

CITY OF DULUTH, MINNESOTA

2023 Adopted Annual Budget



CITY OF DULUTH

2023 Adopted Annual Budget

MAYOR

Emily Larson

CITY COUNCILORS

Gary Anderson

Mike Mayou

Roz Randorf

Hannah Alstead

Janet Kennedy

Azrin Awal

Arik Forsman

Noah Hobbs

Terese Tomanek

CHIEF ADMINISTRATIVE OFFICER

Noah Schuchman



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Finance Department

Room 120
411 West First Street
Duluth, Minnesota 55802

 218-730-5350

Members of the Duluth City Council
And Other Interested Parties

Dear Reader

The City as an organization is: effective and also efficient; visionary and practical; fiscally responsible and grounded in the values of community.

There are four key factors which drive this budget:

1. financial commitments to Community Crisis Response and police wage market adjustments;
2. the rising cost of health care;
3. the benefit of American Rescue Plans to keep the levy artificially low, and;
4. financial forecasts for our future.

In 2021, the Council led, and Administration agreed with, a multi-year levy strategy to invest in Community Coordinated Crisis Response and to make a wage adjustment for sworn police officers. The budget needed to show and reflect these specific pre-commitments made by Council and supported by Administration.

As Mayor Larson stated in her budget narrative, in considering the levy for 2023, the financial realities of our community were at the forefront. Among these realities were: the County conducting city-wide re-assessments as required by the state; inflation and the impact on every day expenditures for residents across the city, and; the stall-out by state government to not complete their legislative work and therefore pushing anticipated tax relief or projected LGA increases off. All of this means that an undue and disproportionate tax levy burden would be placed upon residents. The Mayor was not comfortable passing all of the resulting financial encumbrance through to residents of Duluth.

Instead, this budget proposes using more of the one-time American Rescue Plan (ARP) funds to drive down the levy. This increases revenues in 2023's budget in a way that artificially drives down the overall levy. But it's a tool the City has and one that feels to be in the best interest of everyone to use. To be clear, the City has reduced using ARP for ongoing funding needs by 90% from 2022 to 2023.

The General Fund is also able to benefit from a few budget bright spots which were not anticipated which also helped to drive down the levy. These include: franchise fee and Payment In Lieu Of Taxes (PILOT) increases, and one-time workers comp and medical premium opportunities. These are unanticipated measures and likely one-time measures that we cannot rely on being available to us again next year.

On the expense side, the single largest factor for both this current budget, the proposed levy, and forecasting budgets beyond 2023, is the cost of health care. Providing health insurance to staff is a core part of

employment benefits in the United States. But doing so in the current market of escalating costs and a rich health care plan is bringing deep financial risk which is moving quickly outside of the City's control. This community needs us to provide services and staff to meet their basic needs. We cannot cut our way to financial sustainability. Neither can we simply pass continuing increases straight through to residents who are already struggling.

In this budget we meet the needs of a diverse organization, make good on our negotiated contracts and use every lever we have to provide tax relief. We know residents don't have a choice: we provide their services and our services are, for the most part, a monopoly. It's our responsibility to balance this reality with the very real costs of operating a professional organization.

This budget and proposed property tax levy achieves this. It's moving us forward as a city while making sure that each member of our community has the supports and framework to succeed and feel seen, heard and valued.

2023 Budget Highlights:

Increased property tax levy 7.90%

Budget Drivers:

State Budget Considerations

LGA and a projected budget surplus
Limited ability for high levy increases

Employee Expenses

Collective bargaining agreements with new concessions
Health insurance premiums increased 19.24%, but used medical fund residual fund balance to bring down to 10%
Overtime costs

Economy

High inflation
Low unemployment rates
Workforce shortage
Sales tax revenue increase
Tourism tax revenue increase

Framework Goals and Assumptions:

Increased property tax levy of 7.90%
ARP for one-time capital in the amount of \$3M
ARP to fill revenue gap of \$245K
LGA- new certified amount of \$30.8M
Dedicated ½% sales tax for streets
Health care rates increased by 10%

The City continues to prioritize making debt payments to ensure the City remains in excellent standing with bond rating agencies allowing the City to leverage other investments and benefits.

The 2023 budget approvals were endorsed by the City Council, led by Council President Forsman. Mayor Larson's 2023 proposed levy and budget presentation can be seen by clicking [HERE](#).

Sincerely,

Handwritten signature of Jessica B. Kasper in blue ink.

Jessica Kasper, Budget Manager

Handwritten signature of Jennifer Carlson in blue ink.

Jennifer Carlson, Finance Director

City of Duluth, MN Profile



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

The City is built into a steep rocky hillside, with an elevation change of approximately 900 feet, and temperatures and weather that can vary greatly from season to season and even day to day, due to the proximity of Lake Superior (*Kitchi Gammi*). The temperature ranges are also very extreme, January has an average low temperature of 2°F and July has an average high temperature of 76°F. Snow and rain are also important factors impacting the City, as they are drivers of plowing and wear and tear on the streets. In Duluth, the average snowfall is 85 inches and the average precipitation is 31 inches.

Duluth has been voted *Outside* magazine's best outdoors town in America, and was ranked in the 2021 top 10 Remote-Ready Cities in the US by *Livability*, providing 129 municipal parks with a total of 6,834 acres of city parkland. The City provides 150 miles of unpaved hiking trails, 85 miles of bike-optimized, multi-use trails, and 30 miles of paved, accessible trails. The City is home to 2 ski hills, 16 designated trout streams and Lake Superior, the world's largest freshwater lake by surface area. Outdoor tourism is a major part of the city's economy with approximately 6.7 million people visiting Duluth annually.

Once dependent on heavy industry for its economic health, Duluth has diversified and is now a strong center for shipping, tourism, financial/banking, education, healthcare, technology, and aviation.

In 1959, the St Lawrence Seaway opened and Duluth became a world port. The St Lawrence Seaway is the world's largest inland waterway. It moves an average of 200 million tons of freight each year. Commerce along the Great Lakes-Seaway supports 330,000 jobs and contributes \$46 billion in economic activity.

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

After reaching a population peak of 107,312 in 1960, Duluth's 2020 population of 85,697, as estimated by the US Census Bureau, has remained relatively flat since the 1990 census. The per capita income in Duluth is \$31,216, and the unemployment rate in December of 2022 was 2.5%. Additional demographics and economic data can be found in the Appendix.

City of Duluth Minnesota – 2023 Budget

Form of Government

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

ELECTED OFFICIALS

Mayor – Emily Larson January 2020 to January 2024

Councilors at Large

Azrin Awal	January 2022	to	January 2026
Arik Forsman	January 2020	to	January 2024
Noah Hobbs	March 2022	to	January 2024
Terese Tomanek	January 2022	to	January 2026

District Councilors

1	Gary Anderson	January 2020	to	January 2024
2	Mike Mayou	January 2022	to	January 2026
3	Roz Randorf	January 2020	to	January 2024
4	Hannah Alstead	January 2022	to	January 2026
5	Janet Kennedy	January 2020	to	January 2024

APPOINTED OFFICIALS

Chief Administrative Officer

Noah Schuchman

City Attorney

Rebecca St. George

Authorities Directors

Airport	Tom Werner
DECC	Dan Hartman
DTA	Rod Fournier
Spirit Mountain	Ann Glumac (Interim)

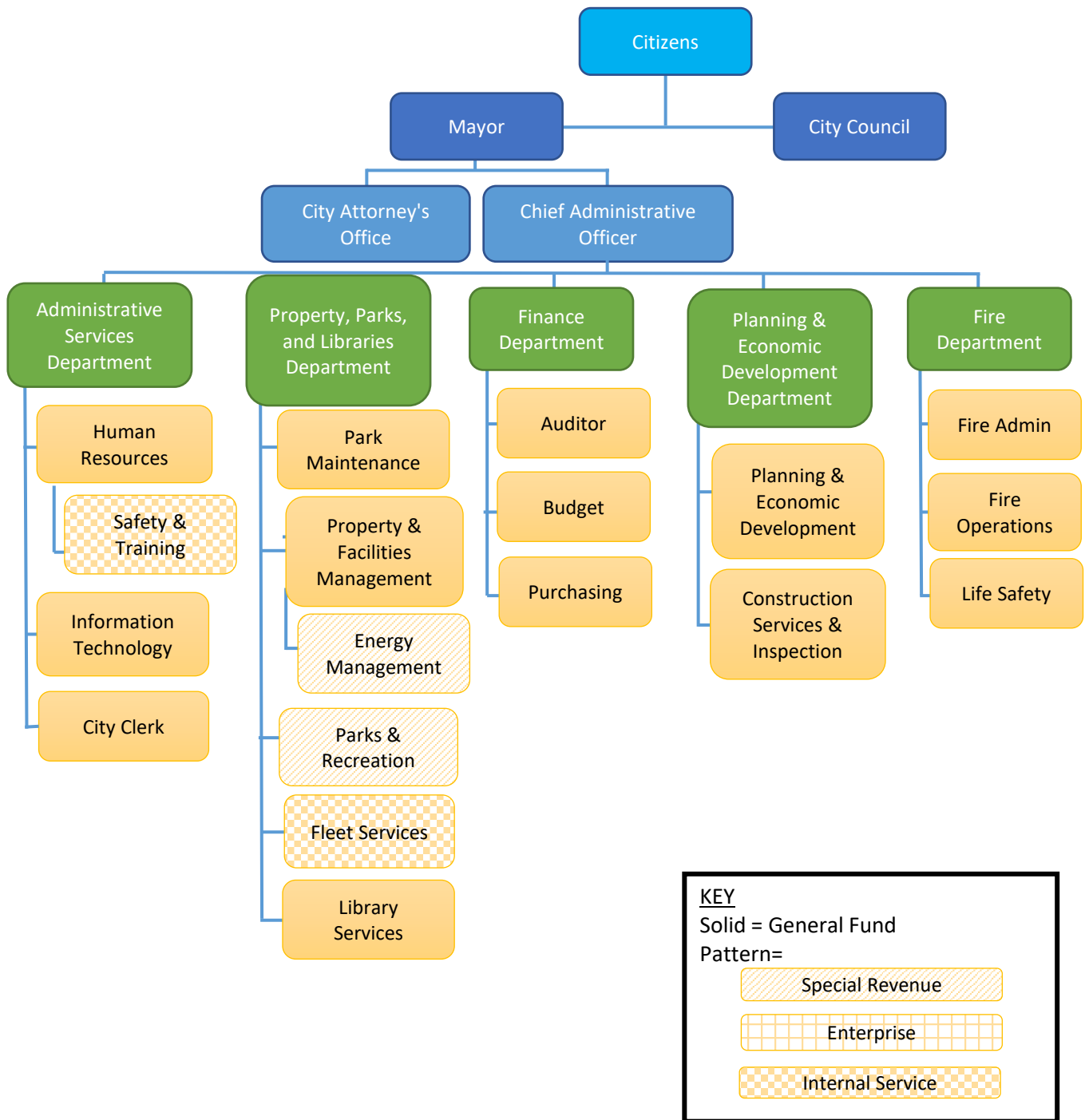
City Department Heads

Finance Director	Jen Carlson
Property, Parks & Libraries	Jim Filby Williams
Administrative Services	Ben Van Tassel
Planning & Econ Development	Chris Fleege
Workforce Development	Elena Foshay
Fire Chief	Shawn Krizaj
Police Chief	Mike Ceynowa
Public Works & Utilities	Jim Benning

City of Duluth Minnesota - 2023 Budget

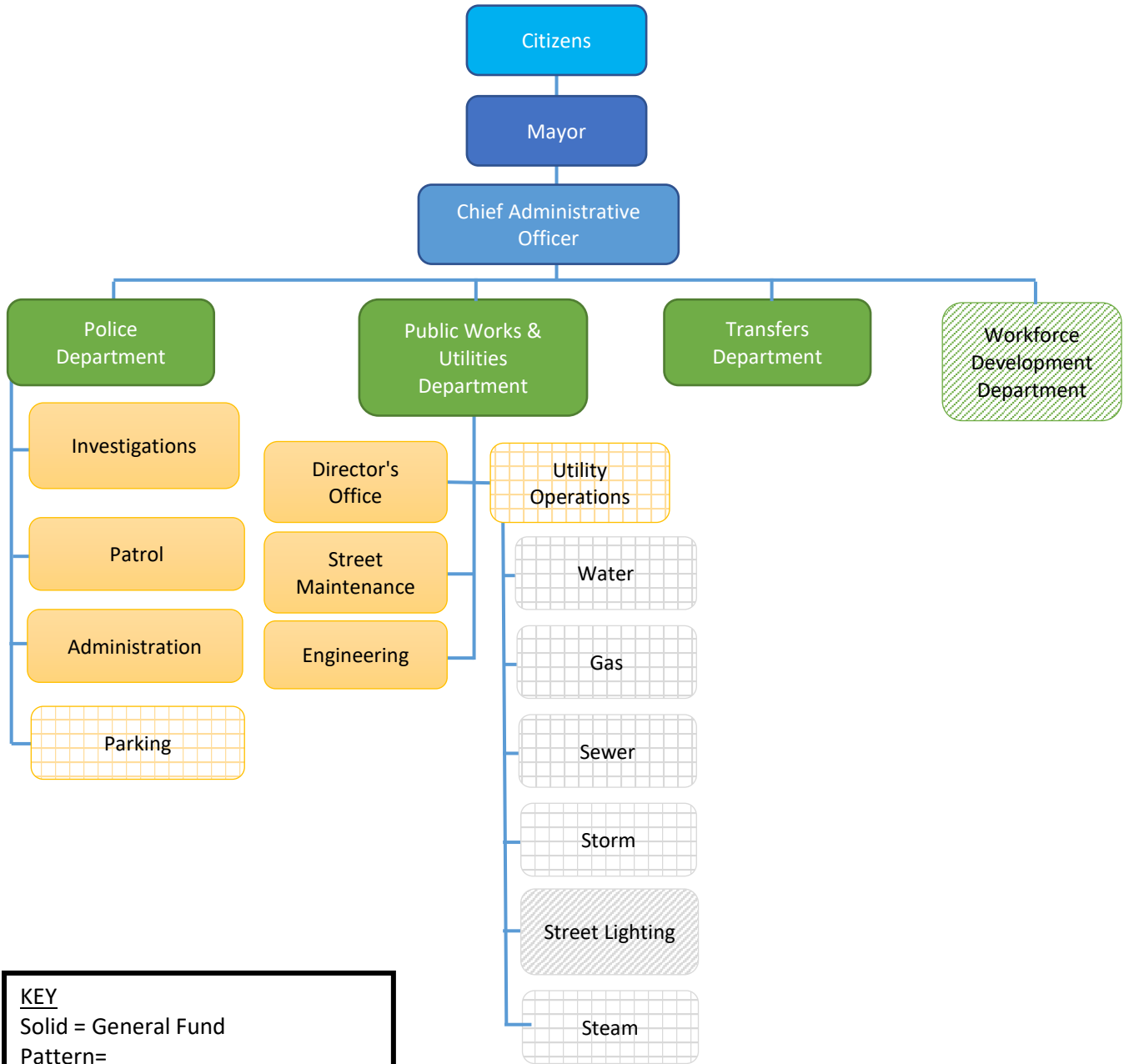
City of Duluth Organization Chart

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


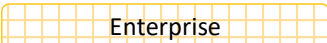



City of Duluth Minnesota - 2023 Budget

City of Duluth Organization Chart - continued

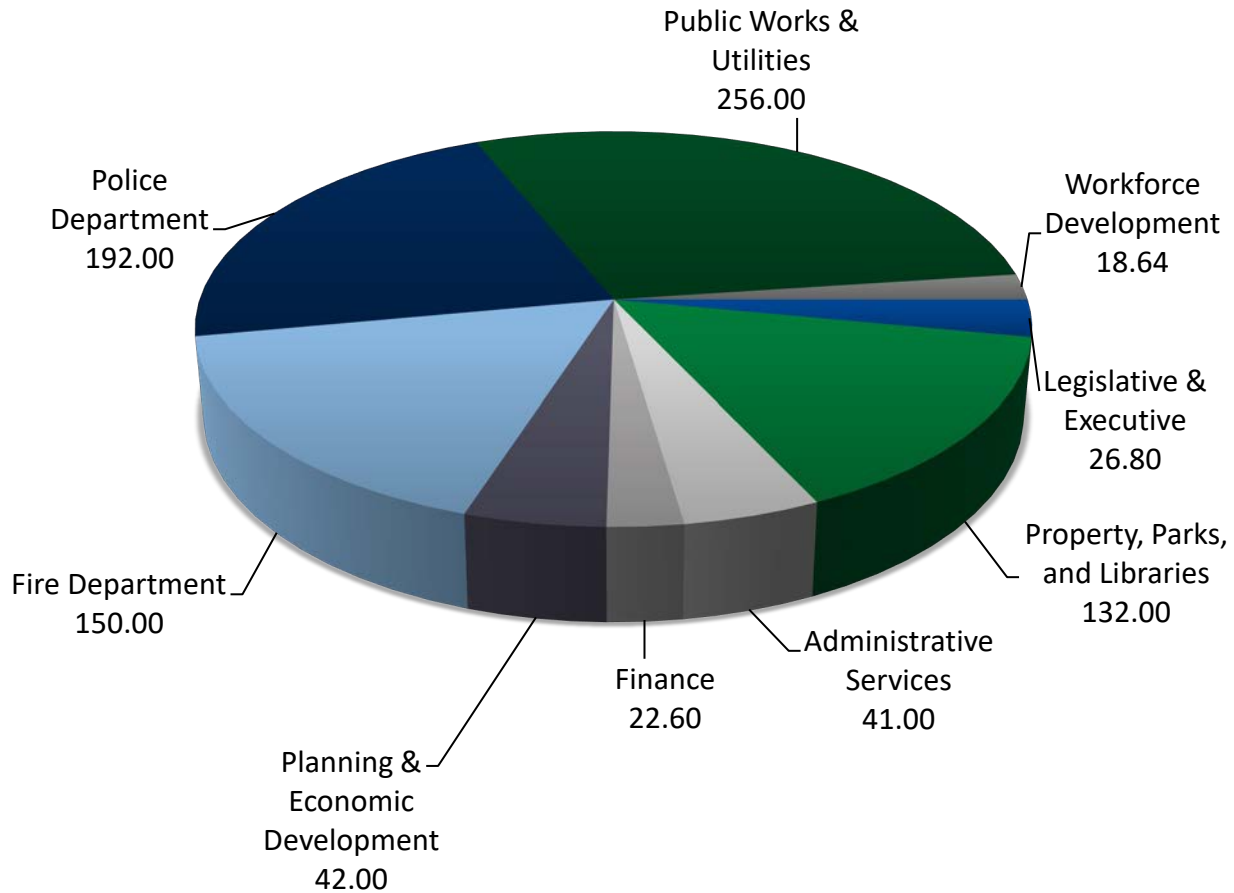


KEY
 Solid = General Fund
 Pattern =

-  Special Revenue
-  Enterprise
-  Internal Service

City of Duluth Minnesota - 2023 Budget

Citywide Personnel Summary 2023 Permanent FTE's by Department



Department	2020 Budget	2021 Budget	2022 Budget	2023 Approved	Difference 2023-2022
Legislative & Executive	26.00	26.00	25.80	26.80	1.00
Property, Parks, and Libraries	129.50	131.50	130.50	132.00	1.50
Administrative Services	40.00	40.00	40.00	41.00	1.00
Finance	21.60	21.60	21.60	22.60	1.00
Planning & Economic Development	39.50	39.50	40.50	42.00	1.50
Fire Department	148.50	148.50	148.50	150.00	1.50
Police Department	189.50	191.00	191.50	192.00	0.50
Public Works & Utilities	257.00	257.00	256.00	256.00	0.00
Workforce Development	16.64	15.64	17.64	18.64	1.00
TOTAL	868.24	870.74	872.04	881.04	9.00

City of Duluth Minnesota - 2023 Budget

Citywide Personnel Summary Fulltime, Permanent Positions

Department/Division	2020 Budget	2021 Budget	2022 Budget	2023 Approved
LEGISLATIVE & EXECUTIVE				
City Council	0.00	0.00	0.00	0.00
Mayor Office	6.00	6.00	6.00	6.00
Chief Administrative Officer	3.00	3.00	3.00	3.00
Attorney's Office	17.00	17.00	16.80	17.80
DEPARTMENT TOTAL	26.00	26.00	25.80	26.80
PROPERTY, PARKS & LIBRARIES				
Park Maintenance	22.60	22.60	22.80	23.05
Library Services	46.70	47.70	47.50	48.00
Parks and Recreation	13.70	13.70	13.70	14.45
Property & Facilities Management	28.30	28.30	28.30	28.30
Fleet Services	17.20	18.20	17.20	17.20
Energy Management	1.00	1.00	1.00	1.00
DEPARTMENT TOTAL	129.50	131.50	130.50	132.00
ADMINISTRATIVE SERVICES				
Human Resources	10.00	10.00	10.00	10.00
Information Technology	23.00	23.00	23.00	24.00
City Clerk	6.00	6.00	6.00	6.00
Safety and Training	1.00	1.00	1.00	1.00
DEPARTMENT TOTAL	40.00	40.00	40.00	41.00
FINANCE				
Budget Office	7.00	7.00	7.00	7.00
Auditor's Office	8.60	8.60	8.60	9.60
Purchasing	6.00	6.00	6.00	6.00
DEPARTMENT TOTAL	21.60	21.60	21.60	22.60
PLANNING & ECONOMIC DEVELOPMENT				
Physical Planning	12.25	12.25	12.25	13.25
Construction Svs & Insp	20.50	20.50	20.50	21.00
Community Development	6.75	6.75	7.75	7.75
DEPARTMENT TOTAL	39.50	39.50	40.50	42.00

City of Duluth Minnesota - 2023 Budget

Citywide Personnel Summary Fulltime, Permanent Positions

Department/Division	2020 Budget	2021 Budget	2022 Budget	2023 Approved
FIRE DEPARTMENT				
Fire Administration	4.50	4.50	5.00	6.00
Firefighting Operations	132.00	132.00	132.00	131.00
Life Safety	12.00	12.00	11.50	13.00
DEPARTMENT TOTAL	148.50	148.50	148.50	150.00
POLICE DEPARTMENT				
Administration, Investigative, Patrol	180.50	183.00	183.50	184.00
Parking	9.00	8.00	8.00	8.00
DEPARTMENT TOTAL	189.50	191.00	191.50	192.00
PUBLIC WORKS & UTILITIES				
Public Works Operations				
Director's Office	0.90	0.90	0.60	0.60
Street Maintenance	44.00	44.00	44.00	44.00
Engineering	15.45	15.45	15.45	15.45
Public Works Subtotal	60.35	60.35	60.05	60.05
Utilities Operations				
Water	56.55	56.55	57.65	55.70
Gas	76.45	76.45	74.95	74.80
Sewer	33.75	33.75	33.50	33.60
Stormwater	24.80	24.80	24.75	26.75
Street Lighting	5.10	5.10	5.10	5.10
Utilities Subtotal	196.65	196.65	195.95	195.95
DEPARTMENT TOTAL	257.00	257.00	256.00	256.00
WORKFORCE DEVELOPMENT	16.64	15.64	17.64	18.64
TOTAL CITY EMPLOYEES	868.24	870.74	872.04	881.04

City of Duluth Strengths, Challenges, and Opportunities

The City of Duluth continued to see growth throughout 2022. This past year, the City saw its highest levels of tourism and sales tax revenue in a decade. Some of this is attributed to inflation, and some of it is attributed to the savings remaining from federal stimulus funds and pent up demand from the pandemic. As in 2021, our greatest challenge continues to be the workforce shortage. Navigating this shortage, especially in the City's tourism industry will be critical to sustained growth. Additionally, as the personal savings across the country continues to dwindle, sales tax revenue may be at its peak.

Strengths:

- Duluth is located on the southwestern tip of Lake Superior. Lake Superior, the largest of the Great Lakes, is not only an economic engine for the community but is treasured for its picturesque beauty. Duluth has experienced growth in tourism and recreation travel, attracting over 6.7 million visitors annually. During a typical year, events such as Grandma's Marathon, Duluth Blues Fest, Festival of Sail, and Bentleyville Tour of Lights have given the City national media attention. In 2022 the City partnered with Visit Duluth, Belmont Partners, and Lawrence & Schiller to provide continued growth and branding of the tourism experience in Duluth along with the addition of a full-time City employee to help manage the partnership. In 2022 this new team of partners completed a target audience survey, community survey, competitive landscape review, developed the Duluth brand, updated the website with video, photography, and trip planning, created a larger social media presence and created key performance indicators to monitor tourism in Duluth. The City's Tourism Tax revenue is up 11.3% over 2021.
- Duluth is a four-season city with 11,000 acres of green space alongside the great Lake Superior. Duluth has miles of trails and over 100 parks providing a backdrop for a multitude of recreation activities. Duluth's parks and trails continue attracting new visitors and generating additional economic development opportunities. The City of Duluth provides 162 parks with a total of 9,168 acres of city parkland. The City provides 10 miles of horseback trail, 85 miles of bike-optimized trails, 30 miles of paved accessible trails, 38 miles of cross-country ski trails and 16 miles of gravel accessible trails.
- The City of Duluth has a world class mountain bike trail network that was recognized by [IMBA](#) as a Gold Level Ride Center, one of only six in the world. The trail system has 100+ miles of bike-optimized single-track trail.

- Viking Cruises had their first voyage to the Duluth port. The cruise line had seven visits with an estimated \$677,000 in economic impact for the City. A recent study projected that an expanded cruise industry, with more ships and with trips that begin or end in Duluth, could generate millions. This stop in Duluth is on the eight-day “Undiscovered Great Lakes” itinerary.
- For 2023, Duluth’s property values increased by 15 percent, indicating continued growth in real estate values. In 2022, a continued shortage of listings and low interest rates plus a surplus of buyers have driven up values of Duluth homes. While this is good for those looking to sell their homes, it means those who are not are picking up more of the share of taxes. The City is aware of the need for more affordable housing and is working with developers and businesses to redevelop and/or expand to create growth and increased tax base.
- St. Louis River Corridor Initiative invests in public park and trail improvements from Lincoln Park to the Fond du Lac neighborhood. The overall goals of the initiative are to support the natural environment, enrich neighborhood quality of life, attract new home buyers, establish new visitor destinations and stimulate appropriate development. Initiative projects are funded in part by \$18 million in bonds, collected through the ½ and ½ tourism tax approved by the Minnesota Legislature in 2014. These funds have leveraged an additional \$36 million dollars through community partnerships and grants.
- In 2019, the State legislature approved a ½ percent local sales tax increase to fund street improvements in the City of Duluth. Voters supported the sales tax referendum overwhelmingly in the November 2017 election. The sales tax increase generates approximately \$7 million annually, more than tripling what the City had spent on streets. In 2023, the City is projecting to repair 11.55 miles of roads.
- In 2021, a City Sustainability Advisory Team was created and the Climate Action Work Plan for 2022-2027

The first phase of the work plan includes:

- Driving down emissions from City Operations
- Strengthening community resilience
- Eliminating institutional barriers and better enable climate actions
- Creating financial and workforce plans to support accelerated climate action
- Executing shovel-ready projects

In 2022 the City received the League of Minnesota Cities 2022 Sustainable City Award. Already, there’s been great progress on Phase 1 of the workplan. The City was awarded a one million dollar Renewables Advancing Community Energy Resilience (RACER) grant

to complete an in-depth study of potential large-scale solar sites in the city and a Hazard Mitigation - Water Plant Resiliency Grant for \$7.8M.

- To address fiscal challenges of the structural imbalance between revenues and expenditures, the City of Duluth participates in Priority Based Budgeting. Priority Based Budgeting (PBB) is a process linking budget decisions to the strategic priorities that the City wishes to achieve for the long term. PBB is a strategy for allocating resources according to how effectively the program or service meets the goals and objectives that are of greatest value to the community. The PBB process began with input from the public to assist with defining community priorities. In looking over the past few years' data, there has been an overall decrease in the City's lower prioritized programs, which means the City has a better aligned budget.

(Click the picture to learn more about Priority Based Budgeting in Duluth)

The City has identified the following priorities:

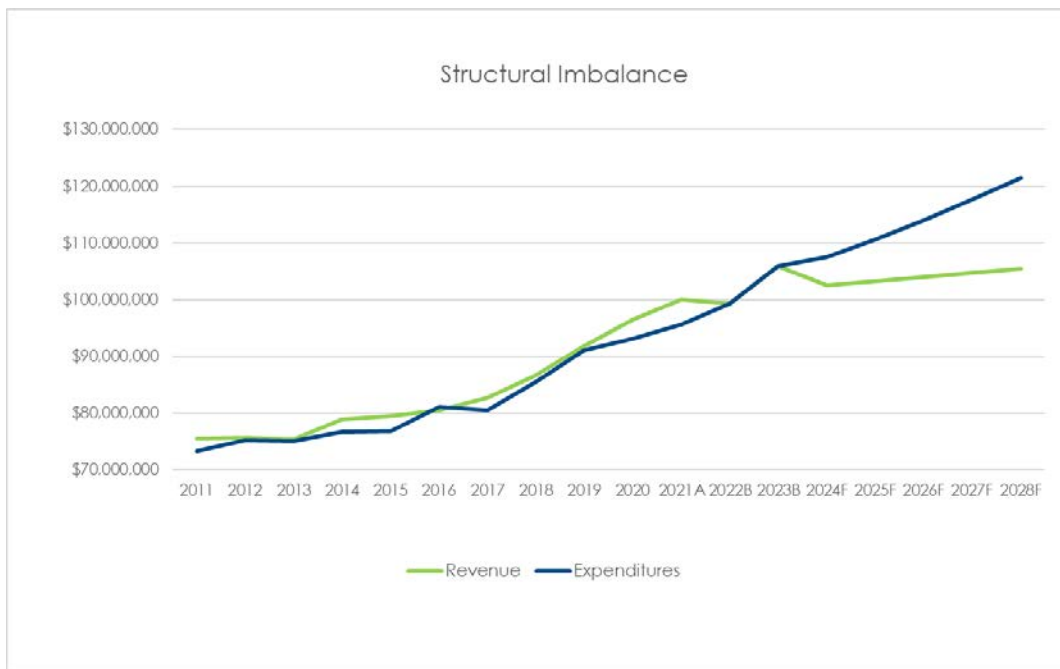
- Infrastructure
- Safe and Secure Community
- Livable Neighborhoods and Affordable Housing
- Dynamic and Diverse Economy
- Culture and Recreation
- Green Space and Energy Conservation
- Innovation and Excellence in Service



Standard & Poor's and Moody's recognized Duluth's prudent approach to budgeting and steady economic growth and growing local revenues as strengths in their latest reports and renewed the City of Duluth's AA and Aa2 bond ratings with a stable outlook.

Challenges:

- **Structural Imbalance:** It is projected the general fund will continue to face an ongoing, structural imbalance between expenditures and revenues. Factors contributing to the imbalance include the growth of wages, health care, utilities and worker's compensation. Projections show City revenues will grow by less than one percent annually for the next five years, while expenditures will grow by an average of just 3.1 percent each year. Eighty percent of the City's general fund expenditures consist of employee wages and benefits.



- **Health Care:** A significant factor in the projected imbalance between general fund expenditures and revenues is the growing cost of health care. Health care is a volatile cost driver. In 2020 the City issued a request for proposals for a new medical insurance provider, the resulting contract temporarily paused medical expenditure increases for two years. In 2023, the Medica renewal rate increase grew by 19 percent, however the City chose to buy down this rate using medical fund balance to keep it artificially at 10 percent growth. The City is projecting future growth at a minimum of 10 percent annually without a plan redesign. In 2021 and into 2022, the City offered union leadership a path to restructure the City's health care plan, which they did not accept. The current plan as is, is not sustainable for Duluth's taxpayers. When health care is compared with our largest general fund revenue source, local government aid (LGA), health care consumes a larger majority of the budget each year because LGA does not grow with inflation to help absorb the increased costs.



- Inflation:** In 2022, inflation increased in the country by 6.5% and by 6% for the Midwest. As the demand for goods increased, caused by consumers spending more time at home, interrupted supply chain, and federal stimulus – prices increased. Prices also increased because the workforce has started to shrink causing firms to need to pay employees more. Additionally, the Russian invasion of Ukraine has also caused energy prices to soar creating yet another large driver for price increases. The Fed has tried to combat this is through increasing interest rates seven times throughout the year ending at 4.50% in 2022. All of these inflationary factors make it very difficult for the City. Equipment and vehicles are much higher than budgeted for in the Capital Plan, the City is getting less for what it can pay, and due to interest rates increasing, the City has to choose to bond for less or increase taxes to pay the rise in interest payments.
- Market Valuations:** The County Assessor’s office is responsible for determining the estimated market value of a piece of property. The estimated market value is used to determine a property owner’s share of property taxes. Market value is determined by sales of other properties and not solely based on what has been done to improve a property. In determining a property’s valuation, the County looks to determine what a willing and knowledgeable buyer would pay for a piece of property if it were offered for sale in the open market.

The impact of strong demand and a short supply of residential property in Duluth directly affected the value of all comparable residential property and resulted in a significant increase in home values for the 2022 assessment. Not all values have changed by the same percentage, and this year, those areas that increased the most were in some of our lower income neighborhoods. This means that these neighborhoods would take more of the tax burden than they previously had. This greatly influenced the Council and Administration's thought process around the 2023 tax levy amount.

- **Opioid Usage:** Opioid overdoses sadly continue to set new records, 2022 was the highest recorded total since tracking began in 2013. In 2022, there were 377 overdoses, of which 36 were fatal. There were also 291 Narcan saves within the City of Duluth. The Duluth Police Department was awarded a three-year grant in the amount of \$899,055 for 2022-2024. This grant has allowed the department to expand their focus to include methamphetamine, reduce delays in outreach and assessment and provide services to a growing caseload.
- **Park Resources:** In November, voters voted against a referendum that would have increased the existing parks levy from a fixed amount to a fixed rate, resulting in a \$1.6 million increase. This would have helped make a dent in the deferred maintenance of approximately \$113.6M in park assets. The City's park system is a critical component of the City's physical, environmental, social and economic well-being and the City recognizes the need to provide corresponding resources to maintain and protect our longstanding existing parks and trails.
- **Housing:** Affordable housing, rental and owned, is needed throughout Duluth. It is estimated that by 2024 nearly 3,700 affordable housing units could be absorbed. Low vacancy rates and increasing costs demonstrate continued demand for both affordable and market rate housing in the City. Incorporating affordable housing options in all Duluth's neighborhoods will ensure that low- and moderate-income households will have access to a diverse array of education, retail goods and services, and recreation amenities. Over 44% of the City's housing units are at least 76 years old, so improving Duluth's housing stock is also a priority. The City was able to use \$19M in American Rescue Plan Funds to secure approximately 500 additional units and a dedicated levy to contribute annually to the Housing Trust Fund.
- **Workforce:** Across the county, workforce availability is still a significant challenge in many industries. During the pandemic, the Duluth area saw a workforce shrinkage of 3.4% due to retirements and dual income earning families becoming single earners. Currently, the City's unemployment rate is 2.5%, which is creeping up from where it was in July at 1.9%. In Duluth, such a low unemployment rate means employees have the leverage, and are able to demand higher wages. The largest sector in the Northeast

Region still remains the health care and social assistance sector. Employment losses in this sector were less than the total of all other industries (-6.6% and -7.8%). The areas of highest losses were in Nursing & Residential Care Facilities and Ambulatory Healthcare Services. While losses slowed for all other health care jobs between 2020-2022, they actually sped up for Nursing & Residential Care Facilities. Between 2019-2022, their wages increased 17.5%, showing the great demand for this service. Currently, the region's highest demand jobs are nursing assistants, registered nurses and home health and personal care aides. By coordinating training partnerships between employers, area schools, and colleges, we can demonstrate real value to employers by effectively meeting their skill needs.

- **Inequality:** Perhaps the most important reason to be intentional and proactive in regards to workforce challenges are the related issues of poverty and income inequality especially among marginalized communities. In Duluth's east side, the life expectancy is more than 90 years old, in the west side's Lincoln Park neighborhood, the average person lives to be only 69. Additionally, Native Americans are about ten times as likely to be reported to police as compared to their population, while African Americans are about nine times as likely. The City created an Equity Action Team in 2021 and is issuing an RFP for Diversity, Equity, Inclusion internal strategic planning in 2023. The City will continue to work to change the disparate impacts associated with being a black, indigenous, person of color in this community.

Opportunities:

- **American Rescue Plan (ARP) Funds:** This influx of \$58 million in funding with broad parameters continues to be a unique opportunity for the City to invest in a strong and equitable recovery. The largest single investment goal (as stated previously) was creating more affordable housing in the amount of \$19 million. The City also invested \$12.8 million in public works and utilities projects such as lead remediation, water line replacements, and replacing all the city's water meters. These are costs that would have been passed to the customer through rate increases. The City also invested \$2 million in public parks in qualified census tracts. The City understands how impactful this one-time investment can be for the community if invested wisely.
- **Housing Trust Fund:** Per the Mayor's Housing Task Force recommendation, the Mayor proposed establishment of a Housing Trust Fund. The City contributed \$4 million and Local Initiatives Support Corporation (LISC) contributed \$2 million. The fund will include three programs: Comprehensive Rehab and Conversion Program, Infill Development Program, and a Flexible Multifamily Fund. Additionally, \$292.5 thousand was added to the levy as an ongoing funding source specifically for the Housing Trust Fund.

- **Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant:** The City was awarded \$25 million to redesign West Superior Street with resilience and innovation in mind. RAISE is a Department of Transportation grant. The City will receive nearly \$25 million to reconstruct an approximately two-mile-long section of West Superior Street to include an integrated multimodal corridor, electric vehicle charging stations, green infrastructure, and above-ground streetscapes. The complete reconstruction will include replacing all underground utilities and adding fiber optics for a future broadband corridor, and will provide more transportation options with key infrastructure upgrades for non-motorized travelers such as pedestrians, bicyclists, and transit users. The project also supports the Duluth Transit Authority’s Better Bus Blueprint, which will improve bus service to connect residents at a 10-minute frequency to regional medical facilities, grocery, and schools, and will also connect residents and visitors to Canal Park.
- **Medical District Expansion:** Healthcare is a leading industry in Duluth, currently responsible for approximately 30% of the total employment. Duluth’s medical district centers on Essentia Health’s St. Mary’s Hospital and St. Luke’s Hospital. The two systems are in the active stages of building new hospitals and clinics, renovated facilities, and areas available for housing and other development. Over the next few years, the two health systems will invest more than \$1 billion combined in their respective Duluth medical campuses.

The Medical District Expansion will benefit Duluth and the region by providing the highest level of health care with patient and staff safety as the imperative. The medical entities will build state-of-the-art medical facilities with advanced technologies to meet patients’ needs. The expansion will improve the availability, affordability, and quality of care for Duluth and the region. The projects will boost the Northland’s economy and create an environment that retains and attracts top talent as well as help to address future workforce needs. The Medical District Expansion will serve as a catalyst for other investments and economic development.

Essentia Health

Essentia Health is making the largest private investment in Duluth’s history as it invests approximately \$675 million to construct a new hospital tower, clinic, and outpatient surgery center on its downtown Duluth campus, and another \$125 million on related infrastructure and financing. The project will build 942,000 square feet of new space and renovate approximately 120,000 square feet in existing facilities. By building up instead of out, Essentia Health’s overall footprint will be reduced, opening space for other development in Duluth’s Central Hillside neighborhood. The project is expected to be open for outpatient care in the third quarter of 2023.



St. Luke's

As part of St Luke's Health Forward Initiative, St. Luke's is beginning Phase II in 2023 with completion in 2024. The total investment in this phase of the project is \$88 million. This will be a two-story expansion on top of Building A, each floor will feature 28 beds, with one floor an intensive care unit and the other a cardiac care unit. Additionally, all inpatient units in St Luke's Hospital will be remodeled and transitioned to all-private inpatient rooms. Lastly, the parking ramp will be replaced, adding nearly 200 parking spots.



