facilities Management	31.30	29.30	(2.00)	Open PPL Director will result in 1 less FTE when restructured (position TBD). Transferred 1 Sr. Property Services Specialist to City Attorney.
Department Total	102.60	98.60	(4.00)	

ADMINISTRATIVE SERVICES

Budgeted FTEs	2025	2026	Difference	Narrative
Human Resources	11.00	11.00	-	
IT	24.00	23.00	(1.00)	Removed 1 open IT Manager position.
Clerk	7.00	6.00	(1.00)	Removed 1 open Executive Assistant position.
Department Total	42.00	40.00	(2.00)	

FINANCE

Budgeted FTEs	2025	2026	Difference	Narrative
Budget	7.00	7.00	-	
Auditor	9.85	9.60	(0.25)	Removed 0.25 grant funded Accountant I position.
Purchasing	6.00	6.00	-	
Department Total	22.85	22.60	(0.25)	

City of Duluth Minnesota - 2026 Budget

2026 General Fund Personnel Summary Continued

PLANNING & ECONOMIC DEVELOPMENT

Budgeted FTEs	2025	2026	Difference	Narrative
Planning	12.60	13.05	0.45	Transferred 0.45 Economic Developer from DEDA.
Construction Services	19.00	19.00	-	
Department Total	31.60	32.05	0.45	

FIRE

Budgeted FTEs	2025	2026	Difference	Narrative
Fire Administration	6.00	6.00	-	
Fire Operations	134.00	134.00	-	Returned 3 FTEs to Police (2025 temporary FTE adjustment). Added 3 FTEs to control overtime costs.
Life Safety	16.00	16.00	-	
Department Total	156.00	156.00	-	

POLICE

Budgeted FTEs	2025	2026	Difference	Narrative
Police	181.00	182.00	1.00	Added 3 FTEs returned by Fire (2025 temporary FTE adjustment), offset by the reduction of 1 open Lieutenant position and 1 open Deputy Chief position.
Department Total	181.00	182.00	1.00	

PUBLIC WORKS

Budgeted FTEs	2025	2026	Difference	Narrative
Public Works Director	0.60	0.60	-	
Street Maintenance	44.00	44.00	-	
Engineering	15.20	15.20	-	
Department Total	59.80	59.80	-	

Total General Fund FTE's

Budgeted FTEs	2025	2026	Difference	Narrative
General Fund	624.65	620.85	(3.80)	

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.

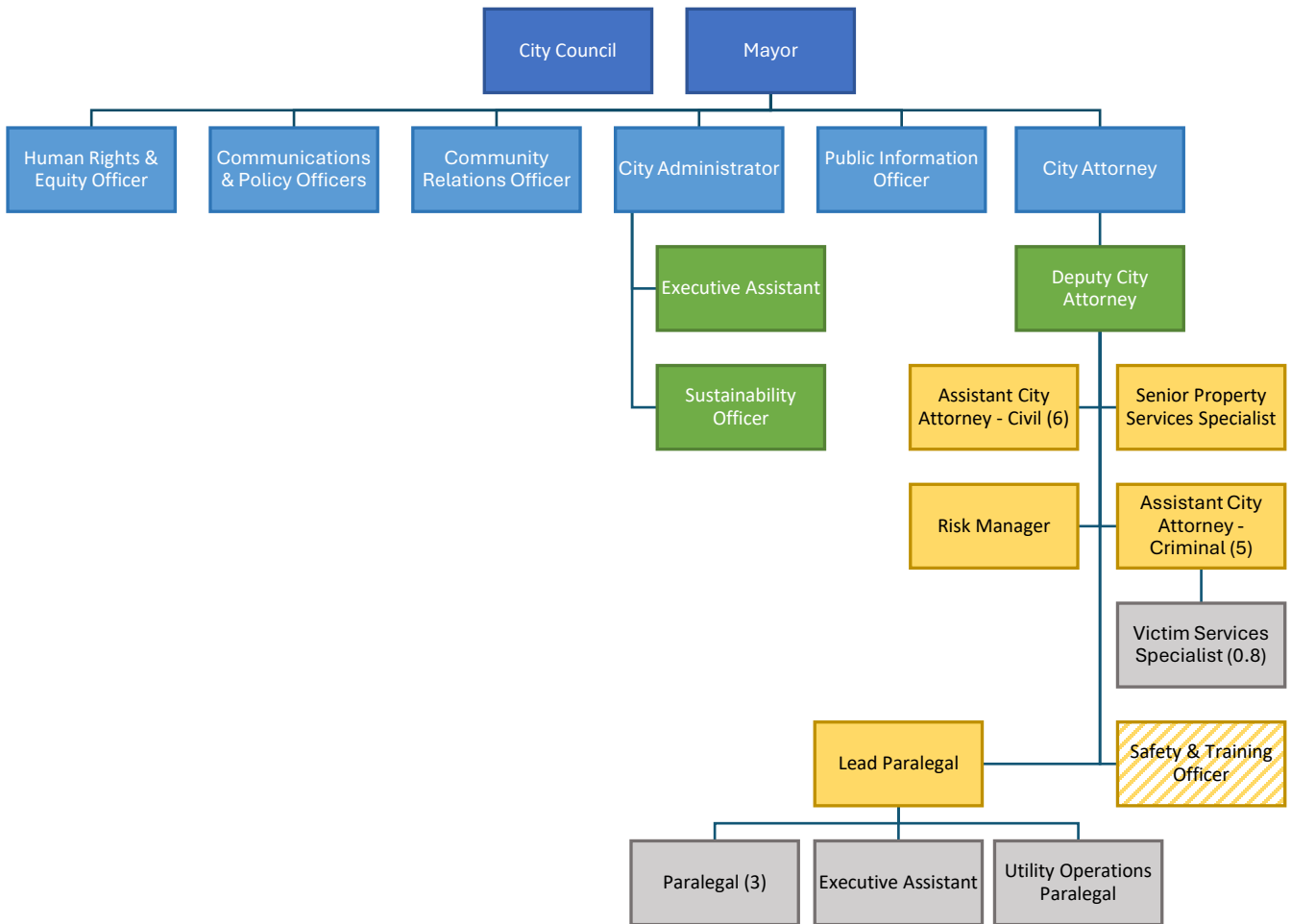
Structure

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.

City of Duluth Minnesota - 2026 Budget

Mayor & City Administration Department

Organization Chart



KEY
 Solid = General Fund
 Patterned = Non-General Fund

Goals, Objectives, and Accomplishments

Legislative and Executive – Mayor and City Administration

2025 Accomplishments

- Planning process for City of Duluth Big 5 Strategic Plan.
- Completion of the Twin Ports Interchange project.
- Completed a 2025 Comprehensive Housing Needs Analysis.
- Adopted a budget prioritized on strengthening the commercial tax base and expanding housing.

2026 Goals

- Launch the Duluth App for a convenient, one-stop experience where residents can access information, report issues, and pay bills—all in one place.
- Begin implementation of City of Duluth Big 5 Strategic Plan.
- Continue to expand on public-facing outreach to enhance community transparency of the City's work.

2026 Objectives

- Continue to increase housing inventory for purchase and rent at all levels.
- Grow Duluth's commercial tax base in support of core city services.
- Continue Downtown Duluth revitalization efforts.

Goals, Objectives, and Accomplishments

Legislative and Executive – Attorney’s Office

2025 Accomplishments

- The City Attorney’s Office served as the City’s legal advisor and representative. Attorneys in our office provided legal counsel and civil litigation services to the Mayor, City Council, departments, boards and commissions, and public authorities. In addition, our office provided effective and efficient prosecution of violations of city ordinances and state misdemeanor statutes, including domestic violence, driving while intoxicated, trespassing, and traffic offenses.

2026 Goals and Objectives

- Provide legal support and advice to the Duluth Airport Authority including providing counsel on labor relations matters, insurance, real estate, and contracts. Draft contracts, deeds, and other legal instruments.
- Provide legal services to DEDA including regulatory advice, real estate and title work, litigation defense and economic development work.
- Provide legal support and advice to the Duluth Transit Authority including advice on First Amendment issues, data practices, real estate, and contracts.
- Provide legal support and advice to the Spirit Mountain Recreation Area Authority including advice on labor negotiations, labor grievances and arbitration, data practices, real estate, and contracts.
- Promote diversion alternative to traditional prosecution to improve public safety, reduce recidivism, address underlying factors contributing to criminal behavior. Participate in DWI, mental health, veterans and other specialty courts.
- Prosecution of gross misdemeanors, misdemeanors, and city code charges requiring appearances at arraignments, jury pretrials, contested pretrials, call of the calendar, omnibus hearings, contested court trials, jury trials, and probation violation and restitution hearings.
- Protecting the public by reviewing gun permits and requests for bloodborne pathogen testing.
- Assist victims throughout the criminal prosecution process by providing information concerning their legal rights, available resources and services, and restitution.
- Protect the city's interests and its residents by defending the city against damage claims. Conduct investigations and process claims for legal action for and against the City. Mitigate risk exposure to the city by reviewing insurance requirements for contracting partners to ensure that city is adequately protected. Obtain insurance for city-owned properties.
- Provide high quality, proactive legal advice and counsel to the city's mayor, city administrator, department heads and staff on all matters. Assist departments in drafting new administrative policies, as well as revising and amending existing policies.
- Prepare ordinances and resolutions for city administration and city council. Advise administration and city councilors on legislative matters, data practices, and open meeting law.
- Zealously represent the city's interests by providing pretrial advice, drafting motions, navigating the discovery process, negotiating settlements, and conducting trials in both state and federal trial courts as well as the appellate courts.

Legislative and Executive – Attorney’s Office

- Provide legal support to the city's human resources professionals in negotiating collective bargaining agreements, resolving labor grievances, mediating labor contract disputes and representing the city in labor arbitrations. Ensuring compliance with state and federal employment law, Americans with Disabilities Act, ESST, EEOC, and FMLA.
- Provide legal support to the city's 30+ boards and commissions that provide valuable input and leadership on topics that include public arts, disabilities, heritage preservation, parks and recreation and many others.
- Draft and review a large variety of legal documents necessary for the daily operation of the city including contracts, leases, deeds, memorandums of understanding, policies, and development agreements.
- Review documents and provide legal advice to facilitate the processing of thousands of data practices requests made to both the police department and all city departments and authorities through the clerk's office.
- Direct activities that are related to financial planning, record keeping and billing, personnel, and logistics of the office. Also includes staff training and continuing legal education for attorneys.

City of Duluth Minnesota – 2026 Budget

City Attorney's Office - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Provide assurance of regulatory and policy compliance to build trust, accountability and foster transparency.	Number of ordinances	72	72	70
Provide assurance of regulatory and policy compliance to build trust, accountability and foster transparency.	Number of resolutions	205	290	225
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Number of claim and claim inquiries	410	128	100
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Number of claims filed	62	83	50
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Amount collected on city claims	\$86,402	\$7,203	\$5,000
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Number of grants reviewed	70	70	70
Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals.	Number of lawsuits defended, conciliation court matters, and regulatory appeals	25	39	25
Supports decision-making with timely and accurate analysis, focusing on innovative, long-term solutions that benefit the community.	Transaction Matters: agreements, MOUs, and development agreements	345	316	250
Supports decision-making with timely and accurate analysis, focusing on innovative, long-term solutions that benefit the community.	Training Hours	0	180	180
Develops sustainable fiscal and operational policies which foster trust and transparency by ensuring accountability, efficiency, integrity, innovation and best practices in all operations.	Number of city policies reviewed	15	17	15
Develops sustainable fiscal and operational policies which foster trust and transparency by ensuring accountability, efficiency, integrity, innovation and best practices in all operations.	Number of First Attempt initial utility collection letters	0	416	400
Develops sustainable fiscal and operational policies which foster trust and transparency by ensuring accountability, efficiency, integrity, innovation and best practices in all operations.	Number of new revenue recapture claims	0	148	125

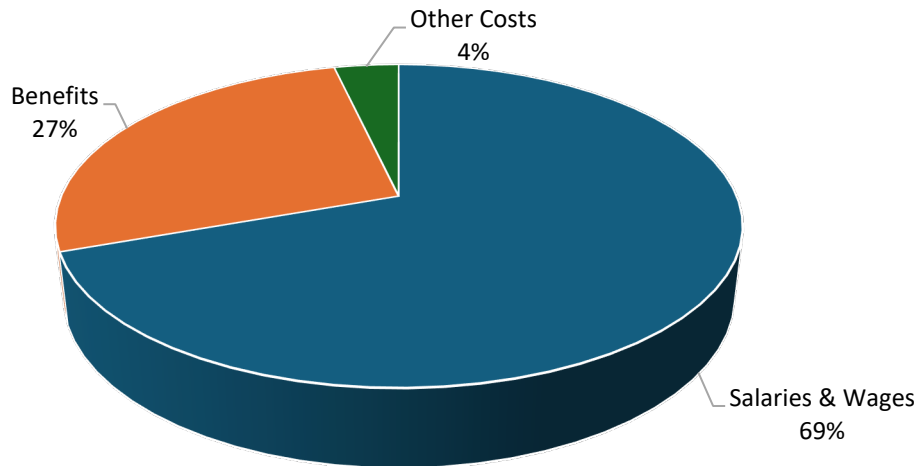
City of Duluth Minnesota – 2026 Budget

City Attorney's Office - Performance Measures Continued

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Develops sustainable fiscal and operational policies which foster trust and transparency by ensuring accountability, efficiency, integrity, innovation and best practices in all operations.	Amount recovered via revenue recapture	\$0	\$59,980	\$50,000
Develops sustainable fiscal and operational policies which foster trust and transparency by ensuring accountability, efficiency, integrity, innovation and best practices in all operations.	Number of data requests	0	56	10
Attract, develop, equip, motivate, and retain a high-quality, diverse, engaged and productive workforce focused on creative service excellence.	Number of employees taking defensive driving class	166	287	250
Attract, develop, equip, motivate, and retain a high-quality, diverse, engaged and productive workforce focused on creative service excellence.	Number of CBA's negotiated arbitration hearings, grievances, worker's comp. claims, and unemployment claims	85	71	70
Offer community programming which affords safe spaces for youth and adults to play, learn, and engage.	Number of victims contacted	947	1,596	1,000
Offer community programming which affords safe spaces for youth and adults to play, learn, and engage.	Number of bail memos	85	119	110
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Number of criminal cases assigned to the City of Duluth	2,959	3,768	3,000
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Number of forfeitures	18	12	10

City of Duluth Minnesota - 2026 Budget

Legislative & Executive Department 2026 Approved Budget by Expenditure Category



Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Charges for Services	11,426	9,000	9,000	-
Miscellaneous	4,005	5,300	5,300	-
Other Financing Sources	79,583	96,000	230,500	134,500
Department Total	95,014	110,300	244,800	134,500

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	2,840,514	3,225,100	3,621,600	396,500
Benefits	1,080,774	1,248,200	1,396,900	148,700
Other Costs	440,448	188,600	188,600	-
Department Total	4,361,736	4,661,900	5,207,100	545,200

Employees

Budgeted FTEs	2024	2025	2026	Difference
Legislative & Executive Department	26.80	28.80	29.80	1.00

City of Duluth Minnesota - 2026 Budget

City Council

www.duluthmn.gov/city-council/

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

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	124,200	124,200	124,200	-
Benefits	9,309	9,500	10,000	500
Other Costs	79,836	82,700	82,700	-
Division Total	213,345	216,400	216,900	500

City of Duluth Minnesota - 2026 Budget

Mayor & City Administration

<https://duluthmn.gov/mayor/>

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 alongside 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. This budget was combined with the City Administrator's Office budget in 2026.

The City Administrator is responsible for the activities of all offices, departments and boards; investigations and studies of the internal organization; and procedure of any office or department within the City. The City Administrator makes information available to the Mayor, the City Council, and the public concerning the current status of the financial affairs of the City and all offices, departments, and boards receiving appropriations from the City; attends meetings of the Council and makes available such information as it may require. This budget was combined with the Mayor's budget in 2026.

Employees

Budgeted FTEs	2024	2025	2026	Difference
City Administrator	1.00	1.00	1.00	-
Communications & Policy Officer	1.00	1.00	1.00	-
Community Relations Officer	1.00	1.00	1.00	-
Executive Assistant-Confidential	2.00	2.00	1.00	(1.00)
Human Rights & Equity Officer	1.00	1.00	1.00	-
Mayor	1.00	1.00	1.00	-
Public Information Officer	1.00	1.00	1.00	-
Sustainability Officer	1.00	1.00	1.00	-
Division Total	9.00	9.00	8.00	(1.00)

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Miscellaneous	355	-	-	-
Division Total	355	-	-	-

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	719,572	928,900	944,800	15,900
Benefits	322,801	397,300	401,700	4,400
Other Costs	18,250	44,800	44,800	-
Division Total	1,060,622	1,371,000	1,391,300	20,300

City of Duluth Minnesota - 2026 Budget

City Attorney's Office

www.duluthmn.gov/attorney/

The City Attorney's Office serves as the City's legal advisor and representative. Attorneys in our office provide legal counsel and civil litigation services to the Mayor, City Council, departments, boards and commissions, and public authorities. In addition, our office provides effective and efficient prosecution of violations of city ordinances and state misdemeanor statutes, including domestic violence, driving while intoxicated, trespassing, and traffic offenses.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Assistant City Attorney	8.00	11.00	11.00	-
City Attorney	1.00	1.00	1.00	-
Deputy City Attorney	2.00	1.00	1.00	-
Executive Assistant-Confidential	1.00	1.00	1.00	-
Lead Paralegal	1.00	1.00	1.00	-
Paralegal	3.00	3.00	3.00	-
Risk Manager	1.00	1.00	1.00	-
Senior Property Services Specialist	-	-	1.00	1.00
Utility Operations Paralegal	-	-	1.00	1.00
Victim Services Specialist	0.80	0.80	0.80	-
Division Total	17.80	19.80	21.80	2.00

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Charges for Services	11,426	9,000	9,000	-
Miscellaneous	3,650	5,300	5,300	-
Other Financing Sources	79,583	96,000	230,500	134,500
Division Total	94,659	110,300	244,800	134,500

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	1,996,742	2,172,000	2,552,600	380,600
Benefits	748,665	841,400	985,200	143,800
Other Costs	342,362	61,100	61,100	-
Division Total	3,087,769	3,074,500	3,598,900	524,400

Property, Parks, and Libraries Department

Mission and Vision

The Property, Parks, and Libraries Department exist to cost-effectively provide two categories of public services:

Internal services, such as those provided by Fleet Services and Property and Facilities Management, whose role is to increase the capacity of other City departments to serve the public well.

Community services, such as those provided by Parks and Recreation, Park Maintenance, and Library, that enrich community life through direct delivery of services to citizens.

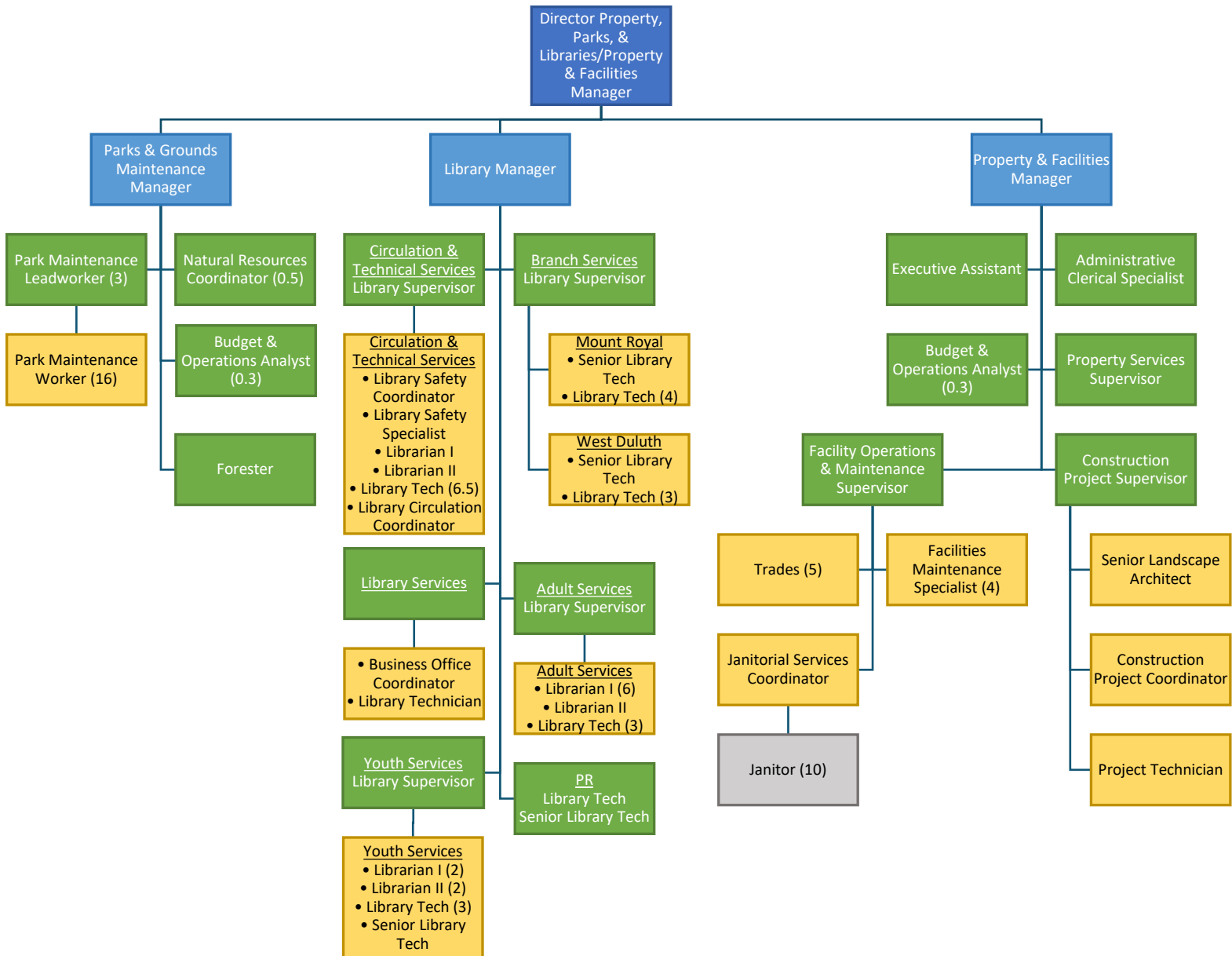
Structure

The Property, Parks, and Libraries Department brings together and coordinates five interrelated divisions: Library, Property and Facilities Management, Parks and Recreation, Park Maintenance, and Fleet Services. Parks and Recreation and portions of Park Maintenance are funded by the Parks Fund. Fleet Services is managed within a separate internal service fund with revenues paid from the General Fund and Enterprise Funds. All other divisions operate primarily from the General Fund.

City of Duluth Minnesota - 2026 Budget

Property, Parks, and Libraries

Organization Chart



Goals, Objectives, and Accomplishments

Property, Parks, and Libraries – Park Maintenance

2025 Accomplishments

- Completed work on the new Park Point boardwalk south of the beach house in conjunction with Parks and Rec Stewardship team and the PFM team.
- Collaborated with volunteers from National Bank of Commerce to paint/reset the graffiti haven at Gateway Plaza (known by most as Sailboat Park). The repainting of this structure proved to be a successful deterrent for graffiti artists allowing our team to focus efforts elsewhere throughout the season.
- New well pump was installed at the Jean Duluth Soccer fields allowing PM to continue providing high quality field access for our youth sports. This will also allow us to install a more efficient irrigation system reducing staff time and labor.
- Gary New Duluth tree project- many new trees were planted in the Gary New Duluth neighborhood - both replacements for removed ash trees and new placement locations on boulevards improving the urban forest in this area of the city.
- Prescribed burning was completed in conjunction with DFD at multiple park locations, helping to sustainably maintain some of our natural resources.

2026 Goals

- Understand and protect our Parks assets and plan for the future.
- Provide Duluth with a strategic vision for our urban and protected forest management and for years to come.
- Continue to explore sustainable, efficient maintenance options that provide continued financial and environmental benefits for the City and its residents.
- Support healthy populations of desired natural resources.
- Improve information gathering field tools to direct necessary needs in the field more efficiently.
- Develop maintenance cycles for park amenities to maintain assets and reduce deferred maintenance.

2026 Objectives

- Complete deferred/consolidated maintenance plan with PFM and Parks and Recreation.
- Adopt the Citywide Forestry Plan.
- Incorporate additional battery-operated equipment into our operations and continue to work with volunteer groups for litter clean-ups.
- Work with DFD to complete additional prescribed burns in new areas to support healthy no-mow habitats, reduce invasive species and promote healthy forests. Continue to support the Duluth Invaders- a volunteer-based group supporting invasive species removal within the city.
- Use existing software to suit more department needs and expand training throughout our team.
- Continue playground surfacing replacements and court crack sealing/resurfacing.

Goals, Objectives, and Accomplishments

Property, Parks, and Libraries – Library

2025 Accomplishments

- Developed and deployed communication boards at all three locations to improve library accessibility
- Added more community passes and circulating games to Library of Things collection
- Expanded space at West Duluth Branch by incorporating lobby alcove into library
- Refocused and reorganized collections at Mount Royal Branch to improve customer service, use of space, and efficiency
- Added Harbor City International School to Port Card program
- Implemented automatic renewals to improve customer service
- Installed new people counters at all three locations to improve data collection

2026 Goals

- Implement safety recommendations for Main Library
- Continue making library resources more accessible to K-12 students in Duluth
- Update youth space at Main Library
- Help community improve digital literacy skills
- Explore Library branch locations and regional system opportunities

2026 Objectives

- Complete building safety improvements (cameras, access system, shelving arrangement) at Main Library
- Add Edison schools to Port Card program
- Work with Duluth Library Foundation on Youth Services refresh project at Main Library
- Pilot digital literacy escape room programs
- Create digital literacy webpage with resources for children and adults
- Utilize HUD grant for public process to gather input on library needs, services, and locations

Goals, Objectives, and Accomplishments

Property, Parks, and Libraries – Property Facility Management

2025 Accomplishments

- Completed the Waterfront Plaza (DECC Harborside) Sea Wall reconstruction project.
- Completed the City Hall HVAC and grounds renewal projects.
- Completed construction on AVRI phase 1 projects.
- Completed the Enger Golf Course irrigation project.
- Provided comprehensive maintenance services to over 80 city facilities.
- Identified over 40 city parcels for potential sale and redevelopment (sale value of approximately \$1.4m)
- Completed multi-department pre-design study on the Consolidated Maintenance Facility.
- Completed a comprehensive Fire Hall facility needs analysis.

2026 Goals

- Shift to a deferred maintenance focus and refine data in asset management system to track, communicate and manage deferred maintenance and advocate for consistent, year over year funding.
- Design, bid and begin construction on the Priley Circle refresh project with County and Federal partners.
- Complete design on the consolidated maintenance facility.
- Develop a facility condition index dashboard to communicate facility needs and support a strategic capital investment plan.
- Sell excess city property (over 40 parcels) for potential redevelopment.
- Identify and consolidate city infrastructure assets to better align assets with available resources.
- Solidify a fire hall capital plan and begin to develop a funding plan in collaboration with Finance.

2026 Objectives

- Manage the project workload to meet goals.
- Engage with city-wide partners to implement property sales and identify new parcels for potential commercial development.
- Work with inter-departmental team to identify city parks and assets to eliminate, consolidate and refresh.
- Work with Finance to develop long-term capital investment strategies and to fund deferred maintenance year over year.

City of Duluth Minnesota – 2026 Budget

Park Maintenance - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Ensures parks, open spaces and public areas are designed with safety in mind, well-lit, well-maintained and actively monitored.	Interdepartmental collaboration on homeless, public space blight, and other impacts to City parks.	85%	87%	100%
Promote, support, and sustain well-maintained, safe, clean, visually appealing, free of blight neighborhoods, commercial areas and public spaces.	Efficient and effective sidewalk snow removal to improve opportunities for mobility on sidewalks adjacent to City-owned property.	90%	90%	100%
Promote, support, and sustain well-maintained, safe, clean, visually appealing, free of blight neighborhoods, commercial areas and public spaces.	Update mapping and snow removal priorities.	100%	100%	100%
Promote, support, and sustain well-maintained, safe, clean, visually appealing, free of blight neighborhoods, commercial areas and public spaces.	Deferred maintenance plan development and annual implementation.	80%	82%	100%
Develop, preserve, enhance and invest in community parks, neighborhood parks, open spaces, green spaces, lakes and waterways, ensuring they are safe, clean, attractive and accessible to all.	Quantify and define Park Maintenance activities and service levels by park location, activity, staff hours and cost.	75%	77%	100%
Develop, preserve, enhance and invest in community parks, neighborhood parks, open spaces, green spaces, lakes and waterways, ensuring they are safe, clean, attractive and accessible to all.	Develop comprehensive maintenance and operations standards manual.	80%	85%	100%
Refine and enhance volunteer efforts in our parks to help engage the community through volunteer clean-up initiatives and invasive species removal	Quantify, compare volunteer numbers/hours contributed year over year	Not Tracked	25%	100%
Refine and enhance volunteer efforts in our parks to help engage the community through volunteer clean-up initiatives and invasive species removal	Support and promote the Duluth Invaders program with ongoing education and host group events	Supported but not promoted	25%	100%

City of Duluth Minnesota – 2026 Budget

Library - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Ensure access to public libraries, museums, theater and performance groups, information resources, literacy enhancement and life-long learning opportunities for all ages.	Annual number of checkouts	785,236	877,829	880,000
Ensure access to public libraries, museums, theater and performance groups, information resources, literacy enhancement and life-long learning opportunities for all ages.	Annual number of library visits	328,635	338,506	340,000
Ensure access to public libraries, museums, theater and performance groups, information resources, literacy enhancement and life-long learning opportunities for all ages.	Annual number of reference transactions	40,872	35,295	35,000
Ensure access to public libraries, museums, theater and performance groups, information resources, literacy enhancement and life-long learning opportunities for all ages.	Annual number of program participants, including outreach visits	47,499	43,583	47,500
Ensure access to public libraries, museums, theater and performance groups, information resources, literacy enhancement and life-long learning opportunities for all ages.	Total physical materials in collection	272,246	267,887	265,000
Ensure access to public libraries, museums, theater and performance groups, information resources, literacy enhancement and life-long learning opportunities for all ages.	Annual number of public computer sessions	34,108	35,432	36,000
Ensure access to public libraries, museums, theater and performance groups, information resources, literacy enhancement and life-long learning opportunities for all ages.	Annual number of website visits	301,526	331,169	332,000
Ensure access to public libraries, museums, theater and performance groups, information resources, literacy enhancement and life-long learning opportunities for all ages.	Annual number of cardholders	52,894	57,983	58,000
Ensure access to public libraries, museums, theater and performance groups, information resources, literacy enhancement and life-long learning opportunities for all ages.	Number of children and caregivers attending early literacy outreach activities	11,724	14,612	15,000

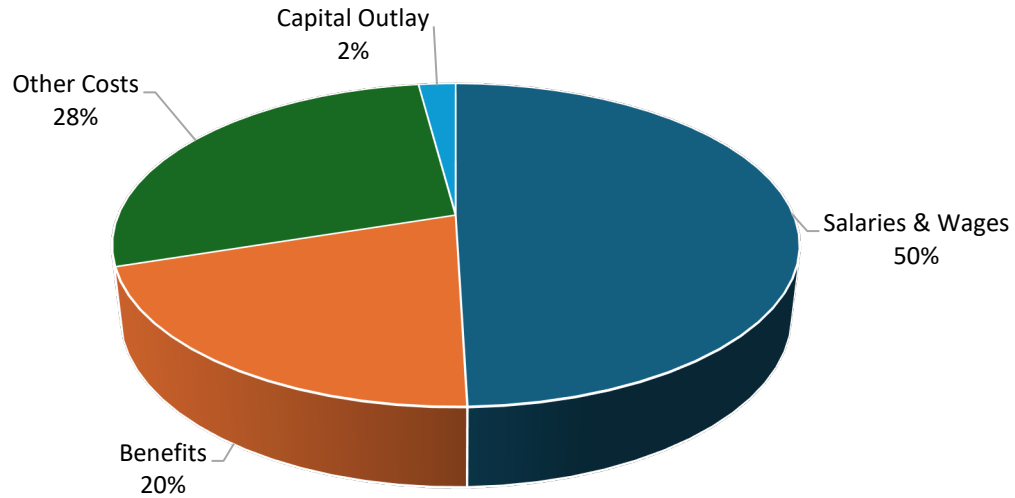
City of Duluth Minnesota – 2026 Budget

Property & Facilities Management - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Supports decision-making with timely and accurate analysis, focusing on innovative, long-term solutions that benefit the community.	Develop the internal data and resources to engage in strategic planning to adequately fund a financially sustainable, comprehensive long-range facility plan. Engage an internal stakeholder group to assess facility capital needs and resources and develop a set of high-level strategies for meeting the organization's long-term capital needs.	40%	75%	100%
Develops sustainable fiscal and operational policies which foster trust and transparency by ensuring accountability, efficiency, integrity, innovation and best practices in all operations.	Work with City team and vendor to improve energy tracking data inputs and modeling of greenhouse gas emission reduction targets.	80%	90%	100%

City of Duluth Minnesota - 2026 Budget

Property, Parks, & Libraries Department 2026 Approved Budget by Expenditure Category



Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	9,420	15,000	-	(15,000)
Miscellaneous	256,415	232,800	356,600	123,800
Other Financing Sources	497,178	466,800	514,800	48,000
Department Total	763,013	714,600	871,400	156,800

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	7,507,307	7,717,300	8,219,800	502,500
Benefits	3,118,607	3,265,000	3,384,200	119,200
Other Costs	4,644,683	4,811,200	4,639,200	(172,000)
Capital Outlay	465,652	346,000	346,000	-
Department Total	15,736,249	16,139,500	16,589,200	449,700

Employees

Budgeted FTEs	2024	2025	2026	Difference
Property, Parks, & Libraries Department	100.35	102.60	98.60	(4.00)

City of Duluth Minnesota - 2026 Budget

Park Maintenance

www.duluthmn.gov/property-facilities-management/park-maintenance/

Park Maintenance provides year-round maintenance services for the city's entire park system; which comprises over 10,000 acres of public green space, athletic facilities, fields, neighborhood parks, destination parks, multiuse trails, and an urban forest. In addition to parks and trail maintenance, Park Maintenance provides snow removal support throughout the city and maintains all boulevard trees.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Admin Clerical Specialist	1.00	-	-	-
Budget & Operations Analyst	0.30	0.30	0.30	-
Forester	1.00	1.00	1.00	-
Grant Coordinator	0.25	-	-	-
Natural Resource Coordinator	0.50	0.50	0.50	-
Park Maint Operations Coordinator	-	1.00	-	(1.00)
Park Maintenance Leadworker	3.00	3.00	3.00	-
Park Maintenance Worker	16.00	16.00	16.00	-
Parks & Grounds Maintenance Manager	1.00	1.00	1.00	-
Division Total	23.05	22.80	21.80	(1.00)

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	9,420	11,000	-	(11,000)
Miscellaneous	1,073	-	-	-
Other Financing Sources	235,300	236,700	267,100	30,400
Division Total	245,793	247,700	267,100	19,400

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	1,889,411	1,908,000	2,033,300	125,300
Benefits	786,497	790,100	831,800	41,700
Other Costs	893,898	1,183,900	1,229,100	45,200
Division Total	3,569,806	3,882,000	4,094,200	212,200

City of Duluth Minnesota - 2026 Budget

Library Services

www.duluthlibrary.org/

The Library division provides a safe and welcoming environment for people of all ages and backgrounds. The Library helps enrich the lives of community members by providing print and digital collections, assistance in finding information, access to local resources, and educational programs and events.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Librarian I	10.00	10.00	9.00	(1.00)
Librarian II	4.00	4.00	4.00	-
Library Business Office Coordinator	1.00	1.00	1.00	-
Library Circulation Coordinator	1.00	1.00	1.00	-
Library Safety Coordinator	-	-	1.00	1.00
Library Safety Specialist	1.00	2.00	1.00	(1.00)
Library Supervisor	4.00	4.00	4.00	-
Library Technician	22.00	21.50	21.50	-
Manager, Library Services	1.00	1.00	1.00	-
Senior Library Technician	4.00	4.00	4.00	-
Division Total	48.00	48.50	47.50	(1.00)

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	-	4,000	-	(4,000)
Miscellaneous	65,558	58,400	59,000	600
Division Total	65,558	62,400	59,000	(3,400)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	3,263,220	3,324,400	3,722,300	397,900
Benefits	1,390,471	1,442,800	1,585,200	142,400
Other Costs	521,018	526,200	535,900	9,700
Capital Outlay	465,652	346,000	346,000	-
Division Total	5,640,361	5,639,400	6,189,400	550,000

City of Duluth Minnesota - 2026 Budget

Property and Facilities Management

www.duluthmn.gov/property-facilities-management/

The Property and Facilities Management Division provides for the maintenance, repair, and improvement of all city facilities; oversees all city construction projects (except for street and utility projects); and manages the city's real estate assets.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Administrative Clerical Specialist	1.00	1.00	1.00	-
Budget & Operations Analyst	0.30	0.30	0.30	-
Carpenter	1.00	1.00	1.00	-
Construction Project Coordinator	1.00	1.00	1.00	-
Construction Project Supervisor	1.00	1.00	1.00	-
Director Property Parks & Library	1.00	1.00	-	(1.00)
Electrician	1.00	1.00	1.00	-
Executive Assistant	1.00	1.00	1.00	-
Facilities Maintenance Specialist	3.00	3.00	4.00	1.00
Facility Maintenance Leadworker	1.00	1.00	-	(1.00)
Facility Operations & Maintenance Supervisor	1.00	1.00	1.00	-
Janitor I	8.00	10.00	10.00	-
Janitorial Services Coordinator	1.00	1.00	1.00	-
Master Electrician - Property& Facilities	1.00	1.00	1.00	-
Master Plumber	1.00	1.00	1.00	-
Plumber	1.00	1.00	1.00	-
Project Technician	1.00	1.00	1.00	-
Property & Facilities Manager	1.00	1.00	1.00	-
Property Services Supervisor	1.00	1.00	1.00	-
Senior Landscape Architect	-	-	1.00	1.00
Senior Parks Planner	1.00	1.00	-	(1.00)
Sr Property Services Specialist	1.00	1.00	-	(1.00)
Division Total	29.30	31.30	29.30	(2.00)

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Miscellaneous	189,784	174,400	297,600	123,200
Other Financing Sources	261,878	230,100	247,700	17,600
Division Total	451,662	404,500	545,300	140,800

City of Duluth Minnesota - 2026 Budget

Property and Facilities Management Continued

www.duluthmn.gov/property-facilities-management/

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	2,354,676	2,484,900	2,464,200	(20,700)
Benefits	941,638	1,032,100	967,200	(64,900)
Other Costs	3,229,767	3,101,100	2,874,200	(226,900)
Division Total	6,526,082	6,618,100	6,305,600	(312,500)

Administrative Services Department

Mission and Vision

The Administrative Services Department provides a network of internal services that create a platform for innovative, efficient, and effective City operations. We seek to ensure trust and engagement for employees and the public by increasing regulatory compliance, identifying and mitigating operational risks, increasing communication and coordination between departments and improving interactions with community stakeholders. We develop originality, create efficiency, drive improvement, and lead collaboration.