- **Shipping:** The port of Duluth-Superior is a backbone of the Duluth economy. This year total tonnage was 29 million tons, down 2.8 million from 2021's tonnage. Grain was at the lowest levels it's been since 1890 caused by fewer ships coming, higher

transportation costs, a poor crop, the invasion of Ukraine and a strong dollar. On the positive side, general cargo tonnage was its highest since 1986, and while it doesn't make up for iron and grain, these shipments deliver outsized economic value per ton in comparison. The port continues to be a key link in North America's supply chain, and the Seaway Port Authority is looking to build on the bulk cargo tonnage and expand their containerized cargo services. Duluth's industrial sector (largely the shipping docks) provide 9,870 jobs in Duluth, \$5.1 billion in business revenues, \$439 million in state and local taxes of which \$140 million supported the City of Duluth.

- **Aviation:** Aviation contributes \$646 million to the Duluth-Superior economy. Aviation also contributes over 5,600 total jobs, \$325 million in labor income, and over \$1 billion in output and sales. Cirrus Aircraft, Duluth's largest manufacturing employer, has 1,200 employees and is expected to continue growing. Duluth's airport and surrounding business park have ample room for growth.
 - **Cirrus:** Cirrus Aircraft is the largest single-engine aircraft manufacturer in their class reporting billings of \$632.9 million in 2021 and \$260 million in the first half of 2022. In late 2022 they announced plans to transform Northwest Airlines maintenance base into a new research and development facility in which they will invest at least \$10 -15 million. They have also promised to maintain the size of their local workforce and bring another additional 80 engineering jobs to the City in the next three years.
- **Higher Education:** More than 28,000 students attend colleges and universities in the Duluth area including the University of Minnesota Duluth (UMD), the College of St. Scholastica, Lake Superior College, and the University of Wisconsin Superior; all within six miles of downtown Duluth. Students and staff coming to the region are a significant economic driver for the City. Duluth is fortunate to have immediate access to a young talent pool to work and remain in Duluth.

City of Duluth Financial Principles

The 2023 budget continues the application of strong and consistent financial principles that have been utilized to improve and strengthen the City's financial health and create budget stability. These principles have provided the foundation to our short and long-term financial planning and have helped the City dramatically improve its financial health during a very turbulent and challenging period. In 2021, the City budgeted to use \$3.8M in reserves, but revenues rebounded faster than expected and the reserves weren't needed. In 2022 the City budgeted to use \$2.56 in ARP funds (33% less than the planned reserves in 2021) to fill the temporary revenue gap brought on by the economic recession. Just as in 2021, revenues continued to rebound better than expected, and the ARP funds did not need to be used to fill the revenue gap. The City of Duluth's financial principles include:

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

BUDGET HIGHLIGHTS

BUDGET PROCESS

In 2022, the City was still feeling the impacts of the pandemic, but it looked different than it did in 2020 and 2021. The City had (and still has) to navigate a workforce shortage, particularly in the Police Department. Additionally, demand for trades workers and seasonal staff in the area increased significantly, leading to a loss of several of the City's trades workers and having to re-classify positions to be competitive in the current market. On the other hand, these vacancies are what tempered the City's budget from both rising energy and utility prices and inflationary increases that were seen across the country. Not only did the volatile economy impact operating costs, it also impacted debt payments as interest rates were increased seven times by the Fed, increasing the cost of selling bonds. All of this, and sales tax and tourism tax revenue are the highest they have ever been.

Another theme in 2022 was negotiation. All of the City's labor agreements were being negotiated along with the medical plan. As stated throughout the budget book, medical is our fastest growing expense due to the generous plan the City has offered since 2006. While other large cities in Minnesota budgeted an average 6% increase in health care costs in 2023, the City of Duluth's Medica renewal rate increased by 19 percent for 2023, on top of the 10% increase in 2022.

This was the uncertainty with which 2023 was formulated. The legislative budget process began with Mayor Larson presenting the proposed general fund budget and tax levy to the City Council on September 8th, 2022. On September 26, 2022 the City Council approved the Mayor's proposed budget with a maximum tax levy of 8.90%. Finance committee meetings were held September through December where City departments and authorities presented their budgets, strengths, opportunities, and future challenges, and their work on diversity, equity and inclusion. On December 5, 2022 a truth in taxation hearing was held at 7:00 pm to provide time for public comment and questions. During this meeting, the Council reduced the general fund operating budget by one percent for a new levy of 7.90%. The final 2023 budgets, budget appropriations, tax levies, capital improvement plan, and bonding intent and plan were approved by Council on December 20, 2022.

Public Involvement

Prior to the legislative process, Budget Office staff had five different community engagement events at Sidewalk Days, Community Centers, and Farmer's Markets. Staff brought a Community Priorities game for the public to play to get a sense of what is important to them. Staff spoke to over 300 people, and the top three priorities were: Livable Neighborhoods Affordable Housing, Infrastructure, and Culture and Recreation.

BUDGET CALENDAR

SOFTWARE BUDGET ENTRIES:

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

ADMINISTRATIVE BUDGET REVIEWS

August	General Fund and Fleet, PW Utility Funds, Parks fund, Parking fund
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CAPITAL BUDGETS

June	Instructions and packets sent out to departments
July	CEP Rolling Stock and other Equipment Due
July	IT CEP projects due
Sept-Oct	CIP Projects Submitted
Sept - Oct	CIP and CEP administrative review meetings
Nov 21	Capital Improvement presentation to City Council

MAYOR'S BUDGET PRESENTATION to COUNCIL

Sept 8	2023 Proposed General Fund budget and tax levy presentation to Council
Sept 26	City Council sets preliminary budget and maximum property tax levy
Sept 30	2023 proposed budget book published on website

COUNCIL BUDGET REVIEW

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

Dec 5	Truth in Taxation Hearing
Dec 19	Council approves final budget and levy

PROPERTY TAX REPORTING DEADLINES

Sept 30	Proposed maximum property tax levies due to St. Louis County
Dec 23	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

PROPERTY TAX LEVY REVENUES

The City’s final property tax levy (not including the Parks referendum levy) certified to the County was \$41,321,376; an increase of 7.90% over the 2022 levy.

The City’s levy breakdown is shown below.

2023 Approved Property Tax Levy				
	2022 Approved Levy	2023 Approved Levy	Change In Levy	
General Operations Levy				
General Operations	\$ 25,237,726	\$ 28,114,076	\$	2,876,350
Provision for Tax Delinquency	\$ 150,000	\$ 150,000	\$	-
Total General Operations Levy *	\$ 25,387,726	\$ 28,264,076	\$	2,876,350
Supplemental Parks Levy	\$ 280,000	\$ 280,000	\$	-
Capital Projects Levy				
Debt Service	\$ 7,307,600	\$ 7,357,600	\$	50,000
Infrastructure Permanent Improvements	\$ 280,000	\$ 280,000	\$	-
Total Capital Projects Levy	\$ 7,587,600	\$ 7,637,600	\$	50,000
Street Light Levy	\$ 2,447,200	\$ 2,547,200	\$	100,000
Street Maintenance Levy	\$ 2,300,000	\$ 2,300,000	\$	-
Duluth Housing Trust Fund Levy	\$ 292,500	\$ 292,500	\$	-
Total City Property Tax Levy	\$ 38,295,026	\$ 41,321,376	\$	3,026,350
General Operations Levy Increase			\$	2,876,350 7.51%
Capital Projects Levy - Increased Interest Costs			\$	50,000 0.13%
Street Light Levy - Increase in S&B + Materials			\$	100,000 0.26%
2023 City Tax Levy Increase			\$	3,026,350 7.90%
New Construction Growth			\$	407,870 1.07%
Net Property Tax Impact After Growth			\$	2,618,480 6.83%

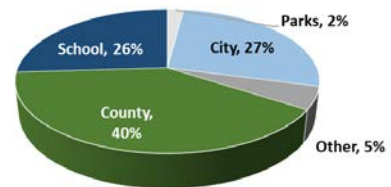
In addition, the City, on behalf of city authorities and voter approved referendum, approved levy requests as follows: The **Duluth Transit Authority** in the amount of \$2,174,408; the **Housing and Redevelopment Authority** in the amount of \$1,563,976; and **Parks Fund** in the amount of \$2,600,000. These levies are separate on the property tax statement and are not included in the City levy.

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

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 26% of the total. The chart below shows an average resident’s property tax bill with the breakdown by taxing entity.

Taxing Entity	2023 Property Taxes	
City of Duluth	\$ 804	27%
Parks	\$ 62	2%
St. Louis County	\$ 1,188	40%
School District 709	\$ 774	26%
Other Entities	\$ 150	5%
Total Average Bill	\$ 2,978	100%

*Based on Market Value of \$213,100



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 comment on the City’s proposed budget and property tax levy for the year 2023 prior to its approval.

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

The statement is a comparison of your actual 2022 tax bill with the proposed tax bill for 2023. 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> .

What services do property taxes fund?

Approximately eighteen percent of the City property tax levy goes to fund debt service on capital improvements and equipment. Nearly six percent goes to fund the Street Maintenance Utility Fund for street improvements. Six percent of the levy goes to the Street Light Utility fund. One percent of the levy supplements parks and the Duluth Housing Trust Fund. The remaining 68 percent goes into the City’s General Fund to pay for services such as police, fire, libraries, planning and zoning, and street maintenance. For 2023, the portion of the City’s general services paid for

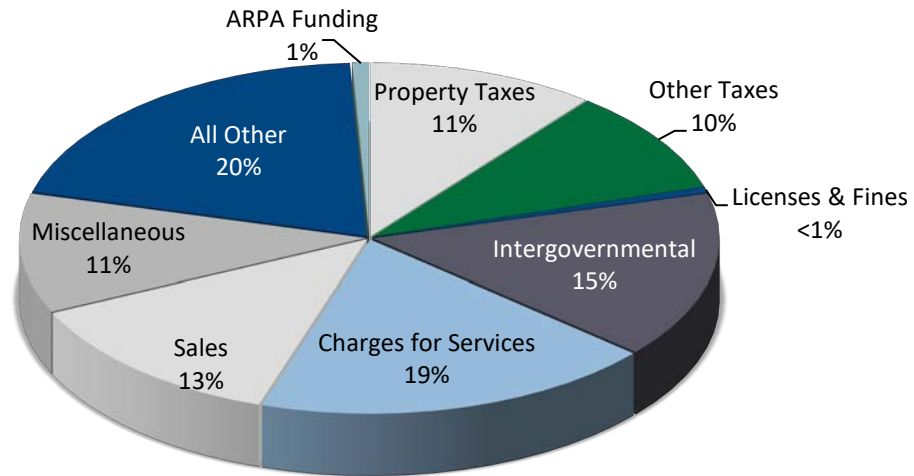
with property taxes is slightly over \$28 million or 27 percent of total general services. To put the amount into perspective, this *just* covers the Police Department's 2023 funding requirements.

If property taxes only cover 27 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 \$30.8 million or 29 percent of total general fund revenue. City Sales and Use tax contributes \$15 million or 14 percent of total general fund revenue.

City of Duluth Minnesota - 2023 Budget

Total Approved Revenues



REVENUES	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Property Taxes	36,125,343	37,311,024	40,802,600	43,628,950
Other Taxes	34,143,158	42,164,600	37,823,500	39,461,600
Licenses & Fines	2,176,967	2,337,607	2,137,800	2,208,600
Intergovernmental	55,639,300	59,884,139	78,076,344	63,224,808
Charges for Services	63,915,697	70,160,894	68,265,001	76,689,033
Sales	34,987,154	39,436,399	38,578,900	53,239,400
Miscellaneous Revenue	49,084,087	59,969,287	36,050,229	45,277,032
All Other Sources	80,260,210	66,734,446	63,894,457	82,127,310
Fund Balance Reserves	-	-	200,000	-
ARPA Funding	-	-	2,551,600	3,245,000
TOTAL REVENUES	356,331,917	377,998,396	368,380,431	409,101,733

City of Duluth Minnesota - 2023 Budget

Comparison of Total Approved Revenue

	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference 2023-2022
Current Property Taxes					
General Fund	21,873,035	21,981,812	25,387,800	28,264,150	2,876,350
Special Revenue Funds	7,040,593	7,766,684	7,827,200	7,727,200	(100,000)
Debt Service Funds	6,933,244	7,283,150	7,307,600	7,357,600	50,000
Capital Project Funds	278,471	279,378	280,000	280,000	-
Total Current Property Taxes	36,125,343	37,311,024	40,802,600	43,628,950	2,826,350
Other Taxes					
General Fund	17,904,607	20,448,913	18,010,600	18,998,700	988,100
Special Revenue Funds	15,626,650	21,152,745	19,250,000	19,900,000	650,000
Debt Service Funds	611,901	562,942	562,900	562,900	-
Total Other Taxes	34,143,158	42,164,600	37,823,500	39,461,600	1,638,100
Licenses and Fines					
General Fund	2,176,967	2,337,607	2,137,800	2,208,600	70,800
Total Licenses and Fines	2,176,967	2,337,607	2,137,800	2,208,600	70,800
Intergovernmental					
General Fund	35,048,482	35,316,133	34,918,500	35,230,400	311,900
Special Revenue Funds	10,582,904	17,284,994	13,635,744	12,535,208	(1,100,536)
Capital Project Funds	10,007,913	7,283,011	29,522,100	15,459,200	(14,062,900)
Total Intergovernmental	55,639,300	59,884,139	78,076,344	63,224,808	(14,851,536)
Charges for Services					
General Fund	6,795,855	9,290,475	6,160,400	6,493,400	333,000
Enterprise Funds	53,135,456	56,841,340	57,453,001	65,033,133	7,580,132
Internal Service Funds	3,984,386	4,029,079	4,651,600	5,162,500	510,900
Total Charges for Services	63,915,697	70,160,894	68,265,001	76,689,033	8,424,032
Sales					
Enterprise Funds	34,987,154	39,436,399	38,578,900	53,239,400	14,660,500
Total Sales	34,987,154	39,436,399	38,578,900	53,239,400	14,660,500

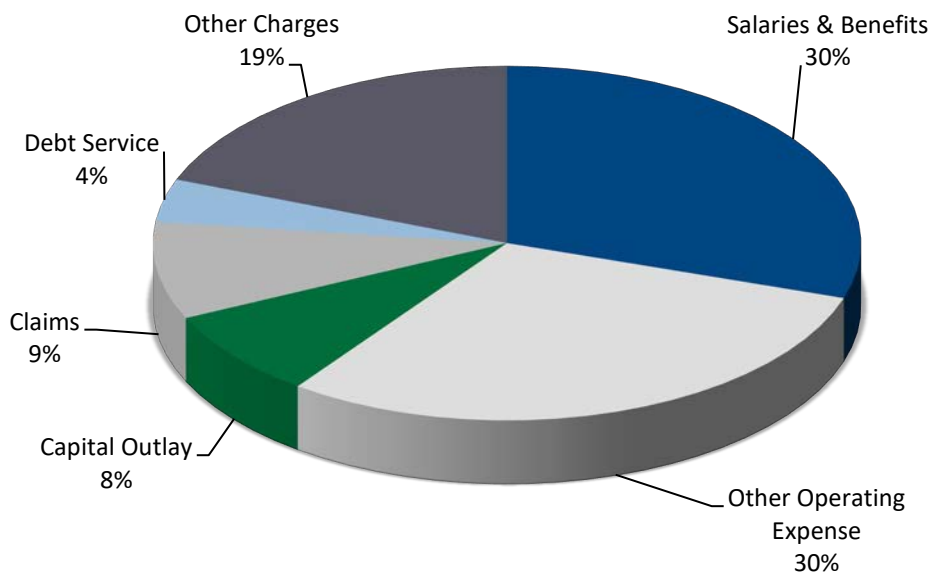
City of Duluth Minnesota - 2023 Budget

Comparison of Total Approved Revenue

	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference 2023-2022
Miscellaneous Revenue					
General Fund	2,737,189	2,144,202	964,800	984,000	19,200
Special Revenue Funds	35,067,628	49,472,661	29,112,854	37,725,791	8,612,937
Debt Service Funds	300,151	226,410	-	300,100	300,100
Capital Project Funds	6,917,705	2,222,484	2,233,475	2,073,200	(160,275)
Internal Service Funds	4,061,414	5,903,531	3,739,100	4,193,941	454,841
Total Miscellaneous Revenue	49,084,087	59,969,287	36,050,229	45,277,032	9,226,803
All Other Sources					
General Fund	10,074,437	8,617,812	8,997,900	10,442,600	1,444,700
Debt Service Funds	7,332,643	15,129,620	8,064,900	8,568,700	503,800
Capital Project Funds	14,736,832	9,502,827	10,201,900	9,884,700	(317,200)
Enterprise Funds	18,081,248	2,288,127	4,421,300	20,403,400	15,982,100
Internal Service Funds	30,035,050	31,196,060	32,208,457	32,827,910	619,453
Total All Other Sources	80,260,210	66,734,446	63,894,457	82,127,310	18,232,853
Fund Balance Reserves	-	-	200,000	-	(200,000)
ARPA Funding	-	-	2,551,600	3,245,000	693,400
Total Revenue	356,331,917	377,998,396	368,380,431	409,101,733	40,721,302

City of Duluth Minnesota - 2023 Budget

Total Approved Expenses



EXPENSES	2020	2021	2022	2023
	Actual	Actual	Budget	Approved
Salaries & Benefits	104,497,262	103,735,587	116,082,694	121,554,186
Other Operating Expense	89,797,053	102,204,017	98,842,939	121,512,303
Capital Outlay	30,164,036	21,579,875	43,458,300	32,364,700
Claims	26,571,676	31,370,139	31,666,815	35,963,614
Debt Service	15,521,269	23,434,731	15,833,900	15,864,600
Other Charges	52,602,289	56,254,013	55,446,690	77,533,133
TOTAL EXPENSES	319,153,586	338,578,361	361,331,338	404,792,536

City of Duluth Minnesota - 2023 Budget

Comparison of Total Approved Expenses

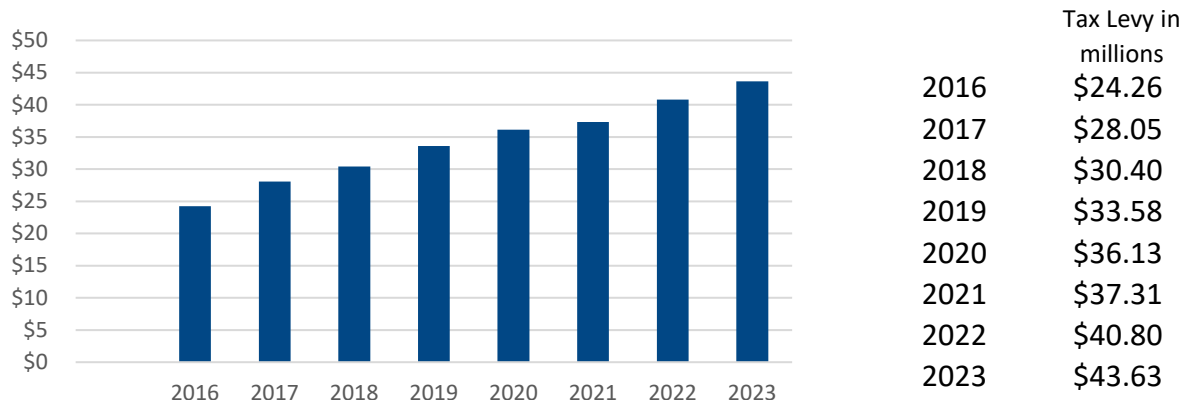
	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference 2023-2022
Salaries & Employee Benefits					
General Fund	69,337,436	69,404,905	73,345,600	76,815,150	3,469,550
Special Revenue Funds	15,251,022	17,384,781	16,325,828	17,011,573	685,745
Enterprise Funds	16,816,847	14,353,329	22,886,800	24,168,400	1,281,600
Internal Service Funds	3,091,958	2,592,571	3,524,466	3,559,063	34,597
Total Salaries & Employee Benefits	104,497,262	103,735,587	116,082,694	121,554,186	5,471,492
Other Operating Expense					
General Fund	23,574,236	25,942,011	25,677,300	25,740,700	63,400
Special Revenue Funds	6,025,072	8,421,143	7,525,686	11,048,749	3,523,063
Enterprise Funds	54,939,288	62,566,153	60,628,670	79,161,438	18,532,768
Internal Service Funds	5,258,457	5,274,710	5,011,283	5,561,416	550,133
Total Other Operating Expense	89,797,053	102,204,017	98,842,939	121,512,303	22,669,364
Capital Outlay					
General Fund	283,179	298,712	306,500	3,311,000	3,004,500
Capital Project Funds	29,880,857	21,281,163	43,151,800	29,053,700	(14,098,100)
Total Capital Outlay	30,164,036	21,579,875	43,458,300	32,364,700	(11,093,600)
Claims					
Internal Service Funds	26,571,676	31,370,139	31,666,815	35,963,614	4,296,799
Total Claims	26,571,676	31,370,139	31,666,815	35,963,614	4,296,799
Debt Service					
Debt Service Funds	15,521,269	23,434,731	15,833,900	15,864,600	30,700
Total Debt Service	15,521,269	23,434,731	15,833,900	15,864,600	30,700
Other Charges					
Special Revenue Funds	29,812,104	40,420,919	38,160,290	38,065,533	(94,757)
Enterprise Funds	22,790,185	15,833,094	17,286,400	39,467,600	22,181,200
Total Other Charges	52,602,289	56,254,013	55,446,690	77,533,133	22,086,443
Total Expenditures	319,153,586	338,578,361	361,331,338	404,792,536	43,461,198

City of Duluth Minnesota - 2023 Budget

MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

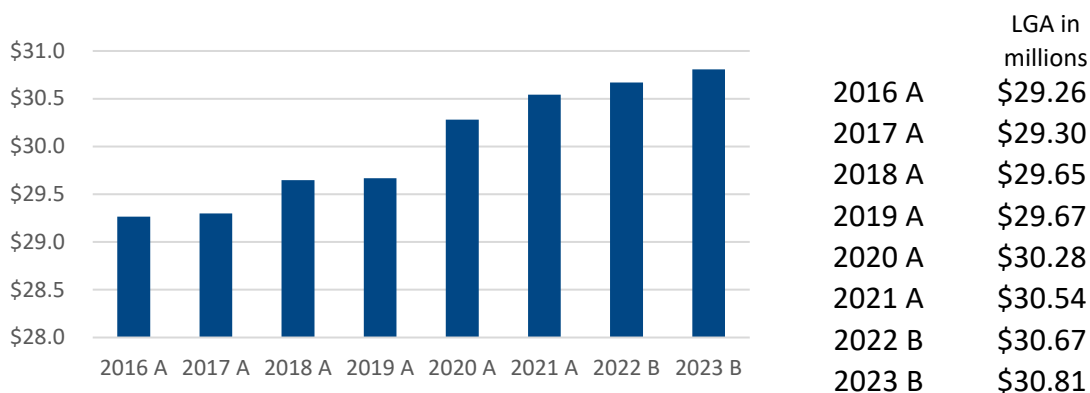
Property Tax Levy (in millions)



Description and 2023 Budget

Property taxes are levied against property based on their assessed value and classification in accordance with State Statute. Total market values within the City have increased. Estimated market value and tax rates can be found in the statistical section of the Appendix section of this book. The City of Duluth tax levy increased 7.90% over 2022; The 2023 property tax levy increase includes \$2.87 million in general operations, \$50 thousand for increased interest on debt, and a \$100 thousand levy increase to Street Light Operations.

Local Government Aid (in millions)



Description and 2023 Budget

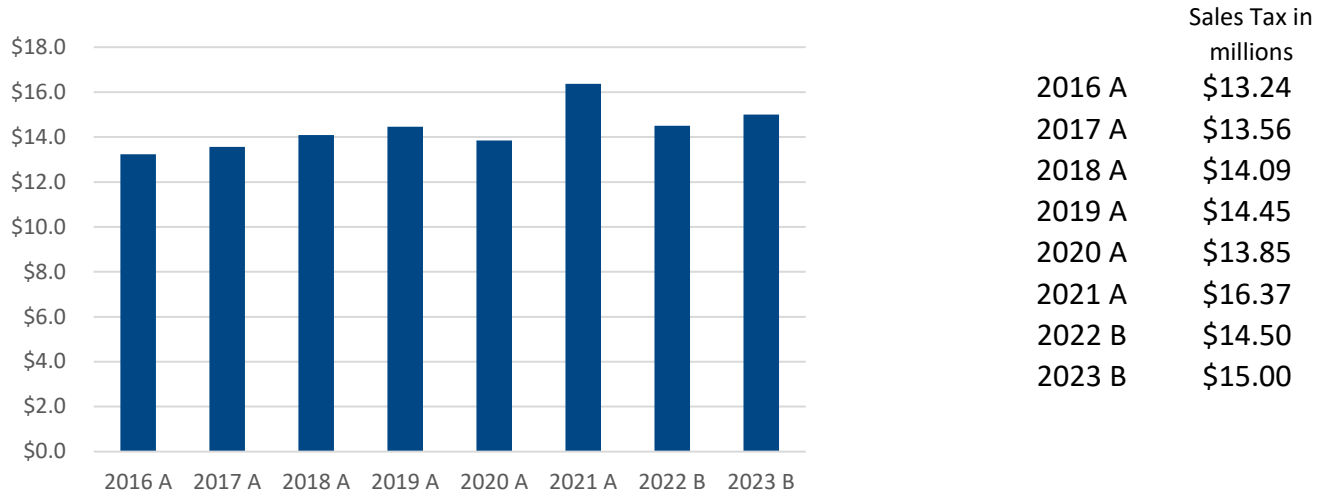
Since its inception in 1971, state aid known as Local Government Aid (LGA) has undergone many changes. These changes include modifications to the formula, legislative cuts, and governor unallotments in times of state budget deficits. From 2010 through 2014, local government aid to the City was reduced below the 2009 level. LGA remained relatively flat from 2014 through 2019. In 2020, the City saw an increase of \$578 thousand and in 2023 the City's certified LGA amount is \$30.81 million. The City continues to lobby the State Legislature to bring LGA up to inflationary levels.

City of Duluth Minnesota - 2023 Budget

MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

General Sales and Use Tax



Description and 2023 Budget

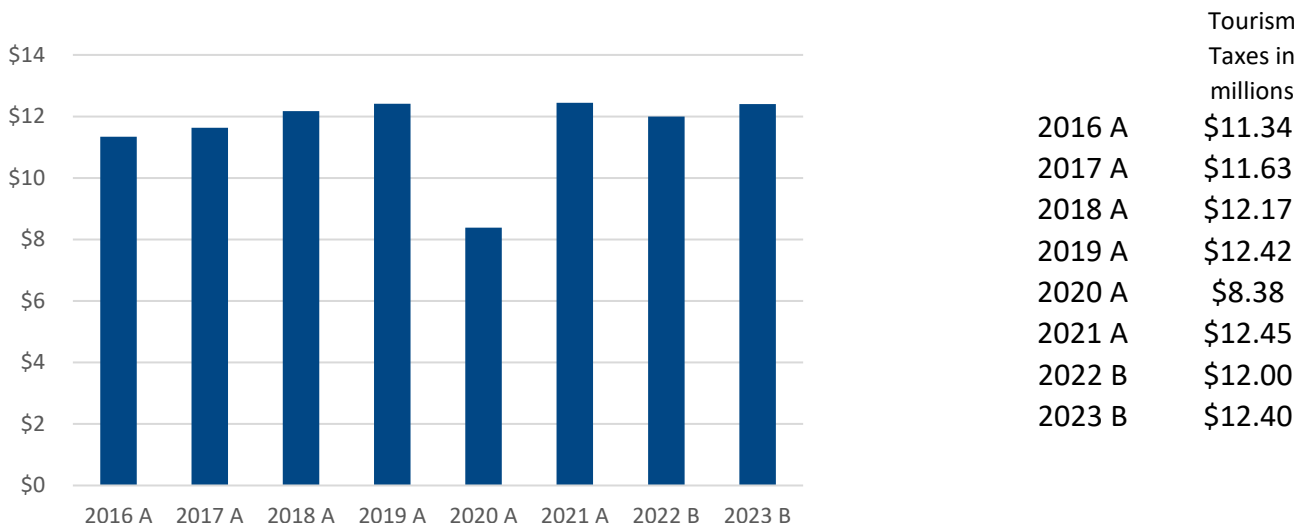
General Sales and Use Tax is a one percent excise tax on gross receipts from retail sales or materials purchased for use in the City of Duluth. The tax collections do not have restrictions on use or other than to fund general city services in the General Fund. Many factors have impacted this revenue stream including the state law eliminating the City's ability to charge sales tax on vehicles and authorizing states to impose sales tax collection on out-of-state sellers. The 2022 final sales tax revenue is projected to come in even higher than in 2021. While we did increase the budgeted amount by \$500k in 2023, we did not bring it all the way up to 2021 actuals. These are unprecedented times, with so much pent up demand, increased savings and high inflation. We are monitoring regional and national economic indicators closely to determine if consumer spending is rising to a sustainable increase, or if this is a temporary increase.

City of Duluth Minnesota - 2023 Budget

MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

Tourism Taxes (in millions)



Description and 2023 Budget

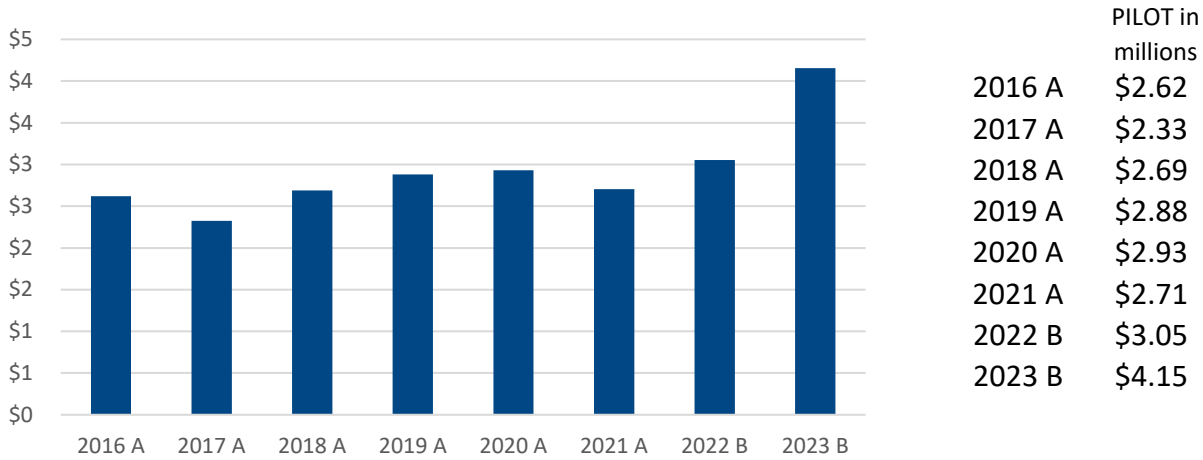
Tourism taxes are applied to food and beverage and hotel/motel establishments. Revenues are recognized in a special revenue fund and distributed by Council action. Approximately 50% of tourism taxes go to fund existing debt on the Amsoil Arena and the St. Louis River Corridor projects. In 2015, the .5% hotel/motel tax and the .5% food and beverage tax were reinstated to be used for tourist-related capital improvement bond projects along the St. Louis River Corridor. In 2022, tourism tax revenue came in 15% over budget, as tourism continued to rebound in Duluth. When adjusted for inflation, 2022 was only approximately 5.5% higher than 2021. The 2022 Council Resolution used a portion of this surplus to fund one-time tourism-related projects in 2023.

City of Duluth Minnesota - 2023 Budget

MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

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



Description and 2023 Budget

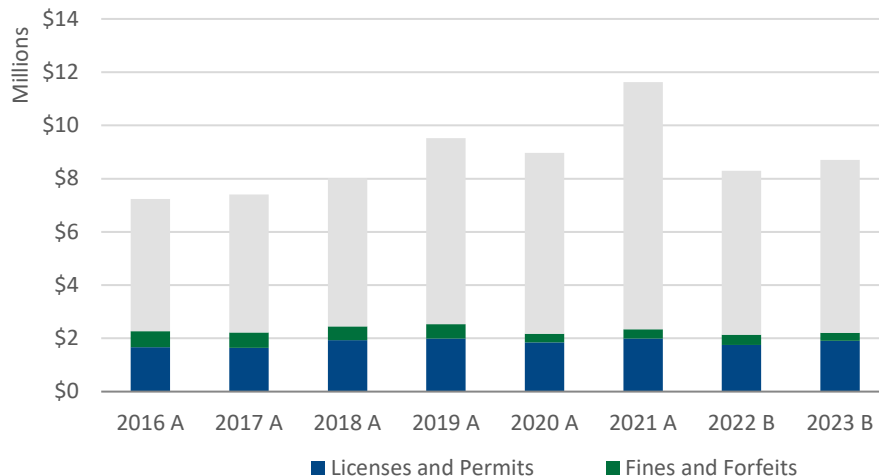
Payment in Lieu of Taxes (PILOT) revenue is derived from payments for municipal services provided in lieu of property taxes. The largest source of PILOT revenues is from the municipal gas utility, with a minimal amount from the steam utility. Payments are based on each utility's annual gross receipts. Per City ordinance, effective January 1, 2015, gas PILOT funds are reallocated to the general fund and the street system utility fund with the base amount of \$3.6 million increased annually to reflect the consumer price index for all consumers. The base amount goes to the general fund and the incremental gas PILOT goes to the street system utility fund. Fluctuations in pricing and customer usage related to the prior heating season affect payments in lieu of taxes for both the gas utility and steam. The 2023 PILOT revenues will increase by 36% from 2022 based on the large increase in cost of natural gas in 2022. However, it will likely be a one-time increase, decreasing again in future years.

City of Duluth Minnesota - 2023 Budget

MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

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



	Licenses and Permits	Fines and Forfeits	Charges for Services	Total
2016 A	\$1.67	\$0.59	\$4.97	\$7.23
2017 A	\$1.64	\$0.57	\$5.19	\$7.40
2018 A	\$1.93	\$0.52	\$5.56	\$8.02
2019 A	\$1.99	\$0.54	\$6.99	\$9.52
2020 A	\$1.85	\$0.33	\$6.80	\$8.97
2021 A	\$2.00	\$0.34	\$9.29	\$11.63
2022 B	\$1.76	\$0.38	\$6.16	\$8.30
2023 B	\$1.91	\$0.30	\$6.49	\$8.70

Description and 2023 Budget

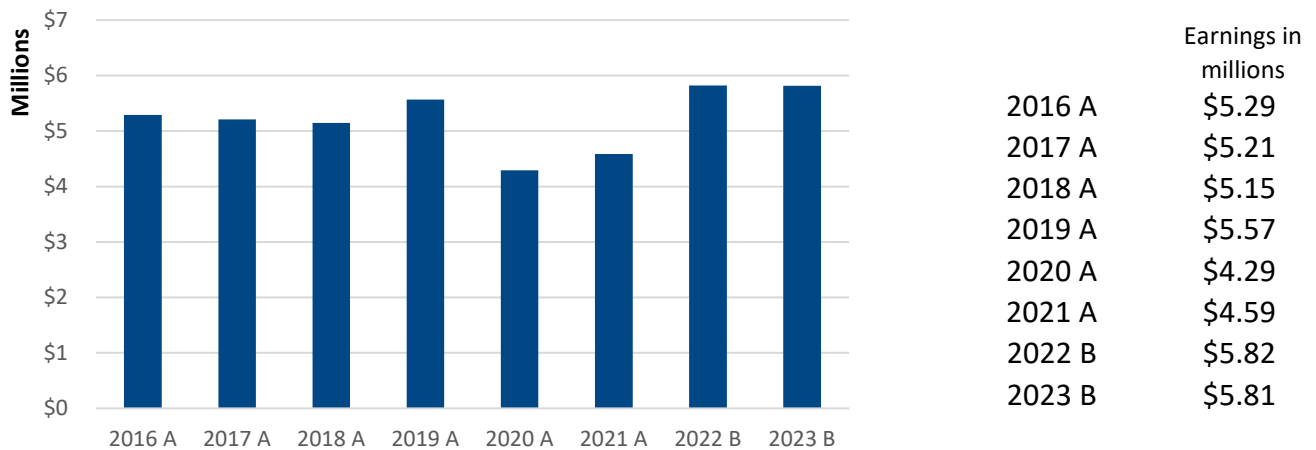
These revenues for the City's General Fund represent a wide variety of sources such as licenses, permits, fines, forfeits, and charges for services -including fees. Fees are annually reviewed/modified by the Administration, updated for inflation (7.29% for 2023), and then submitted as a complete package to the City Council for action. This process has resulted in fees that are current and more accurately reflect the cost of providing the service. The 2023 fines and forfeits are lower than 2022 largely due to better reflecting what is actually happening in the court system, decreasing court fines.

City of Duluth Minnesota - 2023 Budget

MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

Parking Funds Operating Revenue



Description and 2023 Budget

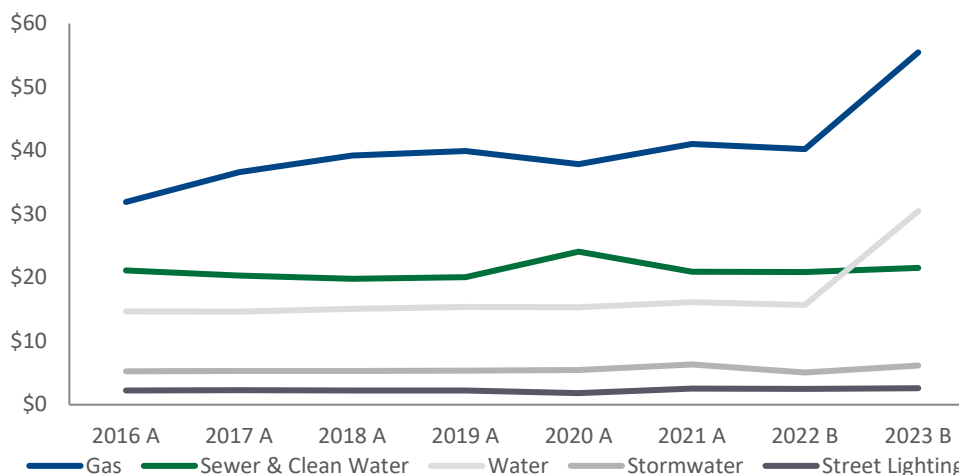
The City of Duluth parking funds account for all revenue and expenses related to the operation and maintenance of City owned parking ramps, lots, and meters, both on and off-street. The City has two parking funds; one fund to account for the financial activity of the Priley Drive Parking Facility, and one fund to account for the financial activity of all other parking ramps, lots, and meters. The 2023 parking revenues are projected to remain flat staying at 2022 budgeted revenues. The Parking Division is continuing to explore options to continue to draw people to use its parking ramps, however as businesses continue to allow remote working, this remains a challenge.

City of Duluth Minnesota - 2023 Budget

MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

Public Utility Revenues (in millions)



in millions	Gas	Sewer & Clean Water	Water	Stormwater	Street Lighting	Total
2016 A	\$31.91	\$21.13	\$14.67	\$5.27	\$2.21	\$75.19
2017 A	\$36.61	\$20.34	\$14.65	\$5.30	\$2.27	\$79.17
2018 A	\$39.24	\$19.82	\$15.10	\$5.29	\$2.21	\$81.65
2019 A	\$39.95	\$20.07	\$15.38	\$5.35	\$2.22	\$82.97
2020 A	\$37.85	\$24.09	\$15.33	\$5.48	\$1.82	\$84.57
2021 A	\$41.02	\$20.93	\$16.15	\$6.34	\$2.55	\$86.98
2022 B	\$40.25	\$20.89	\$15.68	\$5.07	\$2.49	\$84.38
2023 B	\$55.46	\$21.55	\$30.48	\$6.18	\$2.59	\$116.27

Description and 2023 Budget

The City owns and operates five public utilities and established a public utilities commission in 2010 charged with establishing rates, and recommending budgets for annual review and approval by the City Council. Water rates were approved to increase for five consecutive years ending December 31, 2023. Utility revenues are budgeted to increase comparable to 2022 budgets, largely due to the gas and water utilities. The Water Fund revenues increased due to revenues associated with large grant funded projects in 2023. The gas fund is projected to have a \$14.2 million increase in gas sales, mainly due to the corresponding high price of natural gas.

CITY OF DULUTH FUND ACCOUNTS

The City's budget is presented and approved as funds. Fund accounting is the methodology used as the standard for governmental entities. For Duluth, the funds that are budgeted are listed below by fund type and fund classification. There are two fund types in the budget: 1) Governmental fund types which are defined as those funds that are used to account for tax-supported activities; and 2) Proprietary fund types which 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. Following this chart is a summary by fund of budgeted expenses and estimated revenues for 2023 as approved.

Governmental Fund Types

General Fund

Special Revenue Funds

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

Proprietary Fund Types

Enterprise Funds

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

Internal Service Funds

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

City of Duluth Minnesota - 2023 Budget

Detail by Fund

	Estimated			
	Beg. Balance	Revenues	Expenses	Balance
General Fund	22,651,655	105,866,850	105,866,850	22,651,655
Special Revenue Funds				
Lake Superior Zoological Gardens	317,643	2,554,600	2,548,100	324,143
Parks	1,250,002	3,059,100	3,059,100	1,250,002
Special Projects	2,127,062	1,279,800	1,279,800	2,127,062
Police Grant Programs	413,880	2,033,423	2,033,423	413,880
Capital Equipment	3,097,514	3,700,000	3,700,000	3,097,514
Economic Development	932,852	5,635,718	2,187,702	4,380,869
Community Investment Trust	32,580,414	425,000	425,000	32,580,414
Energy Management	2,143,240	252,500	1,252,500	1,143,240
Special City Excise and Sales Tax	1,758,652	12,400,000	13,337,100	821,552
Home Investment Partnership Program	(24,026)	2,560,410	2,560,410	(24,026)
Community Development	(165,790)	2,510,000	2,510,000	(165,790)
Community Development Administration	9	889,380	889,389	-
Workforce Development	851,719	3,151,208	3,405,196	597,731
Senior Employment	(4,659)	300,643	300,643	(4,659)
Other Post Employment Benefits	107,577,355	20,921,517	10,454,392	118,044,480
DECC Revenue	5,336,855	3,821,700	3,036,900	6,121,655
Street System Maintenance Utility	3,445,160	2,300,000	2,394,000	3,351,160
Street Improvement Sales Tax	3,789,322	7,500,000	7,500,000	3,789,322
Street Lighting Fund	1,717,373	2,593,200	3,252,200	1,058,373
Total Special Revenue Funds	167,144,576	77,888,199	66,125,855	178,906,920
Debt Service Funds				
General Obligation Debt Service - Tax Levy	8,209,624	7,716,800	7,786,000	8,140,424
General Obligation Debt Service - Other Sources	7,459,094	8,457,400	7,382,800	8,533,694
Special Assessment Debt Service	7,892	36,200	0	44,092
Street Improvement Debt Service	139,873	16,000	189,200	(33,327)
Tax Increment Debt Service	228,317	562,900	506,600	284,617
Total Debt Service Funds	16,044,800	16,789,300	15,864,600	16,969,500

City of Duluth Minnesota - 2023 Budget

Detail by Fund

	Estimated			
	Beg. Balance	Revenues	Expenses	Balance
Capital Projects Funds				
Special Assessment Capital Project	(154,896)	21,000	-	(133,896)
Permanent Improvements	514,900	9,875,000	9,475,000	914,900
Street Improvement Program	5,123,906	7,635,100	8,039,500	4,719,506
Capital Improvement	1,406,894	8,544,300	8,477,300	1,473,894
Tourism & Recreational Projects	1,440,272	1,621,700	3,061,900	72
Total Capital Projects Funds	8,331,077	27,697,100	29,053,700	6,974,477
Enterprise Funds Estimated Revenue and Expense				
				INCOME/(LOSS)
Golf Fund		6,629,733	6,868,738	(239,005)
Parking Fund		4,820,100	4,820,100	-
Priley Drive Parking Facility		993,300	1,261,900	(268,600)
Water Fund		30,484,000	31,035,000	(551,000)
Gas Fund		55,464,900	56,275,000	(810,100)
Sewer Fund		19,888,400	20,074,000	(185,600)
Clean Water Surcharge Fund		1,658,000	1,030,400	627,600
Stormwater Fund		6,182,800	7,847,600	(1,664,800)
Steam Fund		12,554,700	13,584,700	(1,030,000)
Total Enterprise Funds		138,675,933	142,797,438	(4,121,505)
Internal Service Funds				
Self-Insurance - Workers' Compensation	(599,539)	2,492,100	2,411,900	(519,339)
Self-Insurance - Liabilities	558,152	619,800	1,071,900	106,052
Medical Health Fund	10,177,930	32,821,647	35,233,153	7,766,424
Dental Health Fund	483,974	1,088,304	1,232,240	340,038
Fleet Services	(593,854)	5,162,500	5,134,900	(566,254)
Total Internal Service Funds	10,026,664	42,184,351	45,084,093	7,126,922
Total All Funds	224,198,771	409,101,733	404,792,536	228,507,969

2023 HIGHLIGHTS BY FUND

General Fund

Revenue Assumptions - The final approved 2023 General Fund revenue budget of \$105.866 million is \$6.53 million more than the 2022 approved budget. Major revenue sources in the 2023 General Fund budget include local government aid, sales tax, property tax and a portion of the ARPA funding in the amount of \$3 million for one-time capital needs.

Due to the economic downturn in 2008 and the State's budget deficits, Duluth's **Local Government Aid (LGA)** had been reduced annually 2008 through 2011 for a total reduction of \$10.80 million. In 2013, the State legislature revamped the LGA formula and increased the allocation while stabilizing future funding levels. For 2023 the City budgeted LGA revenue at \$30.8 million and continues to request additional funding for LGA in order to keep up with inflation.

The schedule below shows the changes in revenues by major type along with the assumptions used. The first chart shows the variance of the 2022 approved budget and the 2023 approved budget. The second chart shows the variance of the 2023 *proposed* budget and the 2023 *approved* budget.

Variance 2022 Approved Budget and 2023 Approved Budget			
	\$ Variance in Millions		Narrative
2022 Approved Revenues		99.33	
Property Tax	2.87		The general fund's portion of the proposed 8.9% property tax levy increase
ARPA - One-time Capital needs	3.00		Use of one-time ARPA funding for one-time capital expenditures
Gas Utility	1.10		One time increase tied to the price of gas
All Other Operating Revenues	0.86		All other changes throughout
City Sales and Use Tax	0.50		Based on inflation adjusted numbers for this year, GDP projections showing a shrinking economy, and a steady decline in personal savings across U.S.
Minnesota Power Franchise Tax	0.51		Increase due to MN Power rate increases and newly occupied large facilities
ARPA Funding	(2.31)		Decreasing the 2022 ARPA funds used to cover revenue shortfalls
Total Revenue Changes		6.53	
2023 Approved Revenues		105.86	

Variance 2023 Proposed Budget vs 2023 Approved Budget			
	\$ Variance in Millions		Narrative
2023 Proposed Revenues		106.24	
Property Tax	(0.38)		1% Council reduction in final approved levy
ARPA - One-time Capital needs	-		
Gas Utility	-		
All Other Operating Revenues	-		
City Sales and Use Tax	-		
Minnesota Power Franchise Tax	-		
ARPA Funding	-		
Total Revenue Changes		(0.38)	
2023 Approved Revenues		105.86	

Expenditure Assumptions - As with revenues, the final approved 2023 General Fund budget is \$6.53 million more than the 2022 approved budget. Approximately \$3.39 million was for 2% pay increases and corresponding benefits for all staff. Three million dollars in one-time capital needs was also included as part of the American Rescue Plan funds Revenue Replacement – this will come out next year. The remaining increases were due to increased rates and inflationary impacts.

Variance 2022 Approved Budget and 2023 Approved Budget			
	\$ Variance in Millions		Narrative
2022 Approved Expenditures		99.33	
Salaries and Benefits	3.39		Step/Longevity Increases for staff along with corresponding benefits and medical
ARPA - One-time Capital needs	3.00		Use of one-time ARPA funding for one-time capital expenditures
Utilities	0.43		Rate increases and cost of gas
Supplies	0.24		Motor Fuel cost increases
All other Operating Expenses	(0.73)		All other changes throughout
Fleet	0.21		Cost of parts/sublet labor and cost of motor fuels
Total Expense Changes		6.53	
2023 Approved Expenditures		105.86	

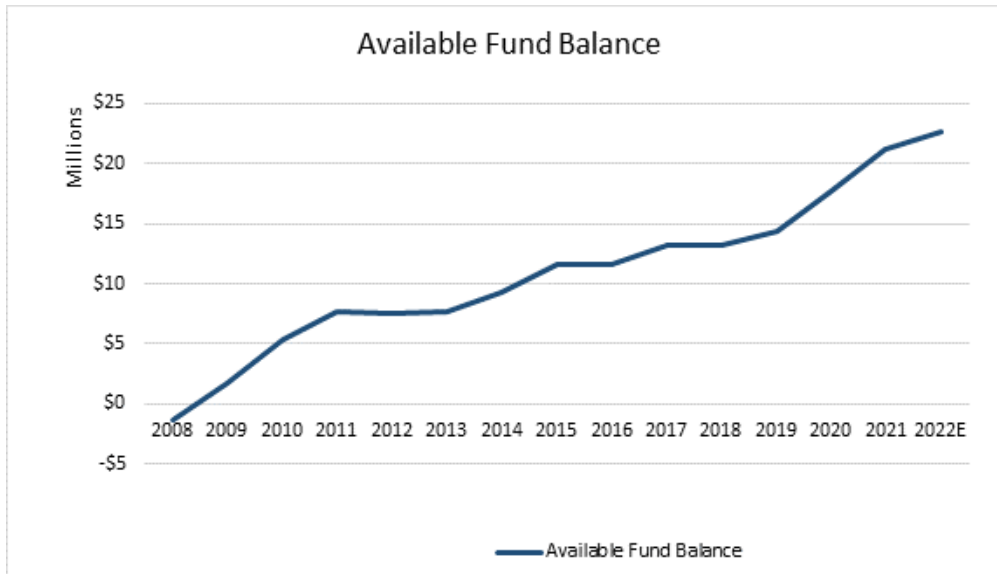
Variance 2023 Proposed Budget vs 2023 Approved Budget		
	\$ Variance in Millions	Narrative
2023 Proposed Expenditures	106.24	
Salaries and Benefits	(0.33)	Reductions taken proportionately throughout each department
ARPA - One-time Capital needs	-	
Utilities	-	
Supplies	-	
All other Operating Expenses	(0.05)	Reductions taken proportionately throughout each department
Fleet	-	
Total Expense Changes	(0.38)	
2023 Approved Expenditures	105.86	

The number of general fund positions for 2023 increased by 7.25 over 2022. The changes by department are as follows:

Position Bridge Schedule	Full Time Equivalent Variance	
2022 Fulltime Equivalents (FTE's)		609.80
Legislative & Executive	1	Attorney
Property, Parks, & Libraries	.75	Library Safety Specialist
Administrative Services	1	RMS Funded
Finance	1	ARPA Funded
Planning & Economic Development	1.5	(1) Tourism Tax Funded; Admin Info Specialist
Fire Department	1.5	(1) Blight Specialist – Grant Funded; Admin Info Specialist
Police Department	0.5	Grant Funded
Public Works	0	
Total Changes in FTE's	7.25	
2023 Fulltime Equivalents (FTE's)		617.05

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 2023 General Fund budget of \$105.8 million, the minimum level (16%) would require a fund balance of \$16.9

million. Due to the City’s agility in responding to the impacts of the pandemic, ARPA funding, and better than expected Sales Tax revenue, the City’s fund balance has remained healthy.



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 City has dedicated the sale of assets as one-time revenues to fund balance, along with excess revenue. The City has been addressing some of the structural budget deficits to realign resources to fund core services. Some examples of these would be the reallocation of PILOT funds to the general fund, the creation of a street light utility funded by dedicated tax levy; changing the management of the City’s Zoo to the Zoological Society; redirecting investment earnings to the OPEB fund; and consolidating all retirees onto one health care plan alleviating administrative expense and saving premium expense by requiring co-pays and deductibles for the first time.

Special Revenue Funds

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

The **OPEB fund** (Other Post-Employment Benefits) 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. Per City ordinance, the city shall transfer all earnings from the city's investments in the pooled portfolio to the OPEB trust fund with the exception of investment income from authority deposits, bond proceeds, or legally restricted investment income. At the end of 2022 the trust fund has accumulated assets of \$82.9 million.

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 .5% food and beverage tax and the .5% hotel/motel tax were reinstated to pay principal and interest on bonds to fund recreational and tourism-related activities in the part of the City lying west of 34th Avenue West (also referred to as the St Louis River Corridor). The 2023 budgeted revenue is \$12.4 million with \$937 thousand coming from the Tourism Tax Fund Balance. In 2023, \$1.860 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 \$.34 million, \$.44 million, and \$.51 million respectively. Capital Support and Debt service payments totaling \$4.32 million funded by the tourism tax fund go toward DECC improvements, Spirit Mountain, and the Minnesota Slip Bridge. The total approved tourism tax budget can be found in the Appendix of this book.

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. In November, voters voted against a referendum that would have increased the existing parks levy from a fixed amount to a fixed rate, resulting in a \$1.6 million increase. Currently, the Parks property tax levy remains a fixed annual amount of \$2.6 million.

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 2023 levy remains at \$2.3 million in dedicated property tax revenue. Of this amount, \$1.4 million will be used for enhanced street maintenance, and \$900 thousand will be transferred to the City's street improvement fund.

The **Street Improvement Sales Tax Fund** was created in 2019 to account for the .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 2023, the estimated revenue is \$7.5 million.

Effective January 1, 2020, the **Street Light 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 had been 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 2023 street light levy amount is \$2.547 million.

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 2022 is \$133 million. The property tax levy for debt service in 2023 is \$7.357 million. The property tax supported bond issues approved for 2023 include capital equipment and improvements. Debt is discussed in greater detail in the Debt Service Section of the document.

Capital Project Funds

The Capital Project Funds account for the Special Assessment Capital, Permanent Improvement Projects, Street Improvements Program, Capital Improvements, and Tourism and Recreation Projects. For 2023, a total of \$29 million in improvements are planned. The City will bond for \$1.8 million of capital improvement projects including fire hall improvements, civic building improvements, and other city building improvements. Additional capital projects funding will come from intergovernmental contributions from the State of Minnesota and Federal grants, and assessments.

Included in the 2023 budget are \$3 million in tourism and recreational projects. In 2015, the city bonded \$13.5 million for tourism and recreational capital projects along the St Louis River Corridor. The payments on the bonds are be paid using the .5% food and beverage tax as well as the .5% hotel/motel tax included in the tourism tax special revenue fund.

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

Enterprise Funds

Enterprise Funds account for the 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.

The **Golf Enterprise Fund** accounts for the expenses and revenues associated with municipal golf in the City. For 2023, the City will try to begin breaking ground on capital improvements at Enger Park Golf Course, leading to the eventual consolidation of public golf in Duluth. The result will be 27 holes and driving range at Enger Park Golf Course and the permanent closure of Lester Park Golf Course in 2024. The decision on whether or not to keep Lester open throughout

construction is still being decided. In 2022, the Golf Fund had their second consecutive year of profits after multiple years of losses.

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

The **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.

Internal Service Funds

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

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

CITY LONG RANGE PLANNING PROCESSES

The City of Duluth has several planning processes in place – some have been used for many years such as the capital budget and plan, while others are newer to the City. The goal of our planning is to provide citizens, elected officials, managers and staff with the tools and information needed to plan, and assess the effectiveness and value of services provided by the City. These processes are also used to understand future structural funding problems as early as possible. Outlined below is a brief description of each of the planning processes currently used by the City of Duluth.

Long-Range Planning

Continuously throughout the year, the Budget Manager and Finance Director review current and historical economic trends, analyze various state and federal agency reporting, and then look at what is happening on a national, regional and local level in the City in terms of economic activity. This data is then used to forecast both revenues and expenditures for the next five years.

This information is presented to the Chief Administrative Officer and the Mayor with the purpose of providing the economic landscape in the short and long-term as the budget process begins for the year. In this presentation, major changes are explained and projections are tied to an economic indicator, or it is noted as to why they are not tied to an indicator. In general, five-year forecasts are conservative in that revenues are projected at low growth assumptions and expenditures are typically between 0-2% growth. For those expenditures that are projected higher, there is typically more information provided, such as state law changes that impact the expense, or the rising cost of medical insurance and what healthcare consultants are advising the City. Finally, economic indicators that were used are presented along with their long and short-term trends and major unknowns that could impact the City. Below is the General Fund Five-Year Forecast.

Key Assumptions in General Fund Long-Range Model

Revenues

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 one larger increase in 2024, and then future smaller sustainable increases. These increases may be reduced as future budgets are refined through appropriation reductions or revenue increases.

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. In 2022 commercial customer rates were temporarily increased while Minnesota Power sought rate increases of 17.58%. However, the Public Utilities Commission approved rates of 9.5%. This means

residential customers will see a 2.5% increase but Commercial Customers will see a refund of 4.5%. The company intends to file another rate case later this year, and is looking to continue to fund a plan that includes adding a significant amount of renewable energy and going coal-free by 2035. It is reasonable to increase this revenue source by 3% looking at historical trends.

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, and are 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. Where staff is involved in the transfer, those portions are forecasted to increase by the estimated increases to future salaries and benefits.

Local Government Aid

Local Government Aid (LGA) is the largest source of revenues for the General Fund. Historically, LGA increases by less than 1% each year. Unless the State Legislature increases the LGA appropriation for aids payable, there is no reason to believe this will increase by more than historical averages.

Inspection Fees

These are construction permit fees and have been higher due to the Essentia construction project in the last few years. The number of permits is down 5% from 2019 (the last typical year), but the fee charged per permit has increased so permit revenue remains stable even when adjusting for Essentia. The forecast is a large increase in 2024 which is also the average of the last five years without Essentia, and then following just under CPI projections for the next four years.

Gas Utility In Lieu of Taxes

Gas prices in 2022 (what Gas PILOT is based on in 2023) were at a record high, and the City will likely not see this amount of revenue in the next several years from this source. Based on current volumes, the projected purchase price of natural gas, and historical averages, the City is forecasting a significant decrease in Gas Utility in Lieu of Taxes continuing into 2025.

Expenditures

Salaries and Benefits

Salaries and applicable benefits are projected to increase by 2% in 2023 and 3.5% in 2024 based on collective bargaining agreements (CBAs). Future years include projections of 2.5% and

applicable benefits. This is an average of the last three years' CBAs and is for forecasting purposes only.

Medical

The premiums received by Medica for 2023 were 19.24%, however, the City used medical fund balance to artificially buy down the premium rate to 10%. These projections assume 10% increases each year as long as the plan is not changed. This is likely a low estimate.

Worker's Comp & Liability

Worker's Comp claims have continued to increase as PTSD claims increase. These claims continue to have a significant impact on large and small communities in Minnesota. The model assumes between a 5-6% increase each year.

Fleet Services

This is the General Fund portion of the Fleet costs. This accounts for salary and benefits increases for Fleet staff and small percentage increases to parts and sublet labor resulting in an overall long-term increase of about 1% annual growth each year.

Motor Fuels

The cost of motor fuels for 2023 is forecasted very close to 2022 levels. However, for future years, the modeling uses U.S. Energy Information Administration's gas price projections showing decreases in future years, along with the assumption that more of the City's vehicles will be hybrid vehicles and thus using less gas.

	2023	2024	2025	2026	2027	2028
<u>Property Taxes</u>	28,264,150	33,221,883	35,603,633	38,252,430	41,158,583	44,291,003
<u>City Sales Tax</u>	15,000,000	15,500,000	15,810,000	16,094,580	16,352,093	16,613,727
<u>Minnesota Power Franchise Tax</u>	3,100,000	3,235,470	3,332,534	3,432,510	3,535,485	3,641,550
<u>Multiple Dwelling License</u>	1,031,800	1,131,252	1,153,877	1,174,647	1,193,441	1,212,536
<u>Other Financing Sources</u>	6,288,600	6,283,305	6,316,260	6,349,836	6,384,047	6,418,907
<u>Local Government Aid</u>	30,807,800	31,045,020	31,284,067	31,524,954	31,767,696	32,012,307
<u>Inspection Fees</u>	2,593,600	2,801,088	2,857,110	2,908,538	2,955,074	3,002,356
<u>Gas Utility In Lieu of Taxes</u>	4,000,000	2,720,000	2,638,400	2,646,803	2,663,608	2,680,388
<u>All Other Revenue Sources</u>	14,780,900	11,635,400	11,635,400	11,635,400	11,635,400	11,635,400
	105,866,850	107,573,418	110,631,280	114,019,697	117,645,428	121,508,174
<u>Salaries (OT + Other Wages)</u>	52,775,050	54,866,561	56,078,711	57,425,655	58,806,549	60,219,008
<u>Medical</u>	13,599,500	14,673,000	16,034,796	17,532,670	19,180,331	20,992,759
<u>PERA</u>	6,593,100	6,506,230	6,659,257	6,812,284	6,965,312	7,118,339
<u>Retiree Medical</u>	7,349,100	7,662,931	7,662,931	7,662,931	7,662,931	7,662,931
<u>All other Benefits</u>	4,354,700	4,569,880	4,655,869	4,741,901	4,827,978	4,914,102
<u>Insurance (worker's comp + liability)</u>	2,414,000	3,514,400	3,690,120	3,874,626	4,068,357	4,271,775
<u>Fleet Services</u>	2,939,200	3,000,000	3,030,000	3,060,300	3,090,903	3,121,812
<u>Motor Fuels</u>	1,095,200	966,576	935,259	950,971	1,006,983	1,089,758
<u>All Other Expenditures</u>	14,746,700	11,813,840	11,884,337	11,958,359	12,036,082	12,117,691
	105,866,550	107,573,418	110,631,280	114,019,697	117,645,428	121,508,174

This financial outlook is used along with the below planning tools to assess how our existing and future resources and programs align with the City's priorities found in Imagine Duluth 2035.

Comprehensive Capital Budget and Plan - One of the City's ongoing priorities is to produce a five-year capital improvement plan, leading to a comprehensive proposal for the budget. The objective of this project is threefold: to provide short and long-range capital planning; to coordinate capital planning efforts among all city departments; and to respond to bond rating agency recommendations to implement a comprehensive planning process. In 2022, the City's Fleet Working Group assisted in planning for the capital program and to serve as a discussion forum for citywide fleet issues.

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

Priority Based Budgeting (PBB) – A unique, innovative approach to match available resources with community priorities. With the continuous structural imbalance between revenues and expenditures, Priority Based Budgeting is a strategic approach to allocate limited resources according to how effectively a program or service achieves the goals and objectives that are of greatest value to the community. In 2022, the City of Duluth continued to align its budget to Priority Based Budgeting. The City's IT division created a PBB game where citizens can allocate tax money to the priorities of the City. Click on the link to play the PBB game <https://duluthmn.gov/finance/play-pbb/>

Performance Measurement and Management – For the 2023 budget process, departments used Priority Based Budgeting as a way to identify opportunities in their operations, as well as measure departmental performance. Each department has financial and non-financial performance measures included with the budget. These measures are used in decision making processes. The performance measures describe the definition (objective) of the City priority, the strategy and measurement, and the annual estimated and target amounts.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Duluth
Minnesota**

For the Fiscal Year Beginning

January 01, 2022

Christopher P. Morill

Executive Director

Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Distinguished Budget Presentation to the City of Duluth, Minnesota, for its annual budget for the fiscal year beginning January 1, 2022.

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

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

FINANCIAL POLICIES

The City of Duluth's Financial Management Policies provide a framework for fiscal management of the City. In addition, policies are 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 2023 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.
- **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>Annual Operating Budget</u>	<u>Audited Financial Statements</u>
<u>Governmental Funds</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
<u>Proprietary Funds</u>		
Enterprise Funds	Accrual	Accrual
Internal Service Funds	Accrual	Accrual
<u>Fiduciary Funds</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 Chief Administrative Officer or his designee. However, the amount may not exceed 10% of any department's approved budget. Any changes above that amount must be approved by the City Council.

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

Scope of Budget –

- The operating budget will describe major goals to be achieved, and services and programs to be delivered, within the confines of funding levels.
- The budget will provide for the adequate maintenance of capital facilities and equipment and for their orderly replacement within the confines of available revenue resources.
- The budget process will include input from the Administration, City staff, elected officials, and citizens by providing budgetary information in a meaningful, useful format in a timely manner.
- Staffing will be reported as full-time equivalents (FTE's) in order to more easily reflect City staffing levels by department.
- The budget will provide for adequate levels to fund the current year's PERA contribution.

- Where possible, the City will integrate performance measurement and productivity indicators with the budget.
- A contingency account will be maintained in the annual operating budget to provide for unexpected expenditures of a non-recurring nature or to meet unexpected increases in service delivery costs.
- The Finance Department will publish the proposed and final approved budgets in accordance with the Home Rule Charter and State Law.
- Annually, the City will submit its Budget to the Government Finance Officers Association (GFOA) to determine its eligibility for the GFOA's Distinguished Budget Presentation Award.
- The Chief Administrative Officer 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.

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.

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 CFO on the use of debt financing and debt management activities. The Debt Management Committee meets periodically at the call of the CFO and includes the following persons:

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

Method of Sale - The three primary methods of selling bonds include competitive sale, negotiated sale and private placement. The City uses the competitive sale method for general obligation bond sales unless factors such as structure, size or market conditions compel the use of a negotiated sale. The City may use the negotiated sale method on economic development related projects when the characteristics of the transaction require a more specific marketing plan and/or the issue lacks an investment grade rating due to complex security provisions or other factors. 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 Aa2 rating from Moody's.

Bond Specifics:

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

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

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

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

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

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

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

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

Reserve Policy

The 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 sixteen (16) and eighteen (18) percent 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 sixteen (16) and eighteen (18) percent of operating expenses, as circumstance and economic conditions allow.
- **Internal Service Funds** - The appropriate balance shall be maintained to ensure adequate maintenance reserves, cash flow balancing requirements and legal restrictions.

Use of Fund Balances – Fund balance in excess of 18 percent 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 percent and below 18 percent 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
- Chief Administrative Officer
- Independent Financial Advisor as needed

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

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

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

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

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

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

Internal Controls and Safekeeping - The 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.

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.

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.

PRIORITY BASED BUDGETING

Priority Based Budgeting is a unique and innovative budgeting approach used to match available resources with community priorities. Priority Based Budgeting 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.

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. These measures are used in decision making processes. The performance measures describe the definition (objective) of the City priority, the strategy and measurement, and the annual estimated and target amounts.

Using the public process of Imagine Duluth 2035, the community-facing priorities of the City of Duluth are identified as:

Infrastructure:

Buildings: Ensure buildings and properties throughout the community are well-kept, safe, and compliant with community standards.

Facilities: Continuously improve and invest in a well-maintained, safe and effective public infrastructure network and accessible, efficient, adequately regulated city facilities.

Public Parking: Ensure adequate, well-planned and accessible public parking options for residents, businesses and visitors.

Transportation: Continually invest in building and improving a well-designed, well-maintained, accessible transportation system of safe and sustainable roadways, street lights, sidewalks and bridges.

Active Transportation: Provide and maintain a network of paths, trails and bike lanes that are safe, accessible, walkable, and cyclist friendly.

Water Quality: Protect water resources in order to maintain water quality of streams and aquifers and to preserve existing hydrology patterns.

Way-finding: Develop a clear way-finding system to help residents and visitors navigate through the community as efficiently and easily as possible.

Livable Neighborhoods and Affordable Housing:

Affordable Housing: Ensure availability of a variety of quality, affordable housing options to accommodate the many different needs of the community.

Attracting Business: Encourage and promote vibrant and secure commercial centers full of thriving businesses and gathering spaces, which support the community's stability.

Community Involvement: Instill a sense of community pride through proactive communication, engagement, outreach, participation, and volunteerism.

Development/Redevelopment: Encourage and support strategically planned well-designed and uniformly regulated mixed-use development and redevelopment, enhancing its desirability as a great place to live and work.

Safe/Quality Neighborhood: Promote, support, and sustain well maintained, safe, clean, visually appealing, and free of blight neighborhoods, commercial areas and public spaces.

Transportation: Ensure ease of mobility and safe travel for motorists, bicyclists and pedestrians, including access to paths and trails, effective traffic control, access to public transportation, and adequate parking.

Dynamic and Diverse Economy:

Affordable Housing: Ensure availability of a variety of quality, affordable housing options to accommodate needs of employees and employers.

Attracting Business: 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.

Livable Community: Markets itself as a safe and desirable place to live and work which promotes the community's amenities, vibrant downtown, historical/cultural heritage and attractiveness as a destination point for visitors.

Open Space Development: Proactively remediate and protect natural systems that support sustainable development.

Workforce Development: Promote quality job creation and retention, offering a broad range of well-paying employment opportunities, and providing a skilled, educated workforce that meets the needs of local employers.

Culture and Recreation:

Community Facilities: Invest and maintain public facilities and infrastructure that are functional, long lasting and safe; providing gathering places and connecting the community.

Community Outreach: Value diversity and fostering inclusivity so that everyone is enriched and is part of the community.

Arts and Libraries: Ensure access to public libraries, museums, theater and performance groups, information resources, literacy enhancement and life-long learning opportunities for all ages.

Healthy, Active Lifestyle: Offer a variety of recreational activities that meet the interests and needs of the community and promotes a healthy, active lifestyle.

Open Space Development: 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.

Transportation: Provide a citywide trail network that is contiguous, connecting neighborhoods, community facilities, parks and open spaces and offering an alternative to the automobile for residents and visitors.

Green Space and Energy Conservation:

Transportation: Promote use of alternative modes of transportation that minimize impacts to the environment.

Environmental Awareness: Encourages connection to our natural world through education and increased awareness regarding alternative mobility options, "green practices", energy efficiency, and resource conservation.

Sustainable Development: Encourage commercial, anchor institution, and large residential building/facility owners to reduce energy use and increase energy efficiency in existing buildings/facilities and community gathering spaces.

Open Space Development: Design, develop and enhance its parks, trails, open spaces and recreation facilities, ensuring they are sustainable, convenient, safe, accessible, attractive and well maintained.

Infrastructure Efficiency: Adopt energy efficiency and energy saving targets for City owned utilities, facilities, and City operations.

Community Efficiency: Incentivize households and landlords to reduce energy use and increase energy efficiency.

Land and Natural Resources: Ensures that land is remediated for brownfields and contamination, and natural resources are protected from invasive species.

Safe and Secure Community:

Community Engagement: Offer community programming which affords safe spaces for youth and adults to play, learn, and engage.

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.

Public Facility Safety: Ensures parks, open spaces and public areas are designed with safety in mind, well lit, well maintained and actively monitored.

Safety Presence: Fosters a feeling of personal safety through a visible and approachable public safety presence, proactive prevention, community care taking and education.

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.

Transportation: Designs and constructs a safe transportation network that is well maintained, accessible and enhances traffic flow for all types of mobility options.

The ***internal-facing*** priorities of the City of Duluth are identified as:

Innovation and Excellence in Service:

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 public 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.

City of Duluth Minnesota - 2023 Budget

General Fund

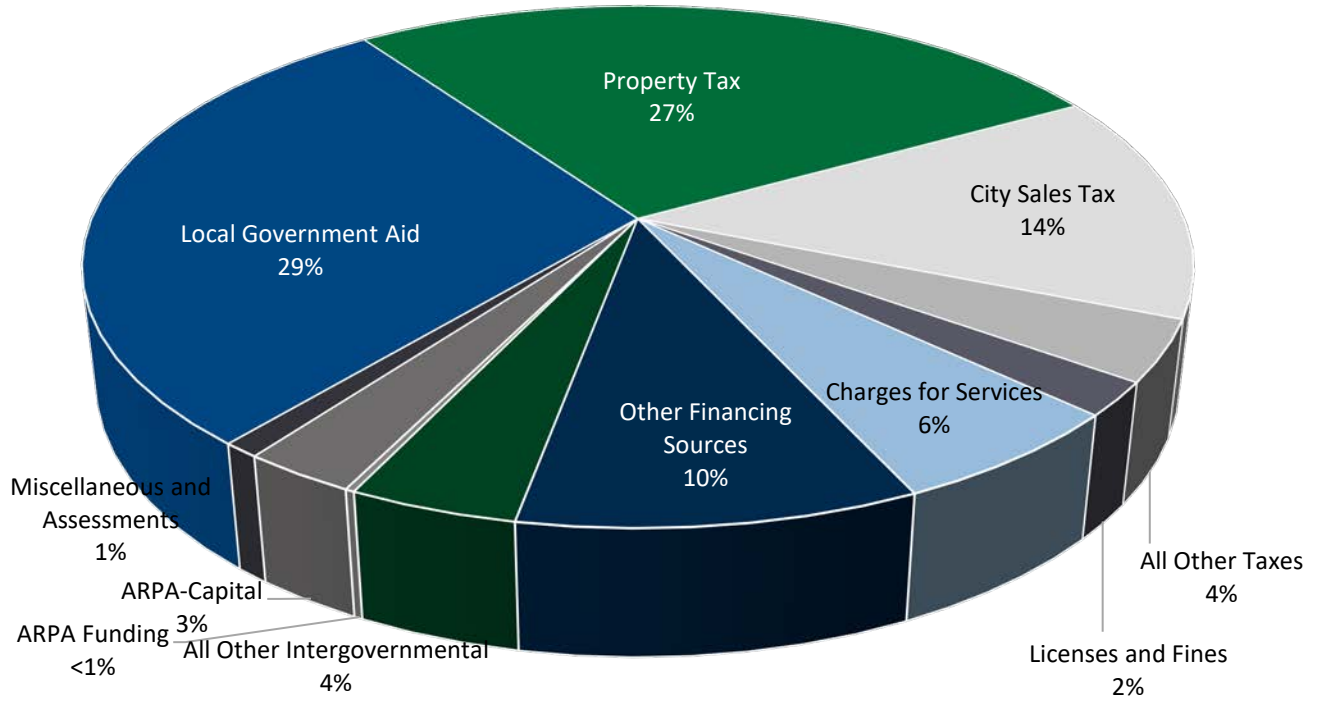
The General Fund provides general purpose government to the citizens of Duluth and accounts for all financial transactions not accounted for in another fund. This fund is used to finance activities such as general government, public safety, public works, libraries, recreation and business and economic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

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

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
REVENUES				
Property Tax				
General Operations Levy	21,700,740	21,756,657	25,237,800	28,114,150
Delinquent Property Taxes	172,295	225,155	150,000	150,000
City Sales Tax	13,849,221	16,367,571	14,500,000	15,000,000
All Other Taxes	4,055,387	4,081,342	3,510,600	3,998,700
Local Government Aid	30,282,160	30,543,564	30,671,600	30,807,800
All Other Intergovernmental	4,766,322	4,772,569	4,246,900	4,422,600
Licenses and Fines	2,176,967	2,337,607	2,137,800	2,208,600
Charges for Services	6,795,855	9,290,475	6,160,400	6,493,400
Other Financing Sources	10,074,437	8,617,812	8,997,900	10,442,600
Miscellaneous	2,737,189	2,144,202	964,800	984,000
Cash Balance Forward	-	-	200,000	-
ARPA Funding	-	-	2,551,600	245,000
ARPA-Capital	-	-	-	3,000,000
Total Revenues	96,610,573	100,136,954	99,329,400	105,866,850
EXPENDITURES				
Permanent Salaries	44,594,276	44,509,597	48,260,600	49,742,350
Premium Pay	2,498,134	2,535,905	1,707,600	1,777,600
Other Wages	447,396	674,135	795,300	787,700
Retirement Incentive	72,108	18,269	-	-
Employee Benefits	21,725,523	21,667,000	22,582,100	24,507,500
Supplies	2,392,248	2,382,849	3,281,600	3,518,100
Other Services & Charges	12,031,370	13,932,212	13,513,600	12,911,600
Utilities	1,063,072	1,332,204	1,483,000	1,911,900
Retiree Medical and Life Insurance	8,087,546	8,294,746	7,399,100	7,399,100
Capital Outlay	283,179	298,712	306,500	311,000
ARPA-Capital	-	-	-	3,000,000
Total Expenditures	93,194,851	95,645,628	99,329,400	105,866,850

City of Duluth Minnesota - 2023 Budget

2023 General Fund Approved Revenues



Local Government Aid	\$	30,807,800
Property Tax	\$	28,264,150
City Sales Tax	\$	15,000,000
All Other Taxes	\$	3,998,700
Licenses and Fines	\$	2,208,600
Charges for Services	\$	6,493,400
Other Financing Sources	\$	10,442,600
All Other Intergovernmental	\$	4,422,600
ARPA Funding	\$	245,000
ARPA-Capital	\$	3,000,000
Miscellaneous and Assessments	\$	984,000
TOTAL 2023 Revenues	\$	105,866,850

This graph shows the major categories of revenues expressed as a percent of total General Fund revenues estimated for budget fiscal year 2023. The City's policy of maintaining a diverse revenue base is reflected in the categories of revenues listed above, with almost 200 separate budgeted sources of revenue. Although the City does have a wide variety of revenues, the reader will note the City's relative dependence on Local Government Aid, which constitutes 29% of all General Fund revenues and does not adjust for inflation. For this reason, we closely monitor Local Government Aid every session at the State Legislature.