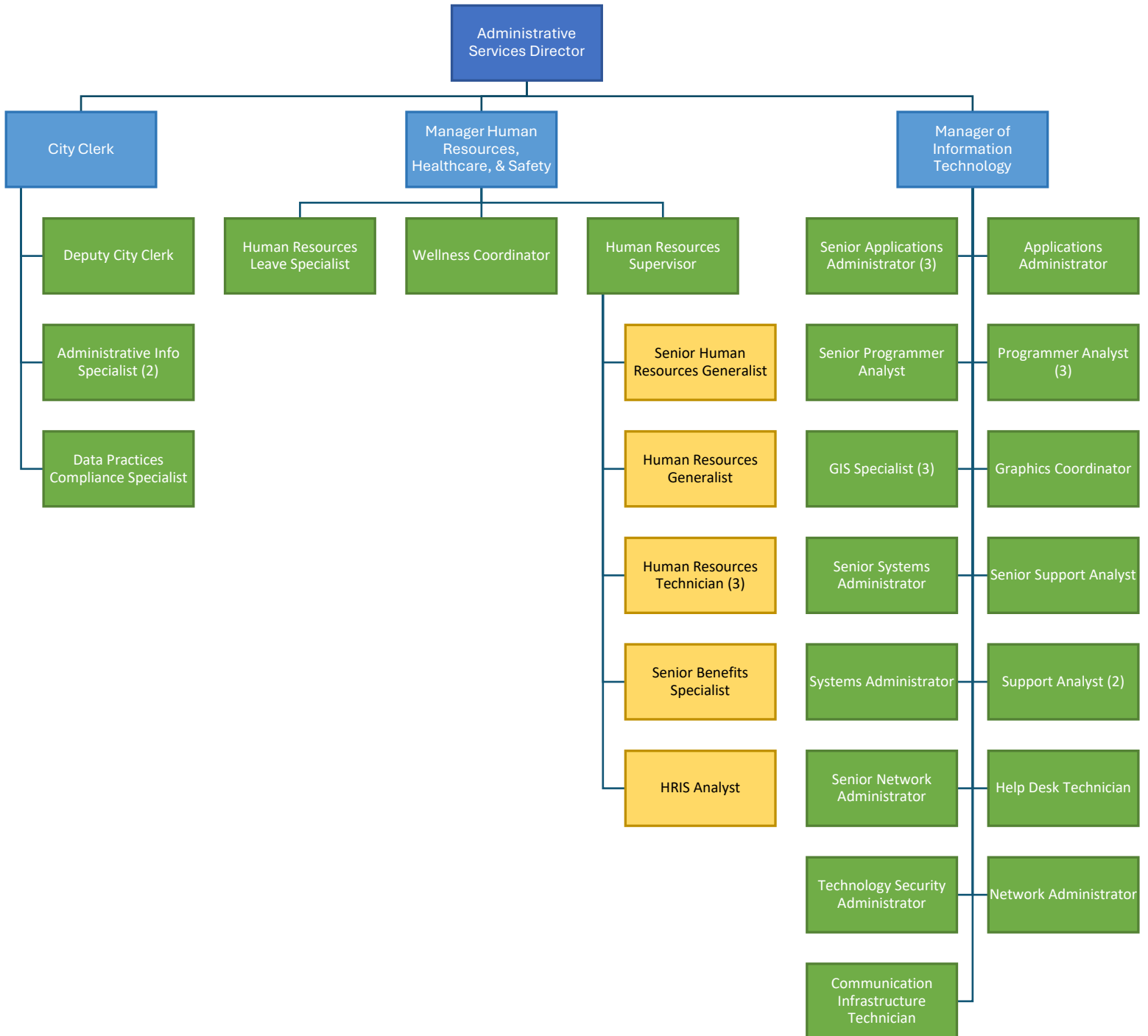
Structure

The Administrative Services Department consists of the Information Technology, City Clerk and Human Resources Divisions. The Department administers and directs core internal services and support in addition to providing external public regulatory services.

City of Duluth Minnesota - 2026 Budget

Administrative Services Department

Organization Chart



Goals, Objectives, and Accomplishments

Administrative Services – Human Resources

2025 Accomplishments

- Attended eight career fairs to actively promote City of Duluth job opportunities.
- In conjunction with internal partners, implemented self-insured, self-administered Minnesota Paid Family Medical Leave program.
- Increased wellness program participation by 40%.

2026 Goals

- Implement human resources related training for all staff through KnowBe4 training system.
- Streamline job description revision and creation through Civil Service revisions by eliminating unnecessary processes.
- Participate in career fairs to actively promote City of Duluth job opportunities.
- Increase participation in employee wellness programs by 10%.
- Promote opportunities for mental health awareness training to city staff.
- Increase completion rate of employee performance reviews by 10%.
- Begin process to move towards electronic personnel file management.

2026 Objectives

- By April 1, roll out first human resources training through KnowBe4 to all staff.
- By May 1, have revisions to Civil Service Rules to Council to streamline job description review process.
- Participate in career fairs during all seasons to actively promote City of Duluth job opportunities.
- Actively engage with workgroups on wellness initiatives and promote wellness program offerings.
- Starting in May, roll out mental health awareness trainings to city staff.
- Track performance review completion through Excel spreadsheet and follow up to assure as many as possible are getting completed.

Goals, Objectives, and Accomplishments

Administrative Services – IT

2025 Accomplishments

- Completed lifecycle replacement on 250 PCs, 26 Cameras, 48 Mobile Radios, 23 switches 2 firewalls as well as hundreds of cell phones, credit card readers, tablets, printers, and peripherals
- Converted Police Records Management to Cloud hosted provider to seamlessly integrate with County CAD and onboarding of additional partners
- Developed online digital accessibility training and enforcement working to remediate 2200 documents across all City departments
- Implemented and completed equipment inventory for water treatment operational technology
- Increased Public Safety Cameras by 5%
- Initiated consolidation of door access systems completing 3 of 26 buildings
- Modernized multiple AV configurations including the Council Chambers and West Police Station
- Modified several applications for high availability, historical data lookup and retention, vulnerability reductions and interoperability, reporting, improved workflows and digitization
- Modified multiple custom applications to be ADA Title II Compliant and more efficient including Timekeeping, eReporting, Online Calendaring, and multiple public library applications
- Onboarded the Essentia Purple Parking Ramp, DPD forensic unit, utilities flow monitoring, DPD and engineering drones, hardware patch management, cashiering and MNPL workflow
- Performed 20 large enterprise system software and hardware upgrades including GIS environment, Utilities OT,
- Replaced failing legacy phone system including 570 desk phones, in-building intercoms and retirement of several analog services
- Retired and replaced multiple legacy and duplicative systems including Lighting, FireRMS, Permitting and Licensing, Faxing, Call Recording, Call Agents, Wi-Fi
- Upgraded all (10) websites and completed desktop OS upgrades to supported versions

2026 Goals

- Automate endpoint onboarding, management and patching
- Complete and address security audits prioritizing JavaScript libraries
- Consolidate and reduce printing resources as well as simplify print device assignments
- Continue to consolidate applications including timekeeping
- Continuing to maintain lifecycle replacements of technology equipment
- Continue to modernize AV rooms including but not limited to the Public Safety Training Room and Council Chambers Overflow
- Evaluate governance and legislative platforms
- Expand and document fiber plant
- Finalize consolidation of door access system of 26 buildings and over 500 doors.
- Maintain OS compliance by replacing, upgrading or retiring 80 affected servers

Administrative Services – IT

- Meet full Title II ADA compliance and maintenance for online resources and documents including efficient standard operating procedures
- Perform large database platform migrations of central addressing, financial, employee and utilities systems
- Redesign and implement improved network data center model in both data centers
- Redesign the legacy website including bootstrap frameworks
- Replace virtualization platform to a more cost-effective solution
- Update all websites to newly supported version

2026 Objectives

- Adhere to IT Steering process to prioritize and schedule new projects
- Adopt and Expand AI to automate and identify efficiencies in daily process and workflows
- Improved cross departmental communication and collaboration through available tools
- Promote improved organizational independence through technology and security training as well as additional technology policies
- Reorganize and fill vacancies in Information Technology (IT) Department
- Retain and attract IT talent through training and competitive wages

Goals, Objectives, and Accomplishments

Administrative Services – Clerks

2025 Accomplishments

- Transferring business and animal licensing to the City of Duluth's Enterprise Licensing & Permitting system (ePlace)
- Implementing Cannabis & Low-Potency Hemp Registration
- 2025 elections

2026 Goals

- Implementing polling pads in select precincts
- Establishing a dedicated early voting space
- Convert all documents to ADA complaint documents
- Records retention training
- 2026 elections

2026 Objectives

- Collaboration with outside organizations to continue early voting conversations
- Cross departmental conversations to implement easier licensing procedures
- Continued internal discussions and trainings to maintain accuracy, transparency and adherence to the law.

City of Duluth Minnesota – 2026 Budget

Human Resources - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Estimate
Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals.	% of employees attending a human resources provided training or annual policy review	No Data	92%	90%
Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals.	% of supervisory staff participation in at least two leadership competency opportunities or trainings	No Data	100%	100%
Create a "Safety Culture" mindset by providing a work environment free from hazards that can cause harm to employees.	% of employees that were enrolled and attended safety related training	100%	100%	100%
Support the health and wellbeing of all City employees and family by actively encouraging healthy behaviors.	% of participation enrolled in Wellness Program	No Data	40%	50%

City of Duluth Minnesota – 2026 Budget

Information Technology - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Ensures timely and effective two-way communication with internal customers, residents, and businesses providing equal access to information encouraging input from all areas of the organization and the community at large.	Expansion of online customer offerings	Added ePlace (permitting, licensing and code enforcement)	Implementation complete for Tyler payments. This created unified accounts for payment of City services. Police crime mapping online for up to date Public Safety data access.	Online web presence 100% compliant for accessibility. City mobile app for communication between residents and City.
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Consolidate duplicative timekeeping applications	70% Time and Attendance Consolidated	Successfully migrated DPD non-Police union employees, 24 hour public works employees and various reporting.	Complete Police union employee migration and Fire non-Fire union employees.
Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals.	Expand GIS mapping services and offerings to include GIS Map Galleries, Story Maps, Real-Time Mapping, and Improved Asset Management	Crime Mapping Internal Public Safety Dashboards	Several additional maps added including Pavement Index, Alt Side Parking, and Preventative Maint for Water Valves. Dashboards have been added as well including the Crime Transparency Dashboard.	Retirement of legacy mapping software is taking priority for early 2026 with conversion needed for several map applications. Continue to expand services while consolidating duplicative platforms.

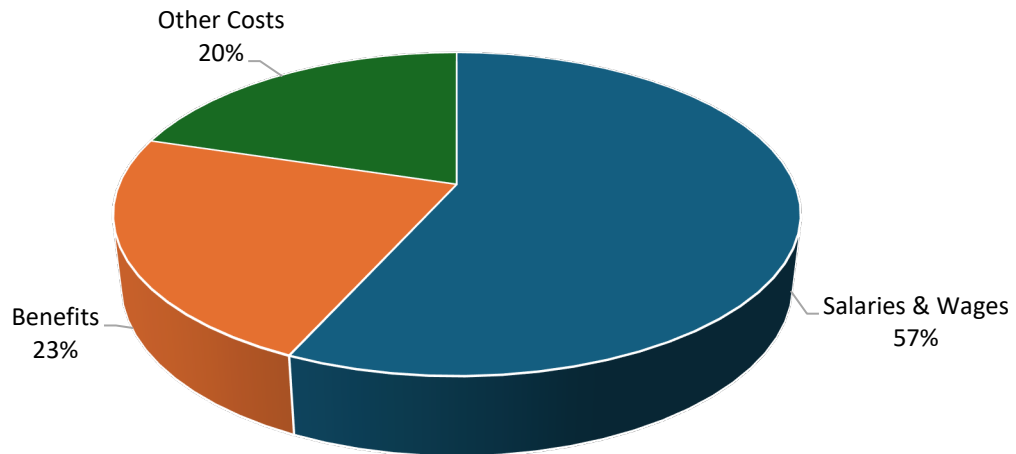
City of Duluth Minnesota – 2026 Budget

Clerks - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Estimate
Ensures timely and effective two-way communication with internal customers, residents, and businesses providing equal access to information encouraging input from all areas of the organization and the community at large.	Expansion of online services by transitioning licensing and permitting to the new EPL system.	60%	100%	100%
Develops sustainable operational policies which foster trust and transparency by ensuring accountability, efficiency, integrity, innovation and best practices in all operations.	Conduct a comprehensive audit of internal processes and programs.	0%	50%	75%
Provide record retention and data practices support to City Departments to ensure that records are handled in a responsible manner consistent with the Minnesota Government Data Practices Act.	Identify and implement enhancements to improve upon current data request processes.	0%	50%	75%
Provide record retention and data practices support to City Departments to ensure that records are handled in a responsible manner consistent with the Minnesota Government Data Practices Act.	Conduct regular record retention trainings with all City departments.	0%	100%	100%

City of Duluth Minnesota - 2026 Budget

Administrative Services Department 2026 Approved Budget by Expenditure Category



Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Licenses and Permits	614,946	567,200	567,200	-
Intergovernmental	31,903	-	-	-
Charges for Services	14,920	11,000	11,000	-
Fines and Forfeits	-	1,500	1,500	-
Miscellaneous	88,496	35,000	35,000	-
Other Financing Sources	370,600	437,200	437,200	-
Department Total	1,120,865	1,051,900	1,051,900	-

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	3,972,025	4,000,100	4,323,200	323,100
Benefits	1,602,151	1,673,000	1,750,100	77,100
Other Costs	1,226,874	1,613,700	1,543,300	(70,400)
Capital Outlay	62,895	-	-	-
Department Total	6,863,945	7,286,800	7,616,600	329,800

Employees

Budgeted FTEs	2024	2025	2026	Difference
Administrative Services Department	42.00	42.00	40.00	(2.00)

City of Duluth Minnesota - 2026 Budget

Human Resources

www.duluthmn.gov/human-resources/

Provides human resources management, employee onboarding and offboarding, labor relations, worker's compensation and leave management support to City employees. The division also provides benefit administration and health and wellness programs and services for eligible employees and retirees within the Joint Powers Enterprise.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Employee Benefits Representative	1.00	-	-	-
HRIS Analyst	1.00	1.00	1.00	-
Human Resources Assistant	1.00	-	-	-
Human Resources Generalist	2.00	1.00	1.00	-
Human Resources Leave Specialist	-	1.00	1.00	-
Human Resources Supervisor	1.00	1.00	1.00	-
Human Resources Technician	3.00	3.00	3.00	-
Manager, Human Resources, Healthcare & Safety	1.00	1.00	1.00	-
Senior Benefits Specialist	-	1.00	1.00	-
Senior Human Resources Generalist	-	1.00	1.00	-
Wellness Coordinator	1.00	1.00	1.00	-
Division Total	11.00	11.00	11.00	-

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	986,197	1,009,400	1,157,200	147,800
Benefits	416,434	430,100	491,100	61,000
Other Costs	59,417	108,000	105,000	(3,000)
Division Total	1,462,048	1,547,500	1,753,300	205,800

City of Duluth Minnesota - 2026 Budget

Information Technology

www.duluthmn.gov/IT/

The Information Technology division provides a customer-focused environment that integrates people, processes, and technology to increase the efficiency and effectiveness of City services and technology solutions. We strive to align technology investments throughout the City's departments by building standards, developing clear benefits, and maintaining a technology infrastructure capable of providing a resilient, scalable, and secure environment that ensures a stable architecture for future growth. We provide the management, maintenance and support of all City-wide technology assets which are utilized to make City government increasingly transparent, accessible, efficient, and secure.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Applications Administrator	4.00	1.00	1.00	-
Communications Infrastructure Technician	1.00	1.00	1.00	-
GIS Specialist	3.00	3.00	3.00	-
Graphics Coordinator	1.00	1.00	1.00	-
Help Desk Technician	1.00	1.00	1.00	-
Manager, Information Technology	2.00	2.00	1.00	(1.00)
Network Administrator	1.00	1.00	1.00	-
Programmer Analyst	3.00	3.00	3.00	-
Senior Applications Administrator	-	3.00	3.00	-
Senior Network Administrator	1.00	1.00	1.00	-
Senior Programmer Analyst	1.00	1.00	1.00	-
Senior Support Analyst	1.00	1.00	1.00	-
Senior Systems Administrator	1.00	1.00	1.00	-
Support Analyst	2.00	2.00	2.00	-
Systems Administrator	1.00	1.00	1.00	-
Technology Security Administrator	1.00	1.00	1.00	-
Division Total	24.00	24.00	23.00	(1.00)

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Charges for Services	14,920	11,000	11,000	-
Other Financing Sources	345,600	412,200	412,200	-
Division Total	360,520	423,200	423,200	-

City of Duluth Minnesota - 2026 Budget

Information Technology Continued

www.duluthmn.gov/IT/

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	2,243,858	2,261,400	2,440,400	179,000
Benefits	944,284	947,100	990,400	43,300
Other Costs	1,038,481	1,418,300	1,355,900	(62,400)
Division Total	4,226,623	4,626,800	4,786,700	159,900

City of Duluth Minnesota - 2026 Budget

City Clerk

www.duluthmn.gov/city-clerk/

Secretary to the City Council, Charter Commission, and Alcohol, Gambling and Tobacco Commission. 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.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Administrative Information Specialist	1.00	2.00	2.00	-
Assistant City Clerk	1.00	1.00	1.00	-
City Clerk	1.00	1.00	1.00	-
Data Practices	1.00	1.00	-	(1.00)
Director, Administrative Services	1.00	1.00	1.00	-
Executive Assistant-Confidential	1.00	1.00	1.00	-
Information Tech	1.00	-	-	-
Division Total	7.00	7.00	6.00	(1.00)

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Licenses and Permits	614,946	567,200	567,200	-
Intergovernmental	31,903	-	-	-
Fines and Forfeits	-	1,500	1,500	-
Miscellaneous	88,496	35,000	35,000	-
Other Financing Sources	25,000	25,000	25,000	-
Division Total	760,345	628,700	628,700	-

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	741,970	729,300	725,600	(3,700)
Benefits	241,432	295,800	268,600	(27,200)
Other Costs	128,976	87,400	82,400	(5,000)
Capital Outlay	62,895	-	-	-
Division Total	1,175,273	1,112,500	1,076,600	(35,900)

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 fostering 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.

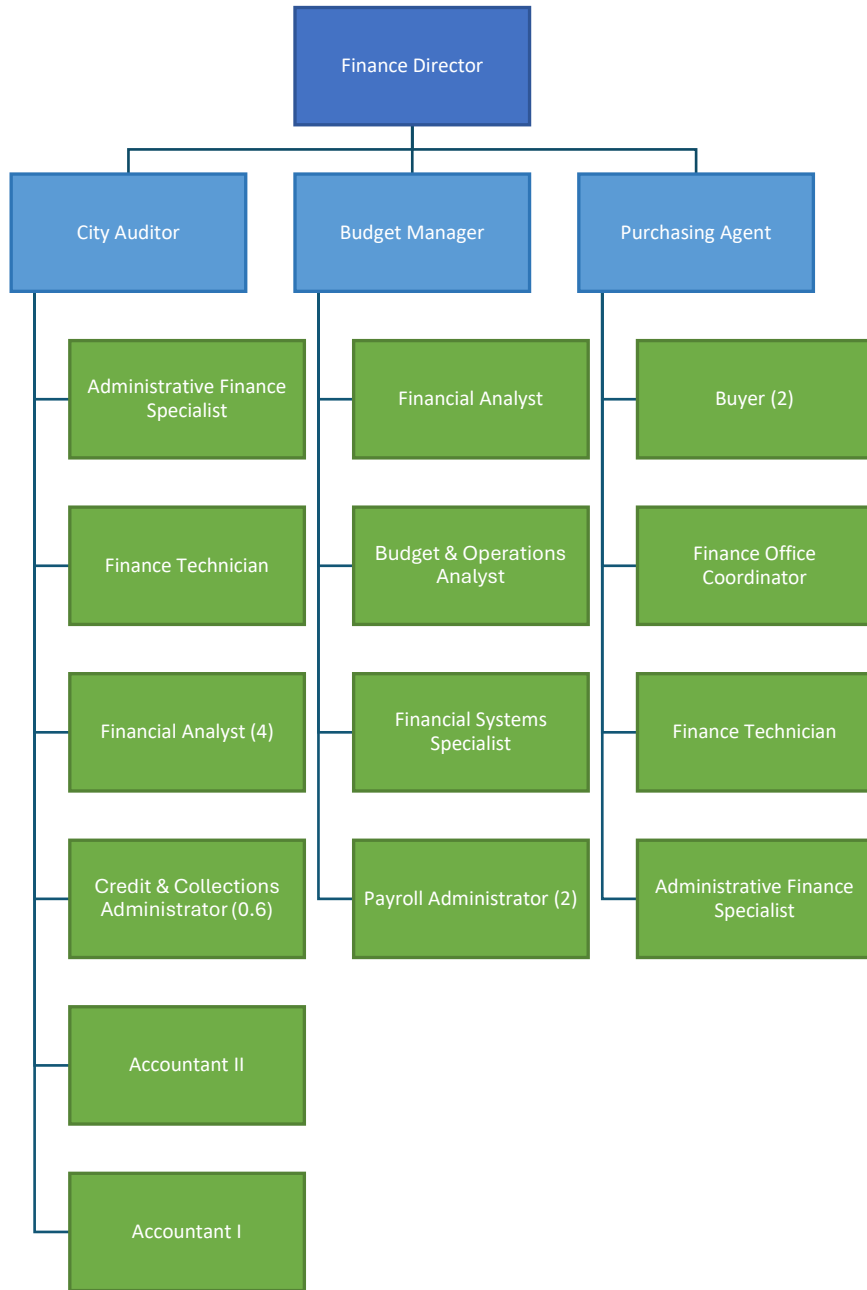
Structure

The department is comprised of three budgeted divisions. A manager leads each area, supported by several staff members. The Finance Department receives its funding from the General Fund.

City of Duluth Minnesota - 2026 Budget

Finance Department

Organization Chart



Goals, Objectives, and Accomplishments

Finance

2025 Accomplishments

- Coordinated, analyzed and presented 2025 to the City Council for all appropriated funds. The final budget and tax levy was approved by the City Council on December 15, 2025.
- The General Fund and Public Utility Funds achieved end of year target of balanced or surplus budget.
- Maintained AA bond rating.
- Received the GFOA Distinguished Budget Award for the 42nd consecutive year.
- Received the GFOA Certificate of Excellence in Financial Reporting for the 47th consecutive year.
- Current financial audit resulted in no financial related findings.
- Minnesota Legal Compliance audit resulted in no findings.
- Purchasing processes were revised to be environmentally friendly and sustainable.
- Purchasing staff are skilled, empowered and entrusted to work cooperatively with other City staff, vendors and the community.

2026 Goals

- Ensure exceptional financial service delivery to internal and external customers while maintaining the highest standards of fiscal responsibility and stewardship.
- Develop a long-term plan for the spending of the annual OPEB funding savings plan.
- Earn the Distinguished Budget Award from the Government Finance Officers Association (GFOA).
- Earn the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).
- Publish the Annual Budget Book by March 15 (90 days after the Final Budget & Tax Levy approved by the City Council).
- Publish the Annual Comprehensive Financial Report (ACFR) by June 30.
- Take all appropriated budgets to City Council for approval by year end.
- Maintain AA bond rating.
- Update financial documents to be ADA compliant.
- Improve the knowledge base, skill level and working relationships of City staff in the purchasing process.

2026 Objectives

- Prepare ADA compliant 2026 Budget Book and publish to website by March 15, 2026.
- Prepare ADA compliant 2025 Annual Comprehensive Financial Report (ACFR) and publish to website by June 30, 2026.
- Issue 2025 audit opinion by June 30, 2026.
- Provide in person purchasing training to all departments by July 30, 2026.
- Provide three-in-person visits to other City sites for Accounts Payable staff by August 30, 2026.

Finance

- Prepare ADA compliant 2027 Proposed Budget Book and publish to website by September 30, 2026.
- Prepare ADA compliant 2027 Capital Bond Book and publish to website by November 30, 2026.
- Prepare ADA compliant 2027 Capital Improvement Budget and 5-year plan and publish to website by November 30, 2026.
- Prepare ADA compliant 2027 Truth in Taxation Book and publish to website by November 30, 2026.

City of Duluth Minnesota – 2026 Budget

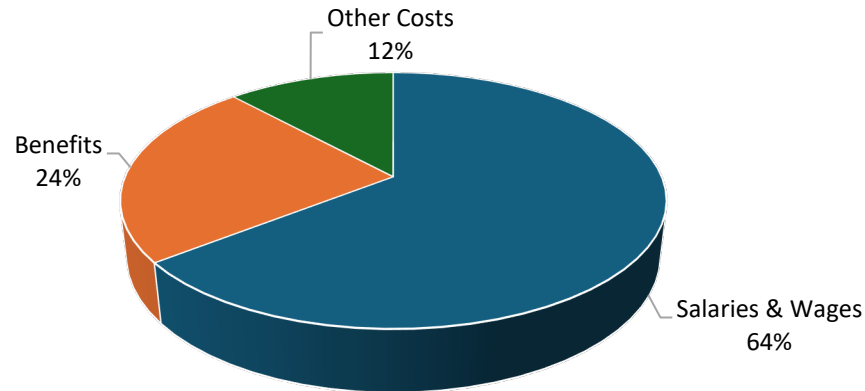
Finance - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Percent of departments meeting their expenditure appropriation	89%	89%	100%
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Collectible Unassigned General Fund Balance (*policy is between 16-18%)	17.3%	30.6%	18%
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Combined General Fund and CIT fund balance (*policy is minimum 40%)	45.3%	64.9%	40%
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	General fund and Public Utility funds achieved end of year target of balanced or surplus budget	Yes	Yes	Yes
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Property tax collection rate	98.4%	97.9%	99%
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Total bonded amount for CIP and CEP	\$5.6M	\$5.8M	\$6.7M
Supports decision-making with timely and accurate analysis, focusing on innovative, long-term solutions that benefit the community.	To obtain GFOA's Certificate of Excellence in Financial Reporting	Yes	Yes	Yes
Supports decision-making with timely and accurate analysis, focusing on innovative, long-term solutions that benefit the community.	To obtain GFOA's Distinguished Budget Presentation Award	Yes	Yes	Yes
Supports decision-making with timely and accurate analysis, focusing on innovative, long-term solutions that benefit the community.	Other Post-Employment Benefits Trust Account balance	\$107.2 M	\$107.5 M	\$102.8 M
Supports decision-making with timely and accurate analysis, focusing on innovative, long-term solutions that benefit the community.	Bond rating	AA	AA	AA
Attract, develop, equip, motivate, and retain a high-quality, diverse, engaged and productive workforce focused on creative service excellence.	Number of paychecks processed	27,311	26,432	27,000

City of Duluth Minnesota - 2026 Budget

Finance Department

2026 Approved Budget by Expenditure Category



Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Taxes	53,399,721	48,203,000	51,539,900	3,336,900
Intergovernmental	35,261,122	35,303,100	35,311,100	8,000
Charges for Services	3,416,513	3,894,000	4,184,000	290,000
Fines and Forfeits	181,687	200,000	200,000	-
Special Assessments	222,284	164,800	169,800	5,000
Investment Income	143,925	-	-	-
Miscellaneous	194,460	150,500	150,500	-
Other Financing Sources	5,013,307	5,006,500	4,566,900	(439,600)
Operating Revenues	298	-	-	-
Department Total	97,833,317	92,921,900	96,122,200	3,200,300

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	2,078,597	2,032,100	2,237,800	205,700
Benefits	812,445	783,300	824,300	41,000
Other Costs	402,080	355,400	411,000	55,600
Department Total	3,293,123	3,170,800	3,473,100	302,300

Employees

Budgeted FTEs	2024	2025	2026	Difference
Finance Department	23.60	22.85	22.60	(0.25)

City of Duluth Minnesota - 2026 Budget

Budget Office

www.duluthmn.gov/finance/budget/

Under the leadership of the Finance Director, the Budget office provides direction to the City in all financial matters. The Budget office is responsible for strategically aligning the City’s resources with the priorities of the City. This division’s responsibilities also include forecasting, planning, payroll, and financial systems. Payroll processes payments for City staff as well as the Airport Authority. Financial systems support the enterprise resource planning software, creating department efficiency tools as well as timekeeping systems.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Budget & Operations Analyst	1.00	1.00	1.00	-
Budget Manager	1.00	1.00	1.00	-
Finance Director	1.00	1.00	1.00	-
Financial Analyst	1.00	1.00	1.00	-
Financial Systems Specialist	1.00	1.00	1.00	-
Payroll Administrator	2.00	2.00	2.00	-
Division Total	7.00	7.00	7.00	-

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	732,325	725,300	815,600	90,300
Benefits	259,195	260,600	274,700	14,100
Other Costs	67,835	37,100	37,100	-
Division Total	1,059,356	1,023,000	1,127,400	104,400

City of Duluth Minnesota - 2026 Budget

City Auditor

www.duluthmn.gov/finance/auditor/

The City Auditor properly accounts for financial transactions in accordance with the City charter, City code and Governmental Accounting and Financial Reporting standards. Additional responsibilities include grant reporting and monitoring internal controls over city assets, contracts and records. The office annually prepares the Annual Comprehensive Financial Report which is audited by the Minnesota Office of the State Auditor. The City Auditor is also responsible for overseeing the City's banking relationships and investment portfolio.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Accountant I	2.00	1.25	1.00	(0.25)
Accountant II	1.00	1.00	-	(1.00)
Administrative Finance Specialist	1.00	1.00	1.00	-
City Auditor	1.00	1.00	1.00	-
Credit & Collections Administrator	0.60	0.60	0.60	-
Finance Technician	1.00	1.00	1.00	-
Financial Analyst	4.00	4.00	5.00	1.00
Division Total	10.60	9.85	9.60	(0.25)

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Taxes	53,399,721	48,203,000	51,539,900	3,336,900
Intergovernmental	35,261,122	35,303,100	35,311,100	8,000
Charges for Services	3,416,513	3,894,000	4,184,000	290,000
Fines and Forfeits	181,687	200,000	200,000	-
Special Assessments	222,284	164,800	169,800	5,000
Investment Income	143,925	-	-	-
Miscellaneous	194,460	150,500	150,500	-
Other Financing Sources	5,013,307	5,006,500	4,566,900	(439,600)
Operating Revenues	298	-	-	-
Division Total	97,833,317	92,921,900	96,122,200	3,200,300

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	889,321	850,800	929,900	79,100
Benefits	346,453	325,900	337,000	11,100
Other Costs	319,844	304,100	359,700	55,600
Division Total	1,555,617	1,480,800	1,626,600	145,800

City of Duluth Minnesota - 2026 Budget

City Purchasing

www.duluthmn.gov/purchasing/

The Purchasing division performs the materials requisition, procurement, and accounts payable 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, as well as timely and accurate payments. The division is also responsible for the disposal of excess or obsolete materials.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Administrative Finance Specialist	2.00	1.00	1.00	-
Buyer	-	2.00	2.00	-
Finance Office Coordinator	1.00	1.00	1.00	-
Finance Technician	1.00	1.00	1.00	-
Purchasing Agent	1.00	1.00	1.00	-
Senior Buyer	1.00	-	-	-
Division Total	6.00	6.00	6.00	-

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	456,951	456,000	492,300	36,300
Benefits	206,797	196,800	212,600	15,800
Other Costs	14,401	14,200	14,200	-
Division Total	678,150	667,000	719,100	52,100

Planning & Economic Development Department

Mission and Vision

The Planning and Economic Development Department consists of two divisions: the Planning and Development Division and the Construction Services Division. These two work groups collaborate 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 department provides services to businesses and developers for economic and community development projects. The Planning and Economic Development Department, together with the Engineering Division, serve as the customer gateway to the City of Duluth for permits and review of proposed development activities. This portal is also the private sector's navigation system for accomplishing new investment into private property. The Planning and Economic Development Department works with the community – residents and neighborhood groups, development professionals and businesses – to ensure vitality in development and redevelopment throughout Duluth. Staff seek to ensure development is sustainable and compatible with surrounding neighborhoods and the natural landscape, and develops thoughtful plans with targeted implementation strategies to further the goals and principles established in the Imagine Duluth 2035 Comprehensive Plan and the City's Consolidated Plan for federal department of Housing & Urban Development Resources.

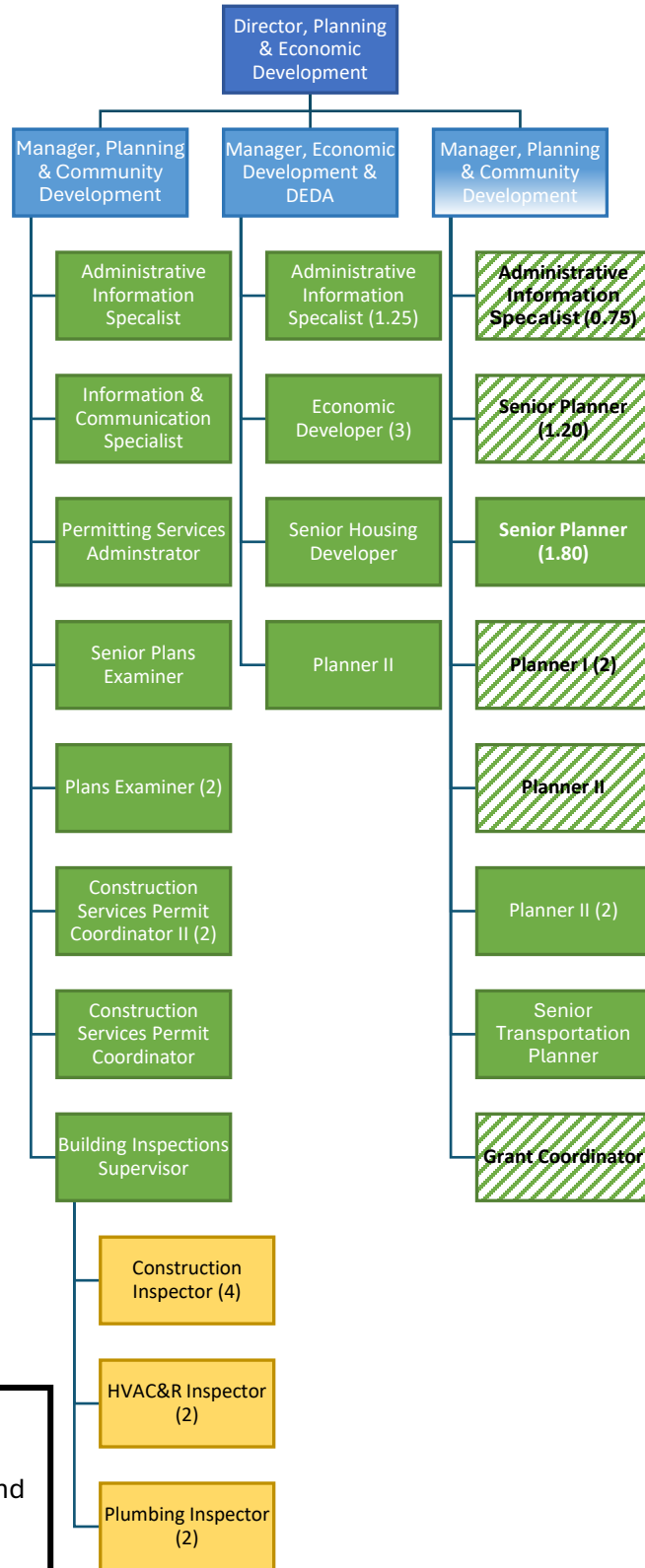
Structure

The Department of Planning and Economic Development's two divisions rely on a team structure seeking to provide a high level of service to the community. Within the Construction Services and Inspections division, staff at city hall complete permit intake, coordination, and plan review, while building inspection services are coordinated for continuous inspections throughout the community. The Planning and Development division includes teams addressing tourism and economic development, business support and development, long range planning, grants, compliance, and community development programs, housing development, and transportation planning. The departmental structure provides for responsive planning and zoning, construction permitting, economic development services, and the enforcement of land and building regulations. Staff in the department work on a continuous basis with many of the City's boards and commissions and between city departments to ensure alignment with the goals of the community, and seek to implement the community's goals from the comprehensive plan and the adopted Consolidated Plan for community revitalization.