City of Duluth Minnesota - 2023 Budget

General Fund Revenues		2020 Actual	2021 Actual	2022 Budget	2023 Approved
TAXES					
4005	Current Property Tax	21,700,740	21,756,657	25,237,800	28,114,150
4010	Delinquent Property Tax	172,295	225,155	150,000	150,000
4015	Mobile Home Tax	87,822	89,574	64,700	80,000
4040	City Sales and Use Tax	13,849,221	16,367,571	14,500,000	15,000,000
4050	Charitable Gambling Tax	19,080	36,852	20,000	20,000
4070	MN Power Franchise Fee	2,785,793	2,882,986	2,590,500	3,100,000
4071	Cable Franchise Fee	793,812	749,214	730,000	693,300
4072	No. MN Utility Franchise Fee	7,187	7,504	6,700	6,700
4080	Forfeit Tax Sale	-	18,740	10,000	10,000
4090	Other Taxes	361,693	296,472	88,700	88,700
TOTAL TAXES		39,777,642	42,430,725	43,398,400	47,262,850
LICENSES AND PERMITS					
4101	Liquor License	419,828	437,151	415,000	415,000
4102	Beer License	15,778	16,558	11,200	11,200
4105	Hotel License	7,130	7,895	6,500	6,500
4106	Garbage Collection	17,582	16,688	16,000	18,000
4107	Horse & Carriage	-	286	700	700
4108	Emergency Wrecker License	3,115	3,146	6,000	6,000
4109	Gas Station License	8,295	8,829	8,500	9,250
4111	Pawnbroker License	386	772	1,100	1,100
4112	Peddler's License	4,668	11,175	1,000	1,000
4113	Precious Metal Dealer	1,544	1,544	1,500	1,750
4114	Pet Shop License	415	581	600	600
4115	Dog & Cat Hospitals License	415	498	-	-
4116	Dog Kennels License	264	694	400	400
4117	Massage Parlor	9,773	11,329	10,800	10,800
4118	Cigarette License	11,216	11,309	11,000	12,000
4119-01	Motor Vehicle - Dealer	2,940	3,119	4,400	4,400
4119-02	Motor Vehicle - Rental	801	1,335	1,800	1,800
4120	Taxi Permit	2,787	19,299	11,000	11,000
4121	Coin Operating Device	85	16,501	9,000	8,000
4122	Pool & Bowling	601	1,202	-	600
4124	Tree Service Contractor License	-	-	1,400	1,400
4125	Transportation Network Companies License	-	-	7,400	7,900
4126	Shared Active Mobility Systems	3,000	9,450	3,500	11,000

City of Duluth Minnesota - 2023 Budget

General Fund Revenues		2020 Actual	2021 Actual	2022 Budget	2023 Approved
LICENSES AND PERMITS continued					
4150	Pet License	9	-	-	-
4151	Fill Permits	7,800	4,587	1,100	1,100
4152	Excavation Permits	22,236	27,634	20,000	22,000
4153	Multiple Dwell License	808,848	993,003	950,000	1,031,800
4154	Commercial Use/Occupancy	116,043	128,627	100,000	123,800
4155	Special Event Permit	1,508	3,812	1,500	1,500
4160	Fire Protection Systems Permit Fees	77,843	61,231	95,500	95,500
4170	Misc. Perm. & Licenses	305,827	198,134	61,000	92,000
TOTAL LICENSE AND PERMITS		1,850,737	1,996,389	1,757,900	1,908,100
INTERGOVERNMENTAL					
4209-02	Misc. Federal Grants (Safer Grant)	16,418	-	16,000	16,000
4220-02	State of Minnesota	6,302	36,774	4,000	4,000
4221	Local Government Aid	30,282,160	30,543,564	30,671,600	30,807,800
4222	State Property Tax Aid	206	200	-	-
4225	Ski Trail Reimbursement	11,000	11,000	11,000	11,000
4227	Police Training Reimbursement	148,664	156,616	151,800	151,800
4232	State Insurance Premium	2,253,159	2,335,320	2,170,800	2,220,800
4233	State of MN PERA Contribution	502,878	368,733	-	-
4240-02	Municipal State Aid - Maintenance	1,533,400	1,465,349	1,533,400	1,496,100
4260	St. Louis County	183,438	138,411	138,400	138,400
4261	ISD 709	40,168	188,072	156,500	319,500
4300-01	HRA in Lieu of Taxes	70,689	72,095	65,000	65,000
TOTAL INTERGOVERNMENTAL		35,048,482	35,316,133	34,918,500	35,230,400
CHARGES FOR SERVICES					
4301	Zoning Appeals Fees	-	-	600	600
4303	Use Permit - Flood & Wetlands	3,328	2,652	900	900
4306	Building Appeals Fees	127	-	-	-
4307	Planning/Zoning Fees	80,826	123,008	85,000	87,500
4310	Assessment Cost Services	10,935	9,701	40,600	10,000
4311	Assessment Certificate Fee	86,300	77,868	30,000	60,000
4315-01	Stormwater Administrative Service	169,900	169,900	196,800	196,800
4315-02	Sewer Administrative Service	230,400	230,400	238,200	238,200
4315-03	Steam Administrative Service	53,200	53,200	53,200	64,500
4315-04	DECC Administrative Service	-	13,800	21,000	13,800

City of Duluth Minnesota - 2023 Budget

General Fund Revenues	2020 Actual	2021 Actual	2022 Budget	2023 Approved
CHARGES FOR SERVICES continued				
4315-05 DTA Administrative Service	10,300	10,300	10,300	12,500
4315-06 Grant Administration Services	74,798	90,540	69,000	69,000
4315-07 Airport Administrative Service	45,200	45,200	45,200	73,200
4315-08 DEDA Administrative Service	400,000	400,000	400,000	400,000
4315-09 Public Utility Admin Service	851,000	851,000	876,400	876,400
4315-10 Fleet Administrative Service	146,200	146,200	146,200	146,200
4315-11 Golf Administrative Service	-	-	16,100	-
4315-12 Group Health Admin Service	380,598	390,113	353,300	409,800
4315-13 Self Insurance Admin Service	614,500	614,500	666,900	734,500
4315-14 Spirit Mt. Administrative Service	26,200	26,200	26,200	27,800
4315-15 Parking Administrative Service	150,000	150,000	116,300	140,500
4315-17 410 West 1st Street Ramp	5,000	5,000	6,700	8,500
4319 Attorney Fees	3,575	7,450	7,500	-
4320 IT Services	27,407	10,363	18,300	12,900
4322 Animal Shelter Fees	11,424	15,672	12,000	12,000
4323 Garnishment Fees	45	45	-	-
4326 Criminal History Checks	176	210	400	400
4328 Pawnbroker Transaction Charge	22,358	28,158	30,000	30,000
4329 False Alarm Fees & Penalties	21,837	26,148	18,000	18,000
4340 Fire Protection Services	4,200	4,200	4,200	4,200
4341 Hydrant Maintenance Service	30,000	30,000	30,000	30,000
4351 Building Inspection Fees	1,700,914	3,799,303	1,764,800	1,906,000
4352 Plumbing Inspection Fees	348,056	184,276	182,200	238,300
4353 Electric Inspection Fees	536,126	262,513	192,300	244,800
4354 HVAC-R Inspection Fees	574,348	315,858	151,800	204,500
4355 Signs Inspection Fees	20,455	13,297	10,600	11,100
4356 House Moving Inspection Fees	13,759	15,720	9,100	9,500
4357 Mobile Home Inspection Fees	1,010	1,736	1,900	2,000
4359 CAF Administrative Fee	14,965	12,934	15,300	15,300
4361 RZP Registration Fee	20,885	29,097	13,100	13,700
4370 Engineering Services	105,504	1,123,914	300,000	170,000
TOTAL CHARGES FOR SERVICES	6,795,855	9,290,475	6,160,400	6,493,400

City of Duluth Minnesota - 2023 Budget

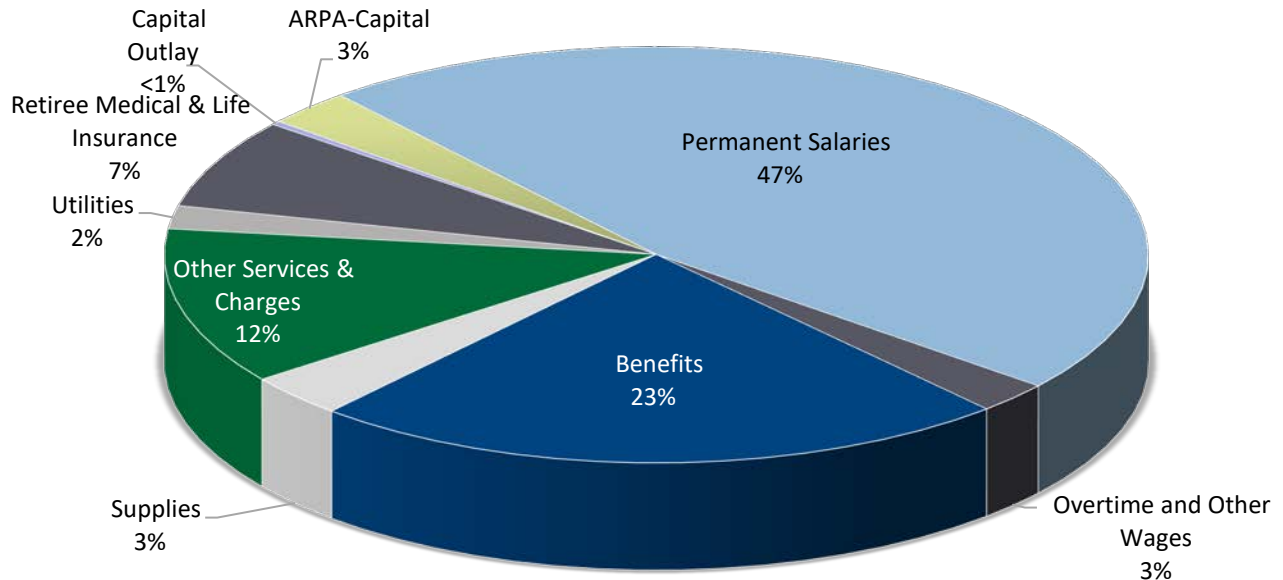
General Fund Revenues		2020 Actual	2021 Actual	2022 Budget	2023 Approved
FINES AND FORFEITS					
4470	License Penalties	1,894	-	1,500	1,500
4471	Library Fines	2	-	-	-
4472	Administrative Fines	49,639	54,723	43,400	39,000
4473	Court Fines	260,501	263,596	335,000	260,000
4474	Police Felony Forfeitures	14,194	22,900	-	-
TOTAL FINES AND FORFEITS		326,230	341,218	379,900	300,500
SPECIAL ASSESSMENTS					
4500	Assessments	492,996	464,437	109,900	55,000
4500-12	Assessments - Service Charge	-	-	370,000	370,000
4501	Assessments - Penalty & Interest	16,778	13,246	16,800	13,800
TOTAL SPECIAL ASSESSMENTS		509,774	477,683	496,700	438,800
MISCELLANEOUS					
4601-02	Earnings on Investments	150,413	(105,772)	-	-
4622	Rent of Buildings	67,397	77,422	82,500	71,700
4623	Rent of Land	8,963	12,520	5,600	10,300
4627	Concessions & Commissions	-	-	12,000	12,000
4631	Media Sales	5,182	3,402	19,700	11,200
4635	Auction Proceeds	9,176	6,536	-	-
4636-02	Sale of Materials	2,614	4,550	5,000	5,000
4639	Sale of Equipment	59,976	154,779	-	-
4640	Sale of Land	163,500	36,063	-	-
4644	Miscellaneous Sales	57,293	77,128	74,900	85,000
4650	Salary Reimbursement	7,445	49,700	10,000	10,000
4651	Reimburse Extra Duty Employment	(1,094)	-	-	-
4654	Other Reimbursements	1,351,843	1,133,543	107,000	188,600
4655	Drug Task Force Reimbursement	107,092	40,188	-	-
4660	Gifts & Donations	5,938	-	-	-
4680	Damages Recovered	19,276	-	-	-
4700	Other Sources	60,459	24,676	-	-
4701	2% Retention Surtax	1,941	1,783	1,400	1,400
4702	Fond du Luth Proceeds	150,000	150,000	150,000	150,000
TOTAL MISCELLANEOUS		2,227,415	1,666,519	468,100	545,200

City of Duluth Minnesota - 2023 Budget

General Fund Revenues	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OTHER FINANCING SOURCES				
4730-20 Transfer from Special Revenue Funds	4,931,421	1,795,796	1,798,900	2,445,500
4730-22 Transfer from Police Grant Funds	913,884	1,447,819	1,515,700	1,210,800
Transfer from Police Grant Funds-				
4730-23 Overtime	250,962	327,391	126,000	121,000
4730-30 Transfer from Debt Service Funds	-	-	-	-
4730-50 Transfer from Enterprise Funds	76,181	1,414,798	1,422,900	1,422,900
4730-51 Transfer from Public Utility Funds	970,272	924,196	1,080,400	1,088,400
4730-60 Transfer from Internal Service Funds	-	2,313	-	-
4731 Gas Utility in Lieu of Taxes	2,778,917	2,550,973	2,900,000	4,000,000
4732 Steam Utility in Lieu of Taxes	152,800	154,492	154,000	154,000
4805 Reimbursements	-	35	-	-
TOTAL OTHER FINANCING SOURCES	10,074,437	8,617,812	8,997,900	10,442,600
Fund Balance Reserves	-	-	200,000	-
ARPA Funding	-	-	2,551,600	245,000
ARPA -Capital	-	-	-	3,000,000
GENERAL FUND TOTAL	96,610,573	100,136,954	99,329,400	105,866,850

City of Duluth Minnesota - 2023 Budget

2023 General Fund Approved Expenditures

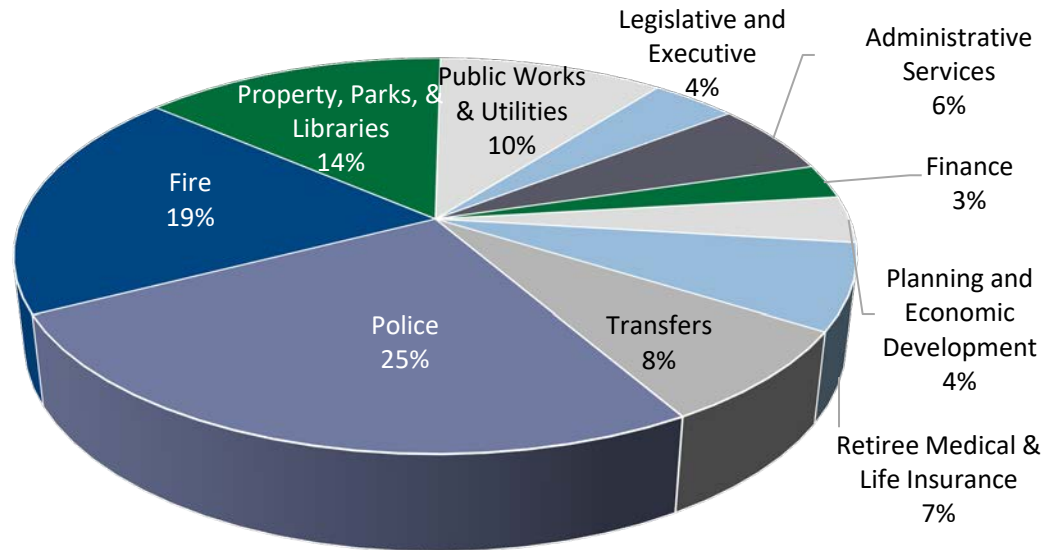


Permanent Salaries	\$	49,742,350
Overtime and Other Wages	\$	2,565,300
Benefits	\$	24,507,500
Supplies	\$	3,518,100
Other Services & Charges	\$	12,911,600
Utilities	\$	1,911,900
Retiree Medical & Life Insurance	\$	7,399,100
Capital Outlay	\$	311,000
ARPA-Capital	\$	3,000,000
TOTAL 2023 EXPENDITURES	\$	105,866,850

This graph shows the General Fund budget by expense category. The largest single category of expense is Permanent Salaries at 47% of all expenses. When the cost of benefits, overtime, and other wages is added, the total is 73% of all budgeted expenses. Other Services and Charges comprises 12% of the total; followed by Retiree Medical and Life Insurance at 7%; Supplies at 3%; Utilities at 2%; and Capital Outlay (including one-time ARPA Capital) in the General Fund at 3%.

City of Duluth Minnesota - 2023 Budget

2023 General Fund Approved Expenditures



Police	\$	27,259,200
Fire	\$	20,046,900
Property, Parks, & Libraries	\$	14,689,700
Public Works & Utilities	\$	10,914,700
Legislative and Executive	\$	4,149,150
Administrative Services	\$	6,219,100
Finance	\$	2,956,000
Planning and Economic Development	\$	4,029,600
Retiree Medical & Life Insurance	\$	7,399,100
Transfers	\$	8,203,400
TOTAL 2023 EXPENDITURES	\$	105,866,850

This graph shows the General Fund departmental budgets as a percent of the total General Fund expenditures for budget fiscal year 2023. The largest category of expense is public safety with the Police and Fire departments comprising 45% of the total; followed by Property, Parks, & Libraries department at 14%. The General Fund portion of the Public Works department comprises 10% of the total. Retiree Medical and Life Insurance comprises 7% of the total. The remaining five departments totaled together are 24%, with no department exceeding 8%.

City of Duluth Minnesota - 2023 Budget

2023 General Fund Approved Expenditures

	Permanent Salaries	Overtime	Other Wages	Benefits	Other Expense	Capital Outlay	TOTAL
LEGISLATIVE AND EXECUTIVE							
City Council	-	-	124,200	9,500	70,700	-	204,400
Mayor's Office	532,500	-	10,800	255,700	24,200	-	823,200
Chief Administrative Officer	316,400	-	-	142,500	20,600	-	479,500
Attorney's Office	1,797,350	-	30,000	773,600	41,100	-	2,642,050
DEPARTMENT TOTAL	2,646,250	-	165,000	1,181,300	156,600	-	4,149,150
PROPERTY, PARKS, & LIBRARIES							
Park Maintenance	1,557,700	75,000	125,800	837,700	943,000	-	3,539,200
Library	2,921,500	800	101,800	1,456,400	444,200	311,000	5,235,700
Facilities	2,018,700	25,000	13,700	978,100	2,879,300	-	5,914,800
DEPARTMENT TOTAL	6,497,900	100,800	241,300	3,272,200	4,266,500	311,000	14,689,700
ADMINISTRATIVE SERVICES							
Human Resources Information	792,500	-	10,000	372,200	90,500	-	1,265,200
Technology	2,038,900	10,000	-	908,800	1,095,100	-	4,052,800
City Clerk	463,100	1,400	85,000	265,900	85,700	-	901,100
DEPARTMENT TOTAL	3,294,500	11,400	95,000	1,546,900	1,271,300	-	6,219,100
FINANCE							
Budget Office	653,800	6,400	-	285,400	37,100	-	982,700
Auditor's Office	731,200	7,600	-	302,900	304,100	-	1,345,800
Purchasing	384,700	-	-	228,600	14,200	-	627,500
DEPARTMENT TOTAL	1,769,700	14,000	-	816,900	355,400	-	2,956,000
PLANNING AND ECONOMIC DEVELOPMENT							
Planning & Development	1,128,900	-	-	466,100	66,900	-	1,661,900
Construction Services & Inspection	1,486,300	9,000	-	718,300	154,100	-	2,367,700
DEPARTMENT TOTAL	2,615,200	9,000	-	1,184,400	221,000	-	4,029,600

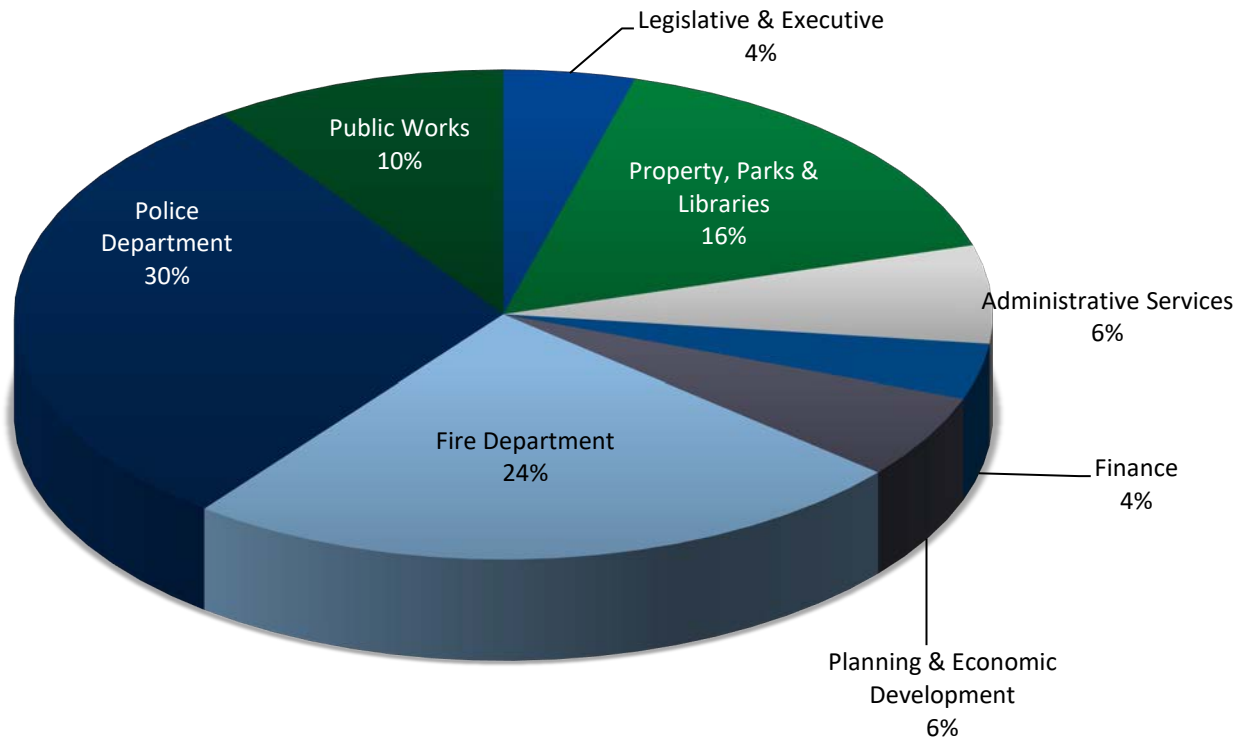
City of Duluth Minnesota - 2023 Budget

2023 General Fund Approved Expenditures

	Permanent Salaries	Overtime	Other Wages	Benefits	Other Expense	Capital Outlay	TOTAL
FIRE DEPARTMENT							
Fire Administration	640,700	-	-	265,600	56,200	-	962,500
Fire Operations	10,378,800	790,800	-	5,573,300	819,800	-	17,562,700
Life Safety	969,100	11,300	-	441,000	100,300	-	1,521,700
DEPARTMENT TOTAL	11,988,600	802,100	-	6,279,900	976,300	-	20,046,900
POLICE DEPARTMENT	16,744,000	597,300	256,400	8,081,000	1,580,500	-	27,259,200
PUBLIC WORKS							
Director's Office	62,900	-	-	28,000	900	-	91,800
Street Maintenance	2,860,300	187,000	-	1,472,600	4,191,400	-	8,711,300
Engineering	1,263,000	56,000	30,000	616,800	145,800	-	2,111,600
DEPARTMENT TOTAL	4,186,200	243,000	30,000	2,117,400	4,338,100	-	10,914,700
TRANSFERS	-	-	-	27,500	12,575,000	3,000,000	15,602,500
2023 APPROVED GENERAL FUND	49,742,350	1,777,600	787,700	24,507,500	25,740,700	3,311,000	105,866,850

City of Duluth Minnesota - 2023 Budget

2023 General Fund Personnel Summary



Department	2022 Budget	2023 Approved
Legislative & Executive	25.80	26.80
Property, Parks & Libraries	98.60	99.35
Administrative Services	39.00	40.00
Finance	21.60	22.60
Planning & Economic Development	32.75	34.25
Fire Department	148.50	150.00
Police Department	183.50	184.00
Public Works	60.05	60.05
TOTAL	609.80	617.05

City of Duluth Minnesota - 2023 Budget

2023 General Fund Personnel Summary

	2022 Budget	2023 Approved	Difference	Narrative
LEGISLATIVE/EXECUTIVE				
Mayor	6.00	6.00	0.00	
Chief Administrative Officer	3.00	3.00	0.00	
City Attorney	16.80	17.80	1.00	Add'l Asst City Att'y
DEPARTMENT TOTAL	25.80	26.80	1.00	
PROPERTY, PARKS & LIBRARIES				
Park Maintenance	22.80	23.05	0.25	Add 0.25 Grant Coord
Library	47.50	48.00	0.50	Security Position
Facilities Management	28.30	28.30	0.00	
DEPARTMENT TOTAL	98.60	99.35	0.75	
ADMINISTRATIVE SERVICES				
Human Resources	10.00	10.00	0.00	
Information Technology	23.00	24.00	1.00	Add RMS position funded by RMS revenues
City Clerk	6.00	6.00	0.00	
DEPARTMENT TOTAL	39.00	40.00	1.00	
FINANCE				
Budget	7.00	7.00	0.00	
Auditor	8.60	9.60	1.00	Add Accountant funded by ARPA
Purchasing	6.00	6.00	0.00	
DEPARTMENT TOTAL	21.60	22.60	1.00	
PLANNING & ECONOMIC DEVELOPMENT				
Planning & Development	12.25	13.25	1.00	Add Senior Planner funded by Tourism
Construction Srvcs & Inspection	20.50	21.00	0.50	Add 0.5 Info Spec funded by fee increases
DEPARTMENT TOTAL	32.75	34.25	1.50	
FIRE				
Fire Administration	5.00	6.00	1.00	Add Deputy Chief of Training-FTE from Ops
Firefighting Operations	132.00	131.00	-1.00	Less Training Officer-FTE to Admin Add 1.0 Blight Mit Spec, Add 0.5 Info Spec
Life Safety	11.50	13.00	1.50	funded by fee increases
DEPARTMENT TOTAL	148.50	150.00	1.50	

City of Duluth Minnesota - 2023 Budget

2023 General Fund Personnel Summary

	2022 Budget	2023 Approved	Difference	Narrative
POLICE				
Administration, Investigative, Patrol	183.50	184.00	0.50	Add 1.0 Grant Funded Peer Rec Spec and 0.5 Animal Tech, less 1.0 Officer
DEPARTMENT TOTAL	183.50	184.00	0.50	
PUBLIC WORKS				
Director's Office	0.60	0.60	0.00	
Street Maintenance	44.00	44.00	0.00	
Engineering	15.45	15.45	0.00	
DEPARTMENT TOTAL	60.05	60.05	0.00	
TOTAL GENERAL FUND FTE'S	609.80	617.05	7.25	

City of Duluth Minnesota - 2023 Budget

Legislative and Executive Department

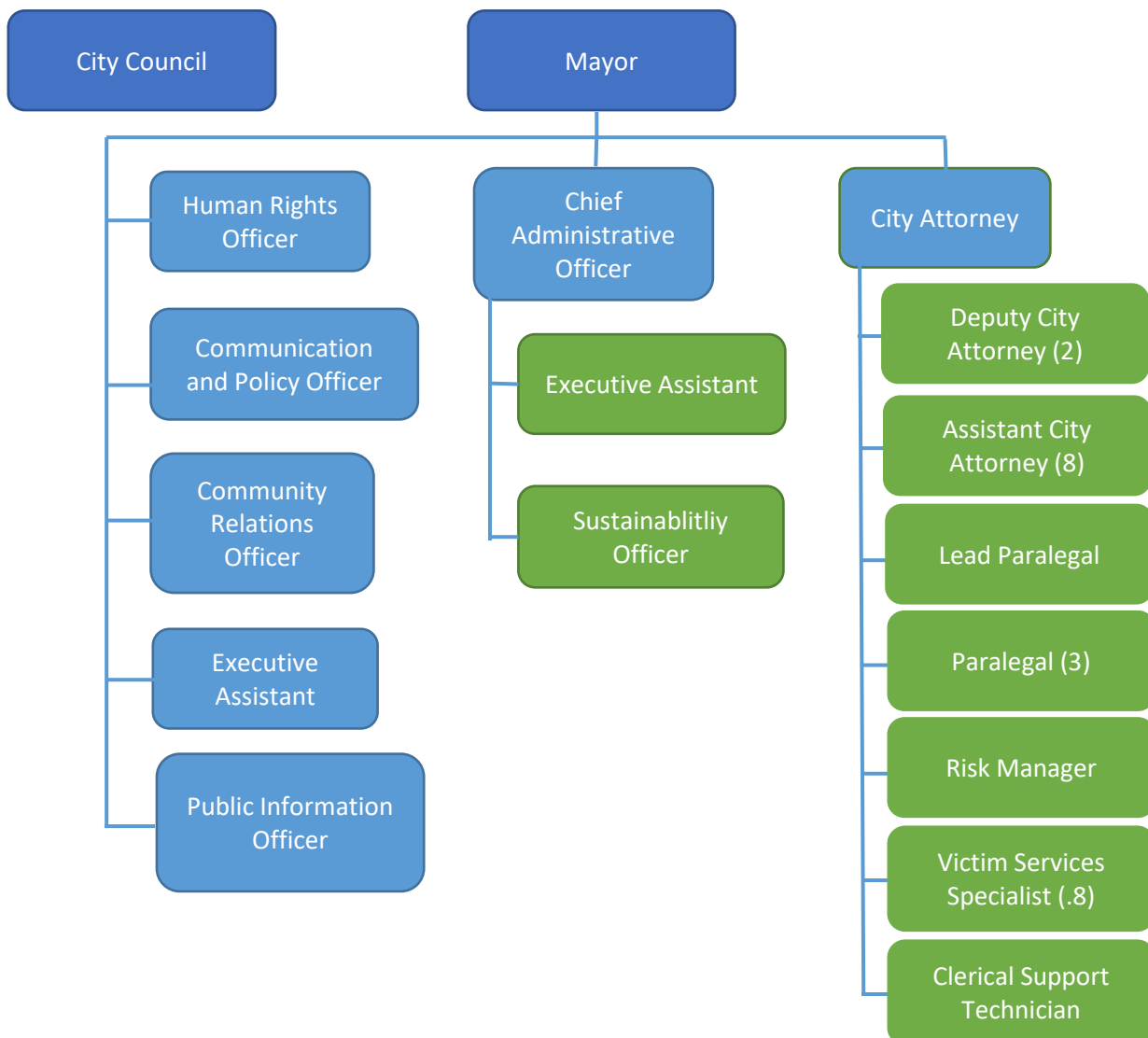
Mission and Vision

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

Structure

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

Organization Chart



City of Duluth Minnesota - 2023 Budget

City Attorney's Office

City Priority: Innovation and Excellence in Service

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
Compliance: Provide assurance of regulatory and policy compliance to build trust, accountability and foster transparency	No. of Ordinances	16	33	32	30
	No. of Resolutions	160	394	159	200
Fiscal Responsibility: Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	No. Claim and Claim inquiries	545	200	253	200
	No. Claims Filed	112	47	51	50
	Amount collected on city claims	\$132,823	\$82,246	\$130,169	\$75,000
	No. of Grants Reviewed	77	90	60	75
High Performing Organization: Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals	No. Lawsuits Defended, conciliation court matters, regulatory appeals	245	44	78	50
Long Range Planning: Supports decision-making with timely and accurate analysis, focusing on innovative, long-term solutions that benefit the community	Transaction Matters: agreements, MOUs, Development agreements	414	341	228	300
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	No. of City Policies Reviewed	38	75	85	50

City of Duluth Minnesota - 2023 Budget

City Attorney's Office

City Priority: Innovation and Excellence in Service

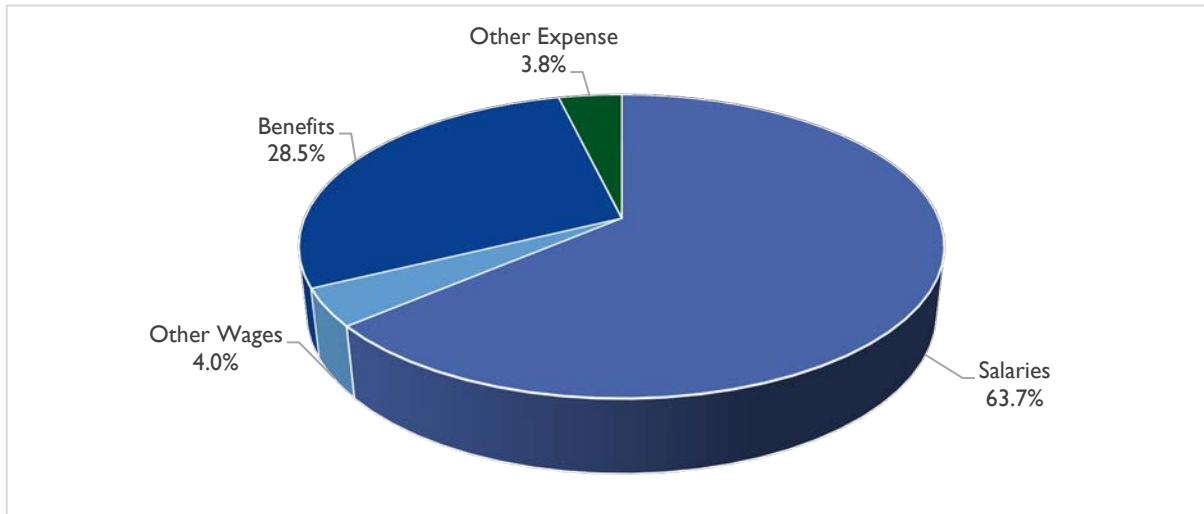
<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
Workforce: Attract, develop, equip, motivate, and retain a high-quality, diverse, engaged and productive workforce focused on creative service excellence	No. of Employees taking Defensive Driving Class	192	157	250	250
	No. CBA's negotiated, Arbitration hearings, Grievances, Worker's Comp. Claims, and Unemployment claims	239	179	95	100

City Priority: Safe and Secure Community

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
Community Engagement: Offer community programming which affords safe spaces for youth and adults to play, learn, and engage	No. of Victims Contacted		119	726	799
	No. of bail memos		85	92	77
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	No of criminal cases assigned to the City of Duluth			7,090	7,000
	No. of Forfeitures	35	38	50	30
	Forfeiture Fines Collected	\$2,541	\$2,691	\$254	\$1,000

City of Duluth Minnesota - 2023 Budget

Legislative & Executive Department 2023 Approved Budget by Expenditure Category



Expenditures by Category	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Permanent Salaries	2,439,594	2,357,046	2,445,300	2,646,250	200,950
Overtime	1,036	1,643	-	-	-
Other Wages	157,974	165,795	165,000	165,000	-
Retirement Incentive	23,629	-	-	-	-
Total Personal Services	2,622,233	2,524,484	2,610,300	2,811,250	200,950
Benefits	1,021,438	1,016,987	1,063,500	1,181,300	117,800
Other Expense	119,021	217,875	156,600	156,600	-
Department Total	3,762,693	3,759,346	3,830,400	4,149,150	318,750

Expenditures by Division	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
City Council	178,810	190,085	206,500	204,400	(2,100)
Mayor's Office	751,878	767,907	823,700	823,200	(500)
Chief Admin Officer	439,791	467,764	481,500	479,500	(2,000)
Attorney's Office	2,392,213	2,333,590	2,318,700	2,642,050	323,350
Department Total	3,762,693	3,759,346	3,830,400	4,149,150	318,750

Budgeted FTE's	2020	2021	2022	2023	Difference
	26.0	26.0	25.8	26.8	1.0

City of Duluth Minnesota - 2023 Budget

City Council

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

Budgeted FTE's	2020	2021	2022	2023	Difference
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There are no fulltime, permanent employees assigned to this division.

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	-	-	-	-	-
Overtime	-	-	-	-	-
Other Wages	110,120	124,200	124,200	124,200	-
Total Salaries	110,120	124,200	124,200	124,200	-
Benefits	8,475	9,707	11,600	9,500	(2,100)
Other Expense					
Materials & Supplies	734	50	1,300	1,300	-
Services	7,719	4,908	12,000	12,000	-
Utilities & Mtc	48,192	48,516	52,200	52,200	-
Other	3,570	2,704	5,200	5,200	-
Total Other Expense	60,215	56,178	70,700	70,700	-
Division Total	178,810	190,085	206,500	204,400	(2,100)

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
City Council - 110-110-1101				
PERSONAL SERVICES				
5103 Other Wages	110,120	124,200	124,200	124,200
TOTAL	110,120	124,200	124,200	124,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	(81)	-	2,100	-
5122 FICA - Social Security	6,953	7,867	7,700	7,700
5123 FICA - Medicare	1,603	1,840	1,800	1,800
TOTAL	8,475	9,707	11,600	9,500
OTHER EXPENDITURES				
5200 Office Supplies	-	50	-	-
5201 Computer Supplies/Software	734	-	1,000	1,000
5219 Other Miscellaneous Supplies	-	-	300	300
5319 Other Professional Services	4,450	2,575	4,000	4,000
5331 Travel/Training	2,145	1,250	7,000	7,000
5355 Printing & Copying	1,124	1,083	1,000	1,000
5404 Equipment/Machinery Repair & Mtc	2,850	-	3,700	3,700
5414 Software Licenses & Mtce Agreements	45,342	48,516	48,500	48,500
5433 Dues & Subscription	-	1,025	1,000	1,000
5441 Other Services & Charges	2,700	1,679	2,000	2,000
5443 Board & Meeting Expenses	870	-	2,200	2,200
TOTAL	60,215	56,178	70,700	70,700
DIVISION TOTAL	178,810	190,085	206,500	204,400

City of Duluth Minnesota - 2023 Budget

Mayor's Office

The Mayor's Office provides leadership and direction to the Executive Branch of city government. The Mayor serves as chief executive officer of the City, provides leadership 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.

Budgeted FTE's	2020	2021	2022	2023	Difference
Mayor	1.0	1.0	1.0	1.0	-
131 Executive Assistant	1.0	1.0	1.0	1.0	-
1070 Human Rights Officer Community Relations	1.0	1.0	1.0	1.0	-
1075 Officer Public Information	1.0	1.0	1.0	1.0	-
1085 Officer	1.0	1.0	1.0	1.0	-
1105 Comm & Policy Officer	1.0	1.0	1.0	1.0	-
Division Total	6.0	6.0	6.0	6.0	0.0

	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	500,405	503,966	524,400	532,500	8,100
Overtime	119	-	-	-	-
Other Wages	3,852	11,736	10,800	10,800	-
Total Salaries	504,376	515,702	535,200	543,300	8,100
Benefits	239,309	243,143	264,300	255,700	(8,600)
Other Expense					
Materials & Supplies	242	564	3,000	3,000	-
Services	4,027	6,411	10,800	10,800	-
Other	3,924	2,087	10,400	10,400	-
Total Other Expense	8,193	9,062	24,200	24,200	-
Division Total	751,878	767,907	823,700	823,200	(500)

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Mayor's Office - 110-110-1102				
PERSONAL SERVICES				
5100 Permanent Salaries	500,405	503,966	524,400	532,500
5101 Premium Pay	119	-	-	
5103 Other Wages	3,852	11,736	10,800	10,800
TOTAL	504,376	515,702	535,200	543,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	33,815	35,771	39,300	40,800
5122 FICA - Social Security	23,102	24,014	33,200	34,600
5123 FICA - Medicare	6,753	7,050	7,800	8,100
5125 Dental Insurance	2,376	2,376	2,400	2,400
5126 Life Insurance	1,224	1,224	1,100	1,100
5127 Health Care Savings Plan (HCSP)	16,543	17,213	23,500	11,900
5130 Cafeteria Plan Benefits	155,496	155,496	157,000	156,800
TOTAL	239,309	243,143	264,300	255,700
OTHER EXPENDITURES				
5200 Office Supplies	242	164	2,000	2,000
5219 Other Miscellaneous Supplies	-	197	500	500
5241 Small Equip-Office/Operating	-	203	500	500
5321 Phone Service Cellular Phone	2,073	2,031	2,200	2,200
5322 Postage	-	-	100	100
5331 Travel/Training	1,720	4,203	6,500	6,500
5355 Printing & Copying	234	177	2,000	2,000
5433 Dues & Subscription	414	584	400	400
5441 Other Services & Charges	1,427	-	3,000	3,000
5443 Board & Meeting Expenses	1,633	454	2,000	2,000
5444 Mayor's Contingent Account	450	1,050	5,000	5,000
TOTAL	8,193	9,062	24,200	24,200
DIVISION TOTAL	751,878	767,907	823,700	823,200
REVENUE SOURCE				
4654 Other Reimbursements	380	-	-	-
DIVISION TOTAL	380	-	-	-

City of Duluth Minnesota - 2023 Budget

Chief Administrative Officer

The Chief Administrative Officer (CAO) is responsible for the activities of all offices, departments and boards, and investigations and studies of the internal organization and procedure of any office or department within the City.

Budgeted FTE's	2020	2021	2022	2023	Difference
Res Chief Admin Officer	1.0	1.0	1.0	1.0	-
9 Executive Assistant	1.0	1.0	1.0	1.0	-
1110 Sustainability Officer	1.0	1.0	1.0	1.0	-
Division Total	3.0	3.0	3.0	3.0	0.0

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	303,258	310,863	323,300	316,400	(6,900)
Overtime	-	-	-	-	-
Other Wages	-	1,163	-	-	-
Total Salaries	303,258	312,026	323,300	316,400	(6,900)
Benefits	126,736	141,002	137,600	142,500	4,900
Other Expense					
Materials & Supplies	7,200	3,038	2,000	1,500	(500)
Services	439	5,234	2,300	5,000	2,700
Utilities & Mtc	-	-	300	-	(300)
Other	2,158	6,465	16,000	14,100	(1,900)
Total Other Expense	9,797	14,737	20,600	20,600	-
Division Total	439,791	467,764	481,500	479,500	(2,000)

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Chief Administrative Officer - 110-110-1103				
PERSONAL SERVICES				
5100 Permanent Salaries	303,258	310,863	323,300	316,400
5101 Premium Pay	-	-	-	-
5103 Other Wages	-	1,163	-	-
TOTAL	303,258	312,026	323,300	316,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	22,343	22,964	24,300	24,600
5122 FICA - Social Security	16,791	17,858	20,000	20,500
5123 FICA - Medicare	4,213	4,328	4,700	4,800
5125 Dental Insurance	1,122	1,155	1,200	1,200
5126 Life Insurance	578	595	500	500
5127 Health Care Savings Plan (HCSP)	7,263	19,432	7,900	20,100
5130 Cafeteria Plan Benefits	73,722	74,670	78,900	70,700
5133 Health or Fitness Program	705	-	100	100
TOTAL	126,736	141,002	137,600	142,500
OTHER EXPENDITURES				
5200 Office Supplies	4,252	374	1,000	500
5201 Computer Supplies/Software	259	-	500	-
5219 Other Miscellaneous Supplies	2,689	2,664	500	1,000
5321 Phone Service Cellular Phone	203	364	-	-
5331 Travel/Training	236	4,870	2,000	5,000
5404 Equipment/Machinery Repair & Mtc	-	-	300	-
5418 Vehicle/Equip Lease (Long-term)	-	-	300	-
5433 Dues & Subscription	1,394	2,376	500	1,600
5435 Books & Pamphlets	-	-	500	-
5441 Other Services & Charges	153	3,070	14,000	3,000
5443 Board & Meeting Expenses	611	1,019	1,000	500
5461 Energy Efficiency Projects	-	-	-	9,000
TOTAL	9,797	14,737	20,600	20,600
DIVISION TOTAL	439,791	467,764	481,500	479,500
REVENUE SOURCE				
4650 Salaries Reimbursement	3,000	3,000	-	-
4654 Other Reimbursements	-	3,163	-	-
DIVISION TOTAL	3,000	6,163	-	-

City of Duluth Minnesota - 2023 Budget

City Attorney's Office

The City of Duluth 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.