City of Duluth Minnesota - 2026 Budget

Planning & Construction Services Department

Organization Chart



KEY
 Solid = General Fund
 Patterned = Non-General Fund
 Gradient = Split Between Multiple Funding Sources

Goals, Objectives, and Accomplishments

Planning and Economic Development

2025 Accomplishments

- Completed and implemented a Tax Increment Financing Policy
- Continued successful administration of the City's Community Development Program
- Initiated the development of an AUAR for the downtown to ease future development
- Held inaugural Housing Strategies Conference

2026 Goals

- Improve collaboration with internal departments related to development and system improvements
- Promote infill development to better utilize existing infrastructure
- Address blighted buildings
- Grow partnerships with design professionals and contractors
- Grow partnerships with housing developers
- Refine vision and long-term goal for short term rentals

2026 Objectives

- Convene a monthly internal development partners stakeholder group to review upcoming development and address process issues
- Identify and package underutilized, publicly owned lots and sell for development
- Grow blight fund and work with internal partners to address critical blighted properties on 1st street or near other development opportunities
- Hold informational outreach events related to construction services processes
- Build off the initial Housing Strategies Conference to continue solving issues and grow partnerships
- In collaboration Life Safety rolls out new licensing process and enforcement program for short term rentals

City of Duluth Minnesota – 2026 Budget

Planning & Economic Development - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Increase the number of housing units in the City, focusing on all housing types and income levels	# housing C of Os	604	110	150
Increase the number of housing units in the City, focusing on all housing types and income levels	# housing units through HUD funding	101 (+70 rehab)	4 (+54 rehab)	100
Increase the number of housing units in the City, focusing on all housing types and income levels	# housing units through Housing Team projects	244	75	300
Support investment in downtown as the key commercial, social, and housing hub of the City	# of business incentives and projects downtown	26	12	30
Increase the number of employment opportunities by supporting new and existing businesses and industry growth	# jobs created through economic development work	43	52	60
Increase the number of employment opportunities by supporting new and existing businesses and industry growth	# people helped through business and job training programs funded by HUD	270	294	300
Ensure regulatory compliance to provide clean and well-maintained neighborhoods	Number of formal compliance actions	55	50	60

City of Duluth Minnesota – 2026 Budget

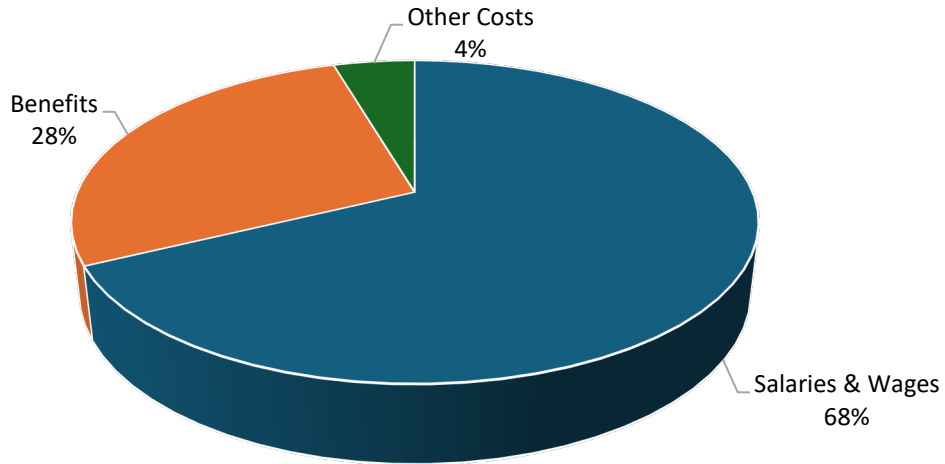
Construction Services & Inspections - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Valuation of construction permits issued	\$375 M	\$325 M	\$325 M
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Number of construction inspections performed	7,561	5,716	7,000
Ensures timely and effective two-way communication with internal customers, residents, and businesses providing equal access to information encouraging input from all areas of the organization and the community at large.	Percentage of permits issued online	98%	100%	100%
Ensures timely and effective two-way communication with internal customers, residents, and businesses providing equal access to information encouraging input from all areas of the organization and the community at large.	Number of pre-submittal plan review meetings	46	47	45
Ensure buildings and properties throughout the community are well-kept, safe, and compliant with community standards.	Number of plan reviews for compliance with building, energy, accessibility, and other standards	1,069	1,560	1,250

City of Duluth Minnesota - 2026 Budget

Planning & Economic Development Department

2026 Approved Budget by Expenditure Category



Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Licenses and Permits	10,659	5,000	3,000	(2,000)
Charges for Services	4,393,085	3,162,500	3,764,800	602,300
Fines and Forfeits	11,075	-	-	-
Miscellaneous	72,264	42,900	44,100	1,200
Other Financing Sources	123,000	123,000	-	(123,000)
Department Total	4,610,083	3,333,400	3,811,900	478,500

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	2,830,311	2,740,900	3,080,300	339,400
Benefits	1,179,325	1,169,600	1,254,700	85,100
Other Costs	261,066	333,900	207,300	(126,600)
Department Total	4,270,702	4,244,400	4,542,300	297,900

Employees

Budgeted FTEs	2024	2025	2026	Difference
Planning & Economic Development Department	34.25	31.60	32.05	0.45

City of Duluth Minnesota - 2026 Budget

Planning & Development

www.duluthmn.gov/planning-development/

Planning and Development works to support development, planning initiatives, projects, and other changes that are consistent with the City's adopted plans and policies. Seeks to encourage development that creates a city with vibrant, people-centered neighborhoods; a safe, welcoming place to live and headquarter business; a go-to destination for entertainment, culture, and access to nature; with a thriving, resilient economy and close connections to both the built and natural environment.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Administrative Information Specialist	1.25	1.25	1.25	-
Deputy Director, Plan & Econ Dev	1.00	-	-	-
Director, Planning & Economic Development	1.00	1.00	1.00	-
Economic Developer	2.25	2.00	3.00	1.00
Manager, Economic Development & DEDA	-	1.00	1.00	-
Manager, Planning & Community Development	0.50	0.50	0.50	-
Planner I	-	1.00	-	(1.00)
Planner II	3.00	2.00	3.00	1.00
Project Coordinator	-	1.00	-	(1.00)
Senior Economic Developer	1.00	-	-	-
Senior Housing Developer	0.50	0.50	0.50	-
Senior Planner	1.75	0.75	1.80	1.05
Senior Transportation Planner	1.00	1.00	1.00	-
Supervisor, Land Use	-	0.60	-	(0.60)
Division Total	13.25	12.60	13.05	0.45

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Charges for Services	121,459	87,500	165,500	78,000
Fines and Forfeits	11,075	-	-	-
Miscellaneous	69,845	40,900	42,100	1,200
Other Financing Sources	123,000	123,000	-	(123,000)
Division Total	325,379	251,400	207,600	(43,800)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	1,190,308	1,118,700	1,264,100	145,400
Benefits	467,314	473,100	518,500	45,400
Other Costs	137,973	189,900	62,900	(127,000)
Division Total	1,795,595	1,781,700	1,845,500	63,800

City of Duluth Minnesota - 2026 Budget

Construction Services & Inspection

<https://duluthmn.gov/csi/>

Construction Services and Inspections administers construction permitting, plan review, construction inspections, condemnations for demolition, and is the central point of service for residential and commercial development in the City. The division enforces the Minnesota State Building Code, which establishes minimum construction standards and uniform performance standards to ensure reasonable safeguards for the health and safety of citizens.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Administrative Information Specialist	1.00	1.00	1.00	-
Building Inspections Supervisor	1.00	1.00	1.00	-
Construction Inspector	4.00	4.00	4.00	-
Construction Services Permit Coordinator	3.00	3.00	1.00	(2.00)
Construction Services Permit Coordinator II	-	-	2.00	2.00
Electrical Inspector	2.00	-	-	-
HVAC&R Inspector	2.00	2.00	2.00	-
Information & Communications Specialist	1.00	1.00	1.00	-
Manager, Planning & Community Development	1.00	1.00	1.00	-
Permitting Services Administrator	1.00	1.00	1.00	-
Plans Examiner	3.00	2.00	2.00	-
Plumbing Inspector	2.00	2.00	2.00	-
Senior Plans Examiner	-	1.00	1.00	-
Division Total	21.00	19.00	19.00	-

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Licenses and Permits	10,659	5,000	3,000	(2,000)
Charges for Services	4,271,626	3,075,000	3,599,300	524,300
Miscellaneous	2,419	2,000	2,000	-
Division Total	4,284,704	3,082,000	3,604,300	522,300

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	1,640,003	1,622,200	1,816,200	194,000
Benefits	712,011	696,500	736,200	39,700
Other Costs	123,093	144,000	144,400	400
Division Total	2,475,107	2,462,700	2,696,800	234,100

Fire Department

Mission and Vision

The Duluth Fire Department is 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 150 years, the Duluth Fire Department has been responding to meet the public safety needs of our community. While our mission to save life and property has remained consistent over the department's history, the type of services we provide has expanded and the incorporation of new technology has significantly changed how we carry out our mission.

Structure

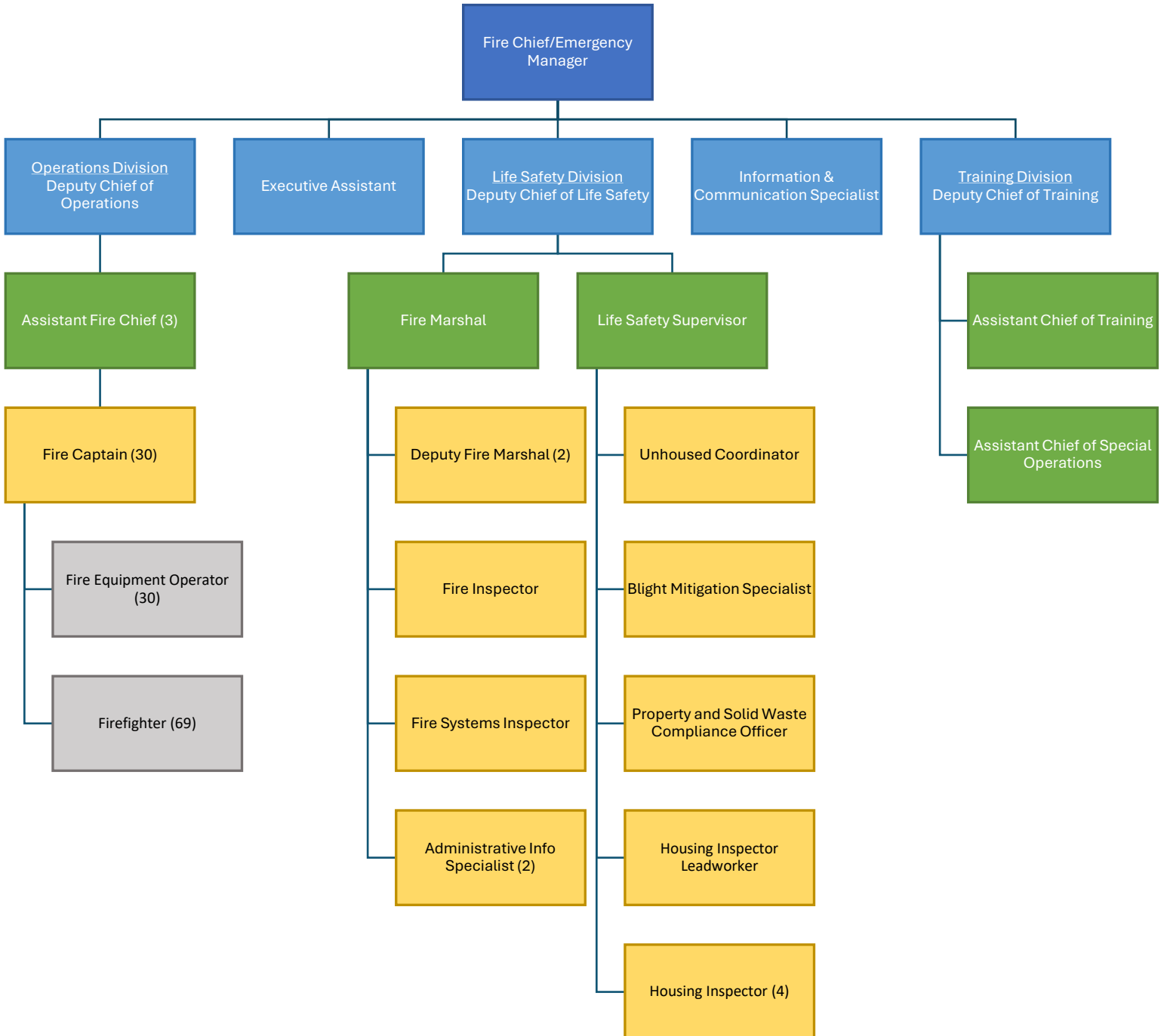
The Fire Department has three main divisions: Administration, Operations, including Training, and Life Safety, which includes fire prevention and housing inspection. The department seeks to further the mission through:

- All-hazard emergency response
- City-wide emergency management and preparedness
- Commercial inspection, permitting, and fire code enforcement
- Rental licensing, housing inspection, and code enforcement
- Supporting a safe and secure community through nuisance & blight abatement
- Community engagement through public safety, fire prevention education, and car seat installation
- Fire investigation
- Fire protection systems permitting and plan review
- Industry-leading training and education

City of Duluth Minnesota - 2026 Budget

Fire Department

Organization Chart



Goals, Objectives, and Accomplishments

Fire Department – Training

2025 Accomplishments

- Our members collectively need 6,192 hours of continuing education to maintain minimum certifications. Our training division accounted for 17,276 hours.
- Managed two regional Training Academies for DFD and 5 other full-time departments.
- Creation of new captain and assistant chief testing promotional processes to include simulations
- New state certifications - 13 Instructor I, 13 Officer I, and 8 Fire Investigators
- Hosted statewide class for State Fire Marshal's 80- hour Investigator certification program, including construction of eight-bedroom live fire investigation prop.
- Recertification of 72 EMTs
- Implementation of National Incident Qualification System for National Wildfire Qualifications
- Acquired 25 free portable radios from southern Minnesota for training (\$70,000 value)
- Solicited and received \$10,000 donation from Louisiana Pacific for consumables used in live fire training props.
- Overhaul of Standard Company Fire Response policies into alignment with national best practices.
- Received 1.8 million dollars for Urban Search and Rescue (USAR) vehicles that can be used in the city of Duluth.
- Received 1 million dollars for USAR Equipment that can be used within the city of Duluth.
- 28 advanced Rescue certifications completed by members, utilized \$194,000 of external dollars.
- Managed and staffed State Special Operations Teams, which can also be utilized in the city of Duluth.
- Secured access to the Essentia hospital to perform training in a commercial structure before it was torn down.

2026 Goals

- ADA Document Compliance
- Driver, Office, and Instructor/cadre development
- Completion of high-rise fire training building
- Completion of Rapid Intervention and Fire Ground Survival Building
- Secure classroom and training space
- Find additional dollars to continue to push training past minimums

2026 Objectives

- We will find the funding internally and externally to provide current, timely, and best practice all-hazards training to safeguard the lives of our fire crews, residents, and visitors. Our evolving culture of preparedness will simultaneously protect properties and the environment.

Goals, Objectives, and Accomplishments

Fire Department – Operations

2025 Accomplishments

- Our members collectively need 6,192 hours of continuing education to maintain minimum certifications. Our training division accounted for 17,276 hours.
- Managed two regional Training Academies for DFD and 5 other full-time departments.
- Creation of new captain and assistant chief testing promotional processes to include simulations
- New state certifications - 13 Instructor I, 13 Officer I, and 8 Fire Investigators
- Hosted statewide class for State Fire Marshal's 80- hour Investigator certification program, including construction of eight-bedroom live fire investigation prop.
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- Managed and staffed State Special Operations Teams, which can also be utilized in the city of Duluth.
- Secured access to the Essentia hospital to perform training in a commercial structure before it was torn down.

2026 Goals

- ADA Document Compliance
- Sustain workload stabilization while managing projected Pre-hospital Emergency Medical Services (EMS) growth.
- Expand wildland response capability and cost recovery.
- Strengthen community wildfire risk reduction and fire investigation capacity.
- Complete facilities planning and advance phased capital strategy.
- Improve apparatus lifecycle efficiency and cost containment.
- Audit operation programs for budget alignment
- Complete implementation of Operations Incident Record, Scheduling, Asset Management, and Fire Investigation software.

Fire Department – Operations Continued

2026 Objectives

- Conduct full-year review of staffing model, overtime trends, and make necessary adjustments to strengthen the fire department's emergency response capabilities.
- Further refine Code 2 dispatch protocols and measure apparatus utilization changes.
- Finalize U.S. Forest Service Agreement and complete HSEM reimbursement process for participation with the Minnesota Incident Command teams.
- Integrate the City of Duluth Community Wildfire Protection Plan (CWPP) into the St. Louis County CWPP.
- Expand Operations support of Fire Preventions school-based public education initiatives.
- Formalize Operations Division fire investigation support structure through policy and process creation.
- Complete facilities study and develop phased capital roadmap for the completion of the accepted facilities plan.
- Complete two re-chassis engine projects and evaluate cost avoidance outcomes.
- Work with software vendor to finish the scheduling and fire investigation software programs. Also, continue to train and use all other software modules.

Goals, Objectives, and Accomplishments

Fire Department – Life Safety

2025 Accomplishments

- We received funding for the Blight Mitigation Specialist position, which was originally funded by Community Development Block Grant then dropped by Planning and Economic Development (PED). The Vacant Building Registration (VBR) was used to fund the position for the last two years. This frees up VBR funds that can support demo and acquisition of dangerous buildings, fund property improvements, and improve neighborhoods.
- Received City Council support for leadworker position. This position will focus on right to repair issues and complex cases.
- Administration supported addition of a housing inspector in 2024 to address a three-year backlog in rental inspections. To support this, we strategically shifted a property and solid waste compliance officer position to a housing inspector. This reduced the backlog from three years to less than four months. Meanwhile, calls for property and solid waste issues have increased significantly. One property and solid waste compliance officer position is not adequate for the workload.
- Onboarding of Unhoused Response Coordinator has resulted in a decrease in encampment cleanup costs by shifting from enforcement to coordination. The number of camps are down, but those that remain do so for longer. This longer coordination has allowed more placement into stable housing. In addition, the camps that remain are cleaner and require less maintenance.
- Added Fire Inspector to focus on short-term rental inspections and to assist with operational permit backlog.
- Short-term rental moratorium with PED, Construction Services, and Attorney's office for short-term rental process improvement. IN PROGRESS
- Moved forward on plan to relocate Life Safety to Central Hillside Community center along with Fire Administration, and Fire Training Division.
- Worked with Administration and Council on Right To Repair ordinance and issues.
- Improved food truck licensing and inspection process.

2026 Goals

- Continue to work on housing inspections and fire inspections
- Workforce program with CHUM - focus on quality-of-life issues (garbage, sharps, graffiti, snow removal, etc.)
- 20K line for blight cleanup - we are having trouble getting warrants to do the work (attorneys short staffed). Recommend temporary shift in that funding to park maintenance so they can pilot two-person teams of temporary or seasonal staff to respond to abandoned waste, sharps, and graffiti. May be used to inform snow removal program)
- Work toward funding program for people that purchase/acquire buildings on the VBR
- Monitoring fees and looking at the revenue to support additional life safety staff- CA Staehling
- Implementation of new software for short-term rental- Granicus
- Short term rental inspection and enforcement

Fire Department – Life Safety Continued

- ADA Document Compliance
- New fire code in 2026 - ordinance will be rewritten to accept changes in the code and formally designate authority for operational permits.
- Work with blight team to demo dangerous properties.
- Work on plans to assist VBR properties with connections to city water infrastructure so they can install fire protection.
- Move forward on relocation to Central Hillside Community Center building
- Work on moving towards combining CSI with Life Safety to form a neighborhood services division
- work on increasing staffing to appropriate levels.
- Focus snow removal enforcement in strategic regions for business, transportation, or school zones. Snow removal is economic development priority but cannot equitably be enforced without a plan for removal.

2026 Objectives

- Training and development of all appointed staff
- Collect data and measure successes (EPL, Granicus, etc.)
- Utilize new technology (Granicus, AI for plan review, etc.)
- Prepare to move into Central hillside by end of Q1 2027
- Launch Adopt-a-block program
- Pilot program with Parks Maintenance and Public Works using 20k blight fund by summer - establish two-person team to pick up sharps, abandoned waste, and respond to graffiti complaints
- Streamline and implement new short-term rental licensing and enforcement plan to include addition of two fire inspector FTE covered by licenses and fees.
- Implement Granicus software for short term rental administration and enforcement prior to moratorium end
- Hire promotional housing inspector leadworker to focus on right to repair and complex housing issues. (funded by council December 2026)
- Establish process with Finance and St. Louis County to capture and reclaim assessments
- Write ordinance change collecting 2.5% lodging tax on all short-term rental properties
- Establish professional services agreement with CHUM by summer 2027 for workforce program

City of Duluth Minnesota – 2026 Budget

Fire Department - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Provides for a well-planned, effective and prompt response to emergencies of all kinds, including individual calls for service, fires, public safety threats and natural disasters.	Calls for medical and non-fire suppression	15,495	15,344	15,500
Provides for a well-planned, effective and prompt response to emergencies of all kinds, including individual calls for service, fires, public safety threats and natural disasters.	Calls for fire suppression service	315	290	305
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Rental Licenses	1,817	1,859	1,657
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Operational Permits	524	480	492
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Fire Investigations	22	22	20
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Public Education Events	19	110	120
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	New Construction Projects (plan review)	314	349	249
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Number of Vacant Buildings	141	117	110
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Snow Cases	23	66	50
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Solid Waste Cases	79	29	30

City of Duluth Minnesota – 2026 Budget

Fire Department - Performance Measures Continued

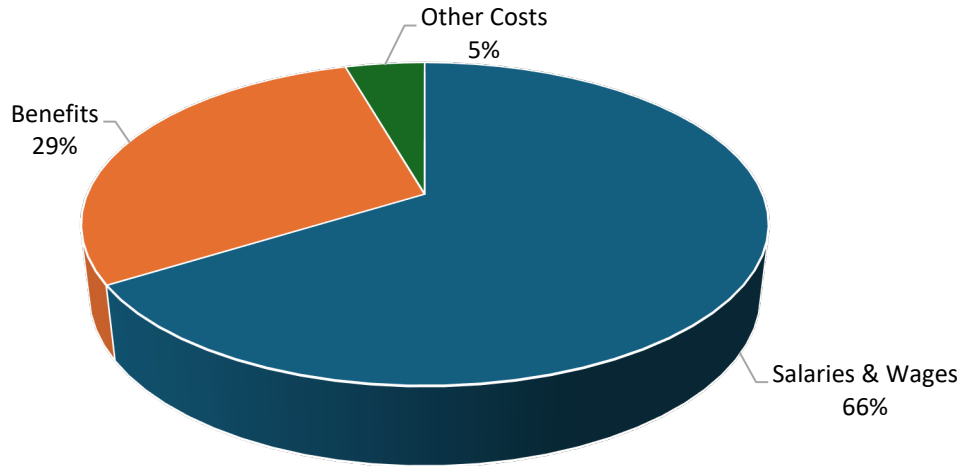
Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Encampments	76	105	75

Note: 2024 Encampment data is based on last six months of 2024

City of Duluth Minnesota - 2026 Budget

Fire Department

2026 Approved Budget by Expenditure Category



Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Licenses and Permits	1,466,493	1,475,500	1,122,000	(353,500)
Intergovernmental	1,317,712	1,000,000	1,000,000	-
Charges for Services	38,400	34,200	34,200	-
Fines and Forfeits	38,279	-	-	-
Miscellaneous	8,971	12,200	2,000	(10,200)
Other Financing Sources	575,495	496,300	413,000	(83,300)
Department Total	3,445,351	3,018,200	2,571,200	(447,000)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	16,185,001	15,430,600	16,407,100	976,500
Benefits	6,898,427	6,788,200	7,284,800	496,600
Other Costs	1,144,465	1,091,500	1,106,700	15,200
Department Total	24,227,893	23,310,300	24,798,600	1,488,300

Employees

Budgeted FTEs	2024	2025	2026	Difference
Fire Department	151.00	156.00	156.00	-

City of Duluth Minnesota - 2026 Budget

Fire Administration

www.duluthmn.gov/fire/

The Fire Chief leads the Administration Division, which includes three Deputy Fire Chiefs, an Executive Assistant, and an Information and Communications Specialist. The Administration Division is tasked with long-term planning and ensuring the department has adequate funding for personnel, equipment, training, and maintenance to carry out its mission. The Fire Chief is the City of Duluth Emergency Manager and is responsible for all emergency functions and preparedness in the city.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Deputy Fire Chief	3.00	3.00	2.00	(1.00)
Deputy Fire Chief-Training	-	-	1.00	1.00
Executive Assistant	1.00	1.00	1.00	-
Fire Chief	1.00	1.00	1.00	-
Information & Communications Specialist	1.00	1.00	1.00	-
Division Total	6.00	6.00	6.00	-

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	1,317,712	1,000,000	1,000,000	-
Charges for Services	38,400	34,200	34,200	-
Miscellaneous	3,433	5,200	2,000	(3,200)
Other Financing Sources	146,391	96,800	13,500	(83,300)
Division Total	1,505,936	1,136,200	1,049,700	(86,500)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	811,248	800,700	865,000	64,300
Benefits	297,566	282,200	299,900	17,700
Other Costs	49,831	54,900	56,500	1,600
Division Total	1,158,644	1,137,800	1,221,400	83,600

City of Duluth Minnesota - 2026 Budget

Fire Operations

www.duluthmn.gov/fire/

The Deputy Chief of Operations and 3 Assistant Chiefs lead the Operations Division, which has 132 personnel. The Operations Division responds to and manages all emergent and non-emergent responses to incidents including: fires, medical calls, rescues, public assistance service calls, and daily work duties. Duluth has eight fire stations strategically located throughout the city to minimize emergency response time. These eight stations house ten fire companies, including six fire engines, three ladder trucks, and a heavy rescue. These companies also manage three rescue boats and other marine units.

In addition to the duties above, training is also included as a part of the Fire Operations division. The Deputy Chief of Training leads the Training Division, which includes two Assistant Chiefs. The Training Division is responsible for coordinating fire department training and the administration of two state response teams: Minnesota Task Force 2 (urban search and rescue team) and the Hazardous Materials Reponse Team. The division also provides support for emergency management, hiring and promotion processes, grant writing, and collaborating with federal, state and local agencies.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Assistant Chief of Special Operations	1.00	1.00	1.00	-
Assistant Fire Chief	3.00	3.00	3.00	-
Fire Captain	30.00	30.00	30.00	-
Fire Equipment Operator	30.00	30.00	31.00	1.00
Firefighter	66.00	69.00	64.00	(5.00)
Lateral Firefighter	-	-	4.00	4.00
Technical Service Coordinator	-	-	-	-
Training Officer	1.00	1.00	1.00	-
Division Total	131.00	134.00	134.00	-

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Miscellaneous	2,938	-	-	-
Other Financing Sources	308,104	156,500	156,500	-
Division Total	311,042	156,500	156,500	-

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	14,218,090	13,302,900	13,948,400	645,500
Benefits	6,123,483	5,950,800	6,366,500	415,700
Other Costs	945,509	929,000	941,100	12,100
Division Total	21,287,083	20,182,700	21,256,000	1,073,300

City of Duluth Minnesota - 2026 Budget

Life Safety

www.duluthmn.gov/fire/

The Deputy Chief of Life Safety, the Fire Marshal, and the Life Safety Supervisor oversee this division, which is comprised of uniformed and civilian staff. The Life Safety Division is responsible for housing and fire code enforcement, fire investigation, public education, fire systems plan review, fire inspections, rental licensing, complaints, sidewalk snow enforcement, and solid waste compliance. Our team works collaboratively with other city departments to provide a safe and livable community.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Administrative Information Specialist	2.00	2.00	2.00	-
Blight Mitigation Specialist	1.00	1.00	1.00	-
Deputy Fire Marshal	2.00	2.00	2.00	-
Fire Inspector	-	1.00	1.00	-
Fire Marshal	1.00	1.00	1.00	-
Fire Systems Inspector	-	-	1.00	1.00
Fire Systems Plans Examiner	1.00	1.00	-	(1.00)
Housing Inspector	4.00	5.00	5.00	-
Housing Inspector Leadworker	1.00	1.00	-	(1.00)
Life Safety Supervisor	-	-	1.00	1.00
Property & Solid Waste Compliance Officer	2.00	2.00	2.00	-
Division Total	14.00	16.00	16.00	-

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Licenses and Permits	1,466,493	1,475,500	1,122,000	(353,500)
Fines and Forfeits	38,279	-	-	-
Miscellaneous	2,600	7,000	-	(7,000)
Other Financing Sources	121,000	243,000	243,000	-
Division Total	1,628,373	1,725,500	1,365,000	(360,500)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	1,155,663	1,327,000	1,593,700	266,700
Benefits	477,378	555,200	618,400	63,200
Other Costs	149,125	107,600	109,100	1,500
Division Total	1,782,166	1,989,800	2,321,200	331,400

Police Department

Mission and Vision

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

Values

- Fair
- Accountable
- Caring
- Transparent

Core Beliefs

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

Structure

The department has an authorized strength of 156 sworn police officers and employs 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 three divisions.

The Administrative Division oversees all the administrative functions of the police department. There are currently three civilian managers and one lieutenant assigned to this division which consists of the following units: Professional Standards, Records, Parking, Animal Shelter, Budget and Grants.

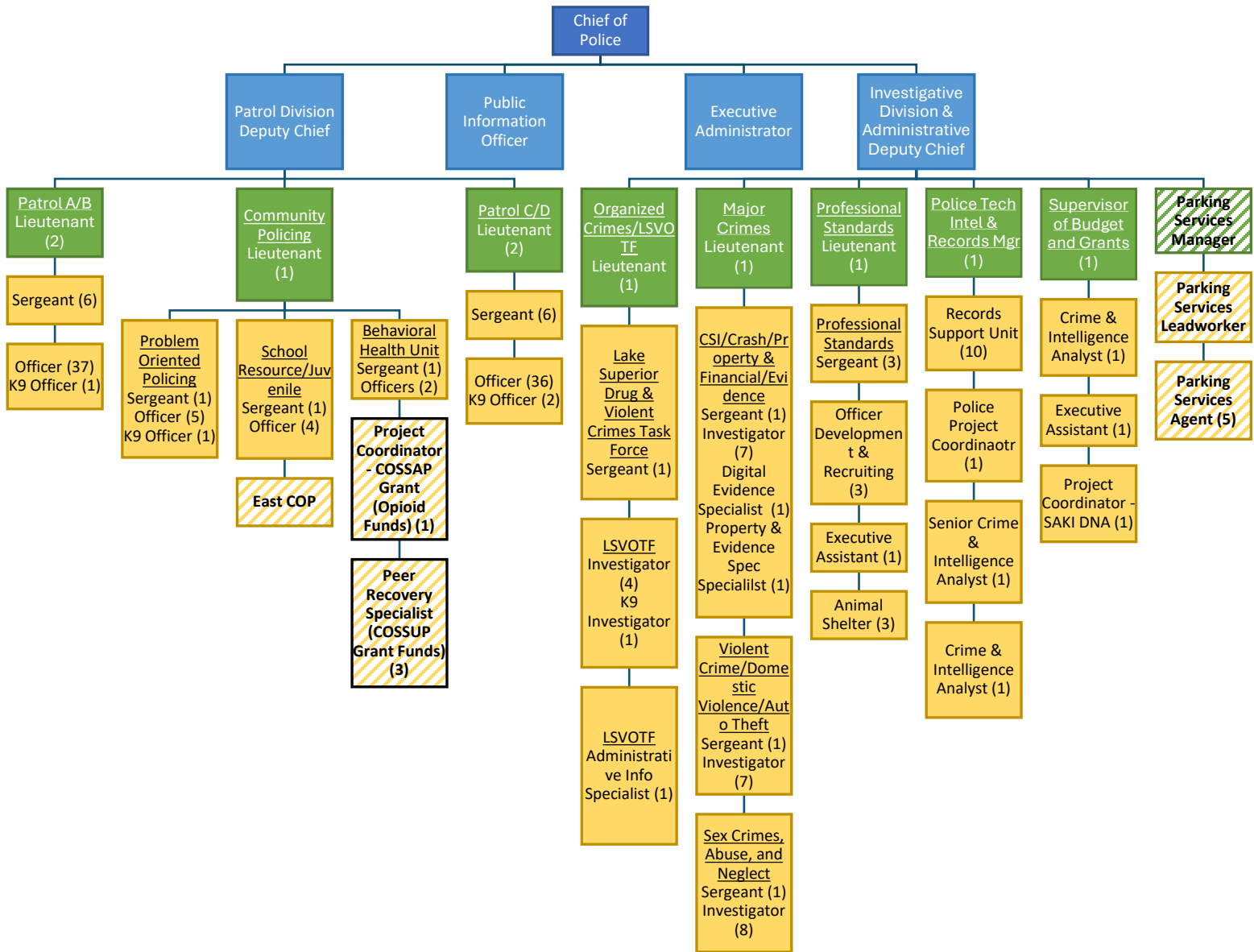
The Investigative Division oversees all follow up needs for criminal investigations. There are currently two lieutenants assigned to this division which consists of the following units: Crime Scene, Lake Superior Violent Offenders Task Force, Violent Crimes, Property and Evidence, Property/Financial Crimes, Crash Investigations, Sex Crimes, Abuse and Neglect, Domestic Violence.

The Patrol Division consists of four patrol crews with a lieutenant assigned to each crew. 911 response and general patrols for crime suppression/reduction are the primary responsibilities for patrol crews. The Patrol Division also consists of two specialty units, the Behavioral Health Unit, and the Community Engagement-Problem Oriented Policing (CE-POP) unit, with a lieutenant assigned to each unit. These specialty units contain the following areas of focus: Community Policing, School Resource Officers, Bike Patrol, CORE/SURT, Life Safety, HRA and DTA Officers.

City of Duluth Minnesota - 2026 Budget

Police Department

Organization Chart



KEY
 Patterned = Parking Enterprise Fund
 Patterned (Black Outline) = COSSUP Grant
 Opioid Fund

Goals, Objectives, and Accomplishments

Police

2025 Accomplishments

- Tactical Emergency Medical Services (TEMS) team fully operational
- City of Duluth Internet Crimes Against Children (ICAC) lab creation
- Bearcat deployed
- RDS weapons platform deployed, all officers received 20 hours of training
- Drone as First Responder (DFR) and Draft One funding plan secured

2026 Goals

- Year 1 of 2 Policy and Accreditation Implementation
- Employee Development & Training
- Organizational and Cultural Accountability
- Leadership & Succession Planning
- Creative solutions in response to perceived downtown safety concerns

2026 Objectives

- Accreditation Manager trained in Policies360 software platform during quarter 1
- Prioritize policy rewrites, beginning with POST mandated
- Develop standardized SOP templates
- Revive Department Employee Enrichment Program (DEEP)
- As staffing allows throughout 2026, send officers to Field Training Officer (FTO) training. Continue to refine use of PowerFTO software platform, purchase laptops for FTO use in squad
- Evaluate success of Hybrid Academy after each the spring and fall academy
- Bring in department-wide training: Building Positive Culture
- Revitalize Chief Advisory Committee
- Revitalize monthly Coffee with the Chief/DCs: 15-minute touch base with staff monthly
- Develop standardized SOP templates
- Lieutenants/Sergeants use SOP template to outline assignment specific duties
- Refine promotional "on-boarding" process to include training, account access, position expectations
- Request a wide cross-section of community partners, to include NGOs, residents, and local government officials, to identify key areas of focus, each individual person/agency's investment need, problem-oriented solutions, and an implementation plan
- Drive up proactive police response in the downtown area - as funding allows, staff overtime squads with a specific focus on key areas identified
- Reenergize community-based court

City of Duluth Minnesota – 2026 Budget

Police - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Service Response: Provides for a well-planned, effective and prompt response to emergencies of all kinds, including individual calls for service, fires, public safety threats and natural disasters.	Number of priority one calls (ie burglary in progress)	18,078	15,748	13,418
Service Response: Provides for a well-planned, effective and prompt response to emergencies of all kinds, including individual calls for service, fires, public safety threats and natural disasters.	Priority one response time (min/sec)*	9:52	11:01	12:32
Service Response: Provides for a well-planned, effective and prompt response to emergencies of all kinds, including individual calls for service, fires, public safety threats and natural disasters.	Number of priority two calls (ie theft)	41,601	39,190	36,779
Service Response: Provides for a well-planned, effective and prompt response to emergencies of all kinds, including individual calls for service, fires, public safety threats and natural disasters.	Priority two response time (min/sec)*	12:19	13:38	14:57
Service Response: Provides for a well-planned, effective and prompt response to emergencies of all kinds, including individual calls for service, fires, public safety threats and natural disasters.	Total calls for service	83,555	86,013	88,471
Service Response: Provides for a well-planned, effective and prompt response to emergencies of all kinds, including individual calls for service, fires, public safety threats and natural disasters.	Proactive calls (Self Initiated)	14,538	15,178	15,818
Service Response: Provides for a well-planned, effective and prompt response to emergencies of all kinds, including individual calls for service, fires, public safety threats and natural disasters.	Reactive calls (Response to a 911 Call)	68,620	70,580	72,540
Service Response: Provides for a well-planned, effective and prompt response to emergencies of all kinds, including individual calls for service, fires, public safety threats and natural disasters.	Co-Responder (CORE) calls	397	255	113
Safety Presence: Fosters a feeling of personal safety through a visible and approachable public safety presence, proactive prevention, community caretaking and education.**	Group A offenses (ie theft, assault, sex offenses)	5,200	5,195	5,190
Safety Presence: Fosters a feeling of personal safety through a visible and approachable public safety presence, proactive prevention, community caretaking and education.**	Group B offenses (ie liquor offenses, trespassing)	1,731	1,877	2,023

City of Duluth Minnesota – 2026 Budget

Police - Performance Measures Continued

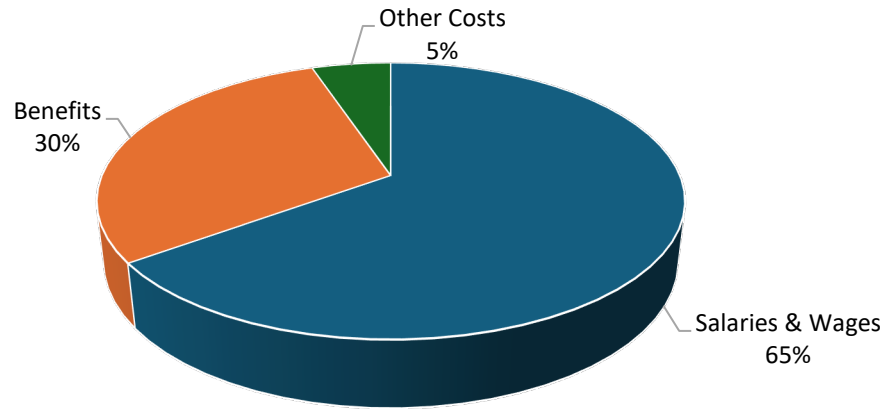
Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Safety Presence: Fosters a feeling of personal safety through a visible and approachable public safety presence, proactive prevention, community caretaking and education.**	Total investigations initiated	3,044	3,688	4,332
Livable Community: Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Number of shelter intake dogs/cats	636	729	822
Livable Community: Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Number of shelter intake other animals	11	85	159
Livable Community: Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Number of owner claimed dogs/cats	198	241	284
Livable Community: Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Number of transferred dogs/cats	413	431	449

**Note: Crime numbers are always in flux as investigations are ongoing, new information is disclosed, crimes are reported after the fact, etc..

City of Duluth Minnesota - 2026 Budget

Police Department

2026 Approved Budget by Expenditure Category



Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	2,197,896	1,913,500	1,913,500	-
Charges for Services	72,814	33,100	34,200	1,100
Fines and Forfeits	18,258	-	-	-
Miscellaneous	120,875	10,000	10,000	-
Other Financing Sources	2,102,112	1,632,200	1,680,900	48,700
Department Total	4,511,956	3,588,800	3,638,600	49,800

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	18,564,301	19,161,100	19,810,400	649,300
Benefits	7,799,165	8,527,100	9,076,000	548,900
Other Costs	2,007,837	1,615,400	1,578,300	(37,100)
Department Total	28,371,303	29,303,600	30,464,700	1,161,100

Employees

Budgeted FTEs	2024	2025	2026	Difference
Police Department	184.00	181.00	182.00	1.00

City of Duluth Minnesota - 2026 Budget

Police Department

www.duluthmn.gov/police/

The Police department consists of three divisions: The Investigative division, the Administrative division and the Patrol division. The Investigative 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 Administrative division is responsible for administrative functions of the department including training and development, clerical and records support, fleet, technology and facilities management. 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.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Administrative Information Specialist	1.00	1.00	1.00	-
Animal Control Officer	1.00	1.00	1.00	-
Animal Services Technician	1.00	1.00	1.00	-
Animal Shelter Leadworker	1.00	1.00	1.00	-
Budget & Grant Supervisor	1.00	1.00	1.00	-
Data Release Coordinator	2.00	2.00	2.00	-
Deputy Police Chief	3.00	3.00	2.00	(1.00)
Digital Evidence Specialist	1.00	1.00	1.00	-
Executive Administrator-Police	-	-	1.00	1.00
Executive Assistant	3.00	3.00	2.00	(1.00)
Peer Recovery Specialist	3.00	3.00	3.00	-
Police Chief	1.00	1.00	1.00	-
Police Crime & Intelligence Analyst	2.00	2.00	2.00	-
Police Lieutenant	9.00	9.00	8.00	(1.00)
Police Officer	118.00	115.00	118.00	3.00
Police Project Coordinator	-	-	1.00	1.00
Police Records Technician II	6.00	6.00	6.00	-
Police Sergeant	22.00	22.00	22.00	-
Police Technology, Intelligence & Records Manager	1.00	1.00	1.00	-
Project Coordinator	3.00	3.00	1.00	(2.00)
Project Coordinator-COSSAP Grant	-	-	1.00	1.00
Property & Evidence Specialist	1.00	1.00	1.00	-
Public Information Officer	1.00	1.00	1.00	-
Senior Police Compliance & Records Administrator	-	-	1.00	1.00
Senior Police Crime & Intelligence Analyst	1.00	1.00	1.00	-
Senior Police Data Operations & Administrative Analyst	-	-	1.00	1.00
Senior Police Records Technician	2.00	2.00	-	(2.00)
Department Total	184.00	181.00	182.00	1.00

City of Duluth Minnesota - 2026 Budget

Police Department Continued

www.duluthmn.gov/police/

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	2,197,896	1,913,500	1,913,500	-
Charges for Services	72,814	33,100	34,200	1,100
Fines and Forfeits	18,258	-	-	-
Miscellaneous	120,875	10,000	10,000	-
Other Financing Sources	2,102,112	1,632,200	1,680,900	48,700
Department Total	4,511,956	3,588,800	3,638,600	49,800

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	18,564,301	19,161,100	19,810,400	649,300
Benefits	7,799,165	8,527,100	9,076,000	548,900
Other Costs	2,007,837	1,615,400	1,578,300	(37,100)
Department Total	28,371,303	29,303,600	30,464,700	1,161,100

Public Works & Utilities Department – General Fund

Mission and Vision

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

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

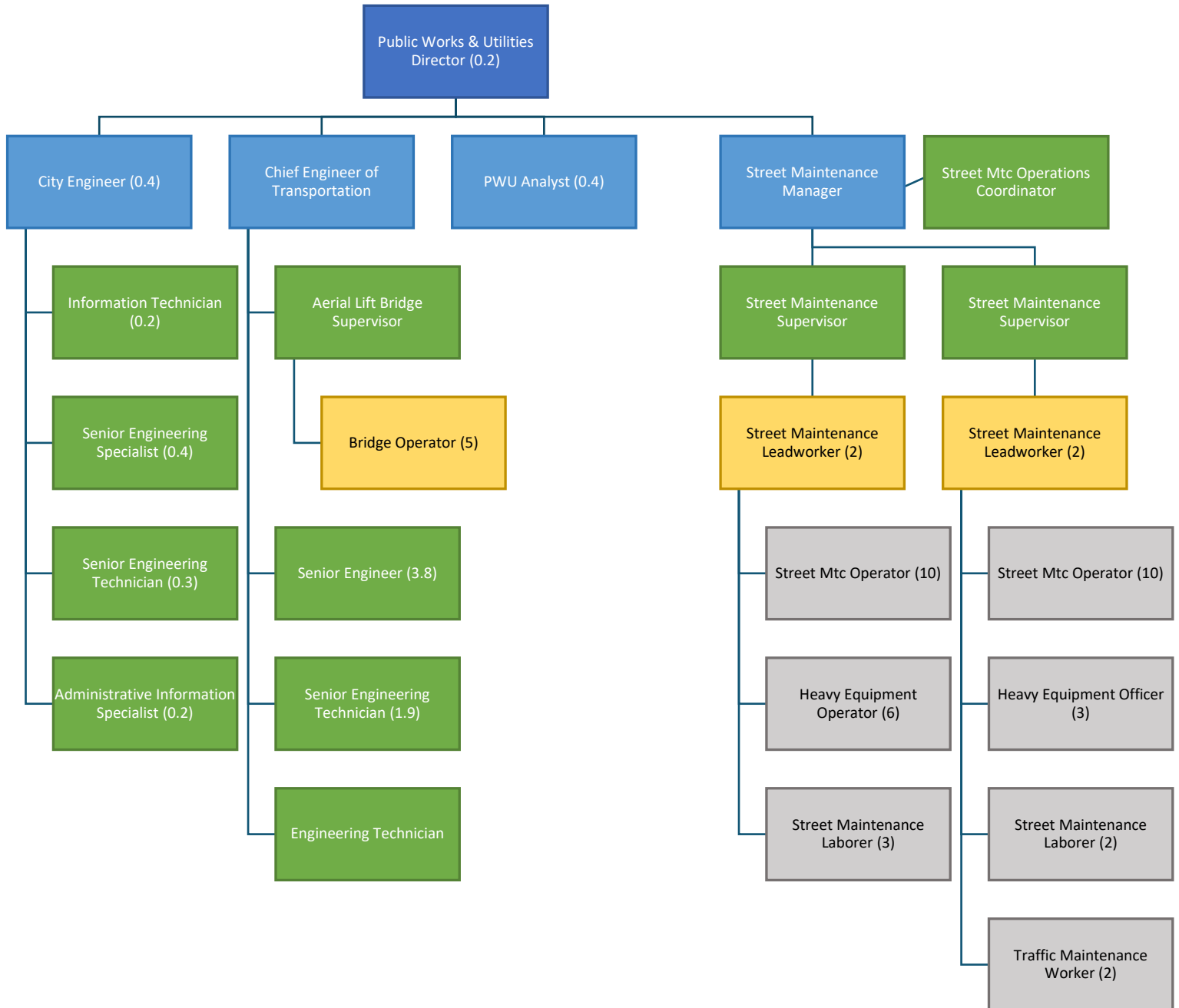
Structure

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

City of Duluth Minnesota - 2026 Budget

Public Works & Utilities Department

Organization Chart



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

Goals, Objectives, and Accomplishments

Public Works – Street Maintenance

2025 Accomplishments

- Applied 5,313 tons of blacktop for pothole patching and repair.
- Sealed 156 miles of cracks.
- 136,500 gallons of paint applied for traffic lines, symbols, and crosswalk painting.
- Swept 2,105 miles of streets.

2026 Goals

- Maintain a safe transportation infrastructure that is well-maintained, accessible and enhances traffic flow for all types of mobility options.
- Protect water resources in order to maintain water quality of streams and aquifers and to preserve existing hydrology patterns.

2026 Objectives

- Complete patching of street potholes throughout the entire City. (KPM: Tons of Blacktop)
- Clean and Apply sealant to street crack to prevent infiltration of water to preserve street integrity. (KPM: Miles of Crack Sealing)
- Painting of Street lines, Crosswalks & Symbols. (KPM: Gallons of paint)
- Sweep City streets to remove salt, sand, and other debris harmful to prevent pollution of our waters. (KPM: Miles of streets swept)

Goals, Objectives, and Accomplishments

Public Works – Engineering

2025 Accomplishments

Capital Improvement Projects

- 12 Water Projects
- 1 Gas Projects
- 2 Sanitary Sewer Projects
- 7 Stormwater Projects
- 12 Transportation Projects
- 17.87 Paving (miles)
- 12,223 Number of Gopher State One-Call tickets received & processed

2026 Goals

- Design, build, improve and proactively maintain a utility infrastructure system that provides safe, affordable and reliable water, sewer, storm drainage, natural gas, steam and hot water services to the community.
- Continually invest in building and improving a well-designed, well-maintained, accessible transportation system of safe and sustainable roadways, streetlights, sidewalks and bridges.
- Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.

2026 Objectives

- Continuous evaluation of Transportation and Utility systems. (KPM: Projects completed)
- Coordinate the design and construction of Capital assets to ensure most sustainable approach to the assets life cycle. (KPM: Miles paved & projects completed)
- Ensure the receipt and completion of Utility Locates to ensure safety within the community. (KPM: Number of Gopher State One Call receipts processed)

City of Duluth Minnesota – 2026 Budget

Street Maintenance - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Designs and constructs a safe transportation network that is well-maintained, accessible and enhances traffic flow for all types of mobility options.	Pothole Patching & Repair (Tons of Blacktop applied)	4,223	5,313	5,500
Designs and constructs a safe transportation network that is well-maintained, accessible and enhances traffic flow for all types of mobility options.	Crack Sealing (miles)	157	156	100
Designs and constructs a safe transportation network that is well-maintained, accessible and enhances traffic flow for all types of mobility options.	Traffic Line, Symbols & Crosswalk Painting (Gallons of paint used)	103,590	136,500	200,000
Protect water resources in order to maintain water quality of streams, aquifers and to preserve existing hydrology patterns.	Street sweeping (miles)	2,031	2,105	2,000

*Contracted portion of painting: 3,276 gallons

City of Duluth Minnesota – 2026 Budget

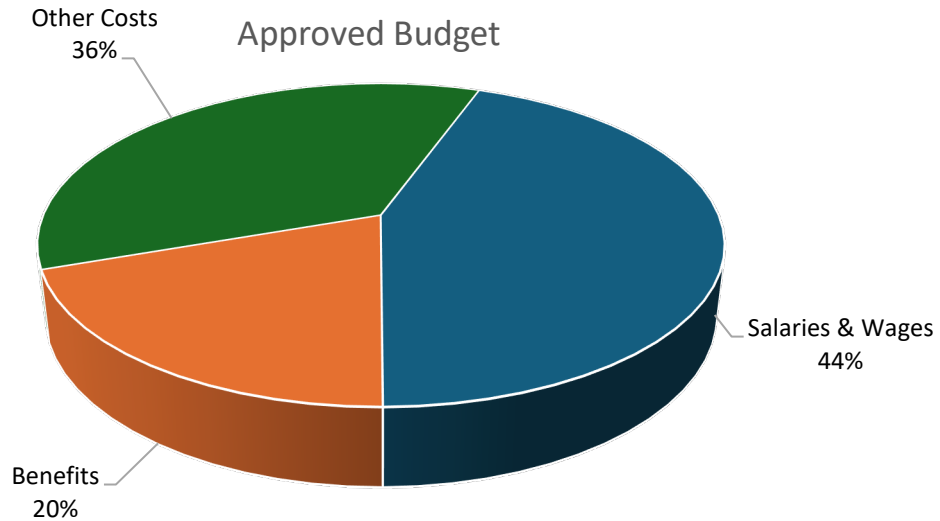
Engineering - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Design, build, improve and proactively maintain a utility infrastructure system that provides safe, affordable and reliable water, sewer, storm drainage, natural gas, steam and hot water services to the community.	Water Fund Capital Improvement Projects	6	12	16
Design, build, improve and proactively maintain a utility infrastructure system that provides safe, affordable and reliable water, sewer, storm drainage, natural gas, steam and hot water services to the community.	Gas Fund Capital Improvement Projects	2	1	4
Design, build, improve and proactively maintain a utility infrastructure system that provides safe, affordable and reliable water, sewer, storm drainage, natural gas, steam and hot water services to the community.	Sanitary Fund Capital Improvement Projects	1	2	2
Design, build, improve and proactively maintain a utility infrastructure system that provides safe, affordable and reliable water, sewer, storm drainage, natural gas, steam and hot water services to the community.	Stormwater Fund Capital Improvement Projects	8	7	14
Continually invest in building and improving a well-designed, well-maintained, accessible transportation system of safe and sustainable roadways, streetlights, sidewalks and bridges.	Transportation Projects	8	12	13
Continually invest in building and improving a well-designed, well-maintained, accessible transportation system of safe and sustainable roadways, streetlights, sidewalks and bridges.	Paving (miles)	18.64	17.87	15.64
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Number of Gopher State One-Call tickets received & processed	11,159	12,223	12,500

City of Duluth Minnesota - 2026 Budget

Public Works & Utilities - General Operations

2026 Approved Budget by Expenditure Category



Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Licenses and Permits	165,826	135,000	135,000	-
Intergovernmental	1,827,840	1,659,500	1,659,500	-
Charges for Services	-	150,000	150,000	-
Fines and Forfeits	-	500	500	-
Miscellaneous	63,468	55,500	55,500	-
Other Financing Sources	1,329,700	1,332,000	1,386,100	54,100
Department Total	3,386,834	3,332,500	3,386,600	54,100

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	4,531,769	4,864,500	5,347,100	482,600
Benefits	2,020,281	2,212,700	2,381,500	168,800
Other Costs	4,541,867	4,657,200	4,325,200	(332,000)
Department Total	11,093,917	11,734,400	12,053,800	319,400

Employees

Budgeted FTEs	2024	2025	2026	Difference
Public Works & Utilities - General Operations	59.80	59.80	59.80	-

City of Duluth Minnesota - 2026 Budget

Director's Office

<https://duluthmn.gov/public-works-utilities/>

The PW&U Director's Office coordinates the activities of the City's six main utilities –Water, Gas, Sanitary Sewer, Storm Sewer, Street Lighting & Signals, and Steam District, as well as the Transportation Engineering, Movable Bridges, and Street Maintenance activities within the General Fund. In seeking to achieve the City's identified priorities the division provides leadership and fiscal planning activities for eight different utility funds and a portion of the General Fund accounting for over 250 employees and \$100 million annually.

In addition to maintaining a fiscally responsible operation the division also provides long range planning with an emphasis on the following key areas:

- ensuring that the utility & transportation infrastructure is both functional and sustainable;
- ensuring that future generations will benefit from the safe and effective utility services
- providing utility and transportation services that utilize the best practices to sustain the amazing natural resources the Northland has to offer.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Director, Public Works & Utilities	0.20	0.20	0.20	-
Public Works & Utilities Analyst	0.40	0.40	0.40	-
Division Total	0.60	0.60	0.60	-

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	67,864	69,500	77,200	7,700
Benefits	29,839	29,500	25,900	(3,600)
Other Costs	3,090	1,000	1,000	-
Division Total	100,793	100,000	104,100	4,100

City of Duluth Minnesota - 2026 Budget

Street Maintenance

www.duluthmn.gov/public-works-utilities/departments/divisions/street-maintenance/

The Street Maintenance division is responsible for over 450 miles of paved and gravel City, County and State roadways throughout the City. The division seeks to align its programs with the City's identified priorities and implements programs based on the seasons of the year. Winter priorities are Snow & Ice Control, Special Event Support, and Traffic Sign Maintenance. Summer Priorities focus on Pothole Patching, Traffic Line & Symbols Painting, Crack Filling, Street Sweeping, Permanent Patching of Utility repair sites, Gravel Road Maintenance, and Special Events Support. Year-round priorities also include Traffic Sign Installation & Maintenance as well as Roadside Debris Removal.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Heavy Equipment Operator	4.00	6.00	9.00	3.00
Public Works & Utilities Analyst	-	1.00	-	(1.00)
Street Maintenance Laborer	5.00	6.00	5.00	(1.00)
Street Maintenance Leadworker	4.00	4.00	4.00	-
Street Maintenance Manager	1.00	1.00	1.00	-
Street Maintenance Operations Coordinator	1.00	-	1.00	1.00
Street Maintenance Operator	25.00	22.00	20.00	(2.00)
Street Maintenance Supervisor	2.00	2.00	2.00	-
Traffic Maintenance Worker	2.00	2.00	2.00	-
Division Total	44.00	44.00	44.00	-

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	1,827,840	1,659,500	1,659,500	-
Miscellaneous	63,377	55,000	55,000	-
Other Financing Sources	1,262,600	1,264,600	1,310,100	45,500
Division Total	3,153,817	2,979,100	3,024,600	45,500

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	3,001,395	3,307,900	3,633,800	325,900
Benefits	1,386,364	1,572,000	1,679,600	107,600
Other Costs	3,580,734	4,481,800	4,141,800	(340,000)
Division Total	7,968,494	9,361,700	9,455,200	93,500

City of Duluth Minnesota - 2026 Budget

Engineering

www.duluthmn.gov/engineering/

The Engineering division is comprised of three distinct areas: Transportation Engineering, Utility Engineering, and Movable Bridges. The division strives to help the City achieve its identified priorities by providing industry leading engineering services, utility infrastructure & transportation planning & development, plan review and permitting services, as well as accurate mapping, locating and survey programs. In addition to conducting inspection services for the City's numerous bridges, the division is also responsible for the operation of the iconic Aerial Lift Bridge.

Employees

Budgeted FTEs	2024	2025	2026	Difference
Administrative Information Specialist	0.20	0.20	0.20	-
Aerial Lift Bridge Supervisor	1.00	1.00	1.00	-
Bridge Operator	5.00	5.00	4.00	(1.00)
Bridge Operator-Electrical	-	-	1.00	1.00
Chief Engineer Transportation	1.00	1.00	1.00	-
City Engineer	0.40	0.40	0.40	-
Engineering Technician	-	1.00	1.00	-
Information Technician	0.20	0.20	0.20	-
Project Engineer	2.00	-	-	-
Senior Engineer	1.80	3.80	3.80	-
Senior Engineering Specialist	0.40	0.40	0.40	-
Senior Engineering Technician	3.20	2.20	2.20	-
Division Total	15.20	15.20	15.20	-

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Licenses and Permits	165,826	135,000	135,000	-
Charges for Services	-	150,000	150,000	-
Fines and Forfeits	-	500	500	-
Miscellaneous	91	500	500	-
Other Financing Sources	67,100	67,400	76,000	8,600
Division Total	233,017	353,400	362,000	8,600

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	1,462,509	1,487,100	1,636,100	149,000
Benefits	604,078	611,200	676,000	64,800
Other Costs	958,042	174,400	182,400	8,000
Division Total	3,024,630	2,272,700	2,494,500	221,800

City of Duluth Minnesota - 2026 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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	1,268,031	-	-	-
Special Assessments	441,394	370,000	370,000	-
Miscellaneous	5,997,587	-	-	-
Other Financing Sources	19,655,631	537,500	1,000,000	462,500
Non-Operating Revenues	-	450,000	150,000	(300,000)
Department Total	27,362,643	1,357,500	1,520,000	162,500

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	-	500,000	139,500	(360,500)
Benefits	26,525	46,000	46,000	-
Other Costs	46,538,671	9,031,400	8,287,700	(743,700)
Capital Outlay	226,594	-	-	-
Department Total	46,791,790	9,577,400	8,473,200	(1,104,200)

City of Duluth Minnesota - 2026 Budget

Funds

Lake Superior Zoological Gardens
 Parks
 Special Projects
 Police Grant Programs
 Capital Equipment
 Economic Development
 Community Investment
 Energy Management
 Special City Excise and Sales Tax-Tourism Tax
 Home Investments Partnerships Program
 Community Development
 Community Development Admin
 Workforce Development
 Senior Employment
 Other Postemployment Benefits
 DECC Revenue
 Street System Maintenance Utility
 Street Improvement Sales Tax
 Street Lighting Fund

Special Revenue Funds

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

Special revenue funds are like piggy banks where money is saved in separate funds for specific purposes, such as buying new playground equipment for our parks or disbursing tourism tax funds. They're used by governments to keep track of money earmarked for particular projects or services, like building roads or providing street lights. It's a way to make sure the money is used for what it's supposed to be used for.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Taxes	32,606,116	30,477,200	31,207,200	730,000
Licenses and Permits	131,997	109,400	132,900	23,500
Intergovernmental	13,581,064	11,304,602	11,575,633	271,031
Charges for Services	1,572,723	1,828,726	1,785,300	(43,426)
Fines and Forfeits	127,217	100,000	100,000	-
Investment Income	12,255,552	12,754,763	11,411,287	(1,343,476)
Miscellaneous	7,902,623	14,235,519	14,529,588	294,069
Other Financing Sources	21,016,023	13,057,900	9,922,300	(3,135,600)
Operating Revenues	5,196	-	-	-
Non-Operating Revenues	-	2,376,111	2,136,678	(239,433)
Total	89,198,511	86,244,221	82,800,886	(3,443,335)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	5,409,420	6,640,238	6,453,169	(187,069)
Benefits	6,210,528	12,360,503	12,628,932	268,429
Other Costs	53,100,248	60,254,958	54,095,397	(6,159,561)
Capital Outlay	5,501,801	8,832,715	6,790,300	(2,042,415)
Total	70,221,997	88,088,414	79,967,798	(8,120,616)

City of Duluth Minnesota - 2026 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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	255,000	222,500	255,000	32,500
Charges for Services	1,409,133	1,577,200	1,600,900	23,700
Miscellaneous	449,678	473,600	530,200	56,600
Other Financing Sources	510,000	510,000	510,000	-
Fund Total	2,623,812	2,783,300	2,896,100	112,800

Expenditures

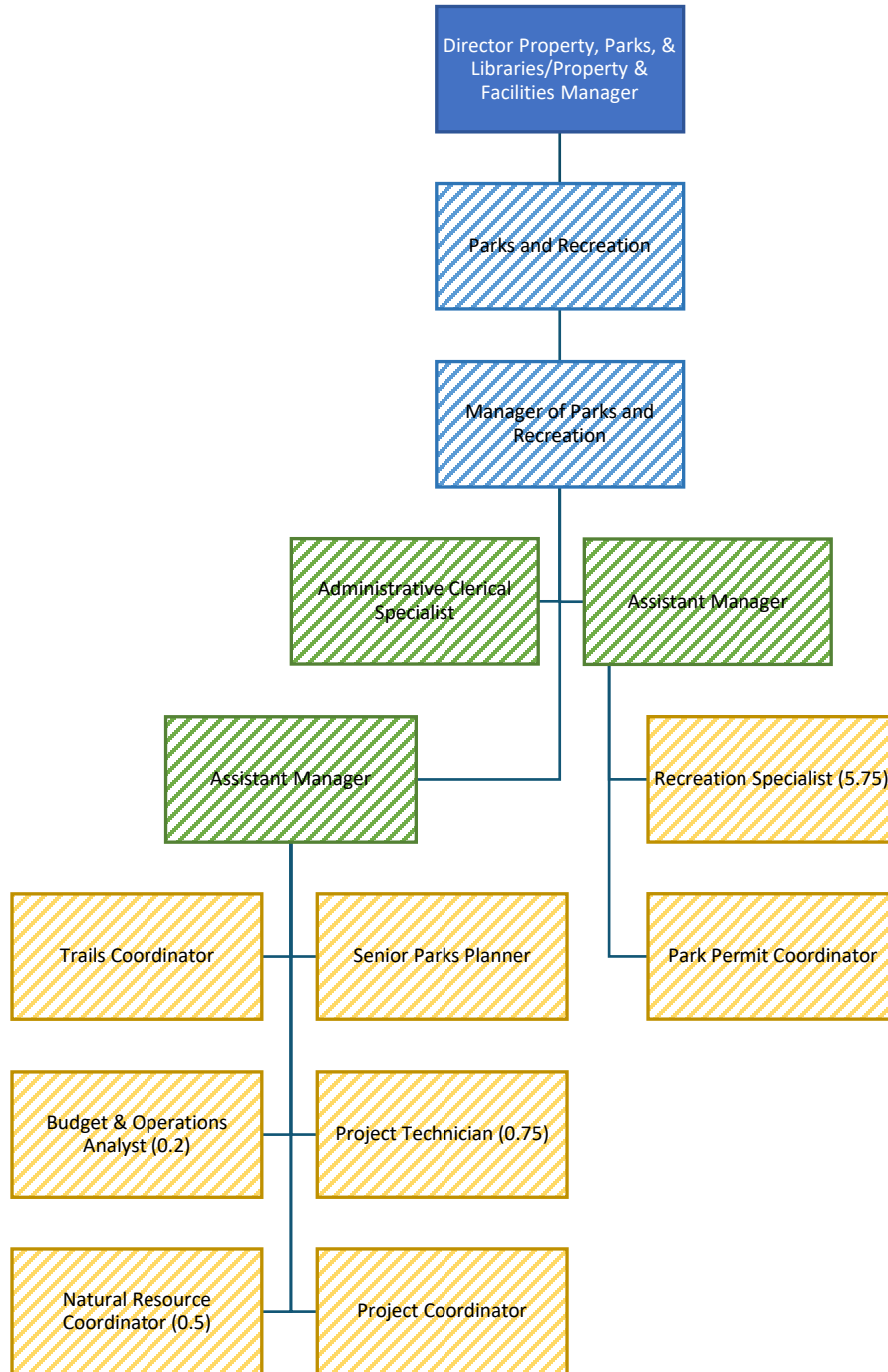
Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	2,639,762	2,775,900	2,892,100	116,200
Fund Total	2,639,762	2,775,900	2,892,100	116,200

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	(38,512)	(54,462)	(47,062)	7,400
Net Change	(15,950)	7,400	4,000	(3,400)
End of Year	(54,462)	(47,062)	(43,062)	4,000

Parks Fund

Organization Chart



KEY
 Solid = General Fund
 Patterned = Non-

Goals, Objectives, and Accomplishments

Parks

2025 Accomplishments

- Parks and Recreation exceeded revenue projections and served an additional 20,000 participants through parks programming compared to the previous year.

2026 Goals

- Parks and Recreation will strive to increase the number of permits issued and as a result increase total earned revenue to support the Division operating budget.
- Parks and Recreation will strive to increase the number of participants who engage with our programs and as a result increase total earned revenue to support the Division operating budget.

2026 Objectives

- Parks and Recreation will promote services and facilities across hard copy, electronic, and social media platforms on a weekly, monthly and annual production cycle to increase community awareness and usage.
- Parks and Recreation will promote programs across hard copy, electronic, and social media platforms on a weekly, monthly and annual production cycle to increase community awareness and participation.

City of Duluth Minnesota – 2026 Budget

Parks - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Total amount funding secured via executed grant contracts	\$3,111,240	\$4,083,204	\$27,772,103
Develop, preserve, enhance and invest in community parks, neighborhood parks, open spaces, green spaces, lakes and waterways, ensuring they are safe, clean, attractive and accessible to all.	Total miles of improved trail	274.65	275.45	277
Provide a city-wide trail network that is contiguous, connecting neighborhoods, community facilities, parks and open spaces and offering an alternative to the automobile for residents and visitors.	Total miles of paved urban trail	64.1	64.85	65
Offer community programming which affords safe spaces for youth and adults to play, learn, and engage.	Amount invested in community programs	\$75,562	\$47,682	\$27,000
Offer community programming which affords safe spaces for youth and adults to play, learn, and engage.	Amount of fee assistance applied to programming	\$6,184	\$1,914	\$2,500
Offer community programming which affords safe spaces for youth and adults to play, learn, and engage.	Number of Participants	31,135	52,193	54,000
Support the attraction, development and retention of a well-balanced mix of sustainable businesses that provide jobs for local workers, promote tourism and diversify the City's economy.	Wedding and Private Event Permits	375	396	400
Support the attraction, development and retention of a well-balanced mix of sustainable businesses that provide jobs for local workers, promote tourism and diversify the City's economy.	Special Event Permits	171	155	165
Support the attraction, development and retention of a well-balanced mix of sustainable businesses that provide jobs for local workers, promote tourism and diversify the City's economy.	Commercial Operator Permits	25	30	35
Support the attraction, development and retention of a well-balanced mix of sustainable businesses that provide jobs for local workers, promote tourism and diversify the City's economy.	Building Reservations	581	405	425

City of Duluth Minnesota - 2026 Budget

Parks

205

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

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Taxes	2,859,573	2,880,000	2,880,000	-
Licenses and Permits	100,611	74,300	99,900	25,600
Intergovernmental	1,170,828	-	-	-
Investment Income	(2,723)	-	-	-
Miscellaneous	429,974	91,400	155,200	63,800
Other Financing Sources	1,403,001	136,700	-	(136,700)
Fund Total	5,961,264	3,182,400	3,135,100	(47,300)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	1,493,015	1,561,700	1,733,100	171,400
Benefits	503,138	520,200	585,900	65,700
Other Costs	1,959,412	744,700	460,300	(284,400)
Capital Outlay	485,528	355,800	355,800	-
Fund Total	4,441,094	3,182,400	3,135,100	(47,300)

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	1,979,670	3,499,841	3,499,841	-
Net Change	1,520,171	-	-	-
End of Year	3,499,841	3,499,841	3,499,841	-

City of Duluth Minnesota - 2026 Budget

Parks Continued

205

Employees

Budgeted FTEs	2024	2025	2026	Difference
Administrative Clerical Specialist	1.00	1.00	1.00	-
Assistant Manager, Parks & Recreation	1.00	2.00	2.00	-
Budget & Operations Analyst	0.20	0.20	0.20	-
Grant Coordinator	0.75	0.75	-	(0.75)
Manager, Parks & Recreation	1.00	1.00	1.00	-
Natural Resource Coordinator	0.50	0.50	0.50	-
Parks Permit Coordinator	1.00	1.00	1.00	-
Project Coordinator	1.00	-	1.00	1.00
Project Technician	1.00	1.00	0.75	(0.25)
Recreation Specialist	5.00	5.00	5.75	0.75
Senior Parks Planner	1.00	1.00	1.00	-
Trails Coordinator	1.00	1.00	1.00	-
Fund Total	14.45	14.45	15.20	0.75

City of Duluth Minnesota - 2026 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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Licenses and Permits	31,386	35,100	33,000	(2,100)
Intergovernmental	1,066,014	593,000	825,900	232,900
Charges for Services	156,170	175,400	160,400	(15,000)
Fines and Forfeits	2,461	-	-	-
Investment Income	19,451	-	-	-
Miscellaneous	1,229,644	1,125,200	1,007,100	(118,100)
Other Financing Sources	942,000	-	-	-
Non-Operating Revenues	-	85,000	-	(85,000)
Fund Total	3,447,125	2,013,700	2,026,400	12,700

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	442,816	587,100	463,700	(123,400)
Benefits	84,503	-	-	-
Other Costs	2,138,803	1,426,600	1,562,700	136,100
Capital Outlay	448,157	-	-	-
Fund Total	3,114,278	2,013,700	2,026,400	12,700

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	6,476,242	6,809,089	6,809,089	-
Net Change	332,847	-	-	-
End of Year	6,809,089	6,809,089	6,809,089	-

City of Duluth Minnesota - 2026 Budget

Police Grant Programs

215

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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	3,054,433	945,000	1,394,455	449,455
Fines and Forfeits	124,756	100,000	100,000	-
Investment Income	409	-	-	-
Miscellaneous	6,618	-	-	-
Other Financing Sources	1,760	-	-	-
Fund Total	3,187,977	1,045,000	1,494,455	449,455

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	2,697,942	1,045,000	1,494,455	449,455
Capital Outlay	428,381	-	-	-
Fund Total	3,126,323	1,045,000	1,494,455	449,455

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	71,935	133,589	133,589	-
Net Change	61,654	-	-	-
End of Year	133,589	133,589	133,589	-

City of Duluth Minnesota - 2026 Budget

Capital Equipment

250

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

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Investment Income	106,897	-	-	-
Miscellaneous	170,110	-	105,100	105,100
Other Financing Sources	8,828,676	7,509,100	4,724,800	(2,784,300)
Fund Total	9,105,683	7,509,100	4,829,900	(2,679,200)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	93,254	200,000	200,000	-
Capital Outlay	3,582,185	7,940,500	5,210,500	(2,730,000)
Fund Total	3,675,439	8,140,500	5,410,500	(2,730,000)

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	3,271,392	8,701,636	8,070,236	(631,400)
Net Change	5,430,244	(631,400)	(580,600)	50,800
End of Year	8,701,636	8,070,236	7,489,636	(580,600)

City of Duluth Minnesota - 2026 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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	524	180,000	150,000	(30,000)
Investment Income	13,194	12,263	11,287	(976)
Miscellaneous	43,274	38,294	45,562	7,268
Other Financing Sources	2,436,000	-	-	-
Fund Total	2,492,993	230,557	206,849	(23,708)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	1,451,267	222,616	198,861	(23,755)
Fund Total	1,451,267	222,616	198,861	(23,755)

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	2,205,826	3,247,551	3,255,492	7,941
Net Change	1,041,725	7,941	7,988	47
End of Year	3,247,551	3,255,492	3,263,480	7,988

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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Investment Income	6,517,687	537,500	1,000,000	462,500
Fund Total	6,517,687	537,500	1,000,000	462,500

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	644,260	537,500	1,000,000	462,500
Fund Total	644,260	537,500	1,000,000	462,500

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	31,634,458	37,507,885	37,507,885	-
Net Change	5,873,427	-	-	-
End of Year	37,507,885	37,507,885	37,507,885	-

City of Duluth Minnesota - 2026 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 and eco-development.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference Difference
Intergovernmental	934,999	976,580	716,600	(259,980)
Charges for Services	7,420	24,000	24,000	-
Investment Income	4,170	-	-	-
Miscellaneous	171,833	45,000	10,000	(35,000)
Other Financing Sources	291,500	297,600	160,900	(136,700)
Non-Operating Revenues	-	1,011,981	910,300	(101,681)
Fund Total	1,409,922	2,355,161	1,821,800	(533,361)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference Difference
Salaries & Wages	177,901	158,326	-	(158,326)
Benefits	78,028	78,898	-	(78,898)
Other Costs	1,028,617	1,972,256	1,105,200	(867,056)
Capital Outlay	94,015	94,015	716,600	622,585
Fund Total	1,378,561	2,303,495	1,821,800	(481,695)

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	1,609,622	1,640,983	1,692,649	51,666
Net Change	31,361	51,666	-	(51,666)
End of Year	1,640,983	1,692,649	1,692,649	-

Employees

Budgeted FTEs	2024	2025	2026	Difference
Project Coordinator	1.00	1.00	-	(1.00)
Project Coordinator - CER Grant	1.75	0.60	-	(0.60)
Fund Total	2.75	1.60	-	(1.60)

City of Duluth Minnesota - 2026 Budget

Special City Excise and Sales Tax - Tourism Tax

258

This Special Revenue fund was 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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Taxes	14,806,652	14,000,000	14,280,000	280,000
Investment Income	9,356	-	-	-
Miscellaneous	84,361	-	-	-
Other Financing Sources	1,593	-	-	-
Non-Operating Revenues	-	1,136,100	1,048,300	(87,800)
Fund Total	14,901,963	15,136,100	15,328,300	192,200

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	14,972,481	15,136,100	15,328,300	192,200
Fund Total	14,972,481	15,136,100	15,328,300	192,200

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	3,136,764	3,066,245	3,066,245	-
Net Change	(70,519)	-	-	-
End of Year	3,066,245	3,066,245	3,066,245	-

Home Investment Partnerships 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. The current budget figures represent preliminary estimates only.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	717,980	2,486,390	2,506,764	20,374
Fund Total	717,980	2,486,390	2,506,764	20,374

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	417,514	2,486,390	2,506,764	20,374
Fund Total	417,514	2,486,390	2,506,764	20,374

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	(322,175)	(21,709)	(21,709)	-
Net Change	300,466	-	-	-
End of Year	(21,709)	(21,709)	(21,709)	-

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 current budget figures represent preliminary estimates only, awaiting the allocation of HUD funds.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	3,018,339	2,562,192	2,548,668	(13,524)
Investment Income	-	5,000	-	(5,000)
Fund Total	3,018,339	2,567,192	2,548,668	(18,524)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	2,509,060	2,567,192	2,548,668	(18,524)
Fund Total	2,509,060	2,567,192	2,548,668	(18,524)

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	369,877	879,155	879,155	-
Net Change	509,278	-	-	-
End of Year	879,155	879,155	879,155	-

City of Duluth Minnesota - 2026 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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Miscellaneous	605,649	920,289	890,789	(29,500)
Other Financing Sources	13,053	-	-	-
Fund Total	618,702	920,289	890,789	(29,500)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	455,477	585,000	606,100	21,100
Benefits	141,395	252,400	201,800	(50,600)
Other Costs	21,830	80,489	80,489	-
Capital Outlay	-	2,400	2,400	-
Fund Total	618,702	920,289	890,789	(29,500)

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	(4,258)	(4,258)	(4,258)	-
End of Year	(4,258)	(4,258)	(4,258)	-

Employees

Budgeted FTEs	2024	2025	2026	Difference
Administrative Information Specialist	0.75	0.75	0.75	-
Economic Developer	0.75	-	-	-
Grant Coordinator	2.00	1.00	1.00	-
Manager, Planning & Community Development	0.50	0.50	0.50	-
Planner I	-	2.00	2.00	-
Planner II	2.00	1.00	1.00	-
Senior Housing Developer	0.50	0.50	0.50	-
Senior Planner	1.25	1.25	1.20	(0.05)
Supervisor, Land Use	-	0.40	-	(0.40)
Fund Total	7.75	7.40	6.95	(0.45)

Workforce Development

Mission and Vision

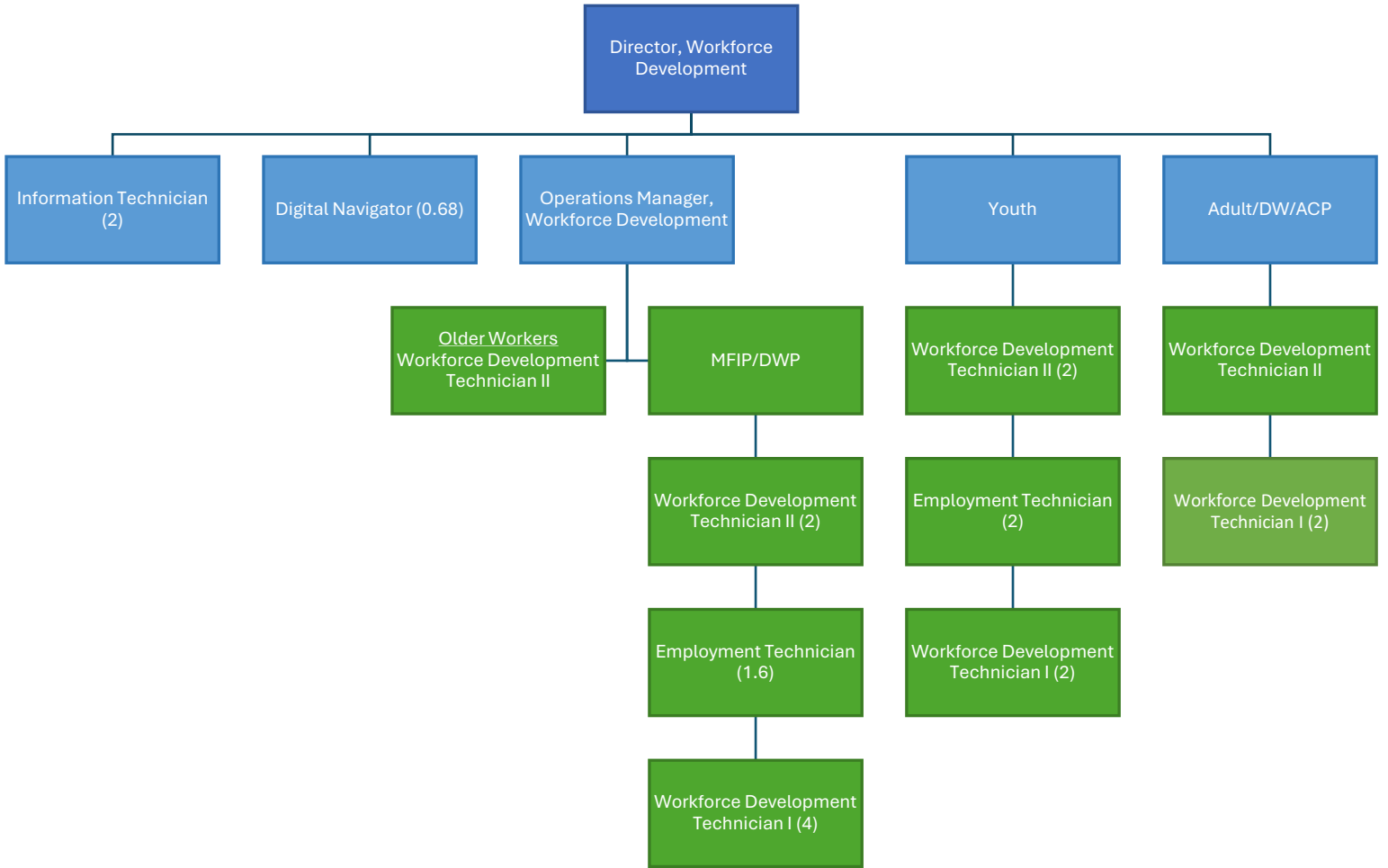
The Workforce Development Department provides required federal- and state-funded services to residents of Duluth and Southern St. Louis County. Operating as state-designated Local Workforce Development Area 4, Duluth Workforce Development (DWD) delivers programs and services to both jobseekers and employers. Our primary mission is to help people reach their career goals and build a stronger local economy by investing in our current and future workforce, reflecting the human capital side of economic development. DWD offers person-centered support, encouragement, and navigation as well as skill-building and training connections to help participants and jobseekers succeed in work and life, and help employers attract and retain workers. DWD operates the local workforce center, or CareerForce location, as part of a network of one-stop centers where jobseekers can access a range of services from partners in the workforce system. DWD also convenes the Duluth Workforce Development Board, which represents employer and stakeholder voices in strategic planning decisions about how to deploy public resources to meet local workforce needs. The workforce board also ensures DWD remains compliant with federal and state requirements that govern our work.