Budgeted FTE's	2020	2021	2022	2023	Difference
Res City Attorney	1.0	1.0	1.0	1.0	-
Deputy City Attorney	-	-	2.0	2.0	-
Assistant Attorney	9.0	9.0	7.0	8.0	1.0
1100 Risk Manager	-	-	-	1.0	1.0
10 Lead Paralegal City Investigator &	-	-	1.0	1.0	-
10 Claims Agent	1.0	1.0	1.0	-	(1.0)
121 Clerical Support Tech.	-	-	1.0	1.0	-
129 Admin Legal Assistant	3.0	3.0	-	-	-
131 Victim Services Spec.	-	-	0.8	0.8	-
131 Prosecution Assistant	1.0	1.0	-	-	-
133 Paralegal	2.0	2.0	3.0	3.0	-
Division Total	17.0	17.0	16.8	17.8	1.0

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	1,635,932	1,542,217	1,597,600	1,797,350	199,750
Overtime	916	1,643	-	-	-
Other Wages	44,002	28,696	30,000	30,000	-
Retirement Incentive	23,629	-	-	-	-
Total Salaries	1,704,479	1,572,557	1,627,600	1,827,350	199,750
Benefits	646,918	623,134	650,000	773,600	123,600
Other Expense					
Materials & Supplies	1,805	1,691	3,300	3,300	-
Services	673	10,530	12,400	12,400	-
Other	38,338	125,677	25,400	25,400	-
Total Other Expense	40,816	137,898	41,100	41,100	-
Division Total	2,392,213	2,333,590	2,318,700	2,642,050	323,350

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
City Attorney's Office - 110-110-1104				
PERSONAL SERVICES				
5100 Permanent Salaries	1,635,932	1,542,217	1,597,600	1,797,350
5101 Premium Pay	916	1,643	-	-
5103 Other Wages	44,002	28,696	30,000	30,000
5105 Retirement Incentive	23,629	-	-	-
TOTAL	1,704,479	1,572,557	1,627,600	1,827,350
EMPLOYEE BENEFITS				
5121 PERA Retirement	118,910	114,698	121,000	137,000
5122 FICA - Social Security	102,908	91,968	100,900	114,200
5123 FICA - Medicare	24,007	21,723	23,600	26,700
5125 Dental Insurance	6,699	6,600	6,700	7,000
5126 Life Insurance	3,451	3,400	3,100	3,200
5127 Health Care Savings Plan (HCSP)	62,535	66,651	43,600	76,500
5130 Cafeteria Plan Benefits	326,969	316,266	349,800	407,700
5133 Health or Fitness Program	1,439	1,829	1,300	1,300
TOTAL	646,918	623,134	650,000	773,600
OTHER EXPENDITURES				
5200 Office Supplies	1,805	1,691	3,300	3,300
5304 Legal Services	(5,438)	728	2,000	2,000
5321 Phone Service Cellular Phone	2,331	2,040	2,200	2,200
5331 Travel/Training	2,909	6,927	6,000	6,000
5335 Local Mileage Reimbursement	202	439	1,000	1,000
5355 Printing & Copying	250	35	100	100
5356 Copier, Printer Lease & Supplies	420	362	1,100	1,100
5414 Software Licenses & Maintenance	1,140	56	1,400	1,400
5433 Dues & Subscription	19,047	18,455	17,000	17,000
5441 Other Services & Charges	18,152	7,166	7,000	7,000
5700 Transfer to Special Revenue Fund	-	100,000	-	-
TOTAL	40,816	137,898	41,100	41,100
DIVISION TOTAL	2,392,213	2,333,590	2,318,700	2,642,050
REVENUE SOURCE				
4319 Attorney Fees	3,575	7,450	7,500	-
4644 Miscellaneous Fees, Sales, Services	6,893	5,500	1,000	1,000
4654 Other Reimbursements	-	702	-	-
4730 Transfer from Special Revenue Fund	76,102	65,939	70,000	70,000
DIVISION TOTAL	86,570	79,590	78,500	71,000

City of Duluth Minnesota - 2023 Budget

Property, Parks, and Libraries Department

The Property, Parks, and Libraries Department exists 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.

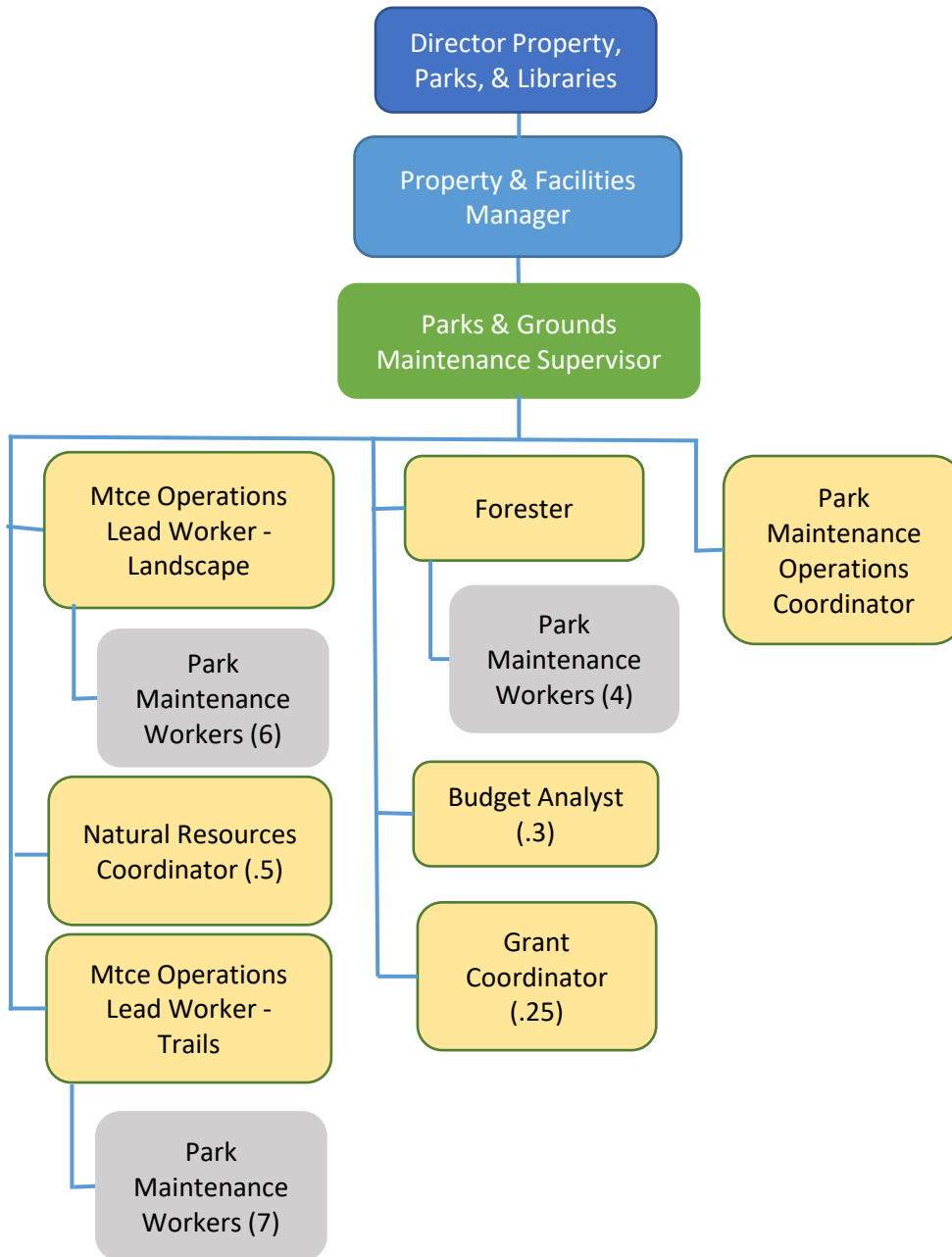
Structure

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. One manager oversees both Park Maintenance and Property and Facilities Management. 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 - 2023 Budget

Property, Parks, and Libraries Department

Organization Chart - Continued

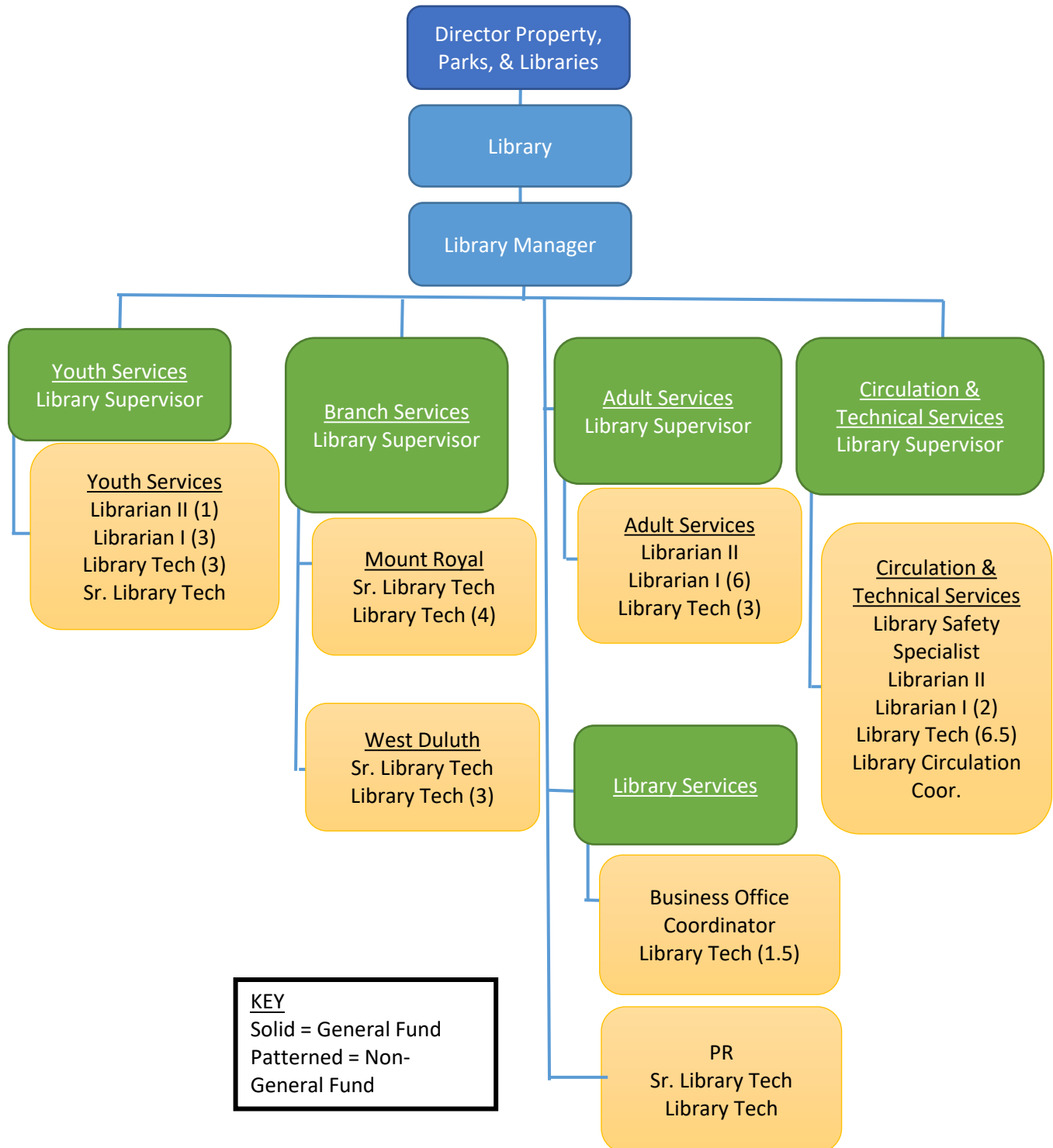


KEY
Solid = General Fund
Patterned = Non-General Fund

City of Duluth Minnesota - 2023 Budget

Property, Parks, and Libraries Department

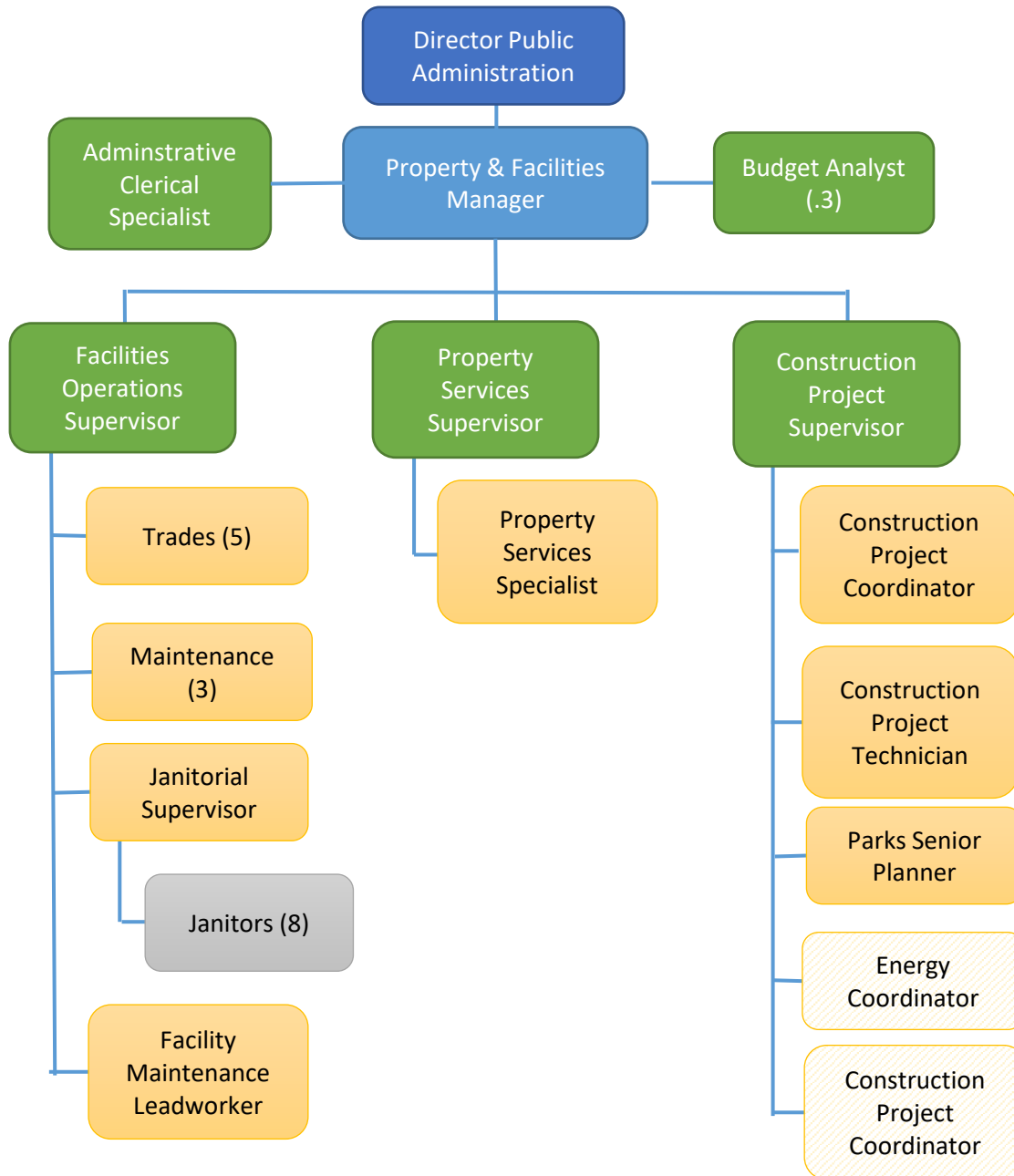
Organization Chart



City of Duluth Minnesota - 2023 Budget

Property, Parks, and Libraries Department

Organization Chart - Continued

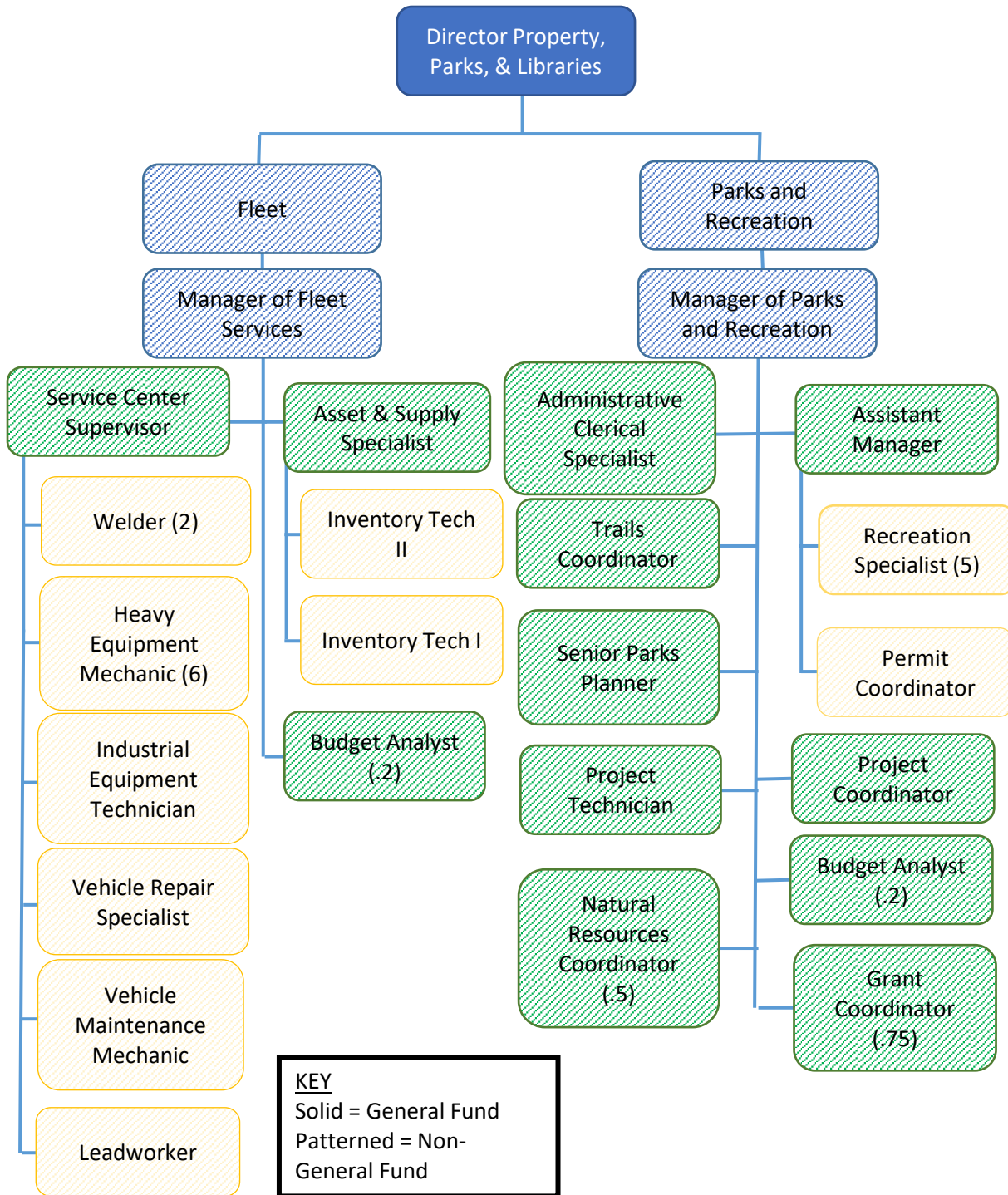


KEY
 Solid = General Fund
 Patterned = Non-General Fund

City of Duluth Minnesota - 2023 Budget

Property, Parks, and Libraries Department

Organization Chart - Continued



City of Duluth Minnesota - 2023 Budget

Park Maintenance

City Priority: Safe and Secure Community

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
Public Facility Safety: 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.	NA	50%	75%	100%

City Priority: Livable Neighborhoods and Affordable Housing

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
Safe/Quality Neighborhood: 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.	25%	50%	50%	60%
	Update mapping and snow removal priorities.	NA	100%	100%	100%
	Deferred maintenance plan development and annual implementation.	NA	25%	50%	75%
	Reexamine staff assignments and priorities.	NA	75%	85%	90%

City Priority: Green Space and Energy Conservation

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
Open Space Development: 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.	25%	25%	50%	75%
	Develop comprehensive maintenance and operations standards manual.	25%	25%	25%	75%

City of Duluth Minnesota - 2023 Budget

Library

City Priority: Culture and Recreation

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
	Annual number of checkouts	373,521	557,615	402,342	625,000
	Annual number of library visits	91,193	140,996	260,099	275,000
	Annual number of reference transactions	25,675	17,108	29,042	50,000
Arts and Libraries: 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	41,288	15,646	23,854	45,000
	Total physical materials in collection	346,516	298,767	291,174	295,000
	Annual number of public computer sessions	15,503	14,509	28,494	30,000
	Annual number of website visits	346,295	407,309	383,285	425,000
	Annual number of cardholders	39,906	40,257	39,967	45,000
	Number of children and caregivers attending early literacy outreach activities	1,927	1,141	4,574	6,000

*Main library was curbside only until June of 2021. Library Express opened at the Mt. Royal and West Duluth Branch libraries in April of 2021.

City of Duluth Minnesota - 2023 Budget

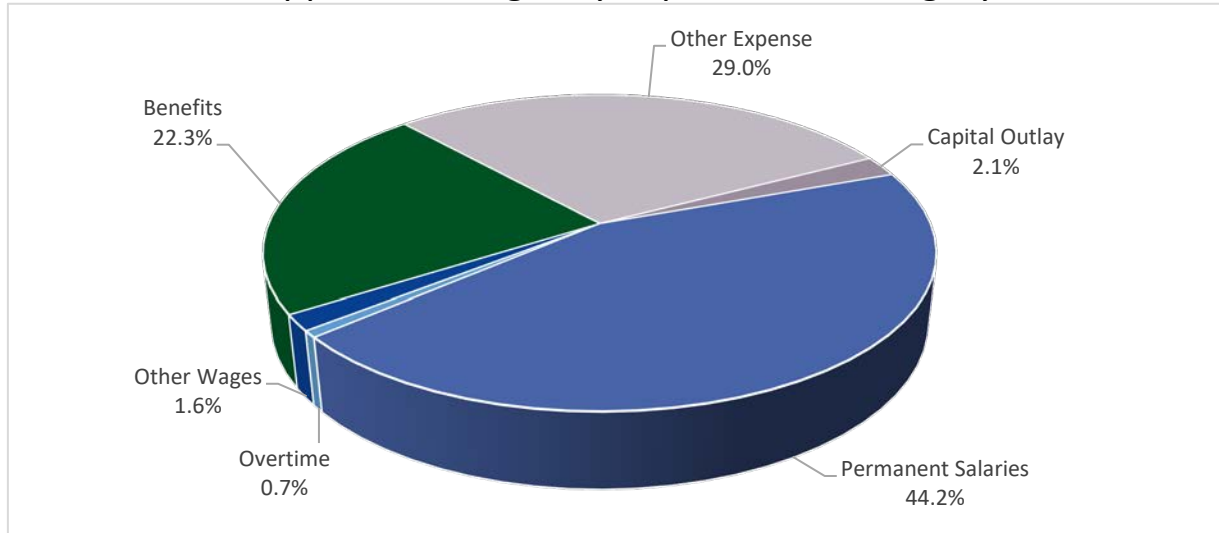
Property & Facilities Management

City Priority: Innovation and Excellence in Service

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
Long Range Planning: 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.	30%	50%	75%	100%
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.	Work with City team and vendor to improve energy tracking data inputs and modeling of GHG emission reduction targets.	50%	50%	75%	100%

City of Duluth Minnesota - 2023 Budget

Property, Parks, & Libraries Department 2023 Approved Budget by Expenditure Category



Expenditures by Category	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Permanent Salaries	5,245,598	5,749,311	6,287,300	6,497,900	210,600
Overtime	45,024	67,516	100,800	100,800	-
Other Wages	30,304	239,295	275,800	241,300	(34,500)
Retirement Incentive	19,632	18,269	-	-	-
Total Personal Services	5,340,558	6,074,390	6,663,900	6,840,000	176,100
Benefits	2,359,008	2,529,319	2,875,700	3,272,200	396,500
Other Expense	4,172,859	4,420,863	3,775,100	4,266,500	491,400
Capital Outlay	283,179	298,712	306,500	311,000	4,500
Department Total	12,155,605	13,323,284	13,621,200	14,689,700	1,068,500

Expenditures by Division	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Park Maintenance	3,790,320	3,368,463	3,299,500	3,539,200	239,700
Library Services	3,846,931	4,848,566	5,062,200	5,235,700	173,500
Property and Fac. Mgmt	4,518,353	5,106,255	5,259,500	5,914,800	655,300
Department Total	12,155,605	13,323,284	13,621,200	14,689,700	1,068,500

Budgeted FTE's	2020	2021	2022	2023	Difference
	97.60	98.60	98.60	99.35	0.75

City of Duluth Minnesota - 2023 Budget

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, multi-use trails, and an urban forest.

Budgeted FTE's	2020	2021	2022	2023	Difference
1090 Parks & Grds Mt. Sup.	-	-	1.00	1.00	-
1085 Bldg & Grds Maint Sup.	1.00	1.00	-	-	-
22 Maintenance Worker	1.00	-	-	-	-
28 Park Mtce. Worker	15.00	16.00	16.00	17.00	1.00
31 Park Mtce. Ops. Coord.	-	-	1.00	1.00	-
32 Mtce. Ops. Leadwkr.	3.00	3.00	3.00	2.00	(1.00)
34 Forester	1.00	1.00	1.00	1.00	-
34 Natural Res. Coord.	0.50	0.50	0.50	0.50	-
131 Grant Coordinator	-	-	-	0.25	0.25
131 Volunteer Coord. Budget & Operations	0.80	0.80	-	-	-
133 Analyst	0.30	0.30	0.30	0.30	-
Division Total	22.60	22.60	22.80	23.05	0.25

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	1,392,375	1,409,131	1,504,500	1,557,700	53,200
Overtime	27,414	46,136	75,000	75,000	-
Other Wages	2,479	155,325	151,000	125,800	-
Retirement Incentive	-	9,548	-	-	-
Total Salaries	1,422,269	1,620,140	1,730,500	1,758,500	28,000
Benefits	636,645	646,610	684,400	837,700	153,300
Other Expense					
Materials & Supplies	164,911	181,497	207,800	239,400	31,600
Services	32,416	91,604	103,500	107,600	4,100
Utilities & Maintenance	364,825	469,417	440,000	479,600	39,600
Other	1,169,254	359,195	133,300	116,400	(16,900)
Total Other Expense	1,731,406	1,101,713	884,600	943,000	58,400
Division Total	3,790,320	3,368,463	3,299,500	3,539,200	239,700

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail		2020 Actual	2021 Actual	2022 Budget	2023 Approved
Park Maintenance 110-121-1217-2145					
PERSONAL SERVICES					
5100	Permanent Salaries	1,392,375	1,409,131	1,504,500	1,557,700
5101	Premium Pay	27,414	46,136	75,000	75,000
5103	Other Wages	2,164	155,235	151,000	125,800
5105	Retirement Incentive	-	9,548	-	-
5118	Meal Allowance	315	90	-	-
	TOTAL	1,422,269	1,620,140	1,730,500	1,758,500
EMPLOYEE BENEFITS					
5121	PERA Retirement	103,055	106,027	116,100	122,100
5122	FICA - Social Security	85,470	97,434	107,300	109,900
5123	FICA - Medicare	19,989	22,787	25,100	25,700
5125	Dental Insurance	8,331	8,633	9,000	9,100
5126	Life Insurance	4,294	4,447	4,100	4,100
5127	Health Care Savings Plan (HCSP)	21,253	22,511	24,000	30,200
5130	Cafeteria Plan Benefits	394,011	384,205	398,800	536,600
5133	Health or Fitness Program	241	566	-	-
	TOTAL	636,645	646,610	684,400	837,700
OTHER EXPENDITURES					
5200	Office Supplies	4,781	3,541	3,000	6,000
5201	Computer Supplies/Software	4,236	-	2,000	5,000
5205	Safety & Training Materials	13,186	7,934	10,000	10,000
5210	Plant/Operating Supplies	108	-	-	-
5211	Cleaning/Janitorial Supplies	14,267	20,087	30,000	25,000
5212	Motor Fuels	35,732	67,826	77,600	105,400
5218	Uniforms	6,990	5,500	7,000	9,000
5219	Other Miscellaneous Supplies	224	50	-	-
5220	Repair & Maintenance Supplies	59,834	61,593	61,200	45,000
5225	Park/Landscape Materials	-	-	-	15,000
5226	Sign & Signal Materials	-	-	-	5,000
5228	Painting Supplies	4,956	5,713	5,000	8,000
5240	Small Tools	10,826	6,376	6,000	6,000
5241	Small Equip-Office/Operating	9,770	2,876	6,000	-
5305	Medical Svcs/Testing Fees	-	-	500	500
5310	Contract Services	19,612	73,997	75,000	75,700
5320	Data Services	-	1,774	3,000	3,500
5321	Phone Service	4,782	4,424	3,500	6,400
5331	Travel/Training	5,395	10,691	16,000	16,000
5335	Local Mileage Reimbursement	2,627	718	5,000	5,000

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail		2020 Actual	2021 Actual	2022 Budget	2023 Approved
Park Maintenance 110-121-1217-2145 Continued					
5356	Copier, Printer Lease & Supplies	-	-	500	500
5384	Refuse Disposal	45,809	60,455	55,000	65,000
5404	Equipment/Machinery Repair & Mtc	9,657	8,069	10,000	10,000
5409	Fleet Services Charges	309,358	400,893	375,000	404,600
5414	Software Licenses & Mtce Agreements	16,664	20,950	13,900	13,900
5415	Vehicle/Equip Rent (Short-term)	4,362	6,195	25,000	15,000
5419	Other Rentals	92,167	52,431	63,000	55,000
5433	Dues & Subscription	776	662	2,500	2,500
5438	Licenses	-	160	-	-
5441	Other Services & Charges	903,038	3,087	2,100	5,000
5454	Contract Tree Services	27,248	29,710	26,800	25,000
5700	Interfund Transfers Out	125,000	246,000	-	-
	TOTAL	1,731,406	1,101,713	884,600	943,000
DIVISION TOTAL		3,790,320	3,368,463	3,299,500	3,539,200
REVENUE SOURCE					
4225	Ski Trails Grant	11,000	11,000	11,000	11,000
4654	Other Reimbursements	17,105	17,821	-	-
4660	Gifts and Donations	82	-	-	-
4730	Transfer from Special Revenue	-	200,000	214,400	224,100
DIVISION TOTAL		28,187	228,821	225,400	235,100

City of Duluth Minnesota - 2023 Budget

Library Services

The Library Division provides a safe and welcoming environment for people of all ages and backgrounds to use the Library's print and digital collections, access community resources, and attend educational programs and events.

Budgeted FTE's	2020	2021	2022	2023	Difference
1125 Mgr, Library Services	1.00	1.00	1.00	1.00	-
1075 Library Supervisor	3.00	3.00	3.00	4.00	1.00
124 Library Safety Specialist	-	-	-	1.00	1.00
124 Library Technician	21.25	22.50	22.50	22.00	(0.50)
128 Sr. Library Tech.	5.00	5.00	4.00	4.00	-
131 Business Ofc. Coord.	1.00	1.00	1.00	1.00	-
131 Library Circ. Coord.	-	-	1.00	1.00	-
131 Librarian I	11.25	11.00	11.00	11.00	-
131 Volunteer Coord.	0.20	0.20	-	-	-
133 Librarian II	4.00	4.00	4.00	3.00	(1.00)
Division Total	46.70	47.70	47.50	48.00	0.50

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	2,161,229	2,461,906	2,836,200	2,921,500	85,300
Overtime	214	500	800	800	-
Other Wages	25,485	57,240	101,800	101,800	-
Retirement Incentive	13,163	8,721	-	-	-
Total Salaries	2,200,090	2,528,367	2,938,800	3,024,100	85,300
Benefits	957,987	1,060,049	1,368,200	1,456,400	88,200
Other Expense					
Materials & Supplies	61,356	39,762	45,300	45,400	100
Services	19,553	101,965	56,700	48,200	(8,500)
Utilities & Maintenance	58,913	60,276	60,800	63,700	2,900
Other	265,853	759,436	285,900	286,900	1,000
Total Other Expense	405,675	961,438	448,700	444,200	(4,500)
Capital Outlay	283,179	298,712	306,500	311,000	4,500
Division Total	3,846,931	4,848,566	5,062,200	5,235,700	173,500

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Salaries	2,161,229	2,461,906	2,836,200	2,921,500
5101 Premium Pay	214	500	800	800
5103 Other Wages	25,485	57,240	101,800	101,800
5105 Retirement Incentive	13,163	8,721	-	-
TOTAL	2,200,090	2,528,367	2,938,800	3,024,100
EMPLOYEE BENEFITS				
5121 PERA Retirement	156,758	177,827	214,900	222,300
5122 FICA - Social Security	131,277	153,575	182,200	188,400
5123 FICA - Medicare	30,702	35,917	42,600	44,100
5125 Dental Insurance	13,620	15,906	18,800	19,000
5126 Life Insurance	7,174	8,296	8,600	8,600
5127 Health Care Savings Plan (HCSP)	39,226	52,928	77,400	55,000
5130 Cafeteria Plan Benefits	576,897	615,161	823,700	919,000
5133 Health or Fitness Program	2,332	440	-	-
TOTAL	957,987	1,060,049	1,368,200	1,456,400
OTHER EXPENDITURES				
5200 Office Supplies	1,518	3,553	4,900	4,900
5201 Computer Supplies/Software	9,151	878	1,000	1,000
5212 Motor Fuels	277	854	900	1,000
5219 Other Miscellaneous Supplies	21,441	31,542	35,000	35,000
5220 Repair & Maintenance Supplies	-	-	500	500
5241 Small Equip-Office/Operating	28,969	2,935	3,000	3,000
5319 Other Professional Services	8,376	92,374	43,000	34,000
5322 Postage	5,516	695	3,500	3,500
5331 Travel/Training	1,206	4,415	4,700	4,700
5335 Local Mileage Reimbursement	354	64	1,000	1,500
5355 Printing & Copying	409	415	-	-
5356 Copier, Printer Lease & Supplies	717	286	-	-
5384 Refuse Disposal	2,975	3,717	4,500	4,500
5404 Equipment/Machinery Repair & Mtc	3,128	3,328	2,600	2,600
5409 Fleet Services Charges	5,356	6,908	6,200	8,100
5412 Building Rental	203,679	205,722	224,000	226,000
5413 Library Materials/Svcs Rental	60,119	50,934	58,000	58,000
5414 Software Licenses & Mtce Agreement	50,428	50,040	52,000	53,000
5427 Credit Card Commissions	403	502	2,000	1,000
5433 Dues & Subscription	-	110	100	100
5441 Other Services & Charges	1,652	2,168	1,800	1,800
5700 Interfund Transfers Out	-	500,000	-	-
TOTAL	405,675	961,438	448,700	444,200

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
CAPITAL OUTLAY				
5590 Library Materials	283,179	298,712	306,500	311,000
TOTAL	283,179	298,712	306,500	311,000
DIVISION TOTAL	3,846,931	4,848,566	5,062,200	5,235,700
REVENUE SOURCE				
4220 State of Minnesota Operating	4,120	3,820	4,000	4,000
4471 Library Fines	2	-	-	-
4622 Rent of Buildings	275	705	700	700
4631 Media Sales	4,593	2,857	15,000	8,000
4644 Miscellaneous Sales	544	473	1,000	600
4654 Other Reimbursements	37,899	39,599	37,500	42,700
4730 Interfund Transfers In	12,050	10,000	-	-
DIVISION TOTAL	59,483	57,454	58,200	56,000

City of Duluth Minnesota - 2023 Budget

Property and 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.

Budgeted FTE's	2020	2021	2022	2023	Difference
1155 Director P, P, & L	1.00	1.00	1.00	1.00	-
1070 Property Svcs. Supv. Facility Ops. & Maint.	1.00	1.00	1.00	1.00	-
1095 Supv.	1.00	1.00	1.00	1.00	-
1105 Constr. Project Supv. Property & Facilities	1.00	1.00	1.00	1.00	-
1135 Manager	1.00	1.00	1.00	1.00	-
21 Janitor I	8.00	8.00	8.00	8.00	-
25 Janitorial Supervisor	1.00	-	-	-	-
27 Constr. Project Tech. Senior Facilities Maint.	1.00	1.00	1.00	1.00	-
27 Worker	-	1.00	1.00	1.00	-
28 Building Mtceprs. I & II	4.00	2.00	2.00	-	(2.00)
28 Facilities Maint Spec.	1.00	1.00	1.00	3.00	2.00
32 Trades Positions	2.00	3.00	3.00	3.00	-
32 Maint. Leadworker	1.00	1.00	1.00	1.00	-
33 Constr. Proj. Coord.	1.00	1.00	1.00	1.00	-
34 Master Plumber/Elect	2.00	2.00	2.00	2.00	-
34 Parks Senior Planner Admin. Clerical	-	1.00	1.00	1.00	-
127 Specialist	1.00	1.00	1.00	1.00	-
133 Budget Analyst	0.30	0.30	0.30	0.30	-
133 Property Svcs. Spec.	1.00	1.00	1.00	1.00	-
Division Total	28.30	28.30	28.30	28.30	-

City of Duluth Minnesota - 2023 Budget

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	1,691,994	1,878,274	1,946,600	2,018,700	72,100
Overtime	17,396	20,880	25,000	25,000	-
Other Wages	2,340	26,730	23,000	13,700	(9,300)
Retirement Incentive	6,469	-	-	-	-
Total Salaries	1,718,199	1,925,884	1,994,600	2,057,400	62,800
Benefits	764,376	822,660	823,100	978,100	155,000
Other Expense					
Materials & Supplies	338,923	392,388	384,900	391,800	6,900
Services	441,004	401,471	372,500	392,000	19,500
Utilities & Mtc	1,092,009	1,360,249	1,520,500	1,944,900	424,400
Other	163,842	203,604	163,900	150,600	(13,300)
Total Other Expense	2,035,778	2,357,712	2,441,800	2,879,300	437,500
Division Total	4,518,353	5,106,255	5,259,500	5,914,800	655,300

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail		2020 Actual	2021 Actual	2022 Budget	2023 Approved
Property and Facilities Management - 110-121-1222					
PERSONAL SERVICES					
5100	Permanent Salaries	1,691,994	1,878,274	1,946,600	2,018,700
5101	Premium Pay	17,396	20,880	25,000	25,000
5103	Other Wages	2,340	26,730	23,000	13,700
5105	Retirement Incentive	6,469	-	-	-
	TOTAL	1,718,199	1,925,884	1,994,600	2,057,400
EMPLOYEE BENEFITS					
5121	PERA Retirement	123,285	138,803	144,700	152,100
5122	FICA - Social Security	102,326	115,459	123,900	128,700
5123	FICA - Medicare	23,931	27,002	29,000	30,100
5125	Dental Insurance	9,656	11,108	11,200	11,200
5126	Life Insurance	5,008	5,722	5,100	5,100
5127	Health Care Savings Plan (HCSP)	39,655	58,623	43,700	49,600
5130	Cafeteria Plan Benefits	459,915	465,343	465,500	601,300
5133	Health or Fitness Program	600	600	-	-
	TOTAL	764,376	822,660	823,100	978,100
OTHER EXPENDITURES					
5200	Office Supplies	5,389	4,104	6,000	6,000
5201	Computer Supplies/Software	5,847	16,941	5,000	6,800
5205	Safety & Training Materials	2,239	11,060	5,000	5,000
5210	Plant/Operating Supplies	-	-	-	-
5211	Cleaning/Janitorial Supplies	43,003	49,799	62,000	62,000
5212	Motor Fuels	7,616	15,113	16,100	20,000
5215	Shop Materials	36	-	-	-
5218	Uniforms	8,490	8,337	7,000	8,000
5219	Other Miscellaneous Supplies	87	235	-	-
5220	Repair & Maintenance Supplies	263,982	286,799	283,800	284,000
5240	Small Tools	90	-	-	-
5241	Small Equip-Office/Operating	2,144	-	-	-
5310	Contract Services	358,474	316,799	270,000	290,000
5319	Other Professional Services	-	-	-	-
5321	Phone Service	72,889	73,739	76,500	76,500
5331	Travel/Training	3,013	4,610	15,000	15,000

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail		2020 Actual	2021 Actual	2022 Budget	2023 Approved
Property and Facilities Management - 110-121-1222 Continued					
5335	Local Mileage Reimbursement	6,063	6,244	10,000	10,000
5355	Printing & Copying	565	-	-	-
5356	Copier, Printer Lease & Supplies	-	79	1,000	500
5381	Electricity	477,613	510,539	615,000	663,000
5382	Water, Gas & Sewer	366,814	567,026	580,000	824,000
5384	Refuse Disposal	28,938	28,046	37,500	33,000
5385	Oil	11,366	18,639	18,000	25,900
5386	Steam	207,279	236,000	270,000	399,000
5399	Skywalk Expenses	3,520	28,809	30,000	30,000
5401	Bldg/Structure Repair & Mtc	8,904	22,045	-	-
5404	Equipment/Machinery Repair & Mtc	7,404	14,728	10,000	13,000
5409	Fleet Services Charges	37,599	25,020	32,600	41,100
5411	Land Rental/Easements	16,259	11,420	9,800	5,000
5414	Software Licenses & Mtce Agreement	31,423	32,035	60,000	40,000
5415	Vehicle/Equip Rent (Short-term)	700	3,273	10,000	10,000
5433	Dues & Subscription	-	350	-	-
5438	Licenses	971	645	1,500	1,500
5441	Other Services & Charges	10,587	62,331	5,500	5,500
5450	Laundry	2,089	2,949	4,500	4,500
5580	Capital Equipment	44,386	-	-	-
5700	Interfund Transfers Out	-	-	-	-
	TOTAL	2,035,778	2,357,712	2,441,800	2,879,300
DIVISION TOTAL		4,518,353	5,106,255	5,259,500	5,914,800
REVENUE SOURCE					
4622	Rent of Buildings	67,122	76,717	81,800	71,000
4623	Rent of Land	8,963	12,520	5,600	10,300
4627	Concessions & Commissions	-	-	12,000	12,000
4644	Mis Fees, Sales & Service	(428)	-	-	-
4654	Other Reimbursements	25,444	29,931	24,000	58,900
4730	Transfer from Special Revenue	10,000	10,000	53,600	66,000
DIVISION TOTAL		111,101	129,168	177,000	218,200

City of Duluth Minnesota - 2023 Budget

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.

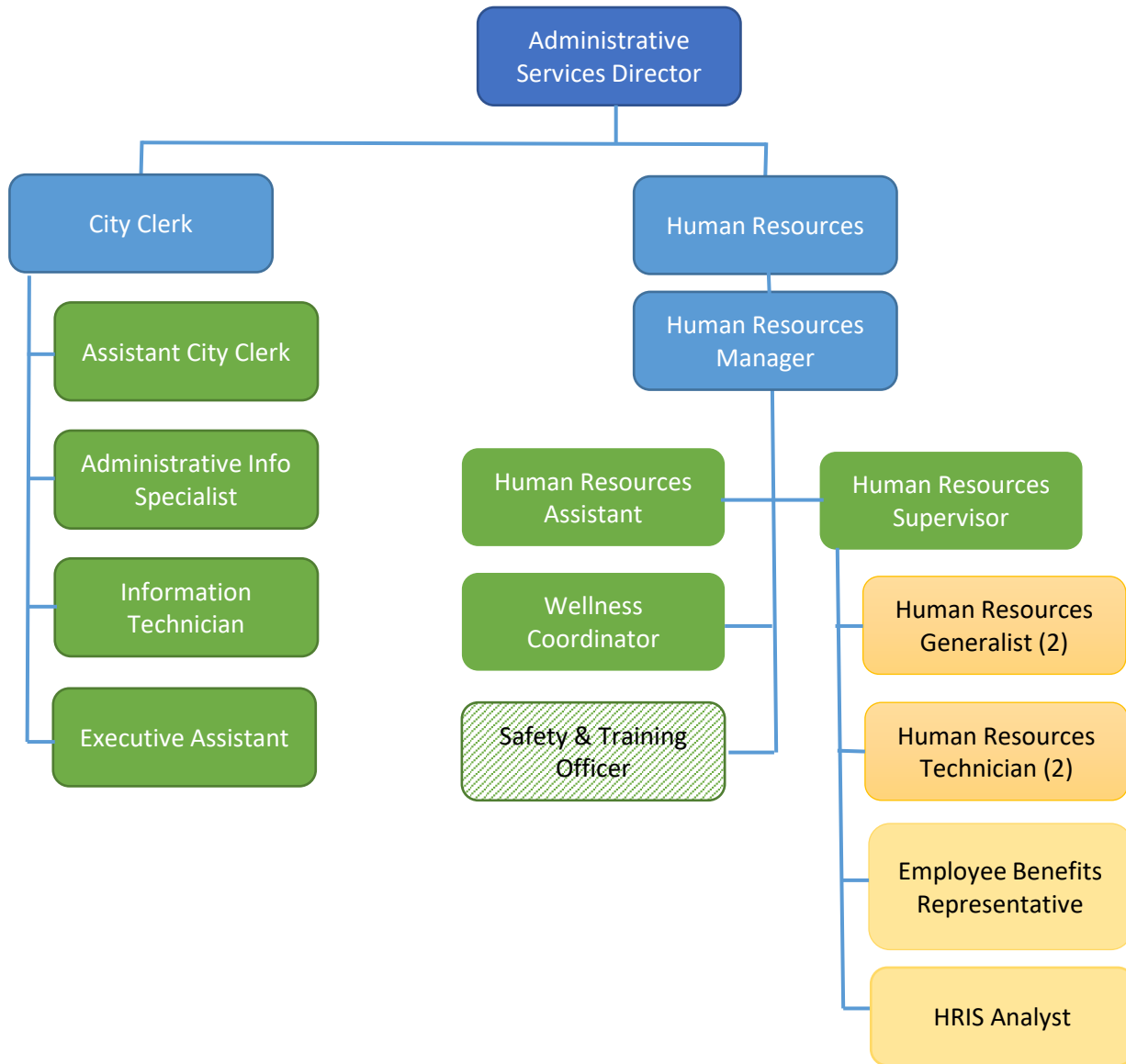
Structure

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 - 2023 Budget

Administrative Services

Organization Chart

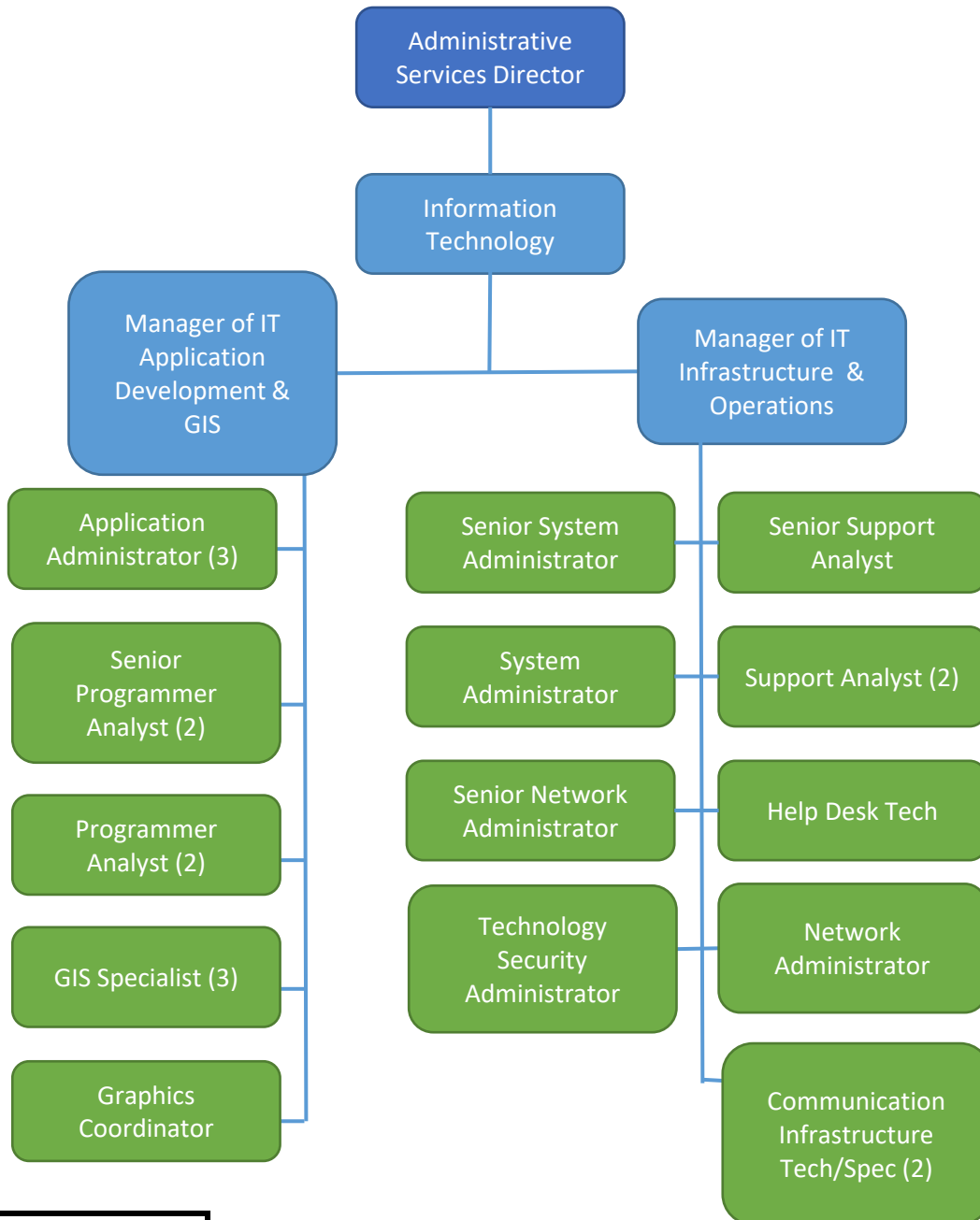


KEY
Solid = General Fund
Patterned = Non-General Fund

City of Duluth Minnesota - 2023 Budget

Administrative Services

Organization Chart - Continued



KEY

Solid = General Fund

Patterned = Non-General Fund

City of Duluth Minnesota - 2023 Budget

Human Resources

City Priority: Innovation and Excellence in Service

<u>Objective:</u>	<u>Strategy/Measure:</u>	2021 Actual	2022 Actual	2023 Target
Workforce: Create a supportive workplace by creating a positive work environment and supporting an engaged workforce.	Implement employee recognition program that recognizes 5 year increments of service	NA	NA	100%
	% of participation in Diversity, Equity, and Inclusion training	NA	30%	92%
High Performing Organization: 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	NA	50%	90%
	% of supervisory staff participation in at least two leadership competency opportunities and trainings.	NA	100%	100%
High Performing Organization: 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 trainings.	95%	95%	100%
	% increase in participation of Wellness Program.	18%	11%	15%
High Performing Organization: Support the health and wellbeing of all City employees and family by actively encouraging healthy behaviors.	% increase in participation in physical preventative exams.	7%	5%	5%
	% of participation in mental health and mental illness awareness through trainings and events, measured through both evaluations and surveys.	10%	10%	25%

City of Duluth Minnesota - 2023 Budget

Information Technology

City Priority: Innovation and Excellence in Service

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Estimate	2023 Target
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	Expansion of online customer offerings	25%	40%	60%	70%
Fiscal Responsibility: Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Consolidate duplicative timekeeping applications	40%	75%	90%	90%
High Performing Organization: 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.	30%	50%	70%	75%

City of Duluth Minnesota - 2023 Budget

Clerks

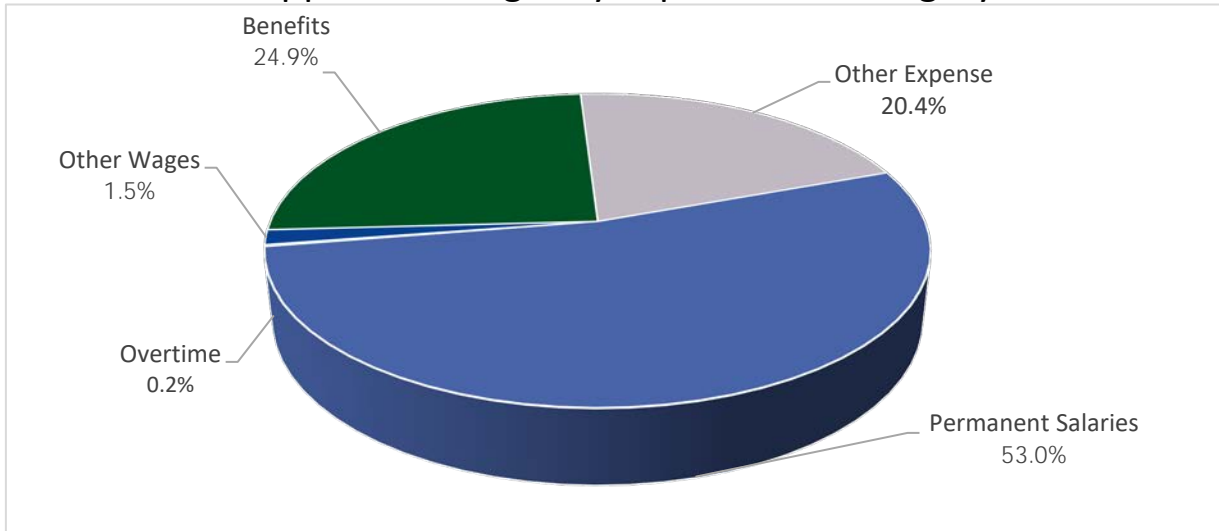
City Priority: Innovation and Excellence in Service

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Estimate	2023 Target
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	Provide for greater clarity and conformity in public licensing.	25%	25%	25%	50%
	Ensure consistent execution of licensing policies and procedures in order to better serve the public.	25%	25%	50%	75%
	Implement office practices and procedures to improve interactions with public stakeholders.	25%	25%	25%	50%
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	Improve transparency of election processes to ensure public trust and engagement.	5%	10%	15%	25%
	Increase and diversify pool of election judges available for upcoming elections.	10%	15%	20%	25%
	Improve efficiency and coordination with election polling places.	10%	15%	20%	25%
Compliance: Provides assurance of regulatory and policy compliance to build trust, accountability, and foster transparency	Create and implement a regulatory compliance system whereby questions and complaints are processed in a transparent and effective manner.	25%	50%	50%	50%
	Increase community outreach and engagement activities to build trust and foster transparency	25%	50%	50%	50%

City of Duluth Minnesota - 2023 Budget

Administrative Services Department

2023 Approved Budget by Expenditure Category



Expenditures by Category	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Permanent Salaries	3,129,396	3,051,486	3,185,800	3,294,500	108,700
Overtime	26,791	30,836	11,400	11,400	-
Other Wages	187,500	75,226	131,000	95,000	(36,000)
Retirement Incentive	8,274	-	-	-	-
Total Personal Services	3,351,961	3,157,548	3,328,200	3,400,900	72,700
Benefits	1,350,108	1,288,624	1,365,700	1,546,900	181,200
Other Expenditures	795,088	1,206,802	1,101,300	1,271,300	170,000
Department Total	5,497,157	5,652,973	5,795,200	6,219,100	423,900

Expenditures by Division	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Human Resources	1,186,646	1,188,621	1,238,300	1,265,200	26,900
Information Technology	3,460,963	3,669,897	3,682,600	4,052,800	370,200
City Clerk	849,548	794,456	874,300	901,100	26,800
Department Total	5,497,157	5,652,973	5,795,200	6,219,100	423,900

Budgeted FTE's	2020	2021	2022	2023	Difference
	39.00	39.00	39.00	40.00	1.00

City of Duluth Minnesota - 2023 Budget

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 within the Joint Powers Enterprise.

Budgeted FTE's	2020	2021	2022	2023	Difference
1115 Manager, HR	1.00	1.00	1.00	1.00	-
1105 HR Supervisor	1.00	1.00	1.00	1.00	-
9 HR Technician	2.00	2.00	2.00	2.00	-
10 Employee Benefits Rep.	1.00	1.00	1.00	1.00	-
10 HR Generalist	2.00	2.00	2.00	2.00	-
10 HRIS Analyst	1.00	1.00	1.00	1.00	-
127 HR Assistant	1.00	1.00	1.00	1.00	-
128 Wellness Coordinator	1.00	1.00	1.00	1.00	-
Division Total	10.00	10.00	10.00	10.00	-

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	787,658	783,654	812,000	792,500	(19,500)
Overtime	8,092	17,281	-	-	-
Other Wages	4,095	5,558	10,000	10,000	-
Total Salaries	799,846	806,492	822,000	802,500	(19,500)
Benefits	333,372	332,691	341,800	372,200	30,400
Other Expenditures					
Materials & Supplies	5,798	2,047	7,500	7,500	-
Services	12,168	20,645	40,500	40,500	-
Utilities & Mtc	27,237	18,812	19,000	35,000	16,000
Other	8,225	7,935	7,500	7,500	-
Total Other Expenditures	53,428	49,438	74,500	90,500	16,000
Division Total	1,186,646	1,188,621	1,238,300	1,265,200	26,900

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Human Resources - 110-122-1106				
PERSONAL SERVICES				
5100 Permanent Salaries	787,658	783,654	812,000	792,500
5101 Premium Pay	8,092	17,281	-	-
5103 Other Wages	4,095	5,558	10,000	10,000
TOTAL	799,846	806,492	822,000	802,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	57,586	58,336	60,000	59,700
5122 FICA - Social Security	47,803	47,634	51,000	50,600
5123 FICA - Medicare	11,180	11,140	12,000	11,800
5125 Dental Insurance	3,894	3,927	4,000	4,000
5126 Life Insurance	2,006	2,023	1,800	1,800
5127 Health Care Savings Plan (HCSP)	18,912	19,252	17,100	28,900
5130 Cafeteria Plan Benefits	189,200	189,003	192,900	212,400
5133 Health or Fitness Program	2,791	1,375	3,000	3,000
TOTAL	333,372	332,691	341,800	372,200
OTHER EXPENDITURES				
5200 Office Supplies	2,218	2,006	3,500	3,500
5201 Computer Supplies/Software	835	41	500	500
5219 Other Miscellaneous Supplies	2,745	-	3,500	3,500
5319 Other Professional Services	6,844	11,657	13,000	13,000
5321 Phone Service	1,200	887	2,000	2,000
5331 Travel/Training	2,135	8,102	18,000	18,000
5355 Printing & Copying	1,726	-	6,000	6,000
5356 Copier, Printer Lease & Supplies	262	-	1,500	1,500
5404 Equipment/Machinery Repair & Mtc	219	-	1,000	1,000
5414 Software Licenses & Mtce Agreements	27,019	18,812	18,000	34,000
5433 Dues & Subscription	1,698	1,108	1,500	1,500
5435 Books & Pamphlets	249	-	1,000	1,000
5441 Other Services & Charges	6,278	6,827	5,000	5,000
TOTAL	53,428	49,438	74,500	90,500
DIVISION TOTAL	1,186,646	1,188,621	1,238,300	1,265,200
REVENUE SOURCE				
4654 Other Reimbursements	10,432	1,685	-	-
DIVISION TOTAL	10,432	1,685	-	-

City of Duluth Minnesota - 2023 Budget

Information Technology

The Information Technology division sets IT strategy, direction, policies and standards for all City of Duluth operations and services. We build, maintain, and secure the City's IT infrastructure, applications, projects, and services. We deliver enterprise and division solutions that transform how the City brings services to the people of Duluth.

Budgeted FTE's	2020	2021	2022	2023	Difference
1135 Mgr, Ap Dev/Desktop	1.00	1.00	1.00	1.00	-
1135 Manager, IT	1.00	1.00	1.00	1.00	-
Comm. Infrastructure					
31 Tech.	1.00	1.00	1.00	1.00	-
Comm. Infrastructure					
33 Spec.	1.00	1.00	1.00	1.00	-
129 Help Desk Technician	1.00	1.00	1.00	1.00	-
131 Graphics Coordinator	1.00	1.00	1.00	1.00	-
131 Support Analyst	2.00	2.00	2.00	2.00	-
133 Programmer Analyst	2.00	2.00	2.00	2.00	-
134 Sr. Support Analyst	1.00	1.00	1.00	1.00	-
136 GIS Specialist	3.00	3.00	3.00	3.00	-
137 Various Admin.	5.00	5.00	5.00	5.00	-
140 Sr. Systems Admin	1.00	1.00	1.00	1.00	-
140 Sr. Network Admin.	1.00	1.00	1.00	1.00	-
140 Sr. Program Analyst	2.00	2.00	2.00	2.00	-
141 Technology Sec. Admin	-	-	-	1.00	1.00
Division Total	23.00	23.00	23.00	24.00	1.00

City of Duluth Minnesota - 2023 Budget

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	1,904,245	1,815,483	1,900,200	2,038,900	138,700
Overtime	14,963	12,088	10,000	10,000	-
Other Wages	-	200	-	-	-
Retirement Incentive	8,274	-	-	-	-
Total Salaries	1,927,482	1,827,770	1,910,200	2,048,900	138,700
Benefits	829,140	756,722	801,300	908,800	107,500
Other Expenditures					
Materials & Supplies	35,375	46,903	33,100	33,000	(100)
Services	167,285	198,670	231,700	232,600	900
Utilities & Mtc	501,637	539,831	706,200	829,400	123,200
Other	43	300,000	100	100	-
Total Other Expenditures	704,341	1,085,405	971,100	1,095,100	124,000
Division Total	3,460,963	3,669,897	3,682,600	4,052,800	370,200

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020	2021	2022	2023
	Actual	Actual	Budget	Approved
Information Technology - 110-122-1107				
PERSONAL SERVICES				
5100 Permanent Salaries	1,904,245	1,815,483	1,900,200	2,038,900
5101 Premium Pay	14,963	12,088	10,000	10,000
5103 Other Wages	-	200	-	-
5105 Retirement Incentive	8,274	-	-	-
TOTAL	1,927,482	1,827,770	1,910,200	2,048,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	139,229	133,762	141,600	153,100
5122 FICA - Social Security	114,544	108,854	118,400	127,900
5123 FICA - Medicare	26,789	25,458	27,700	29,900
5125 Dental Insurance	9,075	8,679	9,100	9,500
5126 Life Insurance	4,675	4,471	4,100	4,300
5127 Health Care Savings Plan (HCSP)	63,635	43,714	37,400	46,100
5130 Cafeteria Plan Benefits	470,393	430,779	463,000	538,000
5133 Health or Fitness Program	800	1,005	-	-
TOTAL	829,140	756,722	801,300	908,800
OTHER EXPENDITURES				
5200 Office Supplies	8,190	832	2,500	2,500
5201 Computer Supplies/Software	19,647	44,371	26,500	26,500
5212 Motor Fuels	260	114	600	300
5218 Uniforms	-	620	1,000	1,200
5241 Small Equip-Office/Operating	7,279	967	2,500	2,500
5309 MIS Services	9,103	12,837	17,000	17,900
5319 Other Professional Services	37,160	44,835	40,500	40,500
5320 Data Services	109,733	113,199	128,500	128,500
5321 Phone Service	5,881	5,117	7,000	7,000
5331 Travel/Training	4,099	20,492	30,000	30,000
5335 Local Mileage Reimbursement	-	81	500	500
5355 Printing & Copying	1,308	1,957	7,000	7,000
5356 Copier, Printer Lease, & Supplies	-	152	1,200	1,200
5404 Equipment/Machinery Repair & Mtc	26,717	56,733	162,500	122,500
5409 Fleet Service Charges	197	1,738	200	2,100
5414 Software Licenses & Mtce Agreements	474,722	481,360	543,500	704,800
5433 Dues & Subscription	43	-	100	100
5700 Interfund Transfers Out	-	300,000	-	-
TOTAL	704,341	1,085,405	971,100	1,095,100
DIVISION TOTAL	3,460,963	3,669,897	3,682,600	4,052,800

City of Duluth Minnesota - 2023 Budget

General Fund Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Information Technology - 110-122-1107				
REVENUE SOURCE				
4320 IT Services	27,407	10,363	18,300	12,900
4654 Other Reimbursements	47,208	-	-	-
4730 Transfer in from Special Revenue	-	-	-	115,800
4730 Transfer in from Public Utility	239,900	236,300	215,400	223,400
DIVISION TOTAL	314,515	246,663	233,700	352,100

City of Duluth Minnesota - 2023 Budget

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.

Budgeted FTE's	2020	2021	2022	2023	Difference
1160 Dir., Admin. Svcs.	1.00	1.00	1.00	1.00	-
1115 City Clerk	-	-	-	1.00	1.00
1055 Assistant City Clerk	1.00	1.00	1.00	1.00	-
1055 Code Compliance Off.	1.00	1.00	1.00	-	(1.00)
9 Executive Assistant	1.00	1.00	1.00	1.00	-
126 Information Technician	-	-	-	1.00	1.00
129 Admin. Info. Spec.	2.00	2.00	2.00	1.00	(1.00)
Division Total	6.00	6.00	6.00	6.00	-

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	437,493	452,350	473,600	463,100	(10,500)
Overtime	3,736	1,467	1,400	1,400	-
Other Wages	183,405	69,468	121,000	85,000	(36,000)
Total Salaries	624,633	523,285	596,000	549,500	(46,500)
Benefits	187,595	199,211	222,600	265,900	43,300
Other Expenditures					
Materials & Supplies	7,385	3,560	2,600	2,600	-
Services	10,078	46,154	23,800	53,800	30,000
Utilities & Mtc	13,033	13,000	13,000	13,000	-
Other	6,822	9,244	16,300	16,300	-
Total Other Expenditures	37,319	71,959	55,700	85,700	30,000
Division Total	849,548	794,456	874,300	901,100	26,800

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
City Clerk - 110-122-1211				
PERSONAL SERVICES				
5100 Permanent Salaries	437,493	452,350	473,600	463,100
5101 Premium Pay	3,736	1,467	1,400	1,400
5103 Other Wages	183,405	69,468	121,000	85,000
TOTAL	624,633	523,285	596,000	549,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	31,264	32,964	35,000	35,900
5122 FICA - Social Security	29,872	27,308	37,000	35,000
5123 FICA - Medicare	6,986	6,387	8,600	8,200
5125 Dental Insurance	2,376	2,376	2,400	2,400
5126 Life Insurance	1,224	1,224	1,100	1,100
5127 Health Care Savings Plan (HCSP)	17,251	19,620	33,600	10,400
5130 Cafeteria Plan Benefits	97,843	108,628	104,900	172,900
5133 Health or Fitness Program	780	705	-	-
TOTAL	187,595	199,211	222,600	265,900
OTHER EXPENDITURES				
5200 Office Supplies	4,649	1,584	1,100	1,100
5201 Computer Supplies/Software	402	-	500	500
5219 Other Miscellaneous Supplies	2,335	1,976	1,000	1,000
5321 Phone Service Cellular Phone	241	599	600	600
5331 Travel/Training	393	579	7,500	7,500
5335 Local Mileage Reimbursement	1,560	650	1,000	1,000
5355 Printing & Copying	7,885	44,327	14,700	44,700
5404 Equipment/Machinery Repair & Mtc	13,033	13,000	13,000	13,000
5412 Building Rental	40	1,060	1,000	1,000
5414 Software Licenses & Mtce Agreements	2,906	2,866	10,000	10,000
5427 Credit Card Commissions	826	342	-	-
5433 Dues & Subscription	42	-	400	400
5441 Other Services & Charges	3,008	4,976	4,900	4,900
TOTAL	37,319	71,959	55,700	85,700
DIVISION TOTAL	849,548	794,456	874,300	901,100

City of Duluth Minnesota - 2023 Budget

General Fund Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
City Clerk - 110-122-1211				
REVENUE SOURCE				
4101 Liquor License	419,828	437,151	415,000	415,000
4102 Beer License	15,778	16,558	11,200	11,200
4105 Hotel License	7,130	7,895	6,500	6,500
4106 Garbage Collection	17,582	16,688	16,000	18,000
4107 Horse & Carriage	-	286	700	700
4108 Emergency Wrecker License	3,115	3,146	6,000	6,000
4109 Gas Station License	8,295	8,829	8,500	9,250
4111 Pawnbroker License	386	772	1,100	1,100
4112 Peddler's License	4,668	11,175	1,000	1,000
4113 Precious Metal Dealer	1,544	1,544	1,500	1,750
4114 Pet Shop License	415	581	600	600
4115 Dog & Cat Hospitals License	415	498	-	-
4116 Dog Kennels License	264	694	400	400
4117 Massage Establishment & Therapist	9,773	11,329	10,800	10,800
4118 Cigarette License	11,216	11,309	11,000	12,000
4119 Motor Vehicle - Dealer	2,940	3,119	4,400	4,400
4119 Motor Vehicle - Rental	801	1,335	1,800	1,800
4120 Taxi Permit	2,787	19,299	11,000	11,000
4121 Coin Operating Device	85	16,501	9,000	8,000
4122 Pool & Bowling	601	1,202	-	600
4124 Tree Service Contractor License	-	-	1,400	1,400
4125 Transportation Network Comp License	-	-	7,400	7,900
4126 Shared Active Mobility Systems	3,000	9,450	3,500	11,000
4150 Pet License	9	-	-	-
4155 Special Event Permit	1,508	3,812	1,500	1,500
4170 Misc. Permits & Licenses	3,234	2,049	2,000	2,000
4260 St Louis County	45,027	-	-	-
4470 License Penalties	1,894	-	1,500	1,500
4644 Miscellaneous Sales	2,133	3,227	25,000	35,000
4700 Other Sources	47,294	-	-	-
4730 Transfers in from Special Revenue	25,000	25,000	25,000	25,000
DIVISION TOTAL	636,722	613,449	583,800	605,400

City of Duluth Minnesota - 2023 Budget

Finance Department

Mission and Vision

It is the Finance Department's mission to support the City of Duluth's citizens, elected officials, and employees by professionally fulfilling its duties of reporting, accounting, budgeting, buying, billing, analyzing, forecasting, safeguarding and disseminating City financial assets and information in a cost effective manner. We accomplish this by hiring and 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.

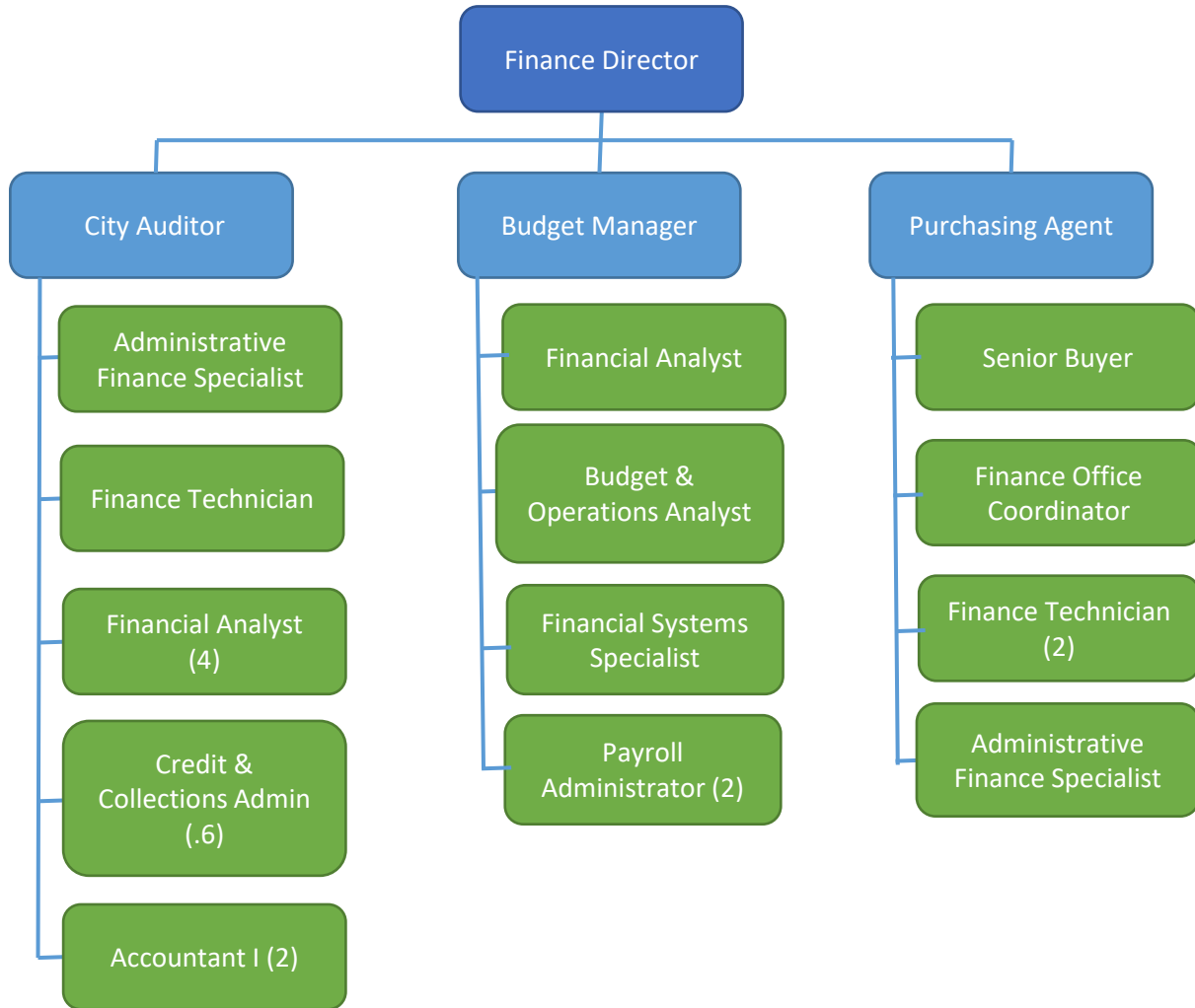
Structure

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 - 2023 Budget

Finance Department

Organization Chart



City of Duluth Minnesota - 2023 Budget

Finance

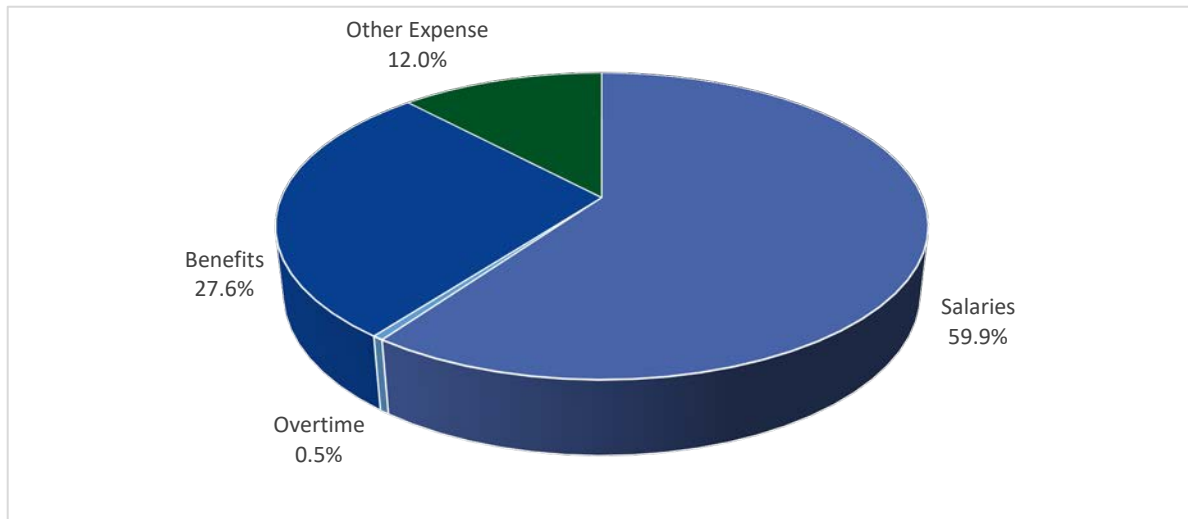
City Priority: Innovation and Excellence in Service					
Objective:	Strategy/Measure:	2020 Actual	2021 Actual	2022 Actual	2023 Target
Fiscal Responsibility: Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability	Percent of departments meeting their expenditure appropriation.	89%	100%	78%	100%
	Number of accounts payable voucher documents processed.	21,891	24,379	25,897	26,000
	Number of accounts payable checks written.	12,369	11,378	11,340	11,500
	Average investment portfolio yield	1.21%	0.65%	1.65%	3.50%
	Number of payment receipts processed in Finance office	5,437	5,589	6,509	6,600
	Total dollar value of supplies and services purchased	\$126.409M	\$75,472M	\$87,609M	\$98,900M
	Number of Purchase Orders processed	724	772	763	800
Long Range Planning: 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	Yes
	To obtain GFOA's Distinguished Budget Presentation Award	Yes	Yes	Yes	Yes
	Other Post-Employment Benefits Trust Account balance	\$82.5M	\$99.7M	\$82.9M	\$86.2M
Workforce: Attract, develop, equip, motivate, and retain a high-quality, diverse, engaged and productive workforce focused on creative service excellence	Number of paychecks processed.*	27,540	25,548	25,907	25,500

*# changed from total direct deposits to total paychecks

City of Duluth Minnesota - 2023 Budget

Finance Department

2023 Approved Budget by Expenditure Category



Expenditures by Category	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Permanent Salaries	1,694,111	1,689,340	1,729,800	1,769,700	39,900
Overtime	17,488	23,069	14,000	14,000	-
Other Wages	5,789	1,517	-	-	-
Retirement Incentive	12,967	-	-	-	-
Total Personal Services	1,730,355	1,713,926	1,743,800	1,783,700	39,900
Benefits	739,376	722,779	715,300	816,900	101,600
Other Expense	327,677	348,904	355,400	355,400	-
Department Total	2,797,408	2,785,609	2,814,500	2,956,000	141,500

Expenditures by Division	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Budget Office	978,873	959,584	950,400	982,700	32,300
Auditor's Office	1,217,538	1,241,123	1,241,300	1,345,800	104,500
Purchasing	600,997	584,902	622,800	627,500	4,700
Department Total	2,797,408	2,785,609	2,814,500	2,956,000	141,500

Budgeted FTE's	2020	2021	2022	2023	Difference
	21.6	21.6	21.6	22.6	1.0

City of Duluth Minnesota - 2023 Budget

Budget Office

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 supports the enterprise resource planning software as well as timekeeping systems.