Structure

Duluth Workforce Development is divided into program teams, with at least one lead staff member assigned to each. Program teams include Adult Programs, Youth Employment Services (YES) Duluth, Older Workers, and Minnesota Family Investment Program (MFIP) Employment Services. The department also provides Universal Customer services available to anyone through its drop-in Career Lab, which offers computers, job fairs, and one-on-one guidance from job counselors. Finally, the Director and key City and State staff lead our employer engagement work, assisting local and regional employers with short- and long-term strategies to meet their workforce needs.

Workforce Development

Organization Chart



Goals, Objectives, and Accomplishments

Workforce Development

2025 Accomplishments

- 3500+ customers served at the Duluth CareerForce location/workforce center
- Implemented \$1.27 million in Career Pathway Training grants, serving 133 participants with 85% of graduates entering employment
- Engaged 220 youth age 14-24 to explore careers, participate in paid work experience, and transition to post-secondary education
- Assisted more than 700 individuals receiving county cash benefits each year in working toward escaping poverty and achieving financial self-sufficiency
- Served 79 dislocated workers to help them add skills and find new jobs
- 100+ employers participating in monthly job fairs, which were attended by 860 jobseekers
- 2,922 visits to the computer lab for help with resume writing, job search, and accessing training

2026 Goals

- Increase awareness and use of workforce center programs and services among both employers and job seekers
- Maintain staffed Career Lab and front desk as low-barrier, accessible entry point for services
- Maintain engaged presence at Denfeld High School, Duluth East High School, and ALC
- Lean into partnerships that help amplify impact and offer integrated services
- Remain focused on workforce priorities outlined by Healthcare, Construction, and Manufacturing Working Groups
- Proactive employer engagement and assistance, in partnership with City and DEED economic development teams

2026 Objectives

- Develop and distribute course catalog outlining workforce programs and training classes to libraries and partner organizations by March of 2026
- Double the number of followers on Duluth Workforce Development social media channels
- Increase number of average daily visits to computer lab by 25%
- Meet or exceed enrollment goals for all Career Pathway Training grants in 2026
- Continue facilitating deep partnerships with schools and community partners through YES Duluth weekly staff office hours on-site at Denfeld, East, and ALC as well as Life House
- Launch Youth build program in partnership with True North Goodwill, Duluth Adult Education, and Boreal Development
- Make notable progress on all sector strategy work plan actions by EOY 2026
- Increase number of employers engaged in monthly job fairs and career exploration events by 50%
- Conduct at least 5 Business Retention and Expansion Visits in partnership with the Duluth Port Authority, DEED, and City economic development staff

Workforce Development - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Help individuals build economic self-sufficiency and achieve their potential, while helping our community build a resilient economy through investment in its current and future workforce.	Number of people enrolled in Duluth workforce development programs	980	893	890
Help individuals build economic self-sufficiency and achieve their potential, while helping our community build a resilient economy through investment in its current and future workforce.	Percent of enrolled clients pursuing education and training who attained a credential	64%	76%	70%
Help individuals build economic self-sufficiency and achieve their potential, while helping our community build a resilient economy through investment in its current and future workforce.	Percent of non-MFIP clients who successfully exited	81%	77%	80%

Workforce Development

268

Special Revenue fund which accounts for monies received through the Minnesota Department of Employment and Economic Development, St. Louis County, and other sources to provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed persons as well as youth between the ages of 14 and 24. The current budget figures represent preliminary estimates only and are subject to change as grants are appropriated by the State and approved by the City Council. This fund is being combined with Senior Programs in 2026.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	3,054,140	3,019,003	3,178,246	159,243
Charges for Services	-	52,126	-	(52,126)
Investment Income	2,702	-	-	-
Miscellaneous	185,472	194,531	124,705	(69,826)
Other Financing Sources	101,000	50,000	50,000	-
Non-Operating Revenues	-	143,030	178,078	35,048
Fund Total	3,343,313	3,458,690	3,531,029	72,339

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	1,725,198	2,379,829	2,539,669	159,840
Benefits	697,142	-	-	-
Other Costs	1,173,241	1,078,861	991,360	(87,501)
Fund Total	3,595,581	3,458,690	3,531,029	72,339

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	888,773	636,505	636,505	-
Net Change	(252,267)	-	-	-
End of Year	636,505	636,505	636,505	-

Workforce Development Continued

268

Employees

Budgeted FTEs	2024	2025	2026	Difference
Digital Navigator	0.68	0.80	0.68	(0.13)
Director, Workforce Development	1.00	1.00	1.00	-
Employment Technician	5.60	2.64	2.60	(0.04)
Information Technician	2.00	2.00	2.00	-
Operations Manager, Workforce Development	1.00	1.00	1.00	-
Workforce Development Technician I	5.00	7.00	8.00	1.00
Workforce Development Technician II	4.00	5.00	6.00	1.00
Fund Total	19.28	19.44	21.28	1.84

Senior Employment

270

Special Revenue fund which accounts for monies received through the Minnesota Department of Employment and Economic Development and The Center for Workforce Inclusion, under Title V of the Older Americans Act to provide useful part-time employment for low-income elderly and to improve community services. This fund is being combined with Workforce Development in 2026.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	308,808	319,937	-	(319,937)
Fund Total	308,808	319,937	-	(319,937)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	247,146	317,283	-	(317,283)
Benefits	42,197	-	-	-
Other Costs	17,052	2,654	-	(2,654)
Fund Total	306,395	319,937	-	(319,937)

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	(140)	2,273	2,273	-
Net Change	2,413	-	-	-
End of Year	2,273	2,273	2,273	-

Employees

Budgeted FTEs	2024	2025	2026	Difference
Workforce Development Technician II	1.00	1.00	-	(1.00)

Other Postemployment Benefits

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 Postemployment Benefits. The "normal cost" portion of the annual required contribution is budgeted in the Medical Health Fund 630.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Investment Income	5,541,140	12,200,000	10,400,000	(1,800,000)
Miscellaneous	4,434,606	11,301,205	11,614,932	313,727
Fund Total	9,975,746	23,501,205	22,014,932	(1,486,273)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Benefits	4,444,370	11,301,205	11,614,932	313,727
Other Costs	6,841,370	7,180,000	7,180,000	-
Fund Total	11,285,739	18,481,205	18,794,932	313,727

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	108,485,407	107,175,414	112,195,414	5,020,000
Net Change	(1,309,993)	5,020,000	3,220,000	(1,800,000)
End of Year	107,175,414	112,195,414	115,415,414	3,220,000

City of Duluth Minnesota - 2026 Budget

DECC Revenue

281

Special revenue fund established to account for the 0.75% 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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Investment Income	14,751	-	-	-
Other Financing Sources	4,677,057	4,554,500	4,476,600	(77,900)
Fund Total	4,691,808	4,554,500	4,476,600	(77,900)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	4,381,839	3,255,500	3,336,500	81,000
Fund Total	4,381,839	3,255,500	3,336,500	81,000

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	5,089,683	5,399,652	6,698,652	1,299,000
Net Change	309,969	1,299,000	1,140,100	(158,900)
End of Year	5,399,652	6,698,652	7,838,752	1,140,100

Street System Maintenance Utility

290

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

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Taxes	2,273,421	2,300,000	2,300,000	-
Investment Income	10,491	-	-	-
Other Financing Sources	33,961	-	-	-
Operating Revenues	149	-	-	-
Fund Total	2,318,021	2,300,000	2,300,000	-

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	422,748	557,400	557,400	-
Benefits	44,776	-	-	-
Other Costs	1,251,980	3,444,500	1,661,500	(1,783,000)
Capital Outlay	418,099	440,000	440,000	-
Fund Total	2,137,603	4,441,900	2,658,900	(1,783,000)

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	5,873,366	6,053,784	3,911,884	(2,141,900)
Net Change	180,418	(2,141,900)	(358,900)	1,783,000
End of Year	6,053,784	3,911,884	3,552,984	(358,900)

City of Duluth Minnesota - 2026 Budget

Street Improvement Sales Tax

291

Additional half percent general sales tax dedicated to street improvement.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Taxes	10,150,053	8,750,000	9,200,000	450,000
Investment Income	12,137	-	-	-
Other Financing Sources	1,776,423	-	-	-
Fund Total	11,938,613	8,750,000	9,200,000	450,000

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	6,881,942	13,675,000	9,200,000	(4,475,000)
Capital Outlay	43,704	-	-	-
Fund Total	6,925,646	13,675,000	9,200,000	(4,475,000)

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	10,278,880	15,291,846	10,366,846	(4,925,000)
Net Change	5,012,966	(4,925,000)	-	4,925,000
End of Year	15,291,846	10,366,846	10,366,846	-

City of Duluth Minnesota – 2026 Budget

Street Lighting - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Continually invest in building and improving a well-designed, well-maintained, accessible transportation system of safe and sustainable roadways, streetlights, sidewalks and bridges.	Number of traffic signals maintained	134	134	134
Continually invest in building and improving a well-designed, well-maintained, accessible transportation system of safe and sustainable roadways, streetlights, sidewalks and bridges.	Decorative Street Lights	3,350	3,350	3,350
Continually invest in building and improving a well-designed, well-maintained, accessible transportation system of safe and sustainable roadways, streetlights, sidewalks and bridges.	Residential Street Lights MP&L Leased & Maintained	3,700	3,700	3,700
Continually invest in building and improving a well-designed, well-maintained, accessible transportation system of safe and sustainable roadways, streetlights, sidewalks and bridges.	Number of holiday lighting outlets maintained	3,350	3,350	3,350

City of Duluth Minnesota - 2026 Budget

Street Lighting Utility

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. In 2020 the street lighting fee ended, and the fund became a special revenue fund that is funded by property taxes.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Taxes	2,516,417	2,547,200	2,547,200	-
Investment Income	5,888	-	-	-
Miscellaneous	91,403	46,000	46,000	-
Operating Revenues	5,048	-	-	-
Fund Total	2,618,757	2,593,200	2,593,200	-

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	445,121	493,600	553,200	59,600
Benefits	174,980	207,800	226,300	18,500
Other Costs	1,978,619	2,423,700	2,348,200	(75,500)
Capital Outlay	1,732	-	65,000	65,000
Fund Total	2,600,452	3,125,100	3,192,700	67,600

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	2,133,171	2,151,475	1,619,575	(531,900)
Net Change	18,304	(531,900)	(599,500)	(67,600)
End of Year	2,151,475	1,619,575	1,020,075	(599,500)

Employees

Budgeted FTEs	2024	2025	2026	Difference
Executive Assistant-Confidential	0.10	0.10	0.10	-
Senior Engineer	0.20	0.20	0.20	-
Signal Maintenance Worker	1.00	1.00	1.00	-
Traffic Operations Coordinator	1.00	1.00	1.00	-
Traffic Operations Electrician	3.00	3.00	3.00	-
Fund Total	5.30	5.30	5.30	-

City of Duluth Minnesota - 2026 Budget

Funds

GO Debt Service - Tax Levy
 GO Debt Service - Other Sources
 Tax Increment

Debt Service Funds

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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Taxes	7,994,840	8,075,300	8,095,500	20,200
Intergovernmental	829,300	827,300	-	(827,300)
Investment Income	44,442	-	-	-
Miscellaneous	2,290,153	2,118,900	2,203,000	84,100
Other Financing Sources	5,969,602	6,385,700	6,439,500	53,800
Total	17,128,337	17,407,200	16,738,000	(669,200)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	16,274,306	16,202,100	16,776,600	574,500

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	17,556,697	18,410,729	19,615,829	1,205,100
Net Change	854,032	1,205,100	(38,600)	(1,243,700)
End of Year	18,410,729	19,615,829	19,577,229	(38,600)

City of Duluth Minnesota - 2026 Budget

Debt Service Funds Narrative

2025 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, 2025 as it pertains to the City of Duluth is estimated as follows:

Total Gross Bonded Debt	\$122,339,198
Less: City - general obligation bonds paid by parking revenues	11,959,198
Less: City - general obligation bonds paid by golf revenues	1,840,000
Less: City - general obligation bonds paid by other revenues	50,340,000
Less: Tax Abatement Bonds	6,370,000
Less: Utility bonds paid from Enterprise Funds	18,640,000
Net Direct Bonded Debt	\$33,190,000

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 % of market value or \$214.3 million.

Year	Amount (in thousands)	Percent of Market Value	Dollars Per Capita
2025	\$33,190	0.3	\$283
2024	\$35,975	0.4	\$415
2023	\$36,640	0.4	\$423
2022	\$37,132	0.4	\$429
2021	\$37,870	0.5	\$437
2020	\$37,775	0.5	\$438
2019	\$37,140	0.6	\$431
2018	\$38,220	0.6	\$443
2017	\$38,200	0.6	\$443
2016	\$38,515	0.7	\$446
2015	\$38,950	0.7	\$452

The preceding table used an estimated taxable market value of \$10,712,854,750 and a population of 86,697, as reported in the 2020 census.

City of Duluth Minnesota - 2026 Budget

Debt Service Funds Narrative

The following tables provide specific information relative to the 2025 status of the debt service funds of the City. The appropriation budgets of each specific debt fund follow this presentation.

General Obligation Bonds:	Issue Date	Outstanding 12/31/2025	2026 Levy Requirements
Miller Hill Flats Abatement	-	-	18,400
Cityview Flats Abatement	-	-	22,900
Firststreet Lofts Abatement	-	-	24,000
Bluffs Senior Housing Abatement	-	-	20,000
Costco Abatement	-	-	105,000
Sofidel Abatement	-	-	60,000
Cirrus Abatement	-	-	60,000
Police Station	10/9/2019	6,465,000	1,118,500
Lakewalk & Cross City	12/18/2013	470,000	129,400
Lakewalk	10/21/2020	3,180,000	323,400
Equipment	11/3/2021	1,710,000	918,800
Equipment	11/1/2022	2,140,000	783,000
Equipment	11/8/2023	2,775,000	781,500
Equipment	10/30/2024	3,430,000	802,300
Equipment	12/17/2025	3,395,000	790,500
Capital Improvement Projects	11/9/2016	265,000	140,400
Capital Improvement Projects	11/21/2017	510,000	180,400
Capital Improvement Projects	10/17/2018	610,000	173,500
Capital Improvement Projects	10/9/2019	680,000	157,800
Capital Improvement Projects	10/21/2020	1,045,000	191,600
Capital Improvement Projects	11/3/2021	1,135,000	194,800
Capital Improvement Projects	11/1/2022	1,425,000	218,800
Capital Improvement Projects	11/8/2023	1,670,000	231,700
Capital Improvement Projects	10/30/2024	1,815,000	239,500
Capital Improvement Projects	12/17/2025	1,965,000	255,300
TOTAL DEBT SERVICE	-	-	7,941,500
5% Additional required by law (1)	-	-	381,560
<i>Subtotal</i>	-	-	<i>8,323,060</i>
Less: Cash on hand	-	-	(758,860)
NET DEBT LEVY - Total required by taxation	-	-	7,564,200

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

City of Duluth Minnesota - 2026 Budget

Debt Service Funds Narrative

The general obligation annual debt service requirements to maturity are as follows:

Year Ending Dec 31	General Obligation Bonds Interest	General Obligation Bonds Principal	General Obligation Certificates Interest	General Obligation Certificates Principal	General Obligation Tax Abatement Interest	General Obligation Tax Abatement Principal
2026	2,829,727	7,620,000	539,621	3,390,000	144,112	985,000
2027	2,603,059	7,355,000	393,973	3,585,000	124,227	1,005,000
2028	2,298,047	7,745,000	246,835	2,875,000	101,758	1,030,000
2029	1,978,313	7,525,000	134,601	2,215,000	77,401	1,045,000
2030	1,656,005	7,355,000	56,071	1,530,000	51,839	1,075,000
2031-2035	3,770,459	27,785,000	12,640	790,000	39,060	1,230,000
2036-2040	988,934	2,955,000	-	-	-	-
2041-2045	594,941	905,000	-	-	-	-
2046-2050	399,751	820,000	-	-	-	-
2051-2055	150,185	1,060,000	-	-	-	-
Total	\$17,269,421	\$71,125,000	\$1,383,741	\$14,385,000	\$538,397	\$6,370,000

City of Duluth Minnesota - 2026 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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Taxes	7,474,538	7,564,200	7,564,200	-
Investment Income	22,546	-	-	-
Miscellaneous	568,587	395,200	479,500	84,300
Other Financing Sources	56,375	-	-	-
Fund Total	8,122,045	7,959,400	8,043,700	84,300

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	8,256,043	7,969,700	8,132,400	162,700

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	8,049,172	7,915,175	7,904,875	(10,300)
Net Change	(133,997)	(10,300)	(88,700)	(78,400)
End of Year	7,915,175	7,904,875	7,816,175	(88,700)

City of Duluth Minnesota - 2026 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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	829,300	827,300	-	(827,300)
Investment Income	21,896	-	-	-
Miscellaneous	1,721,566	1,723,700	1,723,500	(200)
Other Financing Sources	5,913,227	6,385,700	6,439,500	53,800
Fund Total	8,485,990	8,936,700	8,163,000	(773,700)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	7,553,597	7,772,400	8,166,000	393,600

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	9,229,512	10,161,905	11,326,205	1,164,300
Net Change	932,393	1,164,300	(3,000)	(1,167,300)
End of Year	10,161,905	11,326,205	11,323,205	(3,000)

City of Duluth Minnesota - 2026 Budget

Tax Increment Debt Service

359

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

Revenues

Revenue Type	2024	2025	2026	Difference
Taxes	520,302	511,100	531,300	20,200

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	464,666	460,000	478,200	18,200

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	278,013	333,649	384,749	51,100
Net Change	55,636	51,100	53,100	2,000
End of Year	333,649	384,749	437,849	53,100

City of Duluth Minnesota - 2026 Budget

Funds

Special Assessment
 Permanent Improvement
 Street Improvement Program
 Capital Improvement
 Tourism and Recreational Projects

Capital Project Funds

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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Taxes	276,912	280,000	280,000	-
Intergovernmental	20,058,133	25,044,320	29,929,720	4,885,400
Special Assessments	246,032	148,600	138,400	(10,200)
Investment Income	153,186	-	-	-
Miscellaneous	846,427	985,530	2,630,690	1,645,160
Other Financing Sources	14,270,812	19,653,000	12,128,000	(7,525,000)
Total	35,851,503	46,111,450	45,106,810	(1,004,640)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	2,567,198	71,000	-	(71,000)
Capital Outlay	43,966,041	50,409,095	43,476,455	(6,932,640)
Total	46,533,239	50,480,095	43,476,455	(7,003,640)

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	5,621,141	(5,060,595)	(9,429,240)	(4,368,645)
Net Change	(10,681,736)	(4,368,645)	1,630,355	5,999,000
End of Year	(5,060,595)	(9,429,240)	(7,798,885)	1,630,355

City of Duluth Minnesota - 2026 Budget

Special Assessment

410

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

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Special Assessments	33,290	18,100	18,800	700
Investment Income	63	-	-	-
Fund Total	33,353	18,100	18,800	700

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	14,201	-	-	-

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	41,384	60,536	78,636	18,100
Net Change	19,152	18,100	18,800	700
End of Year	60,536	78,636	97,436	18,800

City of Duluth Minnesota - 2026 Budget

Permanent Improvement

411

Minnesota State Laws 1971, Chapter 824 - authorizing the City to levy an amount not to exceed 0.04836 percent of the tax capacity of the City to pay the cost of local improvements which will not sustain a special assessment.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Taxes	276,912	280,000	280,000	-
Intergovernmental	6,169,168	18,716,400	20,298,400	1,582,000
Investment Income	5,198	-	-	-
Miscellaneous	-	765,000	2,165,000	1,400,000
Other Financing Sources	1,337,844	2,070,000	300,000	(1,770,000)
Fund Total	7,789,122	21,831,400	23,043,400	1,212,000

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Capital Outlay	9,915,579	21,831,400	23,043,400	1,212,000
Fund Total	9,915,579	21,831,400	23,043,400	1,212,000

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	6,292	(2,120,165)	(2,120,165)	-
Net Change	(2,126,457)	-	-	-
End of Year	(2,120,165)	(2,120,165)	(2,120,165)	-

City of Duluth Minnesota - 2026 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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Special Assessments	212,742	130,500	119,600	(10,900)
Investment Income	22,571	-	-	-
Other Financing Sources	9,430,037	14,405,000	9,650,000	(4,755,000)
Fund Total	9,665,350	14,535,500	9,769,600	(4,765,900)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	1,810,383	-	-	-
Capital Outlay	11,645,913	16,946,975	7,674,555	(9,272,420)
Fund Total	13,456,296	16,946,975	7,674,555	(9,272,420)

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	4,107,376	316,430	(2,095,045)	(2,411,475)
Net Change	(3,790,946)	(2,411,475)	2,095,045	4,506,520
End of Year	316,430	(2,095,045)	(0)	2,095,045

City of Duluth Minnesota - 2026 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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	12,177,179	5,313,500	7,650,000	2,336,500
Investment Income	3,909	-	-	-
Miscellaneous	398,226	-	-	-
Other Financing Sources	3,363,431	3,178,000	2,178,000	(1,000,000)
Fund Total	15,942,745	8,491,500	9,828,000	1,336,500

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	445,215	71,000	-	(71,000)
Capital Outlay	18,452,816	8,561,800	9,828,000	1,266,200
Fund Total	18,898,032	8,632,800	9,828,000	1,195,200

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	(1,111,363)	(4,066,650)	(4,207,950)	(141,300)
Net Change	(2,955,287)	(141,300)	-	141,300
End of Year	(4,066,650)	(4,207,950)	(4,207,950)	-

City of Duluth Minnesota - 2026 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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference Difference
Intergovernmental	1,711,786	1,014,420	1,981,320	966,900
Investment Income	121,446	-	-	-
Miscellaneous	448,201	220,530	465,690	245,160
Other Financing Sources	139,500	-	-	-
Fund Total	2,420,933	1,234,950	2,447,010	1,212,060

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference Difference
Other Costs	297,398	-	-	-
Capital Outlay	3,951,733	3,068,920	2,930,500	(138,420)
Fund Total	4,249,131	3,068,920	2,930,500	(138,420)

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	2,577,452	749,254	(1,084,716)	(1,833,970)
Net Change	(1,828,198)	(1,833,970)	(483,490)	1,350,480
End of Year	749,254	(1,084,716)	(1,568,206)	(483,490)

City of Duluth Minnesota - 2026 Budget

Funds

Golf
 Parking
 Civic Center Public Ramp
 Water
 Gas
 Sewer
 Clean Water Surcharge
 Stormwater
 Steam

Enterprise Funds

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.

Enterprise funds are like mini-businesses within a government, providing goods or services to the public, like water or gas. They operate more like a business than a typical government department, charging fees for their services to cover their costs. Think of them as special accounts for things like running a city's parking services or managing a municipal golf course.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Licenses and Permits	237,382	151,700	233,300	81,600
Intergovernmental	25,732,255	35,500,000	50,210,000	14,710,000
Charges for Services	5,118,470	5,813,034	6,162,184	349,150
Fines and Forfeits	1,033,105	1,209,500	1,318,900	109,400
Investment Income	124,696	-	-	-
Miscellaneous	1,306,895	384,475	392,425	7,950
Other Financing Sources	2,674,296	605,000	20,613,200	20,008,200
Operating Revenues	94,952,082	113,336,900	123,915,300	10,578,400
Non-Operating Revenues	4,561,344	2,757,300	2,844,300	87,000
Total	135,740,525	159,757,909	205,689,609	45,931,700

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	15,148,650	16,728,300	18,982,200	2,253,900
Benefits	12,160,272	9,681,800	8,869,800	(812,000)
Other Costs	67,506,151	85,390,311	91,002,986	5,612,675
Capital Outlay	7,830,593	55,745,600	95,467,500	39,721,900
Debt Service	46,344	47,800	47,900	100
Other Financing Uses	3,228,860	3,000,000	2,800,000	(200,000)
Total	105,920,870	170,593,811	217,170,386	46,576,575

City of Duluth Minnesota - 2026 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. In 2021 through 2023, Lester Park course was closed while still receiving minimum maintenance. Starting in 2024, the budget only includes Enger Park course.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Charges for Services	1,033,352	1,254,634	1,438,484	183,850
Miscellaneous	323,522	357,175	365,625	8,450
Non-Operating Revenues	-	1,700,000	1,700,000	-
Other Financing Sources	1,222,488	-	-	-
Fund Total	2,579,362	3,311,809	3,504,109	192,300

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	1,453,530	2,485,011	2,346,186	(138,825)
Capital Outlay	460	760,000	835,000	75,000
Fund Total	1,453,990	3,245,011	3,181,186	(63,825)

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	1,215,003	2,340,375	2,407,173	66,798
Net Change	1,125,372	66,798	322,923	256,125
End of Year	2,340,375	2,407,173	2,730,096	322,923

City of Duluth Minnesota - 2026 Budget

Golf Fund Estimated Budgetary Cash Balance

Operating Fund	2025 Budget	2026 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	187,032	1,153,830
Total Estimated Income (Loss)	66,798	322,923
Other Sources: Depreciation and Amortization	900,000	584,000
Total Other Sources	900,000	584,000
Other Uses: Capital Equipment Purchases	-	75,000
Total Other Uses	-	75,000
ESTIMATED BUDGETARY YEAR END CASH BALANCE	1,153,830	1,985,753

Goals, Objectives, and Accomplishments

Parking

2025 Accomplishments

- Activation of pedestrian access control systems at all three primary downtown parking facilities, with measurable positive results
- Substantial reduction in the number of reported security incidents throughout the parking system
- Enhanced cleanliness in the downtown parking facilities
- Continued success of the Park Duluth mobile parking payment system
- Ongoing active involvement in economic development projects in conjunction with the City's business development team
- First full year of operation of the new Medical District Ramp East parking facility
- Completion of construction and public opening of new Hillside Public Ramp
- Continued cohesion between the Parking Services Division/Duluth Parking Commission and the City of Duluth Commission on Disabilities to proactively address accessibility and safety issues
- Implementation of new parking permits management and payments system
- Implementation of QR code-based payment systems at all Canal Park lots, resulting in greatly enhanced customer service
- Conversion of all parking ramps to gateless revenue control technology
- Substantial completion of years-long schedule to address all deferred maintenance at City-owned parking structures

2026 Goals

- Replacement of all on-street parking meters with virtual payment technology
- Implementation of on- and off-street rates revisions
- Increased momentum in rebuilding Parking Fund reserves to fund future infrastructure improvements
- Conversion of off-street Canal Park parking to year-round fee enforcement
- Addition of weekends to on-street parking enforcement parameters

2026 Objectives

- Completion of on-street meters removal and new signage by 3/15/26
- Off-street rate adjustments are complete
- Rebuilding of Parking Fund reserves to \$1M by end of year

City of Duluth Minnesota – 2026 Budget

Parking - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Ensure adequate, well-planned and accessible public parking options for residents, businesses, and visitors.	Number of parking tickets issued	36,858	45,971	48,000
Ensure adequate, well-planned and accessible public parking options for residents, businesses, and visitors.	Number of vehicles towed as a result of parking citations	140	199	200
Ensure adequate, well-planned and accessible public parking options for residents, businesses, and visitors.	Number of annual contractor parking permits	890	899	850
Ensure adequate, well-planned and accessible public parking options for residents, businesses, and visitors.	Number of residential parking permits	2,063	1,737	1,800
Ensure adequate, well-planned and accessible public parking options for residents, businesses, and visitors.	Number of on-street metered parking stalls	1,594	1,594	1,594
Ensure adequate, well-planned and accessible public parking options for residents, businesses, and visitors.	Total number of off-street parking stalls managed	4,588	4,919	4,919
Ensure adequate, well-planned and accessible public parking options for residents, businesses, and visitors.	Number of parking ramps and lots	30	31	31
Ensure adequate, well-planned and accessible public parking options for residents, businesses, and visitors.	Number of residential parking zones	3	3	3

City of Duluth Minnesota - 2026 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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Charges for Services	3,494,577	4,003,800	4,059,900	56,100
Fines and Forfeits	1,033,105	1,209,500	1,318,900	109,400
Intergovernmental	14,437,544	-	-	-
Investment Income	12,910	-	-	-
Licenses and Permits	191,957	131,700	208,400	76,700
Miscellaneous	4,820	-	-	-
Non-Operating Revenues	4,312,738	935,300	935,300	-
Other Financing Sources	75,633	-	-	-
Fund Total	23,563,283	6,280,300	6,522,500	242,200

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	440,790	530,500	593,200	62,700
Benefits	194,575	262,100	264,300	2,200
Other Costs	4,991,611	4,863,100	5,334,800	471,700
Debt Service	50,515	50,400	50,400	-
Fund Total	5,677,490	5,706,100	6,242,700	536,600

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	17,263,223	35,149,016	35,723,216	574,200
Net Change	17,885,793	574,200	279,800	(294,400)
End of Year	35,149,016	35,723,216	36,003,016	279,800

Parking Fund Continued

505

Employees

Budgeted FTEs	2024	2025	2026	Difference
Parking Services Agent	6.00	5.00	5.00	-
Parking Services Leadworker	-	1.00	1.00	-
Parking Services Manager	1.00	1.00	1.00	-
Police Officer	1.00	1.00	1.00	-
Fund Total	8.00	8.00	8.00	-

City of Duluth Minnesota - 2026 Budget

Parking Fund Estimated Budgetary Cash Balance

Operating Fund	2025 Budget	2026 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	2,889,161	3,155,261
Total Estimated Income (Loss)	574,200	279,800
Other Sources: Depreciation and Amortization	561,500	561,500
Other Sources: Interest from Bond Discount	50,400	50,400
Total Other Sources	611,900	611,900
Other Uses: Bond Principal Payments	920,000	945,000
Total Other Uses	920,000	945,000
ESTIMATED BUDGETARY YEAR END CASH BALANCE	3,155,261	3,101,961

City of Duluth Minnesota - 2026 Budget

Civic Center Public Ramp Fund

506

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

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Charges for Services	590,542	554,600	663,800	109,200
Investment Income	1,484	-	-	-
Other Financing Sources	464,166	460,000	478,200	18,200
Fund Total	1,056,192	1,014,600	1,142,000	127,400

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	1,346,554	1,450,900	1,382,100	(68,800)
Fund Total	1,346,554	1,450,900	1,382,100	(68,800)

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	5,947,167	5,656,805	5,220,505	(436,300)
Net Change	(290,362)	(436,300)	(240,100)	196,200
End of Year	5,656,805	5,220,505	4,980,405	(240,100)

City of Duluth Minnesota - 2026 Budget

Civic Center Public Ramp Fund Estimated Budgetary Cash Balance

Operating Fund	2025 Budget	2026 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	735,079	623,479
Estimated Income (Loss)	(436,300)	(240,100)
Other Sources: Depreciation and Amortization	470,600	470,600
Total Other Sources	470,600	470,600
Other Uses: Bond Principal Payments	145,900	287,400
Total Other Uses	145,900	287,400
ESTIMATED BUDGETARY YEAR END CASH BALANCE	623,479	566,579

Public Works & Utilities Department – Utility Funds

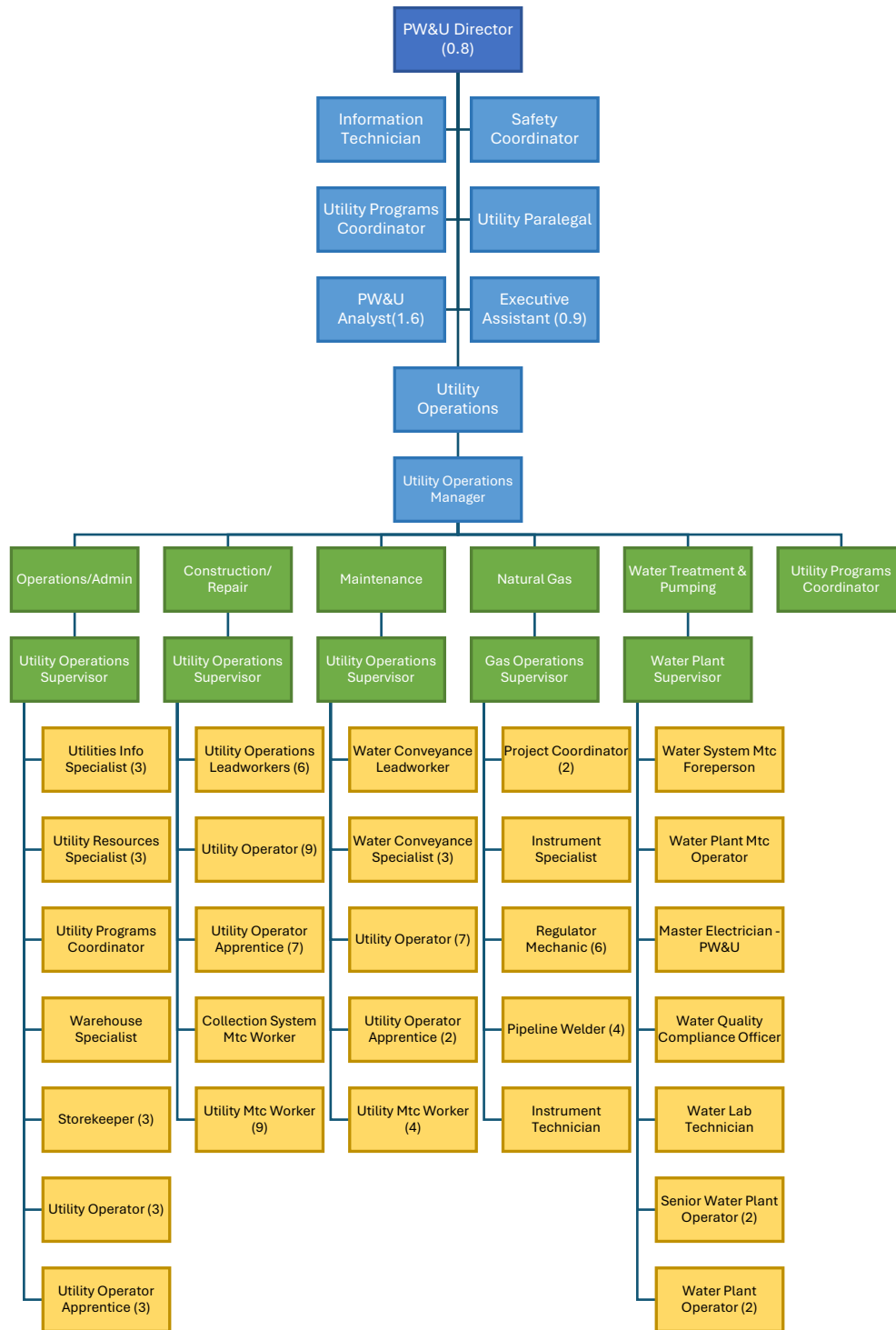
Mission and Vision

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

Structure

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

Organization Chart Continued



KEY
 Solid = Enterprise Fund
 Patterned = Special Revenue Fund

Goals, Objectives, and Accomplishments

Public Works – Director’s Office

2025 Accomplishments

- Fund Balances
 - Water Fund: \$14,709,004
 - Gas Fund: \$11,277,829
 - Sanitary Sewer Fund: \$12,247,813
 - Stormwater Fund: \$9,004,827
- Capital Investment
 - Water Fund \$24,686,000
 - Gas Fund \$2,000,000
 - Sanitary Sewer Fund: \$2,000,000
 - Stormwater Fund \$3,200,000

2026 Goals

- PWU Director's office will provide leadership and financial planning activities for the City's Transportation, Water, Sanitary, Natural Gas, Stormwater, and Steam enterprises. This is measured through the utilization of key Performance Measures to ensure each of the Divisional objectives within the Public Works Department are achieved.

2026 Objectives

- Develop and implement a sound financial plan for each of the Enterprise funds that ensures their sustainable future.
- Institute a plan for Capital Investments to support the safe, reliable and sustainable delivery of services that support the City's transportation, water, natural gas, sanitary & stormwater conveyance, and steam systems.