Budgeted FTE's	2020	2021	2022	2023	Difference
1165 Finance Director	1.0	1.0	1.0	1.0	-
Manager, Budget &					
1115 Fiscal Analysis	1.0	1.0	1.0	1.0	-
1085 Financial Syst. Admin.	1.0	1.0	1.0	-	(1.0)
10 Financial Syst. Spec.	-	-	-	1.0	1.0
10 Payroll Administrator	2.0	2.0	2.0	2.0	-
133 Budget Analyst	1.0	1.0	1.0	1.0	-
136 Financial Analyst	1.0	1.0	1.0	1.0	-
Division Total	7.0	7.0	7.0	7.0	0.0

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	677,563	659,073	664,100	653,800	(10,300)
Overtime	10,021	7,967	6,400	6,400	-
Other Wages	2,529	1,517	-	-	-
Retirement Incentives	5,000	-	-	-	-
Total Salaries	695,112	668,557	670,500	660,200	(10,300)
Benefits	248,811	255,026	242,800	285,400	42,600
Other Expense					
Materials & Supplies	1,372	248	2,000	2,000	-
Services	586	1,567	13,600	13,600	-
Other	32,992	34,186	21,500	21,500	-
Total Other Expense	34,950	36,001	37,100	37,100	-
Division Total	978,873	959,584	950,400	982,700	32,300

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Budget Office - 110-125-1212				
PERSONAL SERVICES				
5100 Permanent Salaries	677,563	659,073	664,100	653,800
5101 Premium Pay	10,021	7,967	6,400	6,400
5103 Other Wages	2,529	1,517	-	-
5105 Retirement Incentive	5,000	-	-	-
TOTAL	695,112	668,557	670,500	660,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	49,051	46,537	49,500	50,000
5122 FICA - Social Security	41,952	40,436	41,600	41,800
5123 FICA - Medicare	9,811	9,457	9,700	9,800
5125 Dental Insurance	2,761	2,771	2,800	2,800
5126 Life Insurance	1,432	1,428	1,300	1,300
5127 Health Care Savings Plan (HCSP)	31,978	27,391	12,400	25,800
5130 Cafeteria Plan Benefits	111,124	127,005	125,500	153,900
5133 Health or Fitness Program	702	-	-	-
TOTAL	248,811	255,026	242,800	285,400
OTHER EXPENDITURES				
5200 Office Supplies	-	179	1,500	1,500
5201 Computer Supplies/Software	1,372	69	500	500
5321 Phone Service	131	360	-	-
5331 Travel/Training	420	1,170	13,000	13,000
5355 Printing & Copying	35	38	600	600
5433 Dues & Subscription	640	1,317	500	500
5434 Grants & Awards	-	-	600	600
5435 Books & Pamphlets	-	-	200	200
5441 Other Services & Charges	32,352	32,869	20,200	20,200
TOTAL	34,950	36,001	37,100	37,100
DIVISION TOTAL	978,873	959,584	950,400	982,700

City of Duluth Minnesota - 2023 Budget

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 Comprehensive Annual Financial Report which is audited by the Minnesota Office of the State Auditor.

Budgeted FTE's	2020	2021	2022	2023	Difference
1135 City Auditor	1.0	1.0	1.0	1.0	-
126 Finance Technician	1.0	1.0	1.0	1.0	-
129 Admin Finance Spec.	1.0	1.0	1.0	1.0	-
130 Accountant I Credit/Collections	-	-	1.0	2.0	1.0
135 Admin	0.6	0.6	0.6	0.6	-
136 Financial Analyst	5.0	5.0	4.0	4.0	-
Division Total	8.6	8.6	8.6	9.6	1.0

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	619,453	650,316	657,700	731,200	73,500
Overtime	7,467	15,072	7,600	7,600	-
Other Wages	3,260	-	-	-	-
Retirement Incentive	7,967	-	-	-	-
Total Salaries	638,148	665,388	665,300	738,800	73,500
Benefits	291,169	266,766	271,900	302,900	31,000
Other Expense					
Materials & Supplies	2,831	4,187	6,000	6,000	-
Services	279,224	300,786	295,000	295,000	-
Utility & Mtc	913	-	800	800	-
Other	5,255	3,996	2,300	2,300	-
Total Other Expense	288,222	308,969	304,100	304,100	-
Division Total	1,217,538	1,241,123	1,241,300	1,345,800	104,500

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
City Auditor's Office - 110-125-1214				
PERSONAL SERVICES				
5100 Permanent Salaries	619,453	650,316	657,700	731,200
5101 Premium Pay	7,467	15,072	7,600	7,600
5103 Other Wages	3,260	-	-	-
5105 Retirement Incentive	7,967	-	-	-
TOTAL	638,148	665,388	665,300	738,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	46,891	48,876	49,100	55,400
5122 FICA - Social Security	37,924	39,799	41,200	46,700
5123 FICA - Medicare	8,869	9,308	9,600	10,900
5125 Dental Insurance	3,225	3,136	3,400	3,800
5126 Life Insurance	1,708	1,768	1,500	1,700
5127 Health Care Savings Plan (HCSP)	14,434	15,073	12,800	14,600
5130 Cafeteria Plan Benefits	177,677	148,667	154,300	169,800
5133 Health or Fitness Program	440	139	-	-
TOTAL	291,169	266,766	271,900	302,900
OTHER EXPENDITURES				
5200 Office Supplies	1,205	2,340	3,000	3,000
5203 Paper/Stationery/Forms	992	1,014	2,000	2,000
5241 Small Equip-Office/Operating	634	833	1,000	1,000
5301 Auditing Services	115,470	128,332	116,800	116,800
5306 Collection Services	3,380	2,903	5,000	5,000
5309 IT Services	157,480	165,355	167,500	167,500
5331 Travel/Training	(742)	149	3,200	3,200
5355 Printing & Copying	1,747	2,154	1,000	1,000
5356 Copier, Printer Lease & Supplies	1,888	1,894	1,500	1,500
5404 Equipment/Machinery Repair & Mtc	-	-	800	800
5414 Software Licenses & Mtce Agreements	913	-	-	-
5433 Dues & Subscription	1,796	637	1,300	1,300
5435 Books & Pamphlets	-	-	500	500
5441 Other Services & Charges	3,459	3,359	500	500
TOTAL	288,222	308,969	304,100	304,100
DIVISION TOTAL	1,217,538	1,241,123	1,241,300	1,345,800

City of Duluth Minnesota - 2023 Budget

General Fund Revenue Detail	2020	2021	2022	2023
City Auditor's Office - 110-125-1214	Actual	Actual	Budget	Approved
REVENUE SOURCE				
4005 Current Property Tax	21,700,740	21,756,657	25,237,800	28,114,150
4010 Delinquent Property Tax	172,295	225,155	150,000	150,000
4015 Mobile Home Tax	87,822	89,574	64,700	80,000
4040 City Sales Tax	13,849,221	16,367,571	14,500,000	15,000,000
4050 Charitable Gambling 3% Tax	19,080	36,852	20,000	20,000
4070 MN Power Franchise Fee	2,785,793	2,882,986	2,590,500	3,100,000
4071 Cable Franchise Fee	793,812	749,214	730,000	693,300
4072 No. MN Utility Franchise Fee	7,187	7,504	6,700	6,700
4080 Forfeit Tax Sale	-	18,740	10,000	10,000
4090 Other Taxes	361,693	296,472	88,700	88,700
4221 Local Government Aid	30,282,160	30,543,564	30,671,600	30,807,800
4222 State Property Tax Aid	206	200	-	-
4300 HRA in Lieu of Taxes	70,689	72,095	65,000	65,000
4310 Assessment Cost Services	10,935	9,701	40,600	10,000
4311 Assessment Certificate Fee	86,300	77,868	30,000	60,000
4315 Stormwater Administrative Service	169,900	169,900	196,800	196,800
4315 Sewer Administrative Service	230,400	230,400	238,200	238,200
4315 Steam Administrative Service	53,200	53,200	53,200	64,500
4315 DECC Administrative Service	-	13,800	21,000	13,800
4315 DTA Administrative Service	10,300	10,300	10,300	12,500
4315 Grant Administration Services	74,798	90,540	69,000	69,000
4315 Airport Administrative Service	45,200	45,200	45,200	73,200
4315 DEDA Administrative Service	400,000	400,000	400,000	400,000
4315 Public Utility Admin Service	851,000	851,000	876,400	876,400
4315 Fleet Administrative Service	146,200	146,200	146,200	146,200
4315 Golf Administrative Service	-	-	16,100	-
4315 Group Health Admin Service	380,598	390,113	353,300	409,800
4315 Self Insurance Admin Service	614,500	614,500	666,900	734,500
4315 Spirit Mt. Administrative Service	26,200	26,200	26,200	27,800
4315 Parking Administrative Service	150,000	150,000	116,300	140,500
4315 410 West 1st Street Ramp	5,000	5,000	6,700	8,500
4323 Garnishment Fees	45	45	-	-
4472 Administrative Fines	48,019	54,723	43,400	39,000
4473 Court Fines	260,501	263,596	335,000	260,000
4500 Assessments	77,396	54,114	58,800	55,000

City of Duluth Minnesota - 2023 Budget

General Fund Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
City Auditor's Office - 110-125-1214 Continued				
4501 Assessments - Penalty & Interest	15,926	13,239	16,800	13,800
4601 Earnings on Investments Chg in Value	150,413	(105,772)	-	-
4644 Misc. Fees, Sales & Services	293	180	1,000	1,000
4654 Other Reimbursements	1,152	92,680	-	-
4700 Other Sources	12,164	24,676	-	-
4702 Fond du Luth Proceeds	150,000	150,000	150,000	150,000
4730 Transfer from Special Rev Fund	112,042	211,884	204,200	302,000
4730 Transfer from Police Grant Fund- OT	-	452	-	-
4730 Transfer from Parking Fund	-	1,346,700	1,346,700	1,346,700
4731 Gas Utility in Lieu of Taxes	2,778,917	2,550,973	2,900,000	4,000,000
4732 Steam Utility in Lieu of Taxes	152,800	154,492	154,000	154,000
4805 Reimbursements	-	35	-	-
DIVISION TOTAL	77,144,896	81,142,524	82,657,300	87,938,850

City of Duluth Minnesota - 2023 Budget

City Purchasing

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

Budgeted FTE's	2020	2021	2022	2023	Difference
1100 Purchasing Agent	1.0	1.0	1.0	1.0	-
126 Finance Technician	2.0	2.0	2.0	1.0	(1.0)
129 Admin Finance Spec.	1.0	1.0	1.0	2.0	1.0
133 Finance Office Coord.	1.0	1.0	1.0	1.0	-
133 Senior Buyer	1.0	1.0	1.0	1.0	-
Division Total	6.0	6.0	6.0	6.0	0.0

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	397,095	379,951	408,000	384,700	(23,300)
Overtime	-	30	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	397,095	379,982	408,000	384,700	(23,300)
Benefits	199,397	200,987	200,600	228,600	28,000
Other Expense					
Materials & Supplies	1,530	1,728	3,800	3,800	-
Services	911	1,176	7,400	7,400	-
Other	2,063	1,031	3,000	3,000	-
Total Other Expense	4,505	3,934	14,200	14,200	-
Division Total	600,997	584,902	622,800	627,500	4,700

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
City Purchasing Office - 110-125-1215				
PERSONAL SERVICES				
5100 Permanent Salaries	397,095	379,951	408,000	384,700
5101 Premium Pay	-	30	-	-
TOTAL	397,095	379,982	408,000	384,700
EMPLOYEE BENEFITS				
5121 PERA Retirement	29,103	27,965	30,200	29,700
5122 FICA - Social Security	23,298	22,487	25,300	24,700
5123 FICA - Medicare	5,449	5,259	5,900	5,800
5125 Dental Insurance	2,438	2,277	2,400	2,400
5126 Life Insurance	1,224	1,173	1,100	1,100
5127 Health Care Savings Plan (HCSP)	7,212	20,760	7,500	8,100
5130 Cafeteria Plan Benefits	130,193	120,585	128,200	156,800
5133 Health or Fitness Program	480	480	-	-
TOTAL	199,397	200,987	200,600	228,600
OTHER EXPENDITURES				
5200 Office Supplies	1,463	1,478	3,500	2,500
5201 Computer Supplies/Software	67	250	300	1,300
5331 Travel/Training	911	1,047	2,000	5,500
5340 Advertising & Promotion	-	69	900	900
5355 Printing & Copying	-	60	4,500	1,000
5433 Dues & Subscription	735	570	1,500	1,500
5441 Other Services & Charges	1,328	461	1,500	1,500
TOTAL	4,505	3,934	14,200	14,200
DIVISION TOTAL	600,997	584,902	622,800	627,500

City of Duluth Minnesota - 2023 Budget

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 in to 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.

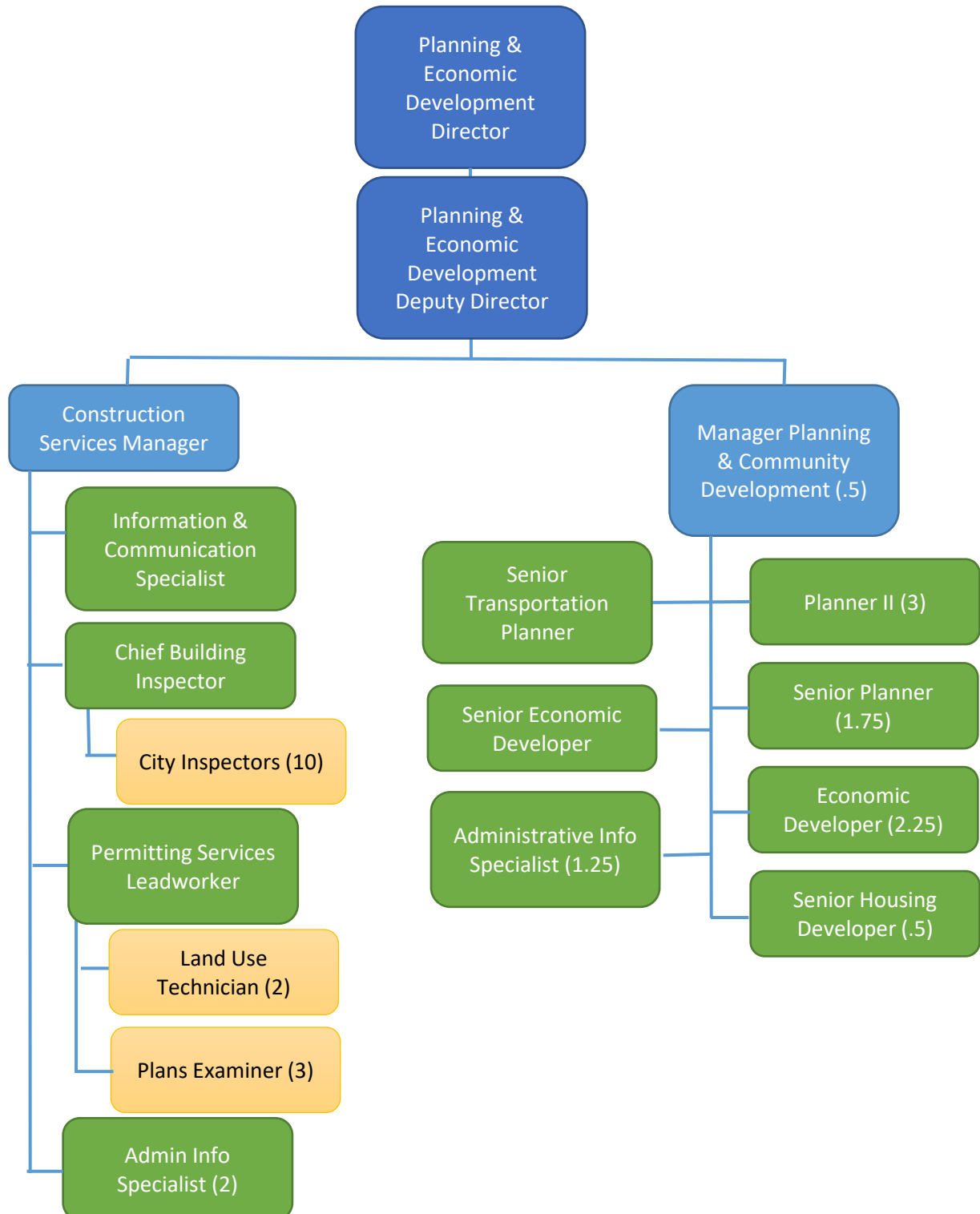
Structure

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 - 2023 Budget

Planning & Economic Development

Organization Chart



City of Duluth Minnesota - 2023 Budget

Planning & Development

City Priority: Livable Neighborhoods and Affordable Housing

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
Development/ Redevelopment: Encourage and support strategically planned, well-designed and uniformly regulated mixed-use development and redevelopment, enhancing its desirability as a great place to live and work	Number of plan reviews performed, including shoreland permits	281	254	257	250
	Number of land use applications processed by Planning Commission or Heritage Preservation Commission	105	117	163	130
Community Involvement: Instill a sense of community pride through proactive communication, engagement, outreach, participation, and volunteerism.	Total number of community development applications evaluated for funding	57	32	33	35

City Priority: Safe and Secure Community

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
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 residents and visitors	Number of predevelopment meetings facilitated	106	116	135	120
	Number of formal compliance actions	8	51	66	50

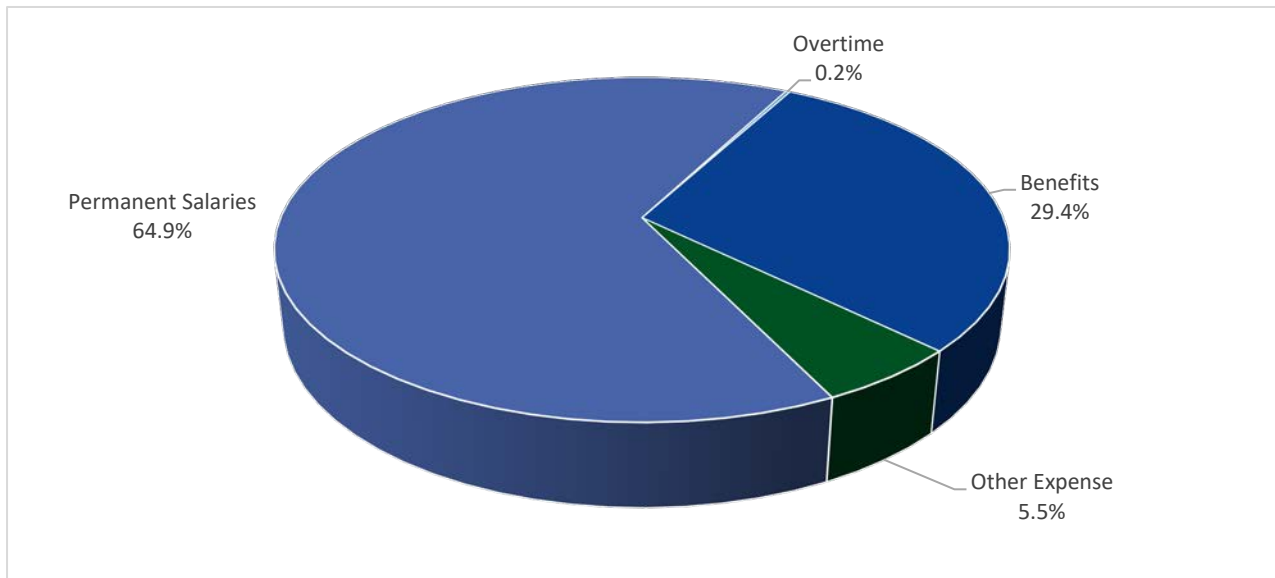
City of Duluth Minnesota - 2023 Budget

Construction Services & Inspections

City Priority: Safe and Secure Community					
<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
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	Valuation of construction permits issued	\$392M	\$560M	\$323M	\$250M
	Number of construction inspections performed	9,890	9,664	9,418	9,000
City Priority: Innovation and Excellence in Service					
<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
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	Percentage of permits issued online	94%	85%	90%	95%
	Number of pre-submittal plan review meetings	25	46	63	50
City Priority: Infrastructure					
<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
Buildings: 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	1,381	1,666	1,494	1,500

City of Duluth Minnesota - 2023 Budget

Planning & Economic Development Department 2023 Approved Budget by Expenditure Category



Expenditures by Category	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Permanent Salaries	2,248,442	2,344,882	2,500,900	2,615,200	114,300
Overtime	6,275	10,605	9,000	9,000	-
Other Wages	163	562	-	-	-
Total Personal Services	2,254,880	2,356,048	2,509,900	2,624,200	114,300
Benefits	904,626	1,001,774	1,025,100	1,184,400	159,300
Other Expense	263,174	292,145	211,600	221,000	9,400
Department Total	3,422,679	3,649,967	3,746,600	4,029,600	283,000

Expenditures by Division	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Planning & Development	1,353,171	1,468,593	1,523,400	1,661,900	138,500
Construction Srv & Inspect	2,069,509	2,181,374	2,223,200	2,367,700	144,500
Department Total	3,422,679	3,649,967	3,746,600	4,029,600	283,000

Budgeted FTE's	2020	2021	2022	2023	Difference
	32.8	32.8	32.8	34.3	1.5

City of Duluth Minnesota - 2023 Budget

Planning & Development

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

Budgeted FTE's	2020	2021	2022	2023	Difference
1170 Dir. Planning & Econ Dev	1.00	1.00	1.00	1.00	-
1135 Deputy Dir. Plng & Econ	1.00	1.00	1.00	1.00	-
1105 Mgr Planning & CD	0.50	0.50	0.50	0.50	-
129 Admin Info Specialist	1.25	1.25	1.25	1.25	-
129 Planner I	1.00	1.00	-	-	-
133 Planner II	2.00	2.00	3.00	3.00	-
135 Economic Developer	2.25	2.25	2.25	2.25	-
136 Sr Planner	1.75	1.75	1.75	1.75	-
138 Sr Econ Developer	-	-	-	1.00	1.00
138 Sr Housing Developer	0.50	0.50	0.50	0.50	-
138 Sr Transport Planner	1.00	1.00	1.00	1.00	-
Division Total	12.25	12.25	12.25	13.25	1.00

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	946,905	1,012,225	1,049,100	1,128,900	79,800
Overtime	3,056	2,563	-	-	-
Other Wages	163	562	-	-	-
Total Salaries	950,124	1,015,350	1,049,100	1,128,900	79,800
Benefits	353,004	401,682	407,400	466,100	58,700
Other Expense					
Materials & Supplies	5,977	5,698	3,200	3,200	-
Services	19,167	23,937	38,500	38,500	-
Other	24,898	21,926	25,200	25,200	-
Total Other Expense	50,043	51,561	66,900	66,900	-
Division Total	1,353,171	1,468,593	1,523,400	1,661,900	138,500

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Planning & Development - 110-132-1301				
PERSONAL SERVICES				
5100 Permanent Salaries	946,905	1,012,225	1,049,100	1,128,900
5101 Premium Pay	3,056	2,563	-	-
5103 Other Wages	163	562	-	-
TOTAL	950,124	1,015,350	1,049,100	1,128,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	68,427	73,932	77,400	84,900
5122 FICA - Social Security	57,567	60,951	65,000	71,300
5123 FICA - Medicare	13,463	14,361	15,200	16,700
5125 Dental Insurance	4,623	5,098	4,900	5,200
5126 Life Insurance	2,382	2,610	2,200	2,400
5127 Health Care Savings Plan (HCSP)	25,841	28,611	32,200	28,100
5130 Cafeteria Plan Benefits	180,342	215,759	210,500	257,500
5133 Health or Fitness Program	360	360	-	-
TOTAL	353,004	401,682	407,400	466,100
OTHER EXPENDITURES				
5200 Office Supplies	4,900	1,891	1,900	1,900
5201 Computer Supplies/Software	834	3,742	1,000	1,000
5241 Small Equip-Office/Operating	244	65	300	300
5319 Other Professional Services	10,643	10,000	18,600	18,600
5321 Phone Service	3,857	4,826	2,800	2,800
5322 Postage	616	132	500	500
5331 Travel/Training	788	6,009	8,600	8,600
5335 Local Mileage Reimbursement	75	-	2,000	2,000
5355 Printing & Copying	841	977	5,500	5,500
5356 Copier, Printer Lease & Supplies	2,348	1,994	500	500
5414 Software Licenses & Mtce Agreements	13,593	13,402	12,000	12,000
5433 Dues & Subscription	5,373	4,895	5,700	5,700
5435 Books & Pamphlets	150	-	200	100
5441 Other Services & Charges	4,116	3,001	4,000	4,400
5443 Board & Meeting Expenses	1,667	627	3,300	3,000
TOTAL	50,043	51,561	66,900	66,900
DIVISION TOTAL	1,353,171	1,468,593	1,523,400	1,661,900

City of Duluth Minnesota - 2023 Budget

General Fund Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Planning & Development - 110-132-1301				
REVENUE SOURCE				
4307 Planning/Zoning Fees	80,826	123,008	85,000	87,500
4631 Media Sales	-	-	100	-
4644 Misc Fees, Sales & Services	-	39,668	40,900	40,900
4654 Other Reimbursements	3,252	10,856	-	-
4660 Gifts and Donations	5,856	-	-	-
4730 Transfers In Special Revenue	-	-	-	111,700
DIVISION TOTAL	89,934	173,532	126,000	240,100

City of Duluth Minnesota - 2023 Budget

Construction Services & Inspection

Supervised by the Construction Services Manager/Building Official, this division handles all construction permitting, plan review, inspections, condemnations for demolition, and is the central point of service for residential and commercial development in the City.

Budgeted FTE's	2020	2021	2022	2023	Difference
1110 Construction Svcs Mgr.	1.00	1.00	1.00	1.00	-
28 Land Use Technician	3.00	3.00	3.00	2.00	(1.00)
29 Plans Examiner	3.00	3.00	3.00	3.00	-
31 Construction Inspector	2.00	2.00	2.00	3.00	1.00
31 Electrical Inspector	2.00	2.00	2.00	2.00	-
31 HVAC Inspector	2.00	2.00	2.00	2.00	-
31 Plumbing Inspector	3.00	3.00	2.50	2.00	(0.50)
32 Combination Svcs Inspe	2.00	2.00	2.00	1.00	(1.00)
32 Permitting Svcs Ldwkr	1.00	1.00	1.00	1.00	-
36 Chief Building Inspector	1.00	1.00	1.00	1.00	-
129 Admin. Info Spec.	-	-	-	2.00	2.00
132 Info & Comm Specialist	0.50	0.50	1.00	1.00	-
Division Total	20.50	20.50	20.50	21.00	0.50

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	1,301,536	1,332,657	1,451,800	1,486,300	34,500
Overtime	3,219	8,042	9,000	9,000	-
Other Wages	-	-	-	-	-
Total Salaries	1,304,756	1,340,698	1,460,800	1,495,300	34,500
Benefits	551,622	600,091	617,700	718,300	100,600
Other Expense					
Materials & Supplies	9,088	20,145	30,900	35,200	4,300
Services	44,901	17,463	27,700	27,700	-
Utility & Maintenance	19,395	15,697	18,000	23,100	5,100
Other	87,600	187,280	68,100	68,100	-
Building Demolition	52,148	-	-	-	-
Total Other Expense	213,131	240,584	144,700	154,100	9,400
Division Total	2,069,509	2,181,374	2,223,200	2,367,700	144,500

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Construction Services & Inspection - 110-132-1304				
PERSONAL SERVICES				
5100 Permanent Salaries	1,301,536	1,332,657	1,451,800	1,486,300
5101 Premium Pay	3,219	8,042	9,000	9,000
5103 Other Wages	-	-	-	-
TOTAL	1,304,756	1,340,698	1,460,800	1,495,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	92,767	98,289	107,400	111,800
5122 FICA - Social Security	78,277	80,157	90,600	94,000
5123 FICA - Medicare	18,307	18,746	21,200	22,000
5125 Dental Insurance	7,384	7,658	6,100	6,700
5126 Life Insurance	3,800	3,929	3,700	3,800
5127 Health Care Savings Plan (HCSP)	34,147	52,799	33,000	34,100
5130 Cafeteria Plan Benefits	316,702	338,275	355,700	445,900
5133 Health or Fitness Program	240	240	-	-
TOTAL	551,622	600,091	617,700	718,300
OTHER EXPENDITURES				
5200 Office Supplies	1,050	1,191	3,700	3,700
5205 Safety & Training Materials	98	117	900	900
5212 Motor Fuels	6,273	11,483	13,400	17,700
5219 Other Miscellaneous Supplies	829	-	5,400	5,400
5241 Small Equip-Office/Operating	838	7,353	7,500	7,500
5309 Technology Services	-	146	-	-
5321 Phone Service	13,102	13,084	4,500	4,500
5331 Travel/Training	20,696	3,867	15,000	15,000
5335 Local Mileage Reimbursement	-	-	200	200
5355 Printing & Copying	8,495	367	7,000	7,000
5356 Copier, Printer Lease & Supplies	2,608	-	1,000	1,000
5404 Equipment/Machinery Repair & Mtc	-	170	600	600
5409 Fleet Services Charges	19,395	15,526	17,400	22,500
5414 Software Licenses & Mtce Agreements	18,518	17,565	20,000	20,000
5427 Credit Card Commissions	47,913	63,409	17,500	17,500
5433 Dues & Subscription	1,498	1,141	1,500	1,500
5435 Books & Pamphlets	7,156	3,113	4,500	4,500
5441 Other Services & Charges	2,808	279	4,600	4,600
5453 Building Demolition	9,708	1,772	20,000	20,000
5580 Capital Equipment	52,148	-	-	-
5700 Transfers Out to Spec Rev. Fund	-	100,000	-	-
TOTAL	213,131	240,584	144,700	154,100
DIVISION TOTAL	2,069,509	2,181,374	2,223,200	2,367,700

City of Duluth Minnesota - 2023 Budget

General Fund Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Construction Services & Inspection - 110-132-1304				
REVENUE SOURCE				
4151 Fill Permits	7,800	4,587	1,100	1,100
4301 Zoning Appeals Fees	-	-	600	600
4303 Use Permit - Flood & Wetlands	3,328	2,652	900	900
4351 Building Inspection Fees	1,700,914	3,799,303	1,764,800	1,906,000
4352 Plumbing Inspection Fees	348,056	184,276	182,200	238,300
4353 Electric Inspection Fees	536,126	262,513	192,300	244,800
4354 HVAC-R Inspection Fees	574,348	315,858	151,800	204,500
4355 Signs Inspection Fees	20,455	13,297	10,600	11,100
4356 House Moving Inspection Fee	13,759	15,720	9,100	9,500
4357 Mobile Home Inspection Fees	1,010	1,736	1,900	2,000
4359 CAF Administrative Fee	14,965	12,934	15,300	15,300
4361 RZP Registration Fee	20,885	29,097	13,100	13,700
4500 Assessments	2,795	135	51,100	-
4501 Assessments - Penalty & Interest	852	6	-	-
4631 Media Sales	1	-	3,300	2,000
4644 Miscellaneous Sales	651	375	500	500
4654 Other Reimbursements	33	-	-	-
4701 2% Retention Surtax	1,941	1,783	1,400	1,400
DIVISION TOTAL	3,247,918	4,644,272	2,400,000	2,651,700

City of Duluth Minnesota - 2023 Budget

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

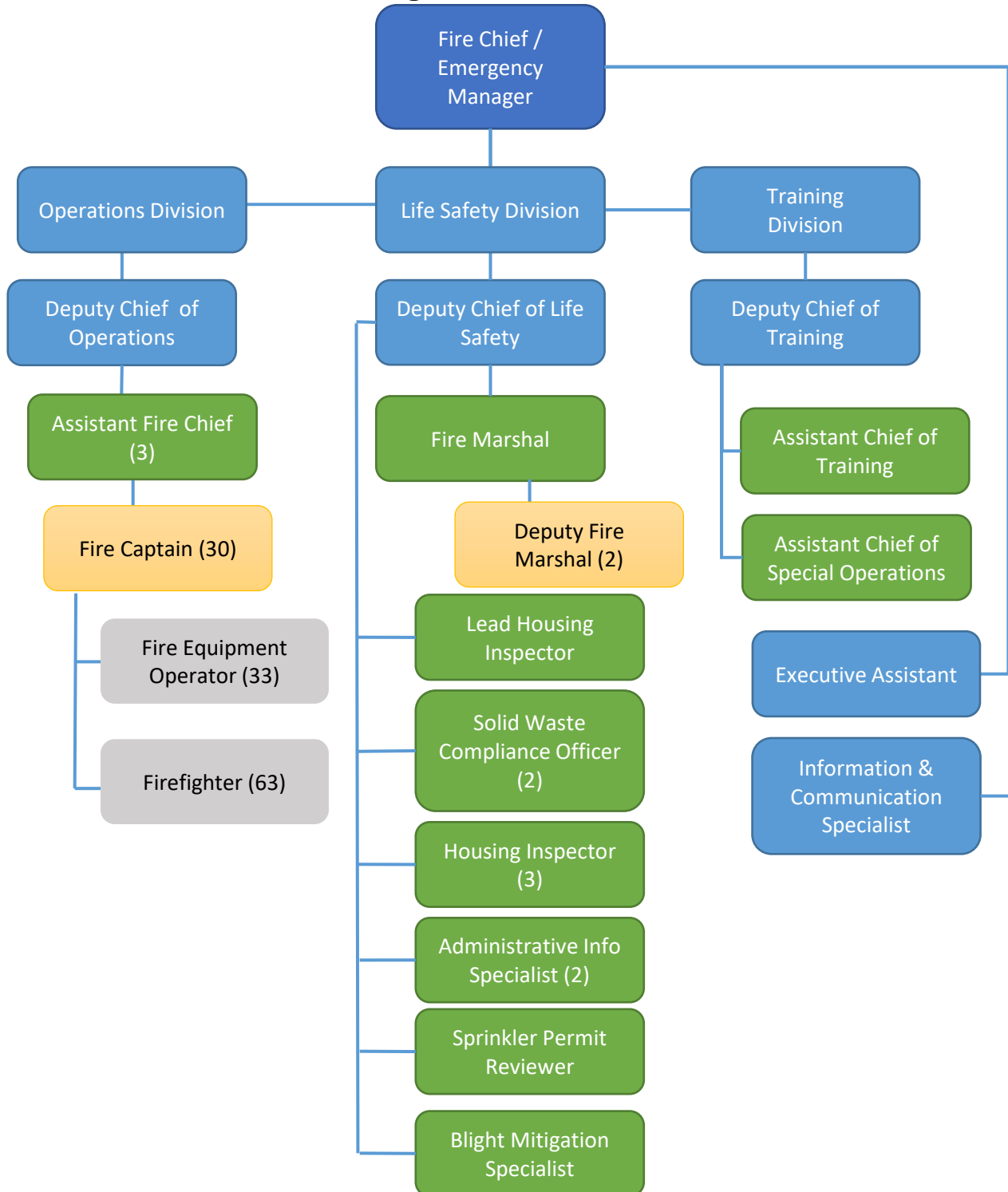
The Fire Department is comprised of three main divisions: administration, operations including training, fire prevention and life safety. The department seeks to further the mission through the

- 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 and fire prevention education
- Arson investigation
- Fire protection systems permitting and plan review

City of Duluth Minnesota - 2023 Budget

Fire Department

Organization Chart



City of Duluth Minnesota - 2023 Budget

Fire Department

City Priority: Safe and Secure Community

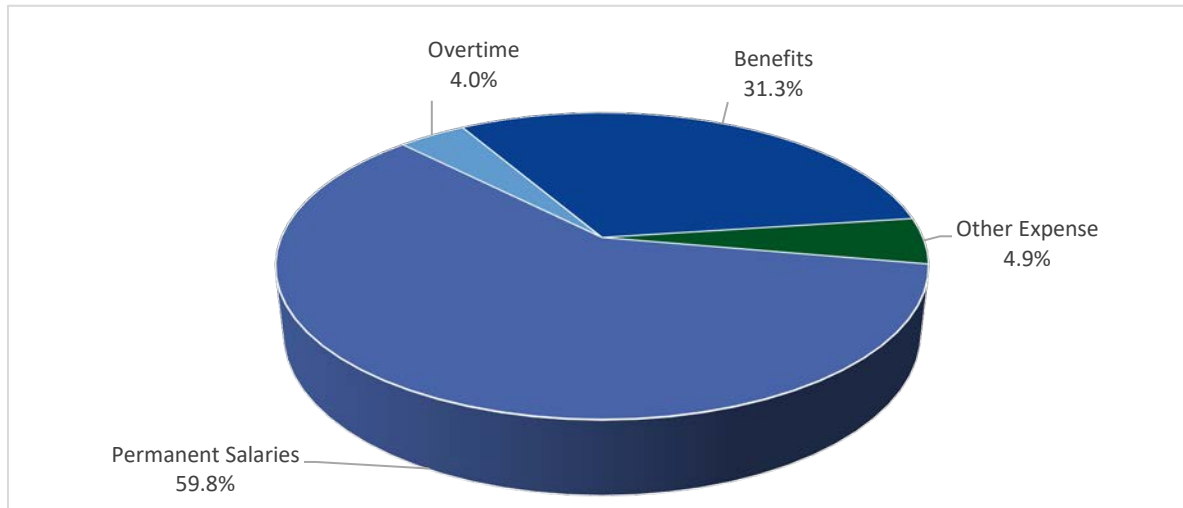
<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
Service Response: Provides for a well-planned, effective and prompt response to emergencies of all kinds, including individual calls for service, fires, public safety threats and natural disasters	Calls for medical and non fire suppression	13,496	14,488	15,234	15,900
	Calls for fire suppression service	338	315	258	250
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 Code Enforcement Cases opened including solid waste code enforcement	3,482	3,533	3,825	4,000
	Number of Inspections (does not include blight/solid waste)	4,157	5,073	5,253	5,400

City Priority: Livable Neighborhoods and Affordable Housing

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
Safe/Quality Neighborhood: Promote, support and sustain well-maintained, safe, clean visually appealing, free of blight neighborhoods, commercial areas and public spaces	Vacant building registration - cases opened	44	37	36	40
	Vacant building registration - active cases	293	234	209	220
	Vacant building registration - cases closed	89	59	25	38

City of Duluth Minnesota - 2023 Budget

Fire Department 2023 Approved Budget by Expenditure Category



Expenditures by Category	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Permanent Salaries	11,117,454	11,178,081	11,611,200	11,988,600	377,400
Overtime	1,138,825	1,026,109	802,100	802,100	-
Other Wages	113	-	-	-	-
Total Personal Services	12,256,392	12,204,190	12,413,300	12,790,700	377,400
Benefits	5,629,330	5,629,646	5,804,000	6,279,900	475,900
Other Expense	782,923	901,434	889,400	976,300	86,900
Capital Outlay	-	-	-	-	-
Department Total	18,668,645	18,735,270	19,106,700	20,046,900	940,200

Expenditures by Division	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Fire Administration	583,137	675,376	768,500	962,500	194,000
Fire Operations	17,008,875	16,725,650	17,011,300	17,562,700	551,400
Life Safety	1,076,633	1,334,244	1,326,900	1,521,700	194,800
Department Total	18,668,645	18,735,270	19,106,700	20,046,900	940,200

Budgeted FTE's	2020	2021	2022	2023	Difference
	148.5	148.5	148.5	150.0	1.5

City of Duluth Minnesota - 2023 Budget

Fire Administration

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

Budgeted FTE's	2020	2021	2022	2023	Difference
1165 Fire Chief	1.00	1.00	1.00	1.00	-
1135 Deputy Fire Chief	2.00	2.00	2.00	3.00	1.00
131 Executive Assistant	1.00	1.00	1.00	1.00	-
132 Info & Comm Spec	0.50	0.50	1.00	1.00	-
Division Total	4.50	4.50	5.00	6.00	1.00

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	384,181	433,836	505,000	640,700	135,700
Overtime	-	350	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	384,181	434,185	505,000	640,700	135,700
Benefits	153,142	179,095	204,500	265,600	61,100
Other Expense					
Materials & Supplies	21,113	18,467	20,400	18,900	(1,500)
Services	2,695	14,377	9,800	7,500	(2,300)
Utilities & Mtc	2,643	-	4,000	4,000	-
Other	19,363	29,251	24,800	25,800	1,000
Total Other Expense	45,814	62,095	59,000	56,200	(2,800)
Division Total	583,137	675,376	768,500	962,500	194,000

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Fire Administration - 110-150-1501				
PERSONAL SERVICES				
5100 Permanent Salaries	384,181	433,836	505,000	640,700
5101 Premium Pay	-	350	-	-
TOTAL	384,181	434,185	505,000	640,700
EMPLOYEE BENEFITS				
5121 PERA Retirement	55,950	67,457	75,500	101,700
5122 FICA - Social Security	4,554	4,730	8,100	8,200
5123 FICA - Medicare	5,379	6,003	7,300	9,500
5125 Dental Insurance	1,394	1,682	2,000	2,400
5126 Life Insurance	723	883	900	1,100
5127 Health Care Savings Plan (HCSP)	19,533	14,177	6,000	14,700
5130 Cafeteria Plan Benefits	65,249	84,043	104,700	128,000
5133 Health or Fitness Program	360	120	-	-
TOTAL	153,142	179,095	204,500	265,600
OTHER EXPENDITURES				
5200 Office Supplies	4,870	2,398	3,000	3,000
5210 Plant/Operating Supplies	1,891	2,323	2,000	-
5211 Cleaning/Janitorial Supplies	8,122	8,287	7,500	8,000
5212 Motor Fuels	-	75	-	-
5219 Other Miscellaneous Supplies	2,776	221	3,000	3,000
5220 Repair & Maintenance Supplies	844	1,164	1,100	1,100
5228 Painting Supplies	349	623	700	300
5229 Ground Mtc Supplies	121	185	200	200
5240 Small Tools	657	446	400	800
5241 Small Equip-Office/Operating	1,481	2,745	2,500	2,500
5321 Phone Service	-	-	2,600	-
5322 Postage	244	1,299	500	800
5331 Travel/Training	1,239	12,356	5,000	5,000
5355 Printing & Copying	1,003	723	1,200	1,200
5356 Copier, Printer Lease & Supplies	210	-	500	500
5400 Misc Repair & Mtc Service	773	-	2,000	2,000
5401 Bldg/Structure Repair & Mtc	1,871	-	2,000	2,000
5414 Software Lic. And Mtc Agreements	-	237	-	-
5433 Dues & Subscription	2,699	3,552	2,500	3,500
5440 Emergency Management	16,095	24,952	20,000	20,000
5441 Other Services & Charges	569	510	1,500	1,500
5443 Board & Meeting Expenses	-	-	800	800
TOTAL	45,814	62,095	59,000	56,200
DIVISION TOTAL	583,137	675,376	768,500	962,500

City of Duluth Minnesota - 2023 Budget

General Fund Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Fire Administration - 110-150-1501				
REVENUE SOURCE				
4232 State Insurance Premium	832,354	911,238	750,000	800,000
4340 Fire Protection Services	4,200	4,200	4,200	4,200
4341 Hydrant Maintenance Services	30,000	30,000	30,000	30,000
4654 Other Reimbursements	1,929	34,742	4,500	7,000
4730 Transfer from Special Revenue	12,146	-	20,700	11,200
DIVISION TOTAL	880,628	980,179	809,400	852,400

City of Duluth Minnesota - 2023 Budget

Fire Operations

Three Assistant Chiefs (one for each shift) under the direction of a Deputy Chief of Operations oversee this division and all emergencies including: fires, medical calls, hazardous materials response, rescues, and daily work duties for eight fire stations strategically located throughout the City. The Assistant Chief of Training and Assistant Chief of Special Operations under the direction of the Deputy Chief of Training coordinates fire related training exercises, emergency medical training, hazardous materials training, urban search and rescue training, training with outside agencies, compliance with State and Federal regulations, safety guidelines, and overall training of the department.