Goals, Objectives, and Accomplishments

Public Works – Customer Service

2025 Accomplishments

- Completed 6,815 appliance service & furnace cleaning/venting workorders
- Tested/repared 3,334 water meters
- Tested/repared 2,552 gas meters
- Performed 6,645 gas leak detection surveys

2026 Goals

- Develop sustainable fiscal and operational policies which foster trust and transparency by ensuring accountability, efficiency, integrity, innovation, and best practices in all operations. (KPM: Water & Gas Meter testing/repair and Appliance Servicing)
- Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors. (KPM: Gas Leak Detection)

2026 Objectives

- Continue/Complete conversion to new cloud-based Customer Experience Portal
- Ensure accurate usage and billing data received and reflected on Customer accounts (KPM: Water & Gas meters tested/repared)
- Perform mandated Natural Gas leak detection surveys (KPM: Natural Gas Leak Detection sites)

Goals, Objectives, and Accomplishments

Public Works – Utility Operations

2025 Accomplishments

- Repaired 90 water main breaks.
- Valves inspected and operated on 466 gas service and mains.
- Cleaned 377,604 feet of sanitary pipe.
- Restored 1,605 feet of ditch line.
- Completed 6,000 water samples for testing.
- Repaired/replaced 47 water hydrants.
- Performed 1,030 inflow and infiltration home inspections.

2026 Goals

- Design, build, improve and proactively maintain a utility infrastructure system that provides safe, affordable and reliable water, sewer, storm drainage, natural gas, steam and hot water services to the community.
- Protect water resources in order to maintain water quality of streams and aquifers and to preserve existing hydrology patterns.
- Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.

2026 Objectives

- Maintain Operational integrity of four Utility Systems through efficient management of resources. (KPM: Water main repairs, Gas line inspection & valve operations, Sanitary pipe cleaning, & ditch line restoration)
- Ensure strict compliance with health, safety, and government requirements. (KPM: Water sampling and testing, Gas valve operation & line inspection, hydrant repair/replacement, Inflow & Infiltration home inspections)

City of Duluth Minnesota – 2026 Budget

Director's Office & Capital Divisions - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Water Fund Cash Balance	\$14,586,536	\$14,709,004	\$13,916,304
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Gas Fund Cash Balance	\$12,261,506	\$11,277,829	\$11,714,629
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Sanitary Sewer Fund Cash Balance	\$10,486,309	\$12,247,813	\$13,214,041
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Clean Water Fund Cash Balance	\$174,128	\$0	\$0
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Stormwater Fund Cash Balance	\$6,872,173	\$9,004,827	\$5,561,327
Design, build, improve and proactively maintain a utility infrastructure system that provides safe, affordable and reliable water, sewer, storm drainage, natural gas, steam and hot water services to the community.	Water Fund Capital Investment (amount in thousands)	\$15,231,661	\$24,686,000	\$53,730,000
Design, build, improve and proactively maintain a utility infrastructure system that provides safe, affordable and reliable water, sewer, storm drainage, natural gas, steam and hot water services to the community.	Gas Fund Capital Investment (amount in thousands)	\$1,748,970	\$2,000,000	\$3,240,000
Design, build, improve and proactively maintain a utility infrastructure system that provides safe, affordable and reliable water, sewer, storm drainage, natural gas, steam and hot water services to the community.	Sanitary Sewer Fund Capital Investment (amount in thousands)	\$1,404,157	\$2,000,000	\$3,085,000
Design, build, improve and proactively maintain a utility infrastructure system that provides safe, affordable and reliable water, sewer, storm drainage, natural gas, steam and hot water services to the community.	Stormwater Fund Capital Investment (amount in thousands)	\$2,095,201	\$3,200,000	\$7,014,000

City of Duluth Minnesota – 2026 Budget

Customer Service Division - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Ensures timely and effective two-way communication with internal customers, residents, and businesses providing equal access to information encouraging input from all areas of the organization and community at large.	Appliance service & furnace cleaning/venting workorders completed	6,377	6,815	7,000
Develops sustainable fiscal and operational policies which foster trust and transparency by ensuring accountability, efficiency, integrity, innovation, and best practices in all operations.	Water meters tested/repaired	7,115	3,334	3,000
Develops sustainable fiscal and operational policies which foster trust and transparency by ensuring accountability, efficiency, integrity, innovation, and best practices in all operations.	Gas meters tested/repaired	2,500	2,552	5,000
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Gas leak detection survey	7,421	6,645	7,500

City of Duluth Minnesota – 2026 Budget

Utility Operations Division - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Design, build, improve and proactively maintain a utility infrastructure system that provides safe, affordable and reliable water, sewer, storm drainage, natural gas, steam and hot water services to the community.	Water main breaks repaired	42	90	90
Design, build, improve and proactively maintain a utility infrastructure system that provides safe, affordable and reliable water, sewer, storm drainage, natural gas, steam and hot water services to the community.	Gas services & Mains - valves inspected and operated	466	466	466
Design, build, improve and proactively maintain a utility infrastructure system that provides safe, affordable and reliable water, sewer, storm drainage, natural gas, steam and hot water services to the community.	Sanitary pipe cleaned (ft)	418,966	377,604	390,000
Protect water resources in order to maintain water quality of streams, aquifers and to preserve existing hydrology patterns.	Ditch line restored (ft)	2,205	1,605	2,000
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Water samples completed for testing	6,400	6,000	6,500
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Water hydrants repaired/replaced	56	47	60
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Inflow and infiltration home inspections	1,003	1,030	1,040

City of Duluth Minnesota - 2026 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 operating revenues for 2026. The most significant category of expense is personal services at 45% of total proposed operating expenses. Presented below is a summary of the major categories of revenues and expenses over a four year period.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	11,491,286	-	50,000,000	50,000,000
Investment Income	31,010	-	-	-
Miscellaneous	413,897	25,000	25,000	-
Non-Operating Revenues	2,772	18,000	18,000	-
Operating Revenues	18,125,196	19,721,000	21,321,000	1,600,000
Other Financing Sources	694,797	135,000	135,000	-
Fund Total	30,758,958	19,899,000	71,499,000	51,600,000

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	4,545,779	5,087,900	5,907,500	819,600
Benefits	3,610,925	3,071,600	2,730,000	(341,600)
Other Costs	7,542,802	9,557,200	10,322,500	765,300
Capital Outlay	7,538,436	4,017,600	54,398,000	50,380,400
Debt Service	(2,528)	(2,500)	(2,500)	-
Fund Total	23,235,413	21,731,800	73,355,500	51,623,700

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	88,867,602	96,391,147	94,558,347	(1,832,800)
Net Change	7,523,545	(1,832,800)	(1,856,500)	(23,700)
End of Year	96,391,147	94,558,347	92,701,847	(1,856,500)

City of Duluth Minnesota - 2026 Budget

Water Fund

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Employees

Budgeted FTEs	2024	2025	2026	Difference
Administrative Information Specialist	0.20	0.20	0.20	-
Chief Engineer - Utilities	0.20	0.20	0.20	-
City Engineer	0.15	0.15	0.15	-
Customer Service Coordinator	0.60	0.90	0.90	-
Director of Public Works & Utilities	0.20	0.20	0.20	-
Engineering Technician	0.75	0.80	0.80	-
Executive Assistant Confidential	0.20	0.20	0.20	-
GIS Technician	0.50	0.50	0.50	-
Graduate Engineer	-	-	0.20	0.20
Industrial Painter	0.60	0.60	0.60	-
Information Technician	1.20	1.20	1.20	-
Instrument Specialist	0.40	0.40	0.40	-
Instrument Technician	-	-	0.40	0.40
Janitor I	0.50	-	-	-
Maintenance Helper Title TBD	-	1.00	-	(1.00)
Manager, Customer Service	0.25	0.25	0.25	-
Manager, Utility Operations	0.25	0.25	0.25	-
Master Electrician -PW&U	0.60	0.60	0.60	-
Measurement Services Specialist	3.90	4.20	0.30	(3.90)
Pipeline Welder	0.60	0.60	0.80	0.20
Project Coordinator	0.55	-	-	-
Public Works and Utilities Analyst	0.40	0.40	0.40	-
Regulator Mechanic	0.60	0.60	0.60	-
Safety Coordinator	0.20	0.20	0.20	-
Senior Engineer	0.50	1.15	1.50	0.35
Senior Engineering Specialist	1.40	1.40	1.70	0.30
Senior Engineering Technician	3.80	2.75	2.25	(0.50)
Senior GIS Technician	-	0.25	0.25	-
Senior Water Plant Operator	-	7.00	5.00	(2.00)
Storekeeper	0.35	0.70	1.05	0.35
Utilities Information Specialist	4.05	4.05	3.85	(0.20)
Utility Accounts Receivable Specialist	0.75	0.75	0.75	-
Utility Customer Service Supervisor	0.25	0.25	0.25	-
Utility Info Systems Analyst	-	0.25	0.55	0.30
Utility Maintenance Worker	4.55	4.55	4.55	-
Utility Meter & Appliance Technician	-	-	5.00	5.00

City of Duluth Minnesota - 2026 Budget

Water Fund

510

Water Fund Budgeted FTEs Continued	2024	2025	2026	Difference
Utility Operations Leadworker	2.55	2.40	2.55	0.15
Utility Operations Supervisor	1.05	1.05	1.05	-
Utility Operator	7.40	6.55	6.65	0.10
Utility Operator Apprentice	4.00	6.00	5.15	(0.85)
Utility Paralegal	0.15	0.15	-	(0.15)
Utility Programs Coordinator	0.65	1.40	1.40	-
Utility Services Dispatcher	1.80	1.80	1.80	-
Utility Services Specialist Apprentice	0.10	0.30	-	(0.30)
Utility Services Specialist Journeypers	1.20	1.00	0.10	(0.90)
Utility Services Supervisor	0.30	0.30	0.30	-
Warehouse Specialist	0.70	0.35	-	(0.35)
Water Conveyance Leadworker	0.40	0.20	0.40	0.20
Water Conveyance Specialist	1.20	0.60	1.20	0.60
Water Lab Chemist	1.00	1.00	-	(1.00)
Water Lab Technician	1.00	1.00	1.00	-
Water Plant Maintenance Operator	-	-	1.00	1.00
Water Plant Operator	6.00	-	2.00	2.00
Water Plant Supervisor	1.00	1.00	1.00	-
Water Quality Compliance Office	-	-	1.00	1.00
Water System Maintenance Foreperson	-	1.00	1.00	-
Fund Total	59.00	62.65	63.65	1.00

City of Duluth Minnesota - 2026 Budget

Water Fund Estimated Budgetary Cash Balance

Operating Fund	2025 Budget	2026 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	14,586,536	13,404,236
Total Estimated Income (Loss)	(1,832,800)	(1,856,500)
Other Sources: Depreciation and Amortization	2,266,300	2,256,300
Other Sources: Interest from Bond Discount	(2,500)	(2,500)
Total Other Sources	2,263,800	2,253,800
Other Uses: Bond Principal Payments	1,613,300	1,190,000
Total Other Uses	1,613,300	1,190,000
ESTIMATED BUDGETARY YEAR END CASH BALANCE	13,404,236	12,611,536

Water Infrastructure Surcharge Fund

511

In order to continue to provide safe, potable water, a water infrastructure surcharge was created to be used for improvements to the City's water treatment, storage, and distribution system. This fund was previously combined with the Water Fund (Fund 510) and was used for bond proceeds (the 2025 budget reflects this). In 2025, the City created a Water Infrastructure Fund (Fund 511).

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	-	35,500,000	-	(35,500,000)
Operating Revenues	-	-	3,000,000	3,000,000
Other Financing Sources	-	-	20,000,000	20,000,000
Fund Total	-	35,500,000	23,000,000	(12,500,000)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	-	-	86,500	86,500
Capital Outlay	-	35,500,000	22,735,000	(12,765,000)
Fund Total	-	35,500,000	22,821,500	(12,678,500)

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	-	-	-	-
Net Change	-	-	178,500	178,500
End of Year	-	-	178,500	178,500

City of Duluth Minnesota - 2026 Budget

Water Infrastructure Surcharge Fund Estimated Budgetary Cash Balance

Operating Fund	2025 Budget	2026 Approved
Total Estimated Income (Loss)	-	178,500
Other Sources: Depreciation and Amortization	-	12,100
Total Other Sources	-	12,100
Other Uses: Bond Principal Payments	-	448,600
Total Other Uses	-	448,600
ESTIMATED BUDGETARY YEAR END CASH BALANCE	-	(258,000)

Gas Fund

520

The Gas Fund is a self-supporting enterprise fund which accounts for the distribution of an adequate, reliable and safe supply of natural gas. Other services provided are the inspection, maintenance and servicing of customer gas utilization equipment. The major funding source is gas sales, representing 97% of total operating revenues for 2026. The major category of expense is other costs, which represents 62% of total proposed operating expenses. Presented below is a summary of the major categories of revenues and expenses over a three year period.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Investment Income	44,516	-	-	-
Miscellaneous	440,370	500	500	-
Non-Operating Revenues	128,502	100,000	100,000	-
Operating Revenues	36,509,787	51,761,600	56,331,800	4,570,200
Fund Total	37,123,176	51,862,100	56,432,300	4,570,200

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	5,775,141	6,138,200	7,116,200	978,000
Benefits	4,611,124	3,765,600	3,339,900	(425,700)
Other Costs	25,142,843	36,885,200	40,617,300	3,732,100
Capital Outlay	60,377	3,185,400	3,772,500	587,100
Other Financing Uses	3,228,860	3,000,000	2,800,000	(200,000)
Fund Total	38,818,345	52,974,400	57,645,900	4,671,500

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	82,264,791	80,569,622	79,457,322	(1,112,300)
Net Change	(1,695,169)	(1,112,300)	(1,213,600)	(101,300)
End of Year	80,569,622	79,457,322	78,243,722	(1,213,600)

City of Duluth Minnesota - 2026 Budget

Gas Fund

520

Employees

Budgeted FTEs	2024	2025	2026	Difference
Administrative Information Specialist	0.20	0.20	0.20	-
Chief Engineer - Utilities	0.40	0.40	0.40	-
City Engineer	0.15	0.15	0.15	-
Corrosion Technician II	1.00	1.00	1.00	-
Customer Service Coordinator	1.40	2.10	2.10	-
Director of Public Works & Utilities	0.20	0.20	0.20	-
Engineering Technician	0.75	1.40	1.80	0.40
Executive Assistant Confidential	0.40	0.40	0.40	-
Gas Operations Supervisor	1.00	2.00	1.00	(1.00)
GIS Technician	0.50	0.50	0.50	-
Graduate Engineer	-	-	0.20	0.20
Industrial Painter	1.40	1.40	1.40	-
Information Technician	0.20	0.20	0.20	-
Instrument Specialist	0.40	0.40	0.40	-
Instrument Technician	-	-	0.40	0.40
Janitor I	0.50	-	-	-
Manager, Customer Service	0.60	0.60	0.60	-
Manager, Utility Operations	0.25	0.25	0.25	-
Master Electrician -PW&U	0.20	0.20	0.20	-
Measurement Services Specialist	10.10	9.80	0.70	(9.10)
Pipeline Welder	2.40	2.40	3.20	0.80
Project Coordinator	4.10	3.00	2.00	(1.00)
Public Works and Utilities Analyst	0.40	0.40	0.40	-
Regulator Mechanic	5.40	5.40	5.40	-
Safety Coordinator	0.50	0.50	0.50	-
Senior Engineer	2.30	1.35	1.50	0.15
Senior Engineering Specialist	1.40	1.40	1.50	0.10
Senior Engineering Technician	3.80	4.20	4.65	0.45
Senior GIS Technician	-	0.25	0.25	-
Storekeeper	1.25	1.50	1.75	0.25
Utilities Information Specialist	6.90	6.90	6.80	(0.10)
Utility Accounts Receivable Specialist	1.20	1.20	1.20	-
Utility Customer Service Supervisor	0.40	0.40	0.40	-
Utility Info Systems Analyst	-	0.40	1.10	0.70
Utility Maintenance Worker	1.30	1.30	1.30	-
Utility Meter & Appliance Technician	-	-	20.00	20.00

City of Duluth Minnesota - 2026 Budget

Gas Fund

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Gas Fund Budgeted FTEs Continued	2024	2025	2026	Difference
Utility Operations Leadworker	0.90	0.75	0.90	0.15
Utility Operations Supervisor	0.60	0.60	0.60	-
Utility Operator	2.30	1.95	3.80	1.85
Utility Operator Apprentice	2.50	3.75	3.20	(0.55)
Utility Paralegal	0.70	0.70	-	(0.70)
Utility Program Coordinator	-	-	1.00	1.00
Utility Programs Coordinator	0.95	0.40	0.40	-
Utility Services Dispatcher	3.00	3.00	3.00	-
Utility Services Specialist Apprentice	0.90	2.70	-	(2.70)
Utility Services Specialist Journeyman	10.80	9.00	0.90	(8.10)
Utility Services Supervisor	0.70	0.70	0.70	-
Warehouse Specialist	0.50	0.25	-	(0.25)
Fund Total	74.85	75.60	78.55	2.95

City of Duluth Minnesota - 2026 Budget

Gas Fund Estimated Budgetary Cash Balance

Operating Fund	2025 Budget	2026 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	12,261,506	12,915,006
Total Estimated Income (Loss)	(1,112,300)	(1,213,600)
Other Sources: Depreciation and Amortization	1,765,800	1,650,400
Total Other Sources	1,765,800	1,650,400
ESTIMATED BUDGETARY YEAR END CASH BALANCE	12,915,006	13,351,806

City of Duluth Minnesota - 2026 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 funding source is user charges, representing 99% of total revenues for 2026. The major expense category is for contractual services and charges paid to 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 three year period.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Investment Income	17,658	-	-	-
Miscellaneous	111,492	300	300	-
Non-Operating Revenues	1,368	3,000	3,000	-
Operating Revenues	20,755,023	21,447,100	22,211,900	764,800
Other Financing Sources	8,300	10,000	-	(10,000)
Fund Total	20,893,842	21,460,400	22,215,200	754,800

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	2,448,014	2,779,800	2,978,600	198,800
Benefits	2,308,355	1,509,100	1,457,700	(51,400)
Other Costs	14,056,863	14,647,500	16,145,600	1,498,100
Capital Outlay	51,022	3,684,600	3,657,500	(27,100)
Debt Service	(1,643)	(100)	-	100
Fund Total	18,862,610	22,620,900	24,239,400	1,618,500

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	76,873,465	78,904,697	77,744,197	(1,160,500)
Net Change	2,031,232	(1,160,500)	(2,024,200)	(863,700)
End of Year	78,904,697	77,744,197	75,719,997	(2,024,200)

City of Duluth Minnesota - 2026 Budget

Sewer Fund

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Employees

Budgeted FTEs	2024	2025	2026	Difference
Administrative Information Specialist	0.20	0.20	0.20	-
Chief Engineer - Utilities	0.20	0.20	0.20	-
City Engineer	0.15	0.15	0.15	-
Collection System Maintenance Worker	1.00	1.00	-	(1.00)
Director of Public Works & Utilities	0.20	0.20	0.20	-
Engineering Technician	0.75	0.80	0.80	-
Executive Assistant Confidential	0.15	0.15	0.15	-
GIS Technician	0.50	0.50	0.50	-
Graduate Engineer	-	-	0.20	0.20
Information Technician	0.20	0.20	0.20	-
Instrument Specialist	0.20	0.20	0.20	-
Instrument Technician	-	-	0.20	0.20
Janitor I	0.50	-	-	-
Manager, Customer Service	0.10	0.10	0.10	-
Manager, Utility Operations	0.25	0.25	0.25	-
Master Electrician -PW&U	0.20	0.20	0.20	-
Project Coordinator	0.20	-	-	-
Public Works and Utilities Analyst	0.40	0.40	0.40	-
Safety Coordinator	0.15	0.15	0.15	-
Senior Engineer	0.40	0.60	0.75	0.15
Senior Engineering Specialist	0.40	0.40	0.70	0.30
Senior Engineering Technician	3.80	3.15	2.25	(0.90)
Senior GIS Technician	-	0.25	0.25	-
Storekeeper	0.25	0.40	0.75	0.35
Utilities Information Specialist	3.10	3.10	2.70	(0.40)
Utility Accounts Receivable Specialist	0.60	0.60	0.60	-
Utility Customer Service Supervisor	0.20	0.20	0.20	-
Utility Info Systems Analyst	-	0.20	0.20	-
Utility Maintenance Worker	3.90	3.25	3.90	0.65
Utility Operations Leadworker	1.90	1.80	1.90	0.10
Utility Operations Supervisor	0.75	0.75	0.75	-
Utility Operator	6.40	5.10	4.75	(0.35)
Utility Operator Apprentice	2.00	3.00	2.65	(0.35)
Utility Paralegal	0.10	0.10	-	(0.10)
Utility Programs Coordinator	1.70	0.75	0.75	-
Utility Resources Specialist	2.40	3.00	3.00	-

City of Duluth Minnesota - 2026 Budget

Sewer Fund

530

Sewer Fund Budgeted FTEs Continued	2024	2025	2026	Difference
Utility Services Dispatcher	0.60	0.60	0.60	-
Warehouse Specialist	0.50	0.20	-	(0.20)
Water Conveyance Leadworker	0.60	0.80	0.60	(0.20)
Water Conveyance Specialist	1.80	2.40	1.80	(0.60)
Fund Total	36.75	35.35	33.20	(2.15)

City of Duluth Minnesota - 2026 Budget

Sewer Fund Estimated Budgetary Cash Balance

Operating Fund	2025 Budget	2026 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	10,486,309	10,987,209
Total Estimated Income (Loss)	(1,160,500)	(2,024,200)
Other Sources: Depreciation and Amortization	1,744,800	2,301,500
Other Sources: Interest from Bond Discount	(100)	-
Total Other Sources	1,744,700	2,301,500
Other Uses: Bond Principal Payments	75,000	-
Other Uses: Infrastructure System Replacement Fund	8,300	-
Total Other Uses	83,300	-
ESTIMATED BUDGETARY YEAR END CASH BALANCE	10,987,209	11,264,509

City of Duluth Minnesota - 2026 Budget

Clean Water Surcharge Fund

532

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

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Investment Income	2,307	-	-	-
Operating Revenues	1,661,910	-	-	-
Fund Total	1,664,218	-	-	-

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	862,768	824,000	-	(824,000)
Fund Total	862,768	824,000	-	(824,000)

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	33,312,105	34,113,555	33,289,555	(824,000)
Net Change	801,450	(824,000)	-	824,000
End of Year	34,113,555	33,289,555	33,289,555	-

City of Duluth Minnesota - 2026 Budget

Clean Water Surcharge Fund Estimated Budgetary Cash Balance

Operating Fund	2025 Budget	2026 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	1,313,228	174,128
Total Estimated Income (Loss)	(824,000)	-
Other Sources: Depreciation and Amortization	566,900	-
Total Other Sources	566,900	-
Other Uses: Bond Principal Payments	882,000	-
Total Other Uses	882,000	-
ESTIMATED BUDGETARY YEAR END CASH BALANCE	174,128	174,128

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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	10,224	-	10,000	10,000
Investment Income	16,830	-	-	-
Licenses and Permits	45,425	20,000	24,900	4,900
Miscellaneous	12,793	1,500	1,000	(500)
Non-Operating Revenues	(2,548)	1,000	1,000	-
Operating Revenues	8,566,346	9,407,300	10,484,700	1,077,400
Fund Total	8,649,069	9,429,800	10,521,600	1,091,800

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	1,938,928	2,191,900	2,386,700	194,800
Benefits	1,435,294	1,073,400	1,077,900	4,500
Other Costs	2,297,450	2,819,500	3,691,700	872,200
Capital Outlay	180,298	5,748,000	7,429,500	1,681,500
Fund Total	5,851,970	11,832,800	14,585,800	2,753,000

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	29,866,365	32,663,464	30,260,464	(2,403,000)
Net Change	2,797,099	(2,403,000)	(4,064,200)	(1,661,200)
End of Year	32,663,464	30,260,464	26,196,264	(4,064,200)

City of Duluth Minnesota - 2026 Budget

Stormwater Fund

535

Employees

Budgeted FTEs	2024	2025	2026	Difference
Administrative Information Specialist	0.20	0.20	0.20	-
Chief Engineer - Utilities	0.20	0.20	0.20	-
City Engineer	0.15	0.15	0.15	-
Director of Public Works & Utilities	0.20	0.20	0.20	-
Engineering Technician	0.75	1.00	0.60	(0.40)
Executive Assistant Confidential	0.15	0.15	0.15	-
GIS Technician	0.50	0.50	0.50	-
Graduate Engineer	-	-	0.10	0.10
Information Technician	0.20	0.20	1.20	1.00
Janitor I	0.50	-	-	-
Manager, Customer Service	0.05	0.05	0.05	-
Manager, Utility Operations	0.25	0.25	0.25	-
Project Coordinator	0.15	-	-	-
Public Works and Utilities Analyst	0.40	0.40	0.40	-
Safety Coordinator	0.15	0.15	0.15	-
Senior Engineer	1.80	1.90	1.25	(0.65)
Senior Engineering Specialist	0.40	0.40	0.70	0.30
Senior Engineering Technician	3.40	2.70	1.95	(0.75)
Senior GIS Technician	-	0.25	0.25	-
Storekeeper	0.15	0.40	0.45	0.05
Utilities Information Specialist	1.95	1.95	1.65	(0.30)
Utility Accounts Receivable Specialist	0.45	0.45	0.45	-
Utility Customer Service Supervisor	0.15	0.15	0.15	-
Utility Info Systems Analyst	-	0.15	0.15	-
Utility Maintenance Worker	3.25	3.90	3.25	(0.65)
Utility Operations Leadworker	0.65	1.05	0.65	(0.40)
Utility Operations Supervisor	0.60	0.60	0.60	-
Utility Operator	5.90	3.40	3.80	0.40
Utility Operator Apprentice	1.50	2.25	2.00	(0.25)
Utility Paralegal	0.05	0.05	-	(0.05)
Utility Programs Coordinator	1.70	2.45	2.45	-
Utility Resources Specialist	0.60	1.00	2.00	1.00
Utility Services Dispatcher	0.60	0.60	0.60	-
Warehouse Specialist	0.30	0.20	-	(0.20)
Fund Total	27.30	27.30	26.50	(0.80)

City of Duluth Minnesota - 2026 Budget

Stormwater Fund Estimated Budgetary Cash Balance

Operating Fund	2025 Budget	2026 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	8,690,073	6,872,173
Total Estimated Income (Loss)	(2,403,000)	(4,064,200)
Other Sources: Depreciation and Amortization	585,100	620,700
Total Other Sources	585,100	620,700
ESTIMATED BUDGETARY YEAR END CASH BALANCE	6,872,173	3,428,673

City of Duluth Minnesota - 2026 Budget

Steam 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 three year period.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	-	-	200,000	200,000
Investment Income	(2,020)	-	-	-
Non-Operating Revenues	118,512	-	87,000	87,000
Operating Revenues	9,333,819	10,999,900	10,565,900	(434,000)
Other Financing Sources	2,114	-	-	-
Fund Total	9,452,425	10,999,900	10,852,900	(147,000)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	9,811,731	11,857,900	11,076,300	(781,600)
Capital Outlay	-	2,850,000	2,640,000	(210,000)
Fund Total	9,811,731	14,707,900	13,716,300	(991,600)

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	28,306,327	27,947,021	24,239,021	(3,708,000)
Net Change	(359,306)	(3,708,000)	(2,863,400)	844,600
End of Year	27,947,021	24,239,021	21,375,621	(2,863,400)

City of Duluth Minnesota - 2026 Budget

Steam Fund Estimated Budgetary Cash Balance

Operating Fund	2025 Budget	2026 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	2,348,408	1,963,908
Total Estimated Income (Loss)	(3,708,000)	(2,863,400)
Other Sources: Bond Issuance	2,800,000	-
Other Sources: Depreciation and Amortization	1,718,500	1,473,000
Total Other Sources	4,518,500	1,473,000
Other Uses: Bond Principal Payments	1,195,000	1,225,000
Total Other Uses	1,195,000	1,225,000
ESTIMATED BUDGETARY YEAR END CASH BALANCE	1,963,908	(651,492)

City of Duluth Minnesota - 2026 Budget

Funds

Self-Insurance - Workers' Compensation
 Medical Health Fund
 Minnesota Paid Family Leave
 Dental Health Fund
 Self-Insurance - Liability
 Fleet Services

Internal Service Funds

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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	514,137	-	-	-
Investment Income	900,367	-	-	-
Miscellaneous	2,832,537	935,007	1,211,381	276,374
Other Financing Sources	89,780	-	-	-
Operating Revenues	37,358,319	43,238,710	45,627,077	2,388,367
Total	41,695,140	44,173,717	46,838,458	2,664,741

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	2,478,812	2,623,700	3,198,270	574,570
Benefits	774,698	711,400	752,100	40,700
Other Costs	37,176,926	40,281,402	44,765,846	4,484,444
Total	40,430,436	43,616,502	48,716,216	5,099,714

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	19,266,227	20,530,931	21,088,146	557,215
Net Change	1,264,704	557,215	(1,877,758)	(2,434,973)
End of Year	20,530,931	21,088,146	19,210,388	(1,877,758)

City of Duluth Minnesota - 2026 Budget

Self-Insurance - Workers' 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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Intergovernmental	514,137	-	-	-
Miscellaneous	136,236	61,800	85,010	23,210
Other Financing Sources	6,224	-	-	-
Operating Revenues	2,327,300	2,544,900	1,757,340	(787,560)
Fund Total	2,983,897	2,606,700	1,842,350	(764,350)

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	1,101,718	1,272,100	923,670	(348,430)
Benefits	218,410	51,000	52,600	1,600
Other Costs	915,581	1,023,600	1,005,230	(18,370)
Fund Total	2,235,709	2,346,700	1,981,500	(365,200)

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	791,592	1,539,780	1,799,780	260,000
Net Change	748,188	260,000	(139,150)	(399,150)
End of Year	1,539,780	1,799,780	1,660,630	(139,150)

Employees

Budgeted FTEs	2024	2025	2026	Difference
Safety & Training Officer	1.00	1.00	1.00	-

City of Duluth Minnesota - 2026 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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Investment Income	6,565	-	-	-
Miscellaneous	4,258	-	-	-
Other Financing Sources	80,773	-	-	-
Operating Revenues	806,786	736,240	949,860	213,620
Fund Total	898,382	736,240	949,860	213,620

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	1,256,131	905,980	968,010	62,030

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	686,086	328,337	158,597	(169,740)
Net Change	(357,749)	(169,740)	(18,150)	151,590
End of Year	328,337	158,597	140,447	(18,150)

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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Investment Income	863,424	-	-	-
Miscellaneous	2,690,562	873,207	1,126,371	253,164
Operating Revenues	28,259,798	33,148,970	35,114,789	1,965,819
Fund Total	31,813,784	34,022,177	36,241,160	2,218,983

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	31,011,842	33,513,263	37,884,951	4,371,688
Fund Total	31,011,842	33,513,263	37,884,951	4,371,688

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	16,606,870	17,408,812	17,917,726	508,914
Net Change	801,942	508,914	(1,643,791)	(2,152,705)
End of Year	17,408,812	17,917,726	16,273,935	(1,643,791)

Minnesota Paid Leave

632

This Fund accounts for the collection and disbursement of resources associated with Minnesota’s Paid Leave program. The fund receives payroll-based premiums from employers and employees that are used to finance wage-replacement benefits for eligible workers taking family or medical leave.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Operating Revenues	-	-	780,000	780,000
Fund Total	-	-	780,000	780,000

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	-	-	780,000	780,000
Fund Total	-	-	780,000	780,000

City of Duluth Minnesota - 2026 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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Investment Income	30,379	-	-	-
Operating Revenues	1,151,859	1,155,000	1,239,888	84,888
Fund Total	1,182,238	1,155,000	1,239,888	84,888

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Other Costs	1,133,736	1,238,159	1,318,655	80,496

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	593,649	642,150	558,991	(83,159)
Net Change	48,502	(83,159)	(78,767)	4,392
End of Year	642,150	558,991	480,224	(78,767)

Goals, Objectives, and Accomplishments

Fleet

2025 Accomplishments

- Acquired and installed new vehicle telematics system in 90% of fleet vehicles to gather usable and accurate usage data.
- Continued rightsizing vehicle and equipment fleet citywide. Reduced city fleet by 18 units in 2025 to a new total of 989 vehicles and equipment. Telematics data will further serve to reduce where possible.
- 2,934 services and repairs performed: 83% of those performed in-house by Fleet Services staff.
- Deployed first full electric police squad increasing count to 5 full EV, 2 plug in hybrid, and 22 hybrid vehicles citywide.

2026 Goals

- Complete installation telematics units
- Identify rightsizing and electrification opportunities
- Increase ratio of in-house to outsourced repairs on vehicles and equipment to 85%

2026 Objectives

- Install 10 remaining telematics units
- Compile usage data from telematic system to identify rightsizing and electrification opportunities
- Install new vehicle hoist to increase maintenance efficiency to reach the in-house repair goal of 85%

City of Duluth Minnesota – 2026 Budget

Fleet Services - Performance Measures

Goal/Strategic Area	Measure/Indicator	2024 Actual	2025 Actual	2026 Target
Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals	Number of work orders completed by shop staff	2,527	2,934	2,900
Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals	Percent of in house work orders to outsource workorders.	85%	83%	85%
Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals	Percent of hours worked billed by shop mechanics.	80%	86%	80%
Supports decision-making with timely and accurate analysis, focusing on innovative, long-term solutions that benefit the community	Develop divisional equipment plans to track changes on fleet composition.	80%	85%	95%
Promote use of alternative modes of transportation that minimize impacts to the environment.	Complete assessment of city fleet to identify opportunities for electrification and other low-emissions vehicles.	40%	50%	75%
Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals	Implement new telematics systems to monitor equipment usage	No Data	85%	100%
Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals	Incorporate the new service vehicle into the PM scheduling	50%	75%	90%
Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals	Implement scheduling module to reduce downtime.	70%	75%	90%
Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals	Develop and implement Fleet right-sizing and usage standards	80%	85%	95%

City of Duluth Minnesota - 2026 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.

Revenues

Revenue Type	2024 Actual	2025 Budget	2026 Approved	Difference
Miscellaneous	1,481	-	-	-
Other Financing Sources	2,783	-	-	-
Operating Revenues	4,812,576	5,653,600	5,785,200	131,600
Fund Total	4,816,840	5,653,600	5,785,200	131,600

Expenditures

Expenditure Type	2024 Actual	2025 Budget	2026 Approved	Difference
Salaries & Wages	1,377,093	1,351,600	1,494,600	143,000
Benefits	556,289	660,400	699,500	39,100
Other Costs	2,859,637	3,600,400	3,589,000	(11,400)
Fund Total	4,793,020	5,612,400	5,783,100	170,700

Fund Balance

Balance Type	2024 Actual	2025 Budget	2026 Approved	Difference
Beginning of Year	588,030	611,851	653,051	41,200
Net Change	23,821	41,200	2,100	(39,100)
End of Year	611,851	653,051	655,151	2,100

City of Duluth Minnesota - 2026 Budget

Fleet Services Continued

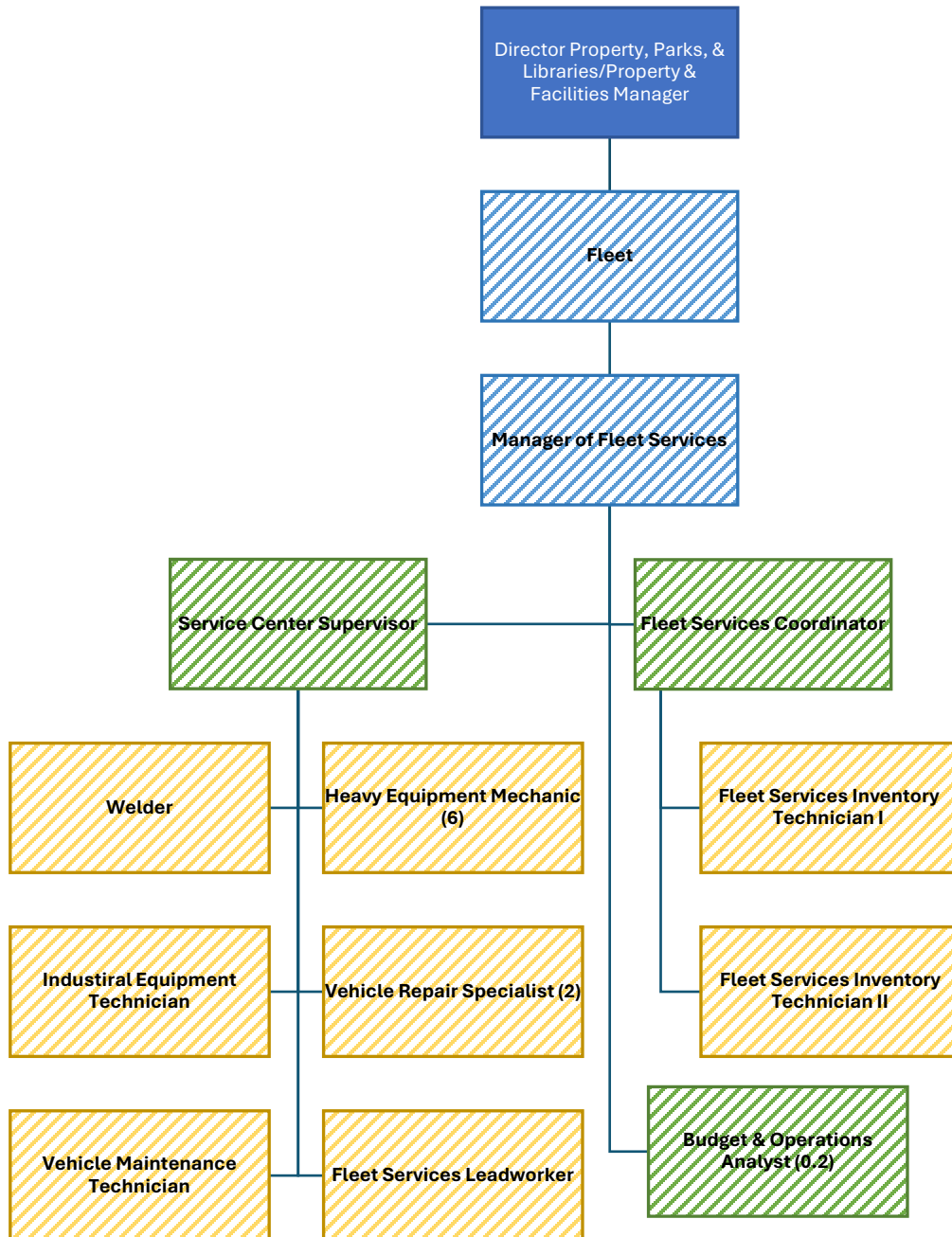
660

Employees

Budgeted FTEs	2024	2025	2026	Difference
Manager, Fleet Services	1.00	1.00	1.00	-
Service Center Supervisor	1.00	1.00	1.00	-
Budget & Operations Analyst	0.20	0.20	0.20	-
Fleet Services Leadworker	1.00	1.00	1.00	-
Asset & Supply Specialist	1.00	-	-	-
Heavy Equipment Mechanic	6.00	7.00	6.00	(1.00)
Welder	2.00	2.00	1.00	(1.00)
Industrial Equipment Technician	1.00	1.00	1.00	-
Fleet Services Inventory Technician II	1.00	1.00	1.00	-
Vehicle Repair Specialist	1.00	2.00	2.00	-
Vehicle Maintenance Technician	1.00	-	1.00	1.00
Fleet Services Coordinator	-	1.00	1.00	-
Fleet Services Inventory Technician I	1.00	1.00	1.00	-
Fund Total	17.20	18.20	17.20	(1.00)

Fleet Services

Organization Chart



KEY
 Solid = General Fund
 Patterned = Non-General Fund

City of Duluth Minnesota - 2026 Budget

Capital Improvement Plan

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

The City's capital budget includes capital improvements to city infrastructure, such as facility enhancements and expansion, upgrades to parks and trails, and improvements to streets and utilities. Also included in the capital budget are capital equipment rolling stock, such as public safety and maintenance vehicles, and non-rolling stock such as technology and public safety equipment. This section presents a summary of the 2026 capital improvement budget and the 2026 through 2030 capital improvement plans.

2026 Proposed Improvements

The 2026 capital improvement program outlines total proposed projects in the amount of \$210,997,754 funded through various sources including bonding, the Parks fund, the ½ and ½ tax, state and federal grants, the Permanent Improvement fund levy, the Street System Maintenance levy, Street Lighting Levy, the local sales tax dedicated to streets (0.5%), and utilities revenue. Included in the capital improvement budget are projects for facilities, parks and trails, streets and bridges, street lighting, and the water, gas, sewer, and stormwater utilities.

To identify which projects to fund, the City looks at both organizational needs and facility needs. The City then generates reports from the asset management and work order systems to define facility system end of life cycle issues. These projects are identified in collaboration between the project management team and the building maintenance team. The City tries to balance operational needs with maintaining asset integrity and addressing pressing end of life cycle issues. These recommended projects are then brought to the City Council for final approval.

Capital improvements to city buildings and infrastructure will be funded by issuing a capital improvement bond in the amount of \$2,146,000.

Parks and trails are to be funded by federal grants totaling \$6,726,097; ARPA Funding totaling \$392,000; state grants totaling \$8,963,735; other Grants and Donations totaling \$1,628,521; Parks fund contribution of \$2,413,450; Athletic Venue Reinvestment Initiative 1/2 and 1/2 tax \$416,000; St Louis River Corridor 1/2 and 1/2 tax of \$1,125,200; Other City funding of \$2,169,692 for a combined program total of \$23,834,695.

City of Duluth Minnesota - 2026 Budget

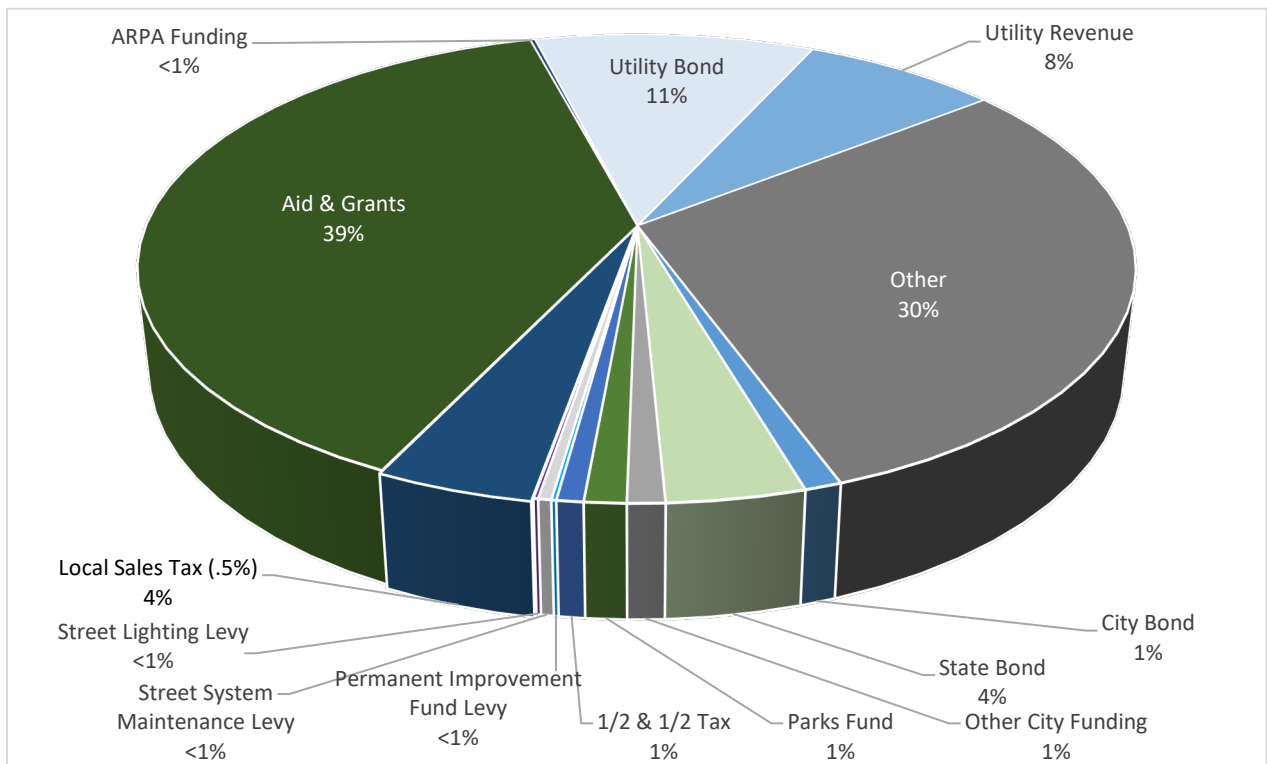
Capital Improvement Plan Continued

The Street and Bridge Improvement and Preservation program for 2026 totals \$82,981,559. Funding sources include \$59,494,359 from aids and grants, \$8,000,000 from State Bonding, \$4,987,200 from Utilities Revenues, \$280,000 from property tax dollars levied in the Permanent Improvement fund, \$9,200,000 from the local sales tax dedicated to street improvement (0.5%), \$750,000 from the Street System Maintenance levy, and \$270,000 from the Street Lighting Fund.

2026 Capital Utility Projects total \$102,035,500 and will be funded using: \$22,736,500 from Water Revenue Bonds, \$68,300,000 from Grants, and \$10,999,000 from utility revenue.

2026 Funding Sources

City Bond	2,146,000	Street Lighting Levy	270,000
State Bond	8,000,000	Local Sales Tax (.5%)	9,200,000
Other City Funding	2,169,692	Aid & Grants	81,727,453
Parks Fund	2,413,450	ARPA Funding	392,000
1/2 & 1/2 Tax	1,541,200	Utility Bond	22,736,500
Permanent Improvement Fund Levy	280,000	Utility Revenue	15,986,200
Street System Maintenance Levy	750,000	Other	63,385,259
		Total	210,997,754

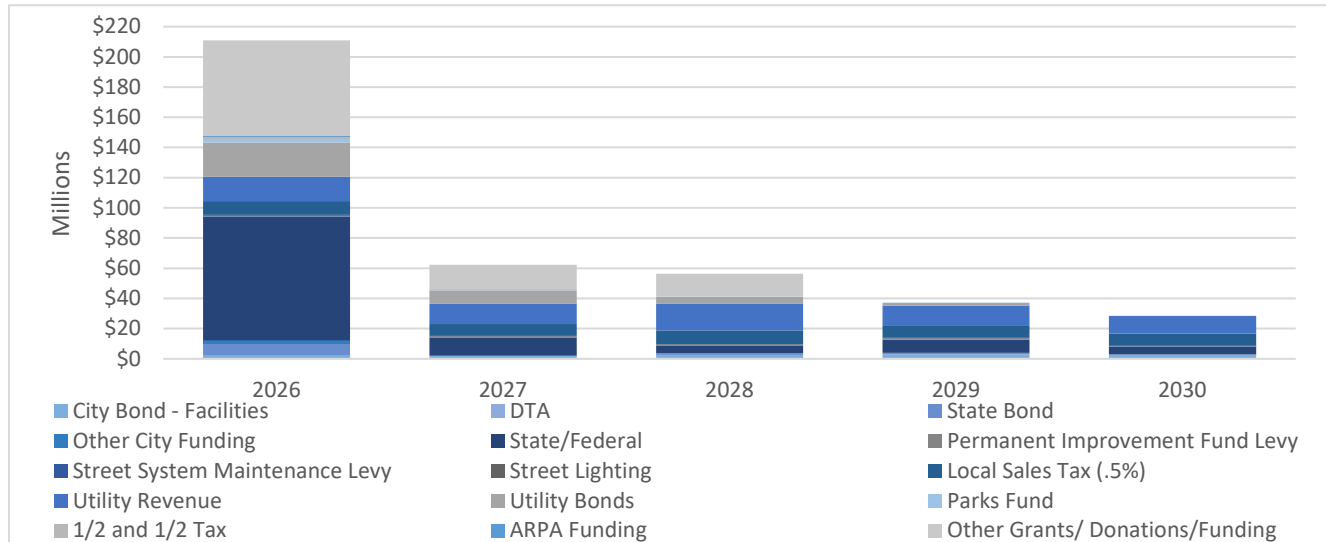


City of Duluth Minnesota - 2026 Budget

5 Year Funding Sources

Five Year Improvement Plan Funding

The City has identified \$395.7 million in improvements along with funding sources over the course of the next five years. The City will bond for certain types of improvements as allowed in State Statute. As can be seen below, over the next five years, the City is proposing to bond for a total of \$12.7 million in capital improvements. Shown in the chart below are the funding sources by year for the five-year capital improvement plan.



	2026	2027	2028	2029	2030	Total
City Bond - Facilities	2,146,000	2,136,000	2,600,000	2,900,000	2,900,000	12,682,000
DTA	-	-	60,000	-	-	60,000
State Bond	8,000,000	-	1,000,000	1,000,000	-	10,000,000
Other City Funding	2,169,692	-	-	-	-	2,169,692
State/Federal	81,727,453	11,844,521	5,085,000	8,855,000	5,000,000	112,511,974
Permanent Improvement Fund Levy	280,000	227,000	80,000	280,000	280,000	1,147,000
Street System Maintenance Levy	750,000	550,000	550,000	550,000	550,000	2,950,000
Street Lighting	270,000	440,000	340,000	340,000	-	1,390,000
Local Sales Tax (.5%)	9,200,000	7,964,000	9,200,000	7,964,000	7,964,000	42,292,000
Utility Revenue	15,986,200	13,533,200	17,481,000	13,351,000	11,615,000	71,966,400
Utility Bonds	22,736,500	8,565,000	4,675,000	1,730,000	-	37,706,500
Parks Fund	2,413,450	365,000	315,800	315,800	315,800	3,725,850
1/2 and 1/2 Tax	1,541,200	560,000	-	-	-	2,101,200
ARPA Funding	392,000	-	-	-	-	392,000
Other Grants/ Donations/Funding	63,385,259	16,173,192	15,000,000	-	-	94,558,451
Total Plan	210,997,754	62,357,913	56,386,800	37,285,800	28,624,800	395,653,066

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Capital Improvement Program Summary

Operating Cost Implications of Proposed Projects:

The Capital Improvement Program is the principal funding program the City uses to make large, planned improvements and corrections to its building inventory and infrastructure. It traditionally consists of issuing general obligation bonds for city hall, public safety facilities, libraries and public works facilities. The City maintains 148 structures with an average age of over 40 years. These structures require continued accessibility and code compliance efforts.

Projects	2026	2027	2028	2029	2030	Total
CIP Eligible VFA Building						
Improvements	446,000	536,000	1,000,000	1,150,000	950,000	4,082,000
Maintenance	-	250,000	250,000	250,000	300,000	1,050,000
Civic Buildings	1,400,000	700,000	400,000	400,000	-	2,900,000
Public Safety Buildings	300,000	650,000	950,000	1,100,000	1,650,000	4,650,000
Total	2,146,000	2,136,000	2,600,000	2,900,000	2,900,000	12,682,000
Funding	2026	2027	2028	2029	2030	Total
Capital Improvement Bond	2,146,000	2,136,000	2,600,000	2,900,000	2,900,000	12,682,000

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

CIP Eligible VFA Building Improvements

Description:

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

Project	2026	2027	2028	2029	2030	Total
CIP Eligible VFA Building Improvements	446,000	536,000	1,000,000	1,150,000	950,000	4,082,000
Funding	2026	2027	2028	2029	2030	Total
Capital Improvement Bond	446,000	536,000	1,000,000	1,150,000	950,000	4,082,000

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Maintenance

Description:

As a group of CIP eligible facilities, the Maintenance buildings that support the activities of Property and Facilities Management and Maintenance Operations, represent some of the most rapidly deteriorating CIP eligible facilities that the City currently owns. Each of these facilities have significant capital needs that are extremely critical to maintain facility integrity and to continue operations as viable assets housing core City services. The group of maintenance facilities represents many challenges and opportunities. As part of a longer term strategy for this element of the portfolio, the reality that most of these facilities have capital improvement needs in excess of 50% of their replacement value has driven Property and Facilities Management to consider investments that are primarily aimed at maintaining the facility integrity and ensuring the safety and comfort of City staff working out of these facilities while not significantly improving the assets. As assets, this group of buildings have significant value for potential resale, as most are located on prime real estate, and should a longer term solution aimed at a total consolidation of maintenance activities into one newly 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	2026	2027	2028	2029	2030	Total
Tool House Miscellaneous	-	250,000	250,000	250,000	300,000	1,050,000
Funding	2026	2027	2028	2029	2030	Total
Capital Improvement Bond	-	250,000	250,000	250,000	300,000	1,050,000

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Civic (City Center West/City Hall/Library)

Description:

These are the public facing facilities that are owned and operated by the City. Much of the activity in these facilities support the operation of City business by housing staff and serving as points of direct engagement with the public seeking City services such as Construction Services, Planning, Engineering, City Clerk, Elections, Public Library, City Council, Public Commissions and the like. These investments constitute renewal and improvement of core facility infrastructure systems such as lighting, HVAC, emergency systems, and building envelope improvements.

Project	2026	2027	2028	2029	2030	Total
City Hall Bathroom Remodels	250,000	250,000	250,000	250,000	-	1,000,000
Priley Circle Landscape & Architecture Restoration	1,000,000	300,000	-	-	-	1,300,000
City Hall Security Addition	150,000	150,000	150,000	150,000	-	600,000
Total	1,400,000	700,000	400,000	400,000	-	2,900,000

Funding	2026	2027	2028	2029	2030	Total
Capital Improvement Bond	1,400,000	700,000	400,000	400,000	-	2,900,000

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Public Safety Buildings

Description:

The City is planning to invest in capital maintenance projects at firehalls and police facilities throughout the City. There are remodeling projects to accommodate staff reorganizations as part of the Fire Department consolidation plan. Energy improvements consist of installing new windows and overhead doors, lighting, building controls and replacing furnaces and roofs. Repair and maintenance projects consist of masonry and brick repair, as well as resolving drainage issues and replacing driveways, apparatus bay doors, heating systems, ventilation systems and deferred maintenance requirements identified by the City asset management system (VFA).

Project	2026	2027	2028	2029	2030	Total
Fire Hall Miscellaneous	300,000	550,000	700,000	1,000,000	1,500,000	4,050,000
Public Safety Building						
Miscellaneous	-	100,000	250,000	100,000	150,000	600,000
Total	300,000	650,000	950,000	1,100,000	1,650,000	4,650,000

Funding	2026	2027	2028	2029	2030	Total
Capital Improvement Bond	300,000	650,000	950,000	1,100,000	1,650,000	4,650,000

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Parks and Trails Summary

Description:

Park and trail capital projects are funded from three major sources: Parks Fund, 1/2 and 1/2 tax, and federal and state grants. The Parks Fund allocates monies each year for small park and trail capital projects (usually less than \$100,000 each). The 1/2 and 1/2 tax was authorized in 2014 to fund a total of \$18 million park, trail, and outdoor recreation projects in the St. Louis River Corridor. The 1/2 and 1/2 tax and the Parks Fund are used to leverage state and federal grants that increase the magnitude of park and trail capital improvements. Selection and design of capital projects is shaped by input and direction from the community, Parks Commission, and City Council.

Projects	2026	2027	2028	2029	2030	Total
Parks	10,619,619	800,000	315,800	315,800	195,800	12,247,019
Trails	13,215,076	6,317,185	-	-	120,000	19,652,260
Total	23,834,695	7,117,185	315,800	315,800	315,800	31,899,279

Funding	2026	2027	2028	2029	2030	Total
Federal Grant	6,726,097	4,558,117	-	-	-	11,284,214
State Grant	8,963,735	1,024,876	-	-	-	9,988,611
Other Grants/Donations/Funding	1,628,521	609,192	-	-	-	2,237,713
Parks Fund	2,413,450	365,000	315,800	315,800	315,800	3,725,850
AVRI 1/2 and 1/2 Tax	416,000	-	-	-	-	416,000
SLRC 1/2 and 1/2 Tax	1,125,200	560,000	-	-	-	1,685,200
Other City Funding	2,169,692	-	-	-	-	2,169,692
ARPA Funding	392,000	-	-	-	-	392,000
Total	23,834,695	7,117,185	315,800	315,800	315,800	31,899,279

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Parks Detail

Project	2026	2027	2028	2029	2030	Total
Leased Operations:						
Chester Bowl Chalet improvements	3,815,121	-	-	-	-	3,815,121
Enger Club House design	100,000	-	-	-	-	100,000
Hartley Nature Center building improvements	45,000	-	-	-	-	45,000
Hawk Ridge improvements	155,000	-	-	-	-	155,000
Indian Point Campground maintenance/improvements	413,000	-	-	-	-	413,000
Park Point Beach House siding & maintenance	163,000	-	-	-	-	163,000
Wade Stadium repairs	27,000	-	-	-	-	27,000
Park Improvements:						
Athletic Venue Reinvestment Initiative (AVRI) planning	39,000	-	-	-	-	39,000
Central Hillside design	50,000	-	-	-	-	50,000
Chester Park stage replacement	50,000	-	-	-	-	50,000
Enger Park septic	80,000	-	-	-	-	80,000
Fond du Lac Park improvements	-	45,000	-	-	-	45,000
Forest Hill property acquisition	550,000	-	-	-	-	550,000
Park Point Recreation Area plan	33,700	-	-	-	-	33,700
Hillside Sport Court Park design & implementation	1,741,850	-	-	-	-	1,741,850
Historical Park improvements	45,000	-	-	-	-	45,000
Leif Erikson stage repairs	412,500	-	-	-	-	412,500
Lincoln Park	80,700	-	-	-	-	80,700
Memorial Park - mini-master	50,000	-	-	-	-	50,000
Memorial Park - mini master plan implementation	-	495,000	-	-	-	495,000
Midtown Park improvements	-	20,000	-	-	-	20,000
Norton Park construction	740,000	-	-	-	-	740,000
Park Point dune restoration	57,900	-	-	-	-	57,900
Perch Lake access improvements	154,000	-	-	-	-	154,000
Wheeler-Field House & storage	475,000	-	-	-	-	475,000

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Parks Detail

Project	2026	2027	2028	2029	2030	Total
Miscellaneous Park Improvements:						
Asset management plan	10,000	-	-	-	-	10,000
Miscellaneous deferred maintenance-outside improvements	23,600	-	315,800	315,800	195,800	851,000
Miscellaneous deferred maintenance-parks buildings	164,100	-	-	-	-	164,100
Miscellaneous signs	65,200	15,000	-	-	-	80,200
Natural Resources	25,000	25,000	-	-	-	50,000
Playground action plan implementation	201,000	200,000	-	-	-	401,000
St. Louis River estuary public access	441,000	-	-	-	-	441,000
Parks Programming:						
Beach safety-Park Point	87,000	-	-	-	-	87,000
Cold Front	8,400	-	-	-	-	8,400
Recreational programming-NPS cooperative agreements	316,548	-	-	-	-	316,548
Total	10,619,619	800,000	315,800	315,800	195,800	12,247,019
Funding	2026	2027	2028	2029	2030	Total
Federal Grant	957,148	-	-	-	-	957,148
ARPA Funding	392,000	-	-	-	-	392,000
State Grant	3,667,000	-	-	-	-	3,667,000
Other Grants/Donations/Funding	1,511,521	-	-	-	-	1,511,521
Parks Fund	1,954,050	240,000	315,800	315,800	195,800	3,021,450
AVRI 1/2 & 1/2 Tax	66,000	-	-	-	-	66,000
SLRC 1/2 and 1/2 Tax	511,400	560,000	-	-	-	1,071,400
Other City Funding	1,560,500	-	-	-	-	1,560,500
Total	10,619,619	800,000	315,800	315,800	195,800	12,247,019

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Trails Detail

Project	2026	2027	2028	2029	2030	Total
Cross City Trail (CCT):						
CCT 59TH Ave W to 61st Ave W- Phase 6B	585,000	-	-	-	-	585,000
CCT 62nd Ave W to Kwik Trip	3,500	-	-	-	-	3,500
CCT 67th W to Kingsbury Creek design	75,000	-	-	-	-	75,000
CCT trail construction match	-	-	-	-	120,000	120,000
CCT wayfinding	50,000	-	-	-	-	50,000
Duluth Traverse (DT):						
DT Trailhead improvements design	105,000	-	-	-	-	105,000
Lakewalk Transportation & Resiliency Improvements	5,897,910	5,732,185	-	-	-	11,630,094
National Water Trail Improvements:						
Chambers Grove paddle launch	75,000	-	-	-	-	75,000
Grassy Point observation platform	150,000	-	-	-	-	150,000
Water Trail improvements	58,000	-	-	-	-	58,000
Spirit Mountain Legacy grant project	846,000	-	-	-	-	846,000
Waabizheshikana:						
The Marten Trail-Segments 0-3	5,063,766	-	-	-	-	5,063,766
Segment 6 Trail	40,000	-	-	-	-	40,000
Segment 7 Trail	100,000	460,000	-	-	-	560,000
Miscellaneous Trail Improvements:						
ADA access	10,000	-	-	-	-	10,000
Bridge inspections & maintenance	83,900	50,000	-	-	-	133,900
Duluth Traverse spine maintenance	-	50,000	-	-	-	50,000
Other trail improvements & repairs	72,000	25,000	-	-	-	97,000
Total	13,215,076	6,317,185	-	-	120,000	19,652,260

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Trails Detail

Funding	2026	2027	2028	2029	2030	Total
Federal Grant	5,768,949	4,558,117	-	-	-	10,327,066
State Grant	5,296,735	1,024,876	-	-	-	6,321,611
Other Grants/Donations/Funding	117,000	609,192	-	-	-	726,192
Parks Fund	459,400	125,000	-	-	120,000	704,400
AVRI 1/2 & 1/2 Tax	350,000	-	-	-	-	350,000
SLRC 1/2 and 1/2 Tax	613,800	-	-	-	-	613,800
Other City Funding	609,192	-	-	-	-	609,192
Total	13,215,076	6,317,185	-	-	120,000	19,652,260

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

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 & street lighting levies, local sales tax, St. Louis County, and the City's Utility Funds.

Beginning in 2020, the Street Improvement Program began receiving dedicated funding through a local 0.5% sales tax. The Street Improvement Program (SIP) encompasses the entire City's Street Inventory and street improvements are annually reviewed and prioritized on a variety of factors, in accordance with the SIP plan.

Project	2026	2027	2028	2029	2030	Total
W Superior Street, Michigan to Carlton St	35,689,530	2,631,000	2,631,000	2,631,000	-	43,582,530
Street Preservation Project 2026 : GND, Duluth Hts, Kenwood, Chester Park, UMD areas	3,400,000	-	-	-	-	3,400,000
Street Preservation 2026: Morningside area	3,600,000	-	-	-	-	3,600,000
Street Preservation Project 2026: Lincoln Park	3,400,000	-	-	-	-	3,400,000
ALB repairs	23,262,738	-	-	-	-	23,262,738
Patch Project	371,200	475,000	475,000	475,000	475,000	2,271,200
Sidewalk	120,000	120,000	60,000	120,000	120,000	540,000
Retaining/Guard Rail						
Repair/Restriping/Bridge repair	200,000	200,000	200,000	200,000	200,000	1,000,000
London Road, 26th to 60th Ave E	2,300,000	-	-	-	-	2,300,000
St. Marie Street Campus Connector Shared Use Path and Street Reconditioning (Campus	1,169,091	-	-	-	-	1,169,091
Campus Connector Trail Phase						
4/WM and Reconstruct College	4,675,000	-	-	-	-	4,675,000
40th Ave W (SLC Coordination)	1,850,000	-	-	-	-	1,850,000
Chip Seals 2026	450,000	-	-	-	-	450,000
Replace Br. L5931 Niagara St at Chester Creek	1,250,000	-	-	-	-	1,250,000

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Street Improvement & Bridge Projects Summary

Project	2026	2027	2028	2029	2030	Total
4th Street Watermain and street reconstruction, Mesaba to 6th Ave	800,000	-	-	-	-	800,000
Canal Park Drive, from Buchanan to Railroad Street CPR DESIGN	300,000	-	-	-	-	300,000
2026 Traffic Calming Project	64,000	-	-	-	-	64,000
Transit Amenities Citywide-DESIGN for FY2028	80,000	-	-	-	-	80,000
Street Preservation Project 2027 : various locations	-	6,191,000	7,250,000	8,214,000	8,414,000	30,069,000
Canal Park Drive, from Buchanan to Railroad Street CPR	-	1,480,500	-	-	-	1,480,500
Campus Connector Trail Phase 6 (Lakewalk to 1st St on 32nd Ave E)	-	1,193,828	-	-	-	1,193,828
24th Ave W recondition, 3rd to 7th St	-	2,000,000	-	-	-	2,000,000
4th Street Watermain and street reconstruction, Mesaba to 6th Ave	-	500,000	-	-	-	500,000
Construct Norton Road bridge at east crossing of Chester Ck, Br	-	700,000	-	-	-	700,000
W Ideal Street reconstruction, Swan Lake to Eklund	-	1,740,000	-	-	-	1,740,000
2027 Traffic Calming Project	-	64,000	-	-	-	64,000
Citywide Micromobility Parking (planning managing project)	-	270,000	-	-	-	270,000
4th Street Watermain and street reconstruction, Mesaba to 6th Ave	-	-	6,100,000	-	-	6,100,000
Transit Amenities Citywide-FY2028 TA funds	-	-	580,000	-	-	580,000
Replace Br 5930, Anna Street over Tischer Ck Bridge	-	-	1,200,000	-	-	1,200,000
Engineering for 2030 Federal project- Grand Ave	-	-	-	300,000	-	300,000
TH61 intersection improvements at Superior Street and Congdon	-	-	-	1,500,000	-	1,500,000
Replace Br L8512, Columbus Ave over Tischer Ck Bridge	-	-	-	1,200,000	-	1,200,000

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Street Improvement & Bridge Projects Summary

Project	2026	2027	2028	2029	2030	Total
4th Street Watermain and street reconstruction, Mesaba to 6th Ave						
E - Year 2 AC 2029 funds to 2028	-	-	-	5,870,000	-	5,870,000
East Superior Street Downtown Mobility Hub	-	-	-	780,000	-	780,000
Grand Avenue Reconditioning	-	-	-	-	4,500,000	4,500,000
Engineering for 2031 Federal project-Kenwood Ave	-	-	-	-	500,000	500,000
Total	82,981,559	17,565,328	18,496,000	21,290,000	14,209,000	154,541,887
Funding	2026	2027	2028	2029	2030	Total
Federal	38,503,091	1,557,778	1,660,000	1,430,000	1,000,000	44,150,869
Federal Grant Funds	11,424,530	225,000	-	-	-	11,649,530
MSA	7,810,000	4,478,750	3,425,000	7,425,000	4,000,000	27,138,750
State Bridge Bond	8,000,000	-	1,000,000	1,000,000	-	10,000,000
Other State Funding	1,756,738	564,000	-	-	-	2,320,738
DTA	-	-	60,000	-	-	60,000
Street System Mtce Levy	750,000	550,000	550,000	550,000	550,000	2,950,000
Local Sales Tax (0.5%)	9,200,000	7,964,000	9,200,000	7,964,000	7,964,000	42,292,000
Permanent Improvement	280,000	227,000	80,000	280,000	280,000	1,147,000
Street Lighting	270,000	440,000	340,000	340,000	-	1,390,000
Utility Revenue	4,987,200	1,558,800	2,181,000	2,301,000	415,000	11,443,000
Total	82,981,559	17,565,328	18,496,000	21,290,000	14,209,000	154,541,887

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Miscellaneous Annual Infrastructure

Description:

Miscellaneous annual infrastructure projects include those that are funded by the permanent improvement property tax levy, street system maintenance utility, and limited use of special assessments to the affected property owner. Permanent improvement projects are generally limited to intersections, bridges, and other items that are not eligible for other funding sources. These projects may include repair or replacement of the brick streets and sidewalks, concrete sidewalks, one way street conversions, retaining walls, and guard rail repair.

Project	2026	2027	2028	2029	2030	Total
Permanent Improvements	200,000	200,000	200,000	200,000	200,000	1,000,000
Patch Project	371,200	475,000	475,000	475,000	475,000	2,271,200
Sidewalks	120,000	120,000	60,000	120,000	120,000	540,000
Total	691,200	795,000	735,000	795,000	795,000	3,811,200

Funding	2026	2027	2028	2029	2030	Total
PI Fund	280,000	80,000	80,000	280,000	280,000	1,000,000
Street System Mtce Levy	100,000	100,000	40,000	100,000	100,000	440,000
Local Sales Tax (.5%)	-	200,000	200,000	-	-	400,000
Other (Utilities Funds)	311,200	415,000	415,000	415,000	415,000	1,971,200
Total	691,200	795,000	735,000	795,000	795,000	3,811,200

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Street Improvement & Bridge Projects

Project Title:

Street Preservation Projects

Description:

Annual preservation projects are determined on criteria outlined in the City's Street Improvement Program.

2026 Neighborhoods

Gary New Duluth, Duluth Heights, Kenwood, Chester Park & UMD	\$	3,400,000
Morningside	\$	3,600,000
Lincoln Park	\$	3,400,000
Total Estimated Cost	\$	10,400,000

Funding Source:

	<u>2026</u>
St. Maintenance Levy	\$ 200,000
Local Sales Tax	\$ 9,000,000
City Utility Funds	\$ 1,200,000
Total Street Preservation Projects	\$ 10,400,000

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Capital Utility Projects Summary

Description:

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. The following projects include Utility Only projects, some utility capital spending is also included with the previously described Transportation Capital projects.

Operating Cost Implications of 2026 Approved Projects:

The Water Fund projects are for replacement and rehabilitation of the water system to increase system reliability and will have no operating expense impact. The Gas Fund projects will have very little operating expense impact with the exception of the gas main extensions, which will have minimal maintenance and corrosion protection costs offset by new customer account revenue. Sanitary Sewer projects for rehabilitation and relining will provide future savings to sanitary sewer treatment costs through a reduction of inflow and infiltration flows. Stormwater projects will result in indirect savings through cost avoidance of surface water damage.

Project	2026	2027	2028	2029	2030	Total
Water	86,940,500	26,278,400	25,150,000	3,580,000	2,450,000	144,398,900
Gas	2,550,000	3,380,000	4,050,000	3,000,000	3,000,000	15,980,000
Sewer	2,750,000	2,481,000	2,375,000	2,800,000	2,350,000	12,756,000
Stormwater	9,795,000	3,400,000	3,400,000	3,400,000	3,400,000	23,395,000
Total	102,035,500	35,539,400	34,975,000	12,780,000	11,200,000	196,529,900

Funding	2026	2027	2028	2029	2030	Total
Water Grant Funds	55,000,000	15,000,000	15,000,000	-	-	85,000,000
Federal Grant	8,300,000	-	-	-	-	8,300,000
Water Revenue Bonds	22,736,500	8,565,000	4,675,000	1,730,000	-	37,706,500
Water Infrastructure Surcharge (WIS)	-	-	-	-	-	-
Water - Current Revenue	904,000	2,713,400	5,475,000	1,850,000	2,450,000	13,392,400
Gas - Current Revenue	2,550,000	3,380,000	4,050,000	3,000,000	3,000,000	15,980,000
Sewer - Current Revenue	2,750,000	2,481,000	2,375,000	2,800,000	2,350,000	12,756,000
Stormwater Grant	5,000,000	-	-	-	-	5,000,000
Stormwater - Current Revenue	4,795,000	3,400,000	3,400,000	3,400,000	3,400,000	18,395,000
Total	102,035,500	35,539,400	34,975,000	12,780,000	11,200,000	196,529,900

**All Utility Funds portion included in Street Projects*

	4,987,200	1,558,800	2,181,000	2,301,000	415,000	11,443,000
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City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Water Capital Projects

Description:

The proposed water projects over the next five years include updating aging infrastructure by replacing those distribution mains with a high number of recurring leaks. Rehabilitation of primary transmission lines and pump station upgrades will increase system reliability to meet water demand. Mandated Lead Service Line replacement (LSLR projects) are ramping up with grant opportunities through MN Public Facilities Authority and other federal funding. In 2025, the City created a Water Infrastructure Surcharge to address significant improvements to the treatment, pumping, storage, and transmission assets under an EPA Administrative order issued late in 2024. This surcharge will cover the annual debt service cost of the projects as described below under the Water Infrastructure Surcharge Fund.

Project	2026	2027	2028	2029	2030	Total
40th Ave E Zone Interconnection Phase 2	250,000	-	-	-	-	250,000
15th Ave East and Endion Foundation Drain Relocation	400,000	-	-	-	-	400,000
Lead Service Replacement Project (49% Grant) if awarded	55,000,000	15,000,000	15,000,000	-	-	85,000,000
39th Ave W from 6th to 7th water main	90,000	-	-	-	-	90,000
Contingency for 2026 Projects	164,000	-	-	-	-	164,000
24th Ave W, 3rd to 7th St	-	450,000	-	-	-	450,000
W Ideal St, Swan Lake to Eklund	-	500,000	-	-	-	500,000
Upper Lakeside Zone Interconnection Phase 3 Mains	-	400,000	400,000	400,000	-	1,200,000
Rapid Mix Tank Upgrades	-	280,000	-	-	-	280,000
Upper Lakeside PS Modifications	-	125,000	-	-	-	125,000
Upper Lakeside Tank Removal	-	200,000	-	-	-	200,000
WTP Corrosion Optimization Construction	-	600,000	-	-	-	600,000
6th Ave W watermain	-	158,400	-	-	-	158,400
Pump #4 study	-	-	50,000	-	-	50,000
Building & structure repairs at WTP	-	-	650,000	-	-	650,000
Swan Lake Rd Water Main (Haines to Airport Approach)	-	-	1,875,000	-	-	1,875,000
Glenwood Zone Connector	-	-	1,000,000	-	-	1,000,000

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Water Capital Projects

Project	2026	2027	2028	2029	2030	Total
Far East Superior St Reconnections	-	-	300,000	-	-	300,000
Swan Lake Rd Water Main (Haines to Airport Approach)	-	-	1,200,000	-	-	1,200,000
Building & structure repairs at WTP	-	-	-	650,000	650,000	1,300,000
Upper Lakeside phase 3 upgrades	-	-	-	800,000	800,000	1,600,000
Project TBD	-	-	-	-	1,000,000	1,000,000
Total	55,904,000	17,713,400	20,475,000	1,850,000	2,450,000	98,392,400
Funding	2026	2027	2028	2029	2030	Total
PFA Grant/Forigivable Loan	55,000,000	15,000,000	15,000,000	-	-	85,000,000
Water - Current Revenue	904,000	2,713,400	5,475,000	1,850,000	2,450,000	13,392,400
Total	55,904,000	17,713,400	20,475,000	1,850,000	2,450,000	98,392,400
*Water portion included in Street Projects	2,296,000	733,800	1,616,000	1,736,000	166,000	6,547,800

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Water Capital Projects

Water Infrastructure Surcharge Fund

Project	2026	2027	2028	2029	2030	Total
Lakewood Pump House Building						
Repairs	1,800,000	-	-	-	-	1,800,000
Lakewood Generator Upgrades	12,336,500	-	-	-	-	12,336,500
Water Plant Filter #6	8,000,000	-	-	-	-	8,000,000
Pump Station Transfer Switch						
Installations	300,000	-	-	-	-	300,000
Old Woodland Reservoir						
Replacement	4,500,000	-	-	-	-	4,500,000
6-West Reservoir Security						
Improvements	100,000	-	-	-	-	100,000
Water Intake Pipe Fortification						
Project	2,500,000	-	-	-	-	2,500,000
Orphanage (and others) Tower						
Painting	1,500,000	-	-	-	-	1,500,000
Woodland Reservoir 1						
Rehab/Replace	-	3,565,000	-	-	-	3,565,000
Upgrade 5 Water Filters	-	5,000,000	-	-	-	5,000,000
Floc and Sedimentation Tank						
Repairs	-	-	1,800,000	-	-	1,800,000
Reservoir A Repairs	-	-	2,875,000	-	-	2,875,000
Lakewood Wash Water						
Expansion/Rehab	-	-	-	1,500,000	-	1,500,000
Water Reservoir Security Upgrades	-	-	-	230,000	-	230,000
Total	31,036,500	8,565,000	4,675,000	1,730,000	-	46,006,500

Funding	2026	2027	2028	2029	2030	Total
Federal Grant	8,300,000	-	-	-	-	8,300,000
Water Improvement Bonds (WIS						
Fund)	22,736,500	8,565,000	4,675,000	1,730,000	-	37,706,500
Total	31,036,500	8,565,000	4,675,000	1,730,000	-	46,006,500

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Natural Gas Capital Projects

Description:

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	2026	2027	2028	2029	2030	Total
Gas Blanket Project	1,000,000	1,250,000	1,250,000	1,000,000	1,000,000	5,500,000
Stora Enso Gas Regulator Building	600,000	600,000	-	-	-	1,200,000
Lincoln Park SDR 21 Replacement on 23rd W.	700,000	-	-	-	-	700,000
24th Ave West Reg Station Replacement	100,000	-	-	-	-	100,000
24th Ave West Inline Inspection and Stopple	150,000	-	-	-	-	150,000
Street projects	-	30,000	-	-	-	30,000
Meter relocations/bollards/EFV	-	1,250,000	1,500,000	1,500,000	1,500,000	5,750,000
63rd Ave West Steel Removal	-	250,000	-	-	-	250,000
Steel main replacements	-	-	500,000	500,000	500,000	1,500,000
Garfield Ave - steel replacement (RR St to Helm St)	-	-	800,000	-	-	800,000
Total	2,550,000	3,380,000	4,050,000	3,000,000	3,000,000	15,980,000
Funding	2026	2027	2028	2029	2030	Total
Gas - Current Revenue	2,550,000	3,380,000	4,050,000	3,000,000	3,000,000	15,980,000
Total	2,550,000	3,380,000	4,050,000	3,000,000	3,000,000	15,980,000
* Gas portion included in Street Projects	53,000	106,800	106,800	106,800	103,800	477,200

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Sanitary Sewer Capital Projects

Description:

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

Project	2026	2027	2028	2029	2030	Total
Citywide manhole adjustments	75,000	75,000	75,000	50,000	50,000	325,000
Citywide sanitary sewer rehabilitation/lining	2,000,000	1,850,000	1,850,000	1,850,000	1,850,000	9,400,000
Lift Station rehabilitation (design)	450,000	450,000	450,000	450,000	450,000	2,250,000
1300 Jefferson Street Sewer	75,000	-	-	-	-	75,000
Hillside Sport Court Sewer Repairs	50,000	-	-	-	-	50,000
Misc street projects	100,000	100,000	-	-	-	200,000
Central Entrance, Blackman to Anderson	-	6,000	-	450,000	-	456,000
Total	2,750,000	2,481,000	2,375,000	2,800,000	2,350,000	12,756,000
Funding	2026	2027	2028	2029	2030	Total
Sewer - Current Revenue	2,750,000	2,481,000	2,375,000	2,800,000	2,350,000	12,756,000
Total	2,750,000	2,481,000	2,375,000	2,800,000	2,350,000	12,756,000
*Sewer Portion included in Street Projects	306,700	106,700	106,700	106,700	103,700	730,500

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Stormwater Capital Projects

Description:

The proposed stormwater projects over the next five years include continued replacement of failing storm sewer lines and large culverts. Reconstruction of Chester, Clarkhouse, Gogebic, Greys and Lower Coffee Creeks is planned to repair deteriorated public infrastructure. Significant costs will occur in the repair and replacement of storm sewer in steep slope areas that discharge into streams located throughout the city.

Project	2026	2027	2028	2029	2030	Total
Palm Street Pond	6,250,000	-	-	-	-	6,250,000
BMPs - Study / Survey / Analysis / Testing	150,000	-	-	-	-	150,000
Parks Storm Improvements - Norton, Piedmont/Lester Parking Lots \$25k lester, \$30k Norton.	30,000	-	-	-	-	30,000
SAG Projects (street drainage corrections)	700,000	-	-	-	-	700,000
Tioga Storm Reroute, Design	85,000	-	-	-	-	85,000
Brewery Creek Watershed Study and Flume Analysis/Design	100,000	-	-	-	-	100,000
Norton Road - West End Culvert Replacement	300,000	-	-	-	-	300,000
NRDA Settlement Project - In House	250,000	-	-	-	-	250,000
Greys Creek 5th St to 5th St Alley 48" / easement	80,000	-	-	-	-	80,000
1st Street Trench Drains - Pilot Project	50,000	-	-	-	-	50,000
Citywide pipe repairs & steep slope "down drains"	500,000	250,000	250,000	250,000	250,000	1,500,000
Citywide storm improvements	300,000	400,000	400,000	400,000	400,000	1,900,000
Creek tunnel repairs	1,000,000	350,000	350,000	350,000	350,000	2,400,000
Critical culvert/crossing repairs	-	300,000	300,000	300,000	300,000	1,200,000
Annual street projects	-	900,000	900,000	900,000	900,000	3,600,000
Annual CIPP lining	-	300,000	300,000	300,000	300,000	1,200,000
Citywide culvert & ditch repairs, block long projects	-	200,000	200,000	200,000	200,000	800,000
Citywide manhole adjustments	-	75,000	75,000	75,000	75,000	300,000

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2030 Capital Improvement Plan

Stormwater Capital Projects

Green Infrastructure grant match - TMDL impaired watersheds	-	300,000	300,000	300,000	300,000	1,200,000
Stream TMDL ecoli studies - MS4 permit compliance	-	150,000	150,000	150,000	150,000	600,000
Non-capital storm projects	-	175,000	175,000	175,000	175,000	700,000
Total	9,795,000	3,400,000	3,400,000	3,400,000	3,400,000	23,395,000

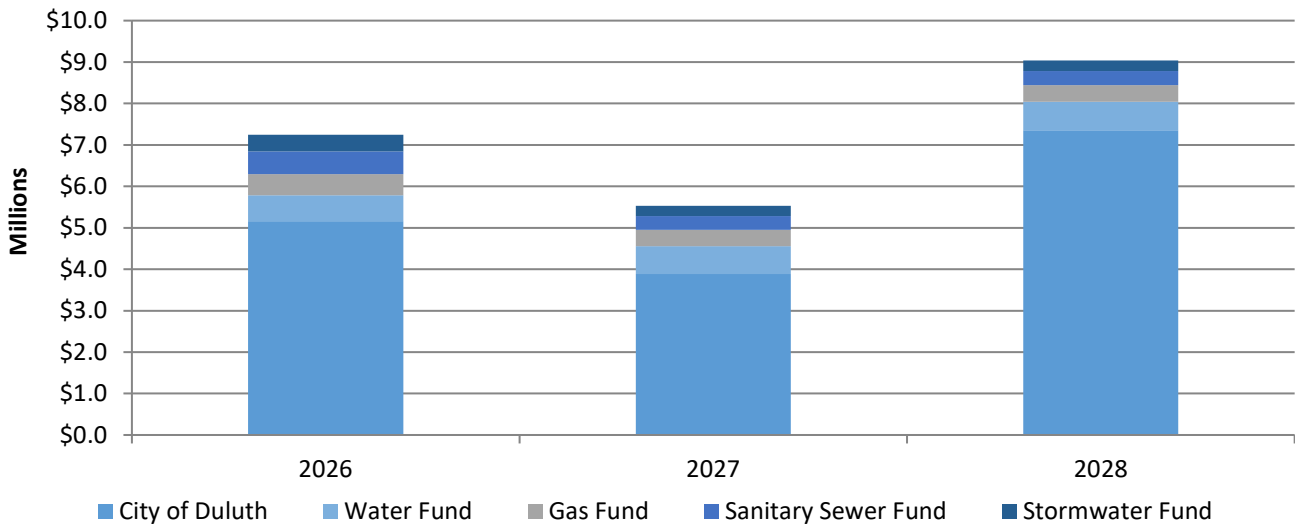
Funding	2026	2027	2028	2029	2030	Total
Stormwater Grant	5,000,000	-	-	-	-	5,000,000
Stormwater - Current Revenue	4,795,000	3,400,000	3,400,000	3,400,000	3,400,000	18,395,000
Total	9,795,000	3,400,000	3,400,000	3,400,000	3,400,000	23,395,000
* Stormwater portion included in Street Projects	2,331,500	611,500	351,500	351,500	41,500	3,687,500

City of Duluth Minnesota - 2026 Budget

Capital Equipment Plan

Three Year Proposed Equipment Plan:

The objective of the City’s three-year capital equipment plan is to identify equipment needs, determine financial impacts, prioritize requests, and develop a comprehensive financial plan. The City has developed a viable multi-year capital equipment plan which is achievable within expected available resources. \$21.82 million in equipment purchases are proposed in this plan for the period of 2026 through 2028. Of that total, \$16.4 million of equipment will be financed using bond, non-bond, and asset disposal proceeds and the balance of \$5.42 million will be paid for using utility revenues. Shown in the chart below are the various funding sources by year for the plan.



	2026	2027	2028	Total
City of Duluth	5,159,800	3,888,200	7,355,000	16,403,000
Water Fund	628,000	670,000	686,300	1,984,300
Gas Fund	507,500	392,500	402,000	1,302,000
Sanitary Sewer Fund	547,500	330,000	338,000	1,215,500
Stormwater Fund	405,500	252,500	258,600	916,600
Total Plan	7,248,300	5,533,200	9,039,900	21,821,400

City of Duluth Minnesota - 2026 Budget

Capital Equipment Plan

2026 Proposed Equipment:

The City's proposed 2026 capital equipment plan includes \$7,248,300 for capital equipment purchases, of which \$5,159,800 will be financed using bond, non-bond, and asset disposal proceeds and the remaining \$2,088,500 will be paid for from utility revenues.

For 2026, the City is proposing bonding for rolling stock purchases in the amount of \$2,754,800, non-bonded proceeds in the amount of \$535,000, and asset disposal proceeds in the amount of \$100,000. This is comprised of Fire vehicles and equipment totaling \$200,000; Police vehicles and equipment totaling \$600,000; Park Maintenance vehicles and equipment totaling \$460,000; Facilities vehicles and equipment totaling \$150,000; Street Maintenance vehicles and equipment totaling \$1,919,800; and Transportation Engineering vehicles and equipment totaling \$60,000. For 2026 the City is also proposing bonding for non-rolling stock equipment in the amount of \$1,770,000 for technology improvements and replacements, Fire equipment, and Police equipment.

The breakdown of equipment purchases for the utility funds in 2026 includes \$1,967,000 for rolling stock equipment and \$121,500 for non-rolling stock vehicles for a total of \$2,088,500 in 2026; to be paid for using utility revenues.

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2028 Capital Equipment Program

City of Duluth Rolling Stock Vehicles

		2026	2027	2028	Total
Fire Department					
	Vehicles and Equipment	200,000	-	2,250,000	2,450,000
Construction Services					
	Vehicles and Equipment	-	-	40,000	40,000
Police Department					
	Vehicles and Equipment	600,000	550,000	650,000	1,800,000
Park Maintenance					
	Vehicles and Equipment	460,000	150,000	440,000	1,050,000
Facilities					
	Vehicles and Equipment	150,000	-	100,000	250,000
Street Maintenance					
	Vehicles and Equipment	1,919,800	1,423,200	1,860,000	5,203,000
Transportation Engineering					
	Vehicles and Equipment	60,000	-	60,000	120,000
Rolling Stock Bond Total		2,754,800	1,583,200	4,600,000	8,938,000
Rolling Stock Non-Bond Total		535,000	440,000	600,000	1,575,000
Asset Disposal Proceeds		100,000	100,000	200,000	400,000
Rolling Stock Total		3,389,800	2,123,200	5,400,000	10,913,000

City of Duluth Minnesota - 2026 Budget

Estimated Operating Costs for 2026 Rolling Stock Vehicles

Item Description	2026	2027	2028	2029	2030	2031	6-year total
Fire - SUV	3,014	1,597	1,845	3,370	2,076	4,113	16,015
Fire - SUV	3,014	1,597	1,845	3,370	2,076	4,113	16,015
Fire - SUV	791	1,653	790	800	2,389	760	7,183
Police - Marked Squads	1,452	4,829	4,480	3,270	2,252	3,379	19,662
PFM - Pickup	4,333	1,112	679	718	2,513	864	10,219
PFM - Service Truck	1,827	2,589	1,977	1,675	7,363	1,302	16,733
Park Maint - Wide Area Mower	829	3,335	9,062	950	143	4,812	19,131
Park Maint - Front Mower Park	933	1,525	4,264	2,632	749	4,478	14,581
Maint - Trailer	1,572	7,651	1,566	2,854	3,919	7,330	24,892
Park Maint - Trailer	640	325	416	-	362	-	1,743
Park Maint - Trailer	220	-	269	31	8,832	970	10,322
Park Maint - Pickup	3,211	2,943	1,572	499	1,384	2,426	12,035
Park Maint - Chipper	3,838	14,391	5,151	8,965	1,342	14,814	48,501
Park Maint - 1 Ton Dump	2,023	4,075	3,361	4,505	7,930	7,700	29,594
Street Maint - Blacktop Unit	4,352	5,908	3,540	4,015	3,254	4,329	25,398
Street Maint - Crackseal Trailer	4,352	5,908	3,540	4,015	3,254	4,329	25,398
Street Maint - Mastic Patcher	1,830	114	4,260	3,493	3,673	4,586	17,956
Street Maint - Tandem Dump Truck	9,570	12,741	20,284	11,195	14,973	21,097	89,860
Street Maint - Plow Truck	8,782	16,448	21,838	22,621	29,069	38,475	137,233
Street Maint - Plow Truck	8,782	16,448	21,838	22,621	29,069	38,475	137,233
Street Maint - Plow Truck	8,782	16,448	21,838	22,621	29,069	38,475	137,233
Street Maint - 1 Ton Dump	2,023	4,075	3,361	4,505	7,930	7,700	29,594
Street Maint - Pickup	3,211	2,943	1,572	499	1,384	2,426	12,035
Street Maint - Pickup	3,211	2,943	1,572	499	1,384	2,426	12,035
Street Maint - Pickup	3,211	2,943	1,572	499	1,384	2,426	12,035
Engineering - Pickup	3,211	2,943	1,572	499	1,384	2,426	12,035

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2028 Capital Equipment Program

City of Duluth Non-Rolling Stock Equipment

	2026	2027	2028	Total
IT				
Life Cycle Projects	1,090,000	1,085,000	1,015,000	3,190,000
Innovation Projects	240,000	240,000	330,000	810,000
Subtotal IT	1,330,000	1,325,000	1,345,000	4,000,000
Fire Department				
Personal Protection Equipment	167,500	183,500	200,000	551,000
Fire Hose & Hose Appliances	30,000	30,000	30,000	90,000
Thermal Imaging Camera	15,000	3,000	6,000	24,000
Rescue Equipment	7,500	3,500	7,500	18,500
Extractor	-	-	6,500	6,500
Subtotal Fire	220,000	220,000	250,000	690,000
Police Department				
Police Equipment	220,000	220,000	220,000	660,000
Subtotal Police	220,000	220,000	220,000	660,000
Street Maintenance				
Pressure Washer	-	-	20,000	20,000
Material Stacker	-	-	60,000	60,000
Subtotal Street Maintenance	-	-	80,000	80,000
Transportation Engineering				
Engineering GPS Units	-	-	60,000	60,000
Subtotal Transportation Engineering	-	-	60,000	60,000
Non-Rolling Stock Bond Total	1,770,000	1,765,000	1,955,000	5,490,000

2026 Non-Rolling Stock Equipment with Future Operating Costs

	Switch Management Plan	Library ILL NCIP	Backup Storage Expansion
2026	\$ (20,000)	\$ 3,000	\$ 5,000
2027	\$ -	\$ 3,000	\$ 5,000
2028	\$ -	\$ 3,000	\$ 5,000
2029	\$ -	\$ 3,000	\$ 5,000
2030	\$ -	\$ 3,000	\$ 5,000
2031	\$ 20,000	\$ 3,000	\$ 5,000
6-year total	\$ -	\$ 18,000	\$ 30,000

City of Duluth Minnesota - 2026 Budget

City of Duluth 2026 - 2028 Capital Equipment Program

Utility Funds Capital Equipment Summary

	2026	2027	2028	Total
Water Fund				
Vehicles and Equipment	591,000	620,000	635,100	1,846,100
Non-Rolling Capital Equipment	37,000	50,000	51,200	138,200
Subtotal Water Fund	628,000	670,000	686,300	1,984,300
Gas Fund				
Vehicles and Equipment	485,000	387,500	396,900	1,269,400
Non-Rolling Capital Equipment	22,500	5,000	5,100	32,600
Subtotal Gas Fund	507,500	392,500	402,000	1,302,000
Sanitary Sewer Fund				
Vehicles and Equipment	523,000	310,000	317,500	1,150,500
Non-Rolling Capital Equipment	24,500	20,000	20,500	65,000
Subtotal Sanitary Sewer Fund	547,500	330,000	338,000	1,215,500
Stormwater Fund				
Vehicles and Equipment	368,000	232,500	238,100	838,600
Non-Rolling Capital Equipment	37,500	20,000	20,500	78,000
Subtotal Stormwater Fund	405,500	252,500	258,600	916,600
Utility Funds Total	2,088,500	1,645,000	1,684,900	5,418,400

may be added to the appropriated budget item upon approval by the City Administrator or designee. 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, the street improvement sales tax fund, and street lighting 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 City Administrator or designee.

Section 2. That the city auditor be authorized to approve the payments of \$2,892,000 from the gas and steam public utility funds to the general fund for administrative services; comprised of \$2,800,000 or seven percent of the gross revenues of the gas utility fund to the general fund; and \$182,000 from public utilities steam fund to the general fund.

Section 3. That the mayor or the City Administrator 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 following is a listing of these specific accounts: 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, 268 and 270 in the workforce development fund, and 290 in the street system maintenance utility fund, and 291 in the street improvement sales tax fund, 550 in the street lighting fund, 503 in the golf fund, 505 and 506 in the parking funds, the accounts numbered 510 and 511 in the water fund, 520 in the gas fund, 530 and 532 in the sewer and clean water fund, 535 in the stormwater fund, and 540 in the steam fund.

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 2026.

General Fund

110	Legislative and Executive	5,207,100
121	Property, Parks, and Libraries	16,589,200
122	Administrative Services	7,616,600
125	Finance	3,473,100
132	Planning and Economic Development	4,542,300
150	Fire	24,798,610
160	Police	30,464,700
500	Public Works	12,053,800
700	<u>Transfers and Other Functions</u>	<u>8,473,200</u>
	Total General Fund	113,218,610

Special Revenue

205	Parks Fund	3,135,100
268 & 270	Workforce Development Fund	3,696,384
290	Street Maintenance Fund	2,658,900

291	Street Improvement Sales Tax Fund	9,200,000
550	Street Lighting Fund	3,188,000
Public Enterprise		
503	Golf Fund	2,421,186
505	Parking Fund	7,187,700
506	Priley Drive Parking Facility	1,676,600
Public Utilities		
510 & 511	Water Fund	97,367,000
520	Gas Fund	57,645,900
530 & 532	Sewer and Clean Water Fund	24,239,300
535	Stormwater Fund	14,585,800
540	Steam Fund	14,941,300

Section 8. That the City Administrator 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 secured. 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, 2026.

STATEMENT OF PURPOSE: This ordinance establishes the City of Duluth budget and appropriates monies for the operation of city departments. Provisions of this ordinance are in conformance with the Duluth City Charter and Minnesota state law. The ordinance sets the 2026 budget for the city's general fund; the parks fund, the workforce development funds; the public works and utility funds of water, gas, sewer, clean water, stormwater, steam, street lighting, streets funds; and three public enterprise funds of parking, Priley Drive parking facility, and golf.

Section 9. That this ordinance shall take effect January 1, 2026.

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2026. The increase for 2026 is \$1,793,383, which is a 4.13% increase, equal to the projected 2026 tax receipts to the City of Duluth for new construction of 1.43% plus a 2.7% CPI inflation factor.



Legislation Details (With Text)

File #:	25-0918R	Name:	
Type:	Resolution	Status:	Passed
File created:	11/24/2025	In control:	Finance
On agenda:	12/8/2025	Final action:	12/8/2025
Enactment date:		Enactment #:	

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: 1. Cover Memo, 2. 2026 CIP Summary

Date	Ver.	Action By	Action	Result
12/8/2025	1	City Council	adopted	

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 2026 through 2030 which has been presented to the Council in the section entitled "Capital Improvement Program Summary" in the document entitled "2026-2030 Capital Improvement Budget and Five-Year Plan" (the "Plan");

(b) A notice of public hearings has been published and posted in accordance with the Act, and the Council has held on December 8, 2025, 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 8, 2025, 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 \$2,300,000 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 \$2,300,000 (the "Bonds"), for the purpose of providing funds for the following capital improvements under the Plan: improvements to eligible facilities (City Hall, public safety facilities, libraries and public works facilities) under the Act throughout the City, including but not limited to improvements to City Hall bathroom remodels, City Hall Priley Circle Landscaping, Architecture Restoration to City Hall, City Hall security additions, Fire Halls miscellaneous improvements, and CIP Eligible VFA Building improvements, and for the payment of costs of issuance of the Bonds.

(d) If, within 30 days after December 8, 2025, 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 2026-2030 capital improvement plan and declares the City's intent to issue general obligation capital improvement bonds in 2026 in an amount not to exceed \$2,300,000 for certain capital improvements as listed in the resolution. The estimated costs of the capital improvements to be financed by the 2026 bonds are \$2,146,000 plus underwriter discount and costs of issuance.



Legislation Details (With Text)

File #:	25-0919R	Name:	
Type:	Resolution	Status:	Passed
File created:	11/24/2025	In control:	Finance
On agenda:	12/8/2025	Final action:	12/8/2025
Enactment date:		Enactment #:	

Title: RESOLUTION OF THE CITY OF DULUTH, MINNESOTA, STATING THE INTENT TO ISSUE GENERAL OBLIGATION CAPITAL EQUIPMENT NOTES, SERIES 2026, IN THE APPROXIMATE AMOUNT OF \$4,825,000 AND APPROVING THE CAPITAL EQUIPMENT LIST ASSOCIATED WITH THE NOTES.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Cover Memo, 2. Exhibit A

Date	Ver.	Action By	Action	Result
12/8/2025	1	City Council	adopted	

RESOLUTION OF THE CITY OF DULUTH, MINNESOTA, STATING THE INTENT TO ISSUE GENERAL OBLIGATION CAPITAL EQUIPMENT NOTES, SERIES 2026, IN THE APPROXIMATE AMOUNT OF \$4,825,000 AND APPROVING THE CAPITAL EQUIPMENT LIST ASSOCIATED WITH THE NOTES.

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 2026 in an amount up to \$4,825,000 to finance the purchase of capital equipment authorized by the Act and to pay costs of issuance of the capital equipment notes and discount.

Section 3. The capital equipment to be financed includes those items of equipment as set forth on the list attached hereto as Exhibit A, which list of equipment is hereby approved for purchase in 2026.

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 2026 to finance the purchase of capital equipment. It further approves the capital equipment list as items to be financed in 2026 in an amount of \$4,525,000 plus an additional amount for costs of issuance and discount.

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staff for special events along with traffic control, permitting, risk analysis, and other public safety resources, maintaining the transportation network including plowing, sanding, patching, and sweeping streets used by both residents and tourists, operating and maintaining our bridges particularly the MN Slip Bridge and the Aerial Lift Bridge, the collecting, accounting, reporting, and administration of the tourism taxes, and the maintaining of parks and facilities used by tourists including, but not limited to, the Lakewalk, Enger Tower, and the Rose Garden.

WHEREAS, the remainder can be spent in ways that align with legislative intent in support of our tourism economy. These funds cannot be unilaterally applied to other non-tourism organizational needs of the City.

RESOLVED, that the 2026 hotel-motel and food and beverage tourism taxes, as estimated, be distributed in the following manner:

	Total	Promotional & Operational Support	Capital Support & Debt Service
3% Hotel/Motel Tax	\$3,560,500	\$1,361,900	\$2,198,600
1% Hotel/Motel Tax	\$1,186,800	\$320,600	\$866,200
1% Food & Beverage	\$3,048,200	\$3,048,200	\$0
Additional 2% Hotel/Motel	\$2,139,400	\$1,069,700	\$1,069,700
Additional .75% Food & Beverage	\$2,286,200	\$0	\$2,286,200
Additional .5% Food & Beverage & .5% Hotel/Motel	\$2,058,900	\$0	\$2,058,900
Tourism Tax Fund Unappropriated Fund Balance	\$1,048,300	\$808,300	\$240,000
Total:	\$15,328,300	\$6,608,700	\$8,719,600
DECC- Amsoil Arena Debt Service	\$4,476,600	\$0	\$4,476,600
Spirit Mountain Bond - Chalet	\$500,000	\$0	\$500,000
Spirit Mountain - Debt Service for State Funding Match	\$400,000	\$0	\$400,000
St Louis River Corridor/Athletic Facilities Debt Service	\$2,053,000	\$0	\$2,053,000
Lake Front Restoration Project	\$550,000	\$0	\$550,000
Cruise Ship Baggage Facility	\$500,000	\$0	\$500,000
Tourism Asset Maintenance & Preservation	\$240,000		\$240,000
Bayfront Operations	\$87,600	\$87,600	\$0
DECC - Blue Bridge Operations	\$52,000	\$52,000	\$0
Duluth Parks and Recreation	\$150,000	\$150,000	\$0
Fourth Fest Fireworks	\$100,000	\$100,000	\$0
Great Lakes Aquarium	\$310,000	\$310,000	\$0
Greater Downtown Council dba Downtown Duluth	\$280,000	\$280,000	\$0
Lake Superior Zoo	\$510,000	\$510,000	\$0
Northern Lights Express Project - Rail Alliance	\$18,600	\$18,600	\$0

Spirit Mountain Operations	\$400,000	\$400,000	\$0
Tourism Events Support General Fund	\$1,512,500	\$1,512,500	\$0
Tourism Marketing Firm	\$1,800,000	\$1,800,000	\$0
Visit Duluth Discretionary Allocation	\$695,000	\$695,000	\$0
Visit Duluth Event and Convention Sales	\$663,000	\$663,000	\$0
Operational Contingency	\$30,000	\$30,000	\$0
Total	\$15,328,300	\$6,608,700	\$8,719,600

STATEMENT OF PURPOSE: This resolution distributes the 2026 estimated tourism taxes as required by Minnesota State Statutes, City ordinance, or City policy. \$14.28 million is budgeted to be collected in 2026. A comparison of 2025 approved allocations to 2026 proposed allocations is attached as Exhibit A.

For 2026, the City intends to use \$1,048,300 of unappropriated fund balance from the tourism tax fund.

This is the first year for Visit Duluth to decide the allocation of the discretionary tourism tax funds.

City of Duluth Minnesota - 2026 Budget

DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year	Population	Total Personal Income	Per Capita Personal Income	Per Capita School Enrollment	Unemployment Rate
2016	86,293	2,709,298,125	32,088	8,819	3.9%
2017	86,066	2,770,709,396	31,396	8,632	3.5%
2018	85,884	2,894,363,625	32,193	8,547	3.2%
2019	85,618	3,020,478,591	33,701	8,844	3.3%
2020	86,697	2,937,425,075	35,279	8,706	6.7%
2021	86,372	3,113,711,612	33,882	8,896	3.3%
2022	86,619	3,254,669,603	36,050	8,358	2.4%
2023	87,680	3,408,297,243	38,872	8,554	2.5%
2024	87,986	3,610,673,994	41,037	8,757	2.9%

Data sources:

The population figures are estimates of the US Census Bureau. Total personal income is from the MN Department of Employment and Economic Development's website. The school enrollment figures were provided by the Duluth School District.

MINNESOTA CITIES HOUSING STOCK COMPARISON

Age of Housing Stock	Duluth Units	Duluth %	Rochester Units	Rochester %	St. Cloud Units	St. Cloud %	Mankato Units	Mankato %
Total Housing Units	39,978	-	54,492	100.0%	29,762	100.0%	19,529	100.0%
2000 to present	4,752	11.9%	18,054	33.1%	7,384	24.8%	6,128	31.4%
1980 to 1999	3,946	9.9%	13,152	24.1%	7,350	24.7%	3,436	17.6%
1960 to 1979	6,696	16.7%	11,558	21.2%	7,602	25.5%	4,006	20.5%
1940 to 1959	7,323	18.3%	6,473	11.9%	3,365	11.3%	2,460	12.6%
1939 or earlier	17,098	42.8%	4,175	7.7%	3,446	11.6%	2,952	15.1%

Data source: United States Census Bureau

City of Duluth Minnesota - 2026 Budget

PRINCIPAL EMPLOYERS

Employer	Type of Business	Employees	Rank	% of Total City Employment
Essentia Health (SMDC)	Healthcare / hospital	7,701	1	17.27%
Aspirus St. Luke's	Healthcare / hospital	3,006	2	6.74%
Duluth Public Schools	Education	1,830	3	4.10%
University of Minnesota Duluth	Education	1,732	4	3.88%
Cirrus Aircraft	Aviation	1,675	5	3.76%
St. Louis County	Government	1,526	6	3.42%
Allete	Electric utility	1,494	7	3.35%
Duluth Air National Guard Base	Military	1,028	8	2.31%
College of St. Scholastica	Education	957	9	2.15%
City of Duluth	Government	901	10	2.02%
Total	-	21,850	-	49.01%

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

Function	2021	2022	2023	2024	2025
General government	135.10	133.90	136.90	142.65	134.10
Public Safety: Police	183.00	183.50	184.00	184.00	180.50
Public Safety: Fire	148.50	148.50	150.00	151.00	148.50
Public Works	82.95	82.85	83.10	82.85	82.95
Culture and Recreation: Parks and recreation	13.70	13.70	14.45	14.45	13.70
Culture and Recreation: Library	47.70	47.50	48.00	48.00	46.70
Urban & Economic Development	55.14	58.14	60.64	61.28	56.14
Water & Gas	133.00	132.60	130.50	133.85	133.00
Sewer	33.75	33.50	33.60	36.75	33.75
Stormwater	24.80	24.75	26.75	27.30	24.80
Parking	8.00	8.00	8.00	8.00	9.00
Street Lighting	5.10	5.10	5.10	5.30	5.10
Total	871	872	881	895	868

City of Duluth Minnesota - 2026 Budget

TOTAL ESTIMATED MARKET VALUES

Fiscal Year End	Total Estimated Market Value	Tax Capacity	% Capacity to Market Value	Tax Rate
2016	5,903,691,700	66,776,729	1.13%	0.33378
2017	6,124,643,600	70,226,007	1.15%	0.37568
2018	6,224,187,356	73,636,389	1.18%	0.39701
2019	6,534,657,950	77,341,318	1.18%	0.42094
2020	6,732,090,600	83,326,594	1.24%	0.42997
2021	7,179,732,200	88,046,786	1.23%	0.41696
2022	8,003,417,400	93,891,624	1.17%	0.43723
2023	9,216,776,600	108,064,284	1.17%	0.40903
2024	10,017,896,600	117,556,015	1.17%	0.38402
2025	10,789,726,765	125,291,933	1.16%	0.36783

PRINCIPAL PROPERTY TAXPAYERS

Taxpayer	Type of Business	Estimated Market Value	Rank	% of Market Value
Summit Management LLC	Apartments & shopping mall	160,494,900	1	1.49%
Minnesota Power	Electric utility	152,119,700	2	1.41%
Essentia Health	Healthcare & hospital	119,268,900	3	1.11%
Wisconsin Central Ltd	Railroad	64,105,200	4	0.59%
Simon Property Group	Shopping mall	60,055,600	5	0.56%
PLB Properties	Real estate development	52,195,900	6	0.48%
St. Luke's Hospital	Healthcare & hospital	39,534,400	7	0.37%
Cirrus Aircraft	Aviation	35,420,200	8	0.33%
Ansa Propco Partnership	Lease administration	34,075,100	9	0.32%
Endi Plaza LLC	Apartments	30,817,100	10	0.29%
Total	-	748,087,000	-	6.95%

City of Duluth Minnesota - 2026 Budget

OPERATING INDICATORS BY FUNCTION

Public Safety

Detail	2020	2021	2022	2023	2024
Police: Criminal offences	7,695	8,169	6,682	6,756	6,782
Police: Cleared by arrest	2,580	1,562	1,950	2,786	3,020
Police: Traffic violations	10,223	7,344	3,689	2,492	2,936
Police: Parking violations	31,556	33,028	33,928	34,311	36,858
Fire: Number of calls	13,815	14,803	15,234	15,501	15,810
Fire: Number of inspections	4,607	6,054	6,399	5,494	5,500

Culture & Recreation

Detail	2020	2021	2022	2023	2024
Parks & Rec: Participation in special events	3,592	62,010	58,008	57,084	63,752
Parks & Rec: Attendance for parks permitted event permits	5,818	23,756	39,678	66,675	84,121
Parks & Rec: Participation in recreation	10,431	19,216	25,242	32,542	42,631
Parks & Rec: Zoo regular customers	32,533	75,366	95,627	100,815	95,466
Library: Registered borrowers	39,906	40,228	39,967	51,109	52,894
Library: Items in collection	332,450	407,845	291,174	286,068	272,246
Library: Items loaned	373,521	549,697	402,342	762,086	785,236
Library: Library visits	91,193	140,997	260,099	301,229	328,635
Library: Internet uses	15,503	14,512	28,494	28,982	34,108
Library: Reference/ research questions answered	25,675	17,108	29,042	40,560	40,872

Golf

Detail	2020	2021	2022	2023	2024
Season passes	183	213	215	215	235
Skyline passes	726	665	1,110	1,082	892
Daily tickets	15,924	16,508	15,279	16,906	19,912
Carts	16,649	19,609	14,470	14,781	13,600
Rounds played	39,337	41,440	32,400	31,316	31,056

City of Duluth Minnesota - 2026 Budget

CAPITAL ASSETS BY FUNCTION

Public Safety

Detail	2020	2021	2022	2023	2024
Police patrol units	120	120			
Fire stations	8	8	8	8	8

Culture & Recreation

Detail	2020	2021	2022	2023	2024
Parks & Rec: Number of parks	129	129	162	162	162
Parks & Rec: Park acreage	12,000	12,000	9,715	9,715	9,720
Parks & Rec: Number of ski hills	2	2	2	2	2
Library: Libraries/branches	3	3	3	3	3

Golf

Detail	2020	2021	2022	2023	2024
Number of municipal golf courses	2	2	2	2	1

Steam District #1

Detail	2020	2021	2022	2023	2024
Miles of Steam pipeline	11	8.5	8.5	8.5	7.5
Miles of HW pipeline	0	5.5	5.5	6	6.25

Public Works

Detail	2020	2021	2022	2023	2024
Water: Miles of water mains	430	433.5	432.8	433.3	434.0
Water: Number of hydrants	2,747	2,766	2,793	2,806	2,810
Water: Max daily capacity of plant (gallons)	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000
Gas: Miles of gas mains	554.6	558.8	562.9	565.2	566.5
Sewer: Miles of sanitary sewers	398	399	400	400	400
Stormwater: Miles of storm sewers	415	418	415	415	415
Miles of streets: paved	476.13	476.31	476.27	477.39	477.51
Miles of streets: unpaved	47.96	47.96	47.96	47.96	47.96
Miles of sidewalk	352.96	353.83	354.04	355.36	355.94
Streetlights: Ornamental lamps (bulbs)	3,350	3,350	3,350	3,350	3,350
Streetlights: Overhead streetlamps	3,700	3,700	3,700	3,700	3,700

City of Duluth Minnesota – 2026 Budget

OPERATING INDICATORS BY FUNCTION CONTINUED

Steam District #1

Detail	2020	2021	2022	2023	2024
Steam sold (in 1,000 lbs)	293,441	284,998	355,830	356,957	277,624
Hot Water Sold (MMBtu)	0	95,165	128,444	117,226	141,436

Public Works

Detail	2020	2021	2022	2023	2024
Construction Permits: Permits issued	7,479	7,560	7,814	7,863	8,222
Construction Permits: Estimated cost of construction during year in dollars	399,964,575	587,364,438	323,270,859	379,642,164	360,230,750
Water: Meters in service	28,598	28,727	28,786	28,844	28,884
Water: Average number of gallons treated per month	334,648,416	300,481,666	295,900,000	338,567,000	351,000,000
Water: Water pumped - million cubic feet	537	482	474	571	527
Water: Water sold - million cubic feet	464	347	389	311	405
Water: Daily average consumption in gallons	11,002,308	9,878,849	9,726,027	11,130,970	10,811,068
Gas: Meters in service	29,484	29,992	30,083	30,213	30,622
Gas: MMBTU sold	5,737,419	5,678,028	6,168,117	6,615,228	5,500,453
Sewer: Number of service connections	27,766	28,666	28,775	27,863	27,915
Sewer: Daily average treatment in gallons	11,002,140	10,945,300	13,380,900	11,709,315	12,745,600
Stormwater: Cleaning storm sewer pipe (in feet)	2,841	13,730	16,162	11,448	10,370

Glossary of Terms

Accrual Basis of Accounting – Recording revenues and expenses when they occur, regardless of the timing of related cash flow.

Annual Comprehensive Financial Report – A

government financial statement that provides a thorough and detailed presentation of the government’s financial condition.

Appropriation – City Council authorization permitting the City to incur obligations and expend resources during the fiscal year.

Assessed Valuation – A value set upon residential, commercial or industrial properties by the County Assessor as a basis for levying property taxes.

Audit – A formal examination of an organization's or individual's accounts or financial situation.

Balanced Budget – A situation in financial planning or in the budgeting process where total expected revenues are equal to total planned spending.

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 – 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.

Budget Control – Management of a government in accordance with the approved budget for keeping expenditures within the limitations of available appropriations and resources.

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 (infrastructure).

Capital Outlay/Expenditure – 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

Glossary of Terms Continued

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.

Conduit Debt – A debt instrument issued in the name of a state or local government (the issuer) that is for the benefit of a third party primarily liable for the repayment of the debt instrument (the third-party obligor).

Contractual Services – Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include maintenance agreements and professional consulting services.

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 – Decreases in net current financial resources in governmental funds. Usually recognized in the accounting period in which the goods or services are received and the liability for payment is incurred. However, in instances when current financial resources are not reduced as a result of the incurrence of a liability, an expenditure is not recorded.

Expense – Charges incurred by proprietary funds (whether paid immediately or unpaid) for operations,

Glossary of Terms Continued

maintenance, interest or other charges.

Fiduciary Fund – A fund used to report assets held in a trust or agency capacity for others which cannot be used to support the City’s own programs.

Financial Policy – The City’s policies with respect to revenues, spending, and debt management as they relate 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 – 12-month period the operating budget applies; January 1 to December 31.

Fixed Assets – Long-term assets that are intended to continue to be held or used, such as land, buildings, machinery, and furniture.

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) – Job classification created by

Civil Service, authorized by the budget 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.

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.

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

Goal – A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

Government Finance Officers Association (GFOA) – The professional association of Finance professionals in the public sector.

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.

Grants – Contribution by a government or other organization to support a particular function.

Glossary of Terms Continued

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).

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.

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 Charges – The charges to user departments for internal services provided by another government agency, such as fleet and insurance.

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.

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, overtime, electricity, office supplies, and paving materials.

Objective – Something accomplished in well-defined and measurable terms and is achievable in 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 – Post-employment

Glossary of Terms Continued

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.

Permanent Employee – An individual who works for an employer and receives payment directly from them.

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) – Statewide 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.

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 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

Glossary of Terms Continued

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.

Common Acronyms

ARPA – American Rescue
Plan Act

CAF – Capacity Available Fee

CARES – Coronavirus Aid,
Relief, and Economic Security
Act

CBA – Collective Bargaining
Unit

CCP – Cities for Climate
Protection

CDBG – Community
Development Block Grant
Program

DEDA – Duluth Economic
Development Authority

DEED – Department of
Employment and Economic
Development

DTA – Duluth Transit
Authority

EMS – Emergency
Management Service

FASB – Financial Accounting
Standards Board

GFOA – Government Finance
Officers Association

GIS – Geographical
Information Systems

GO – General Obligation

HUD – Urban Housing
Development

JPE – Joint Power Enterprise

LAN – Local Area Network

LGA – Local Government Aid

MFIP – Minnesota Family
Improvement Program

MOU – Memorandum of
Understanding

MP&L – Minnesota Power &
Light

PBB – Priority Based
Budgeting

PW&U – Public Works and
Utilities

RZP – Reduced Pressure
Backflow Zone Assembly

RFP – Request for Proposal