Budgeted FTE's	2020	2021	2022	2023	Difference
233 Assistant Chief	3.00	3.00	3.00	3.00	-
226 Firefighter	63.00	63.00	63.00	63.00	-
227 Equipment Operator	33.00	33.00	33.00	33.00	-
228 Captain	30.00	30.00	30.00	30.00	-
231 Training Officer	2.00	2.00	2.00	1.00	(1.00)
231 Technical Svs Coor	1.00	1.00	1.00	1.00	-

Division Total	132.00	132.00	132.00	131.00	(1.00)
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Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	10,034,488	9,951,768	10,255,700	10,378,800	123,100
Overtime	1,125,926	1,010,265	790,800	790,800	-
Other Wages	-	-	-	-	-
Total Salaries	11,160,413	10,962,034	11,046,500	11,169,600	123,100
Benefits	5,180,061	5,101,979	5,225,400	5,573,300	347,900
Other Expense					
Materials & Supplies	163,761	180,065	288,800	327,000	38,200
Services	59,522	44,169	47,800	62,000	14,200
Utilities & Mtc	370,058	362,291	337,100	365,100	28,000
Other	75,059	75,113	65,700	65,700	-
Total Other Expense	668,400	661,637	739,400	819,800	80,400
	17,008,875	16,725,650	17,011,300	17,562,700	551,400

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Fire Operations - 110-150-1502				
PERSONAL SERVICES				
5100 Permanent Salaries	10,034,488	9,951,768	10,255,700	10,378,800
5101 Premium Pay	1,125,926	1,010,265	790,800	790,800
TOTAL	11,160,413	10,962,034	11,046,500	11,169,600
EMPLOYEE BENEFITS				
5121 PERA Retirement	1,931,181	1,921,818	1,930,400	1,954,300
5122 FICA - Social Security	-	-	-	-
5123 FICA - Medicare	155,241	153,227	160,200	162,100
5125 Dental Insurance	51,002	50,615	52,300	51,500
5126 Life Insurance	26,265	26,069	23,800	23,600
5127 Health Care Savings Plan (HCSP)	401,429	368,165	270,000	328,900
5130 Cafeteria Plan Benefits	2,593,007	2,552,453	2,771,300	3,035,500
5133 Health or Fitness Program	21,937	29,632	17,400	17,400
TOTAL	5,180,061	5,101,979	5,225,400	5,573,300
OTHER EXPENDITURES				
5205 Safety & Training Materials	7,794	7,904	100,000	100,000
5210 Plant/Operating Supplies	4,866	3,892	3,500	5,500
5212 Motor Fuels	50,984	80,815	86,300	121,900
5218 Uniforms	8,547	13,400	10,000	10,000
5219 Other Miscellaneous Supplies	29,000	23,115	25,000	25,600
5220 Repair & Maintenance Supplies	2,356	2,315	3,000	3,000
5241 Small Equip-Office/Operating	60,214	48,625	61,000	61,000
5305 Medical Svcs/Testing Fees	7,360	4,041	5,000	5,000
5319 Other Professional Services	19,303	4,535	22,500	22,500
5320 Data Services	17,637	19,839	8,000	8,000
5321 Phone Service	7,548	7,580	7,000	7,500
5322 Postage	68	699	300	-
5360 Insurance	-	-	-	14,000
5384 Refuse Disposal	7,606	7,474	5,000	5,000
5409 Fleet Services Charges	370,058	362,291	337,100	365,100
5414 Software Lic/Mtc Agree	42,862	44,320	22,500	22,500
5441 Other Services & Charges	5,056	1,107	6,200	6,200
5446 Tuition Reimbursement	3,065	5,632	20,000	20,000
5450 Laundry	24,076	24,054	17,000	17,000
TOTAL	668,400	661,637	739,400	819,800
DIVISION TOTAL	17,008,875	16,725,650	17,011,300	17,562,700

City of Duluth Minnesota - 2023 Budget

General Fund Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Fire Operations - 110-150-1502				
REVENUE SOURCE				
4654 Other Reimbursements	6,099	1,025	-	-
4730 Transfer from Special Revenue	116,930	245,082	73,900	235,000
DIVISION TOTAL	123,029	246,107	73,900	235,000

City of Duluth Minnesota - 2023 Budget

Life Safety

Under the direction of a Deputy Chief, the Fire Marshal and Lead Housing Inspector oversee this division comprised of both uniformed and civilian staff. The Life Safety Division is responsible for housing and fire code enforcement, fire investigation, public education, fire system plan review, fire inspections, rental licensing, complaints, sidewalk snow enforcement, and solid waste compliance.

Budgeted FTE's	2020	2021	2022	2023	Difference
233 Fire Marshal	1.00	1.00	1.00	1.00	-
230 Deputy Fire Marshal	2.00	2.00	2.00	2.00	-
Solid Waste					
28 Compliance	1.00	1.00	-	-	-
Prop. & Solid Waste					
29 Compliance Officer	-	-	2.00	2.00	-
29 Housing Inspector	4.00	4.00	3.00	3.00	-
30 Blight Mitigation Spec	-	-	-	1.00	1.00
32 Lead Housing Inspector	1.00	1.00	1.00	1.00	-
Sprinkler Permit					
32 Reviewer	1.00	1.00	1.00	1.00	-
Admin Information					
129 Spec	2.00	2.00	1.50	2.00	0.50
Division Total	12.00	12.00	11.50	13.00	1.50

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	698,785	792,477	850,500	969,100	118,600
Overtime	12,900	15,494	11,300	11,300	-
Other Wages	113	-	-	-	-
Total Salaries	711,798	807,971	861,800	980,400	118,600
Benefits	296,127	348,571	374,100	441,000	66,900
Other Expense					
Materials & Supplies	22,899	18,440	17,500	22,600	5,100
Services	14,967	17,335	28,500	28,500	-
Utilities & Mtc	18,614	15,628	18,700	22,900	4,200
Other	12,229	126,298	26,300	26,300	-
Total Other Expense	68,708	177,702	91,000	100,300	9,300
Division Total	1,076,633	1,334,244	1,326,900	1,521,700	194,800

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Life Safety - 110-150-1503				
PERSONAL SERVICES				
5100 Permanent Salaries	698,785	792,477	850,500	969,100
5101 Premium Pay	12,900	15,494	11,300	11,300
5103 Other Wages	113	-	-	-
TOTAL	711,798	807,971	861,800	980,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	74,072	88,485	93,800	104,700
5122 FICA - Social Security	28,283	31,643	34,800	42,400
5123 FICA - Medicare	10,021	11,401	12,500	14,400
5125 Dental Insurance	3,713	4,183	4,600	5,100
5126 Life Insurance	1,921	2,228	2,100	2,300
5127 Health Care Savings Plan (HCSP)	18,527	29,839	22,300	18,900
5130 Cafeteria Plan Benefits	158,914	180,432	204,000	253,200
5133 Health or Fitness Program	677	360	-	-
TOTAL	296,127	348,571	374,100	441,000
OTHER EXPENDITURES				
5200 Office Supplies	9,143	1,738	1,500	1,500
5202 Audiovisual & Photography	2,427	847	500	500
5205 Safety & Training Materials	3,345	3,079	1,500	1,500
5212 Motor Fuels	4,292	8,079	10,900	13,100
5218 Uniforms	-	-	-	2,900
5219 Other Miscellaneous Supplies	2,034	4,236	1,500	1,500
5241 Small Equipment-Office Operating	1,659	461	1,600	1,600
5321 Phone Service	4,063	4,463	2,600	2,600
5331 Travel/Training	9,408	11,800	18,000	18,000
5335 Local Mileage Reimbursement	-	645	1,000	1,000
5355 Printing & Copying	1,496	428	3,000	3,000
5356 Copier, Printer Lease & Supplies	-	-	3,900	3,900
5400 Misc Repair & Mtc Service	176	427	300	300
5409 Fleet Services Charges	17,821	13,803	15,400	19,600
5414 Software Lic. & Mtc Agreements	-	900	-	-
5427 Credit Card Commissions	618	497	3,000	3,000
5433 Dues and Subscriptions	798	1,246	1,000	1,000
5435 Books & Pamphlets	1,625	1,267	2,500	2,500
5441 Other Services and Charges	4,712	23,785	22,500	22,500
5443 Board & Meeting Expenses	-	-	300	300
5459 Fire Safety Education Account	659	-	-	-
5700 Interfund Transfers Out	4,434	100,000	-	-
TOTAL	68,708	177,702	91,000	100,300
DIVISION TOTAL	1,076,633	1,334,244	1,326,900	1,521,700

City of Duluth Minnesota - 2023 Budget

General Fund Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Life Safety - 110-150-1503				
REVENUE SOURCE				
4153 Multiple Dwelling License	808,848	993,003	950,000	1,031,800
4154 Commercial Use/Occupancy Permit	116,043	128,627	100,000	123,800
4160 Fire Protection Systems Permit Fees	77,843	61,231	95,500	95,500
4306 Building Appeals Fees	127	-	-	-
4644 Misc Fees, Sales, Service	5,044	6,245	5,500	6,000
4654 Other Reimbursements	918	(325)	-	-
4730 Transfer from Special Revenue	-	-	-	115,700
DIVISION TOTAL	1,008,823	1,188,781	1,151,000	1,372,800

City of Duluth Minnesota - 2023 Budget

Police Department

Mission

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

Values

Fair
Accountable
Caring
Transparent

Core Beliefs

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

Structure

The department has an authorized strength of 158 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, Substance Use Response Team, Budget and Grants.

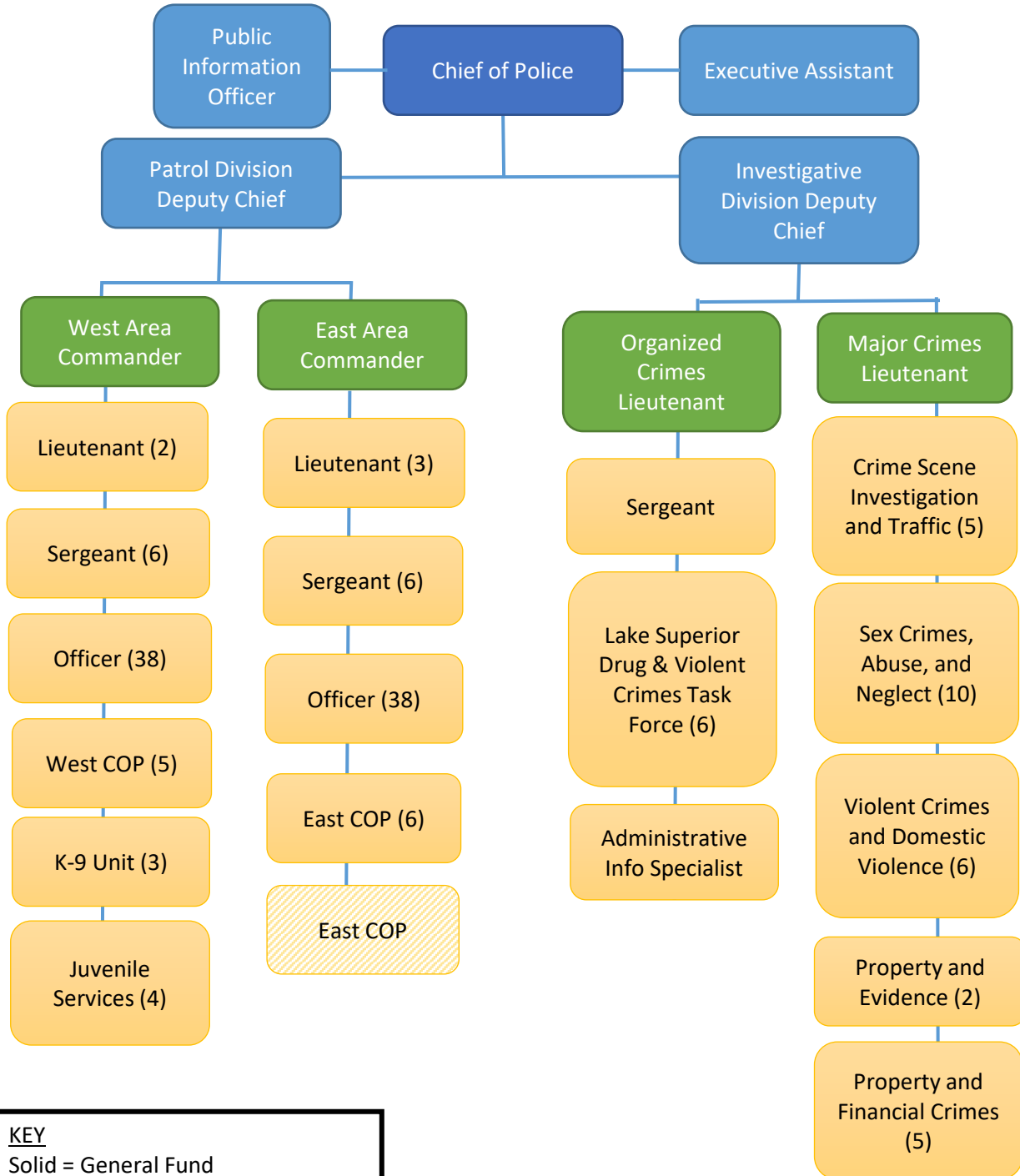
The Investigative Division oversees all follow up needs for criminal investigations. There are currently two lieutenants assigned to this division which consists of the following units: Crime Scene, Lake Superior Drug & Violent Crimes Task Force, Violent Crimes, Property and Evidence, Property/Financial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

The Patrol Division is divided into two geographic patrol areas. Each area is under the command of a lieutenant. The Patrol Division consists of four patrol crews with a lieutenant assigned to each crew. The Patrol Division consists of the following units: Patrol, Community Policing, Canine, School Resource Officers, Bike Patrol, Tactical Response, CORE.

City of Duluth Minnesota - 2023 Budget

Police Department

Organization Chart

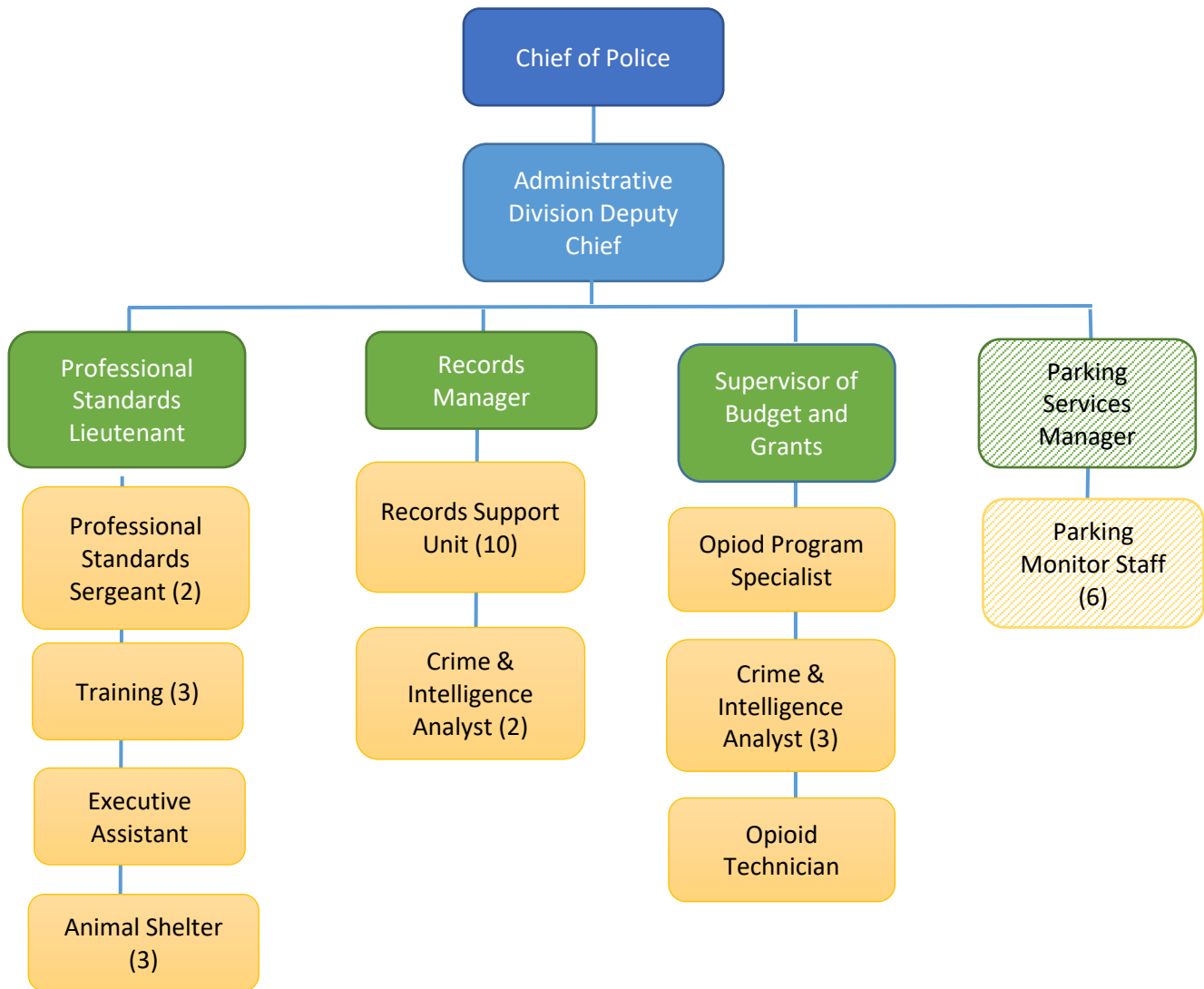


KEY
 Solid = General Fund
 Patterned = Non-General Fund

City of Duluth Minnesota - 2023 Budget

Police Department

Organization Chart - Continued



KEY
 Solid = General Fund
 Patterned = Non-General Fund

City of Duluth Minnesota - 2023 Budget

Police

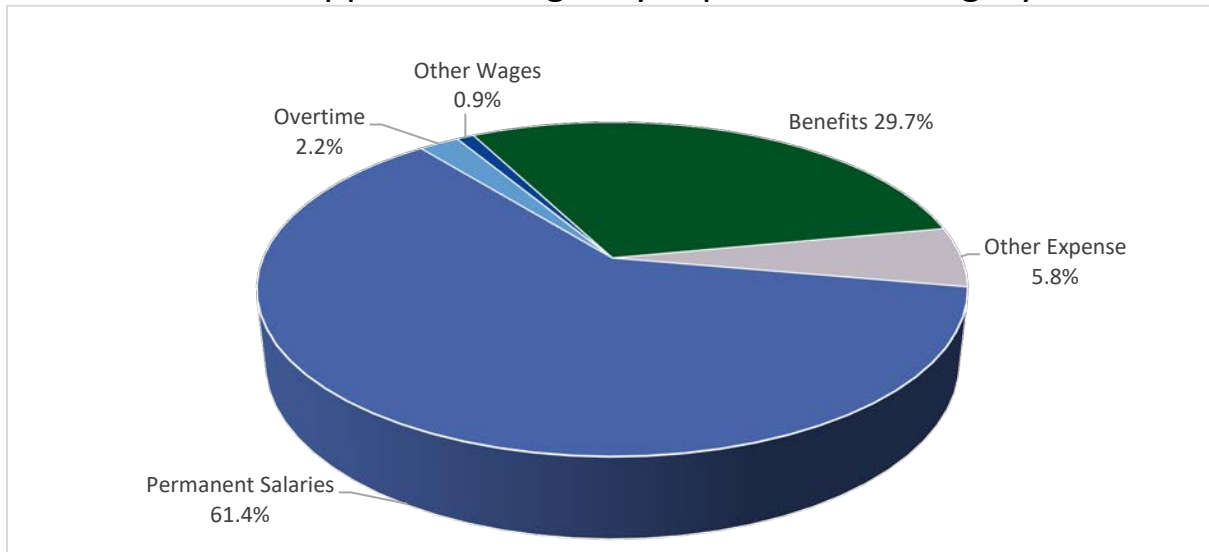
City Priority: Safe and Secure Community

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Forecast
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)	Data not available	17,648	17,613	17,578
	Priority one response time (min/sec)	11:09	Data not available	7:39	Data not available
	Number of priority two calls (ie theft)	6,968	39,507	38,247	36,987
	Priority two response time (min/sec)	0:24:55	Data not available	9:13	Data not available
	Co-Responder (CORE) calls	Data not available	485	612	739
Safety Presence: Fosters a feeling of personal safety through a visible and approachable public safety presence, proactive prevention, community care-taking and education <i>*2020 data not available due to federal changes in crime reporting</i>	Group A offenses (ie theft, assault, sex offenses)	Data not available	7,032	5,456	3,880
	Group B offenses (ie liquor offenses, trespassing)	Data not available	2,580	2,284	1,988
	Total investigations initiated	Data not available	2,779	2,724	2,669
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	637	643	786	929
	Number of shelter intake other animals	7	37	43	49
	Number of owner claimed dogs/cats	229	245	239	233
	Number of transferred dogs/cats	327	389	530	671

City of Duluth Minnesota - 2023 Budget

Police Department

2023 Approved Budget by Expenditure Category



Expenditures by Category	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Permanent Salaries	15,249,052	14,646,718	16,367,400	16,744,000	376,600
Overtime	1,004,054	1,151,212	597,300	597,300	-
Other Wages	65,792	160,918	193,500	256,400	62,900
Total Personal Services	16,318,899	15,958,849	17,158,200	17,597,700	439,500
Benefits	7,272,015	7,112,854	7,742,600	8,081,000	338,400
Other Expense	1,097,677	1,471,251	1,505,800	1,580,500	74,700
Department Total	24,688,591	24,542,954	26,406,600	27,259,200	852,600

Budgeted FTE's	2020	2021	2022	2023	Difference
	180.50	183.00	183.50	184.00	0.50

City of Duluth Minnesota - 2023 Budget

Police Department

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.

Budgeted FTE's	2020	2021	2022	2023	Difference
Chief of Police	1.00	1.00	1.00	1.00	-
1150 Deputy Chief	2.00	2.00	3.00	3.00	-
1110 Lieutenant	10.00	10.00	9.00	9.00	-
1085 Public Info Officer	1.00	1.00	1.00	1.00	-
1080 Records & Tech Mgr	1.00	1.00	1.00	1.00	-
1090 Budget & Grant Supv.	-	-	1.00	1.00	-
21 Animal Services Tech	0.50	0.50	0.50	1.00	0.50
24 Evidence Technician	2.00	2.00	2.00	1.00	(1.00)
27 Animal Control Officer	1.00	1.00	1.00	1.00	-
27 Opioid Program Tech	1.00	1.00	1.00	-	(1.00)
27 Peer Recovery Spec	-	-	-	3.00	3.00
29 Opioid Program Spec.	-	-	1.00	1.00	-
29 Prop & Evidence Spec	1.00	1.00	1.00	1.00	-
31 Animal Shelter Lead	1.00	1.00	1.00	1.00	-
32 Project Coordinator	-	0.50	-	2.00	2.00
124 Police Records Tech I	2.00	2.00	2.00	-	(2.00)
128 Police Records Tech II	6.00	6.00	6.00	6.00	-
129 Admin Info Specialist	1.00	1.00	1.00	1.00	-
131 Executive Assistant	2.00	2.00	2.00	3.00	1.00
133 Data Release Coor	1.00	1.00	1.00	2.00	1.00
133 Sr Police Records Tech	2.00	2.00	2.00	2.00	-
Budget & Grants					
134 Analyst	1.00	1.00	-	-	-
134 Crime & Intel Analyst	2.00	2.00	2.00	1.00	(1.00)
138 Sr Crime & Intel Analyst	-	-	-	2.00	2.00
326 Police Officer	73.00	76.00	73.00	79.00	6.00
327 Police Investigator	47.00	46.00	49.00	39.00	(10.00)
328 Sergeant	22.00	22.00	22.00	22.00	-
Department Total	180.50	183.00	183.50	184.00	0.50

City of Duluth Minnesota - 2023 Budget

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	15,249,052	14,646,718	16,367,400	16,744,000	376,600
Overtime	1,004,054	1,151,212	597,300	597,300	-
Other Wages	65,792	160,918	193,500	256,400	62,900
Total Salaries	16,318,899	15,958,849	17,158,200	17,597,700	439,500
Benefits	7,272,015	7,112,854	7,742,600	8,081,000	338,400
Other Expense					
Materials & Supplies	273,083	412,927	430,600	479,200	48,600
Services	117,034	184,540	163,100	163,100	-
Utilities & Maintenance	286,618	335,107	275,800	303,900	28,100
Other	420,941	538,677	636,300	634,300	(2,000)
Total Other Expense	1,097,677	1,471,251	1,505,800	1,580,500	74,700
Department Total	24,688,591	24,542,954	26,406,600	27,259,200	852,600

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Police Department - 110-160-1610				
PERSONAL SERVICES				
5100 Permanent Salaries	15,249,052	14,646,718	16,367,400	16,744,000
5101 Premium Pay	1,004,054	1,151,212	597,300	597,300
5103 Other Wages	65,792	160,918	193,500	256,400
TOTAL	16,318,899	15,958,849	17,158,200	17,597,700
EMPLOYEE BENEFITS				
5121 PERA Retirement	2,571,309	2,558,842	2,795,100	2,827,200
5122 FICA - Social Security	105,504	111,968	116,700	141,200
5123 FICA - Medicare	229,056	223,368	248,800	255,800
5125 Dental Insurance	71,544	70,175	72,700	72,900
5126 Life Insurance	36,856	36,125	33,000	33,100
5127 Health Care Savings Plan (HCSP)	747,289	680,148	838,300	704,500
5130 Cafeteria Plan Benefits	3,509,827	3,431,389	3,636,800	4,045,100
5133 Health or Fitness Program	630	840	1,200	1,200
TOTAL	7,272,015	7,112,854	7,742,600	8,081,000

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Police Department - 110-160-1610				
OTHER EXPENDITURES				
5200 Office Supplies	6,799	8,416	20,000	15,000
5201 Computer Supplies/Software	3,306	1,405	1,500	1,500
5202 Audiovisual & Photography	826	-	1,000	-
5205 Safety & Training Materials	-	-	1,500	1,500
5212 Motor Fuels	150,117	209,797	292,500	347,100
5214 Food for Animals	1,984	4,195	3,000	3,000
5217 Ammunition	15,546	64,212	50,000	50,000
5218 Uniforms	63,474	84,206	34,100	34,100
5219 Other Miscellaneous Supplies	17,017	20,643	20,000	20,000
5220 Repair & Maintenance Supplies	208	3,013	5,000	5,000
5241 Small Equip-Office/Operating	13,808	17,041	2,000	2,000
5305 Medical Svcs/Testing Fees	-	378	-	-
5319 Other Professional Services	15,757	21,755	30,000	30,000
5320 Data Services	37,586	43,580	36,000	36,000
5321 Phone Service	50,466	75,618	81,600	81,600
5322 Postage	1,133	470	1,500	1,500
5331 Travel/Training	2,229	35,278	5,000	5,000
5355 Printing & Copying	6,214	2,324	4,000	4,000
5356 Copier, Printer Lease & Supplies	1,822	1,625	2,500	2,500
5384 Refuse Disposal	1,827	3,513	2,500	2,500
5409 Fleet Services Charges	286,618	329,257	275,800	295,900
5412 Building Rental	-	5,850	-	8,000
5414 Software Licenses & Mtce Agreements	309,148	305,881	327,000	327,000
5433 Dues & Subscription	5,574	5,963	4,000	4,000
5437 Automated Pawn System	11,435	11,435	11,500	11,500
5438 Licenses	4,770	360	5,500	5,500
5441 Other Services & Charges	55,508	125,340	32,000	30,000
5443 Board & Meeting Expenses	-	296	2,000	2,000
5448 Police Training	32,007	86,901	251,800	251,800
5490 Donations to Civic Organizations	2,500	2,500	2,500	2,500
TOTAL	1,097,677	1,471,251	1,505,800	1,580,500
DEPARTMENT TOTAL	24,688,591	24,542,954	26,406,600	27,259,200

City of Duluth Minnesota - 2023 Budget

General Fund Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Police Department - 110-160-1610				
REVENUE SOURCE				
4209 Federal Grant	16,418	-	16,000	16,000
4220 State of Minnesota	2,182	32,954	-	-
4227 Police Training Reimbursement	148,664	156,616	151,800	151,800
4232 State Insurance Premium	1,420,806	1,424,082	1,420,800	1,420,800
4261 ISD 709	33,588	188,072	138,500	309,500
4322 Animal Shelter Fees	11,424	15,672	12,000	12,000
4326 Criminal History Checks	176	210	400	400
4328 Pawnbroker Transaction Surcharge	22,358	28,158	30,000	30,000
4329 False Alarm Fees & Penalties	21,837	26,148	18,000	18,000
4474 Police Felony Forfeitures	14,194	22,900	-	-
4631 Media Sales	588	513	1,200	1,200
4635 Auction Proceeds	9,176	6,536	-	-
4644 Misc. Fees, Sales & Services	3,650	21,460	-	-
4650 Salaries Reimbursement	4,445	46,700	10,000	10,000
4651 Reimburse Extra Duty Employment	(1,094)	-	-	-
4654 Other Reimbursements	32,224	62,415	15,000	15,000
4655 Drug Task Force Reimbursement	107,092	40,188	-	-
4700 Other Sources	1,000	-	-	-
4730 Transfer from Tourism Taxes	1,231,427	243,100	329,300	344,000
4730 Transfer from Police Grant Fund	-	1,447,819	1,515,700	1,210,800
4730 Transfer from Police Grant Fund - OT	-	326,938	126,000	121,000
4730 Transfer from Parking Fund	-	58,498	66,600	66,600
4730 Transfer from Internal Srvc Fund	-	2,313	-	-
DEPARTMENT TOTAL	3,080,156	4,151,291	3,851,300	3,727,100

City of Duluth Minnesota - 2023 Budget

Public Works & Utilities Department – General Fund

Mission and Vision

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

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

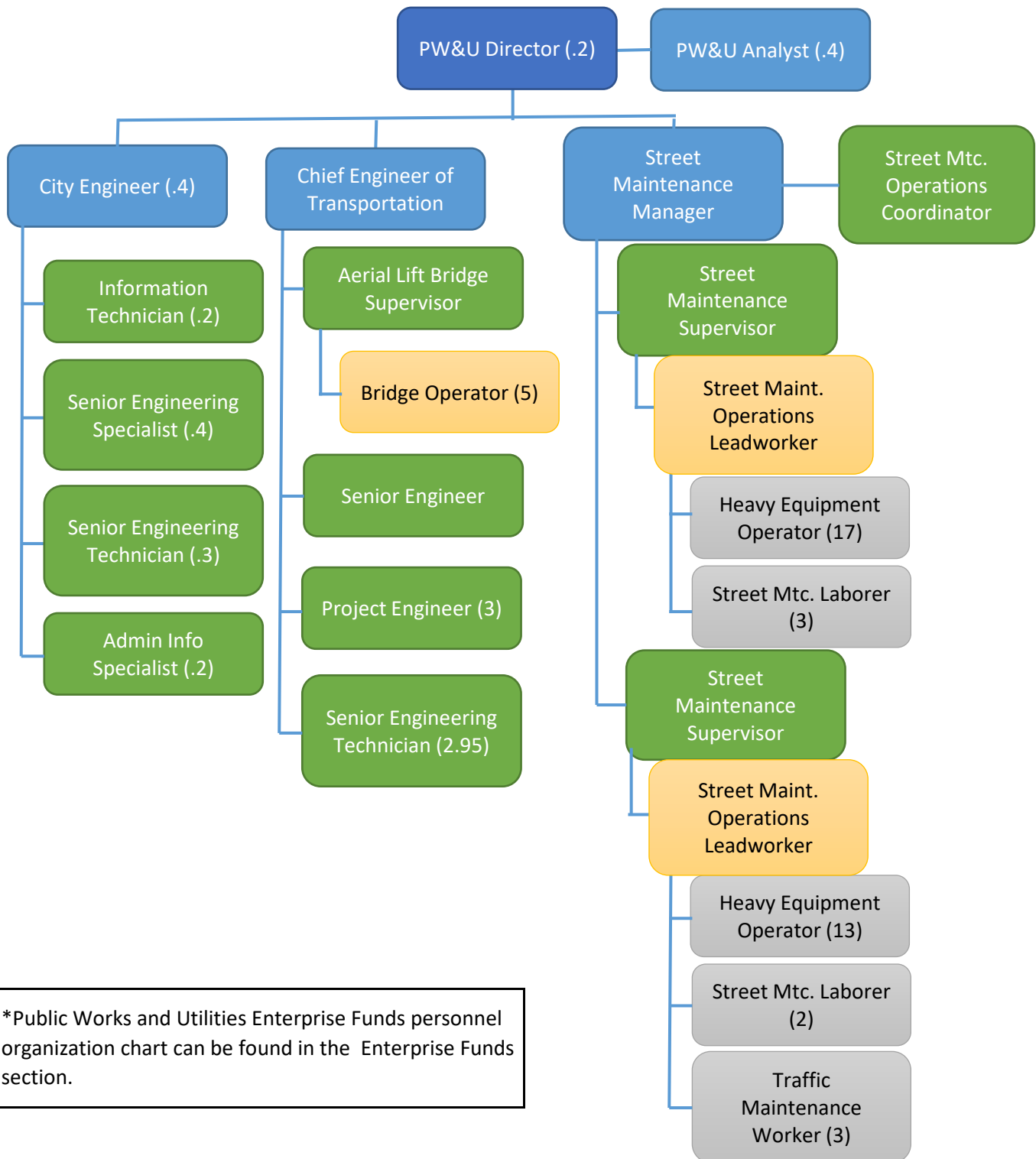
Structure

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

City of Duluth Minnesota - 2023 Budget

Public Works & Utilities Department - General Fund

Organization Chart



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

City of Duluth Minnesota - 2023 Budget

Director's Office & Capital Divisions

City Priority: Innovation and Excellence in Service

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Estimate	2023 Projected
Fiscal Responsibility: Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability	<u>Cash Balances</u>				
	Water Fund	4,560,636	7,325,298	5,497,049	5,299,549
	Gas Fund	5,838,430	1,397,025	5,501,989	6,181,989
	Sanitary Sewer Fund	1,014,946	2,577,472	5,058,672	5,796,372
	Clean Water Fund	671,615	690,081	837,724	906,424
	Stormwater Fund	1,666,349	2,976,001	5,734,260	4,585,760

City Priority: Infrastructure

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Estimate	2023 Projected
Utilities: 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	<u>Capital Investment (amt in thousands)</u>				
	Water Fund	4,307	2,183	3,304	17,192
	Gas Fund	3,546	2,818	2,903	2,300
	Sanitary Sewer Fund	8,467	2,380	2,508	2,250
	Stormwater Fund	1,342	1,196	404	2,150

City of Duluth Minnesota - 2023 Budget

Street Maintenance

City Priority: Safe and Secure Community

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Estimate	2023 Projected
Transportation: 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)	3825	5765	5258	6,000
	Crack Sealing (miles)	0	0	0	30
	Traffic Line, Symbols & Crosswalk Painting (Gallons of paint used)	6500	5660	8150	5,000

City Priority: Infrastructure

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Estimate	2023 Projected
Water Quality: Protect water resources in order to maintain water quality of streams, aquifers and to preserve existing hydrology patterns.	Street sweeping (miles)	1,693	2,200	2,200	2,500

City of Duluth Minnesota - 2023 Budget

Engineering

City Priority: Infrastructure

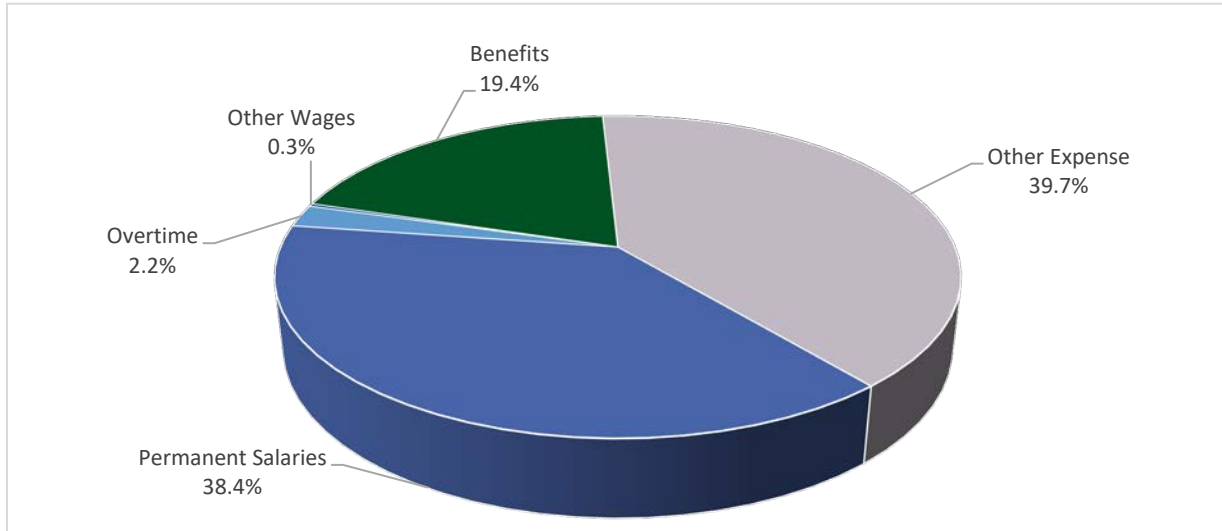
<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Estimate	2023 Projected
Capital Improvement Projects					
Utilities: Design, build, improve and proactively maintain a utility infrastructure system that provides safe, affordable and reliable water, sewer, storm drainage, natural gas, steam and hot water services to the community	Water Projects	8	5	8	8
	Gas Projects	5	6	7	5
	Sanitary Sewer Projects	11	2	3	4
	Stormwater Projects	7	7	4	7
Transportation: Continually invest in building and improving a well-designed, well-maintained, accessible transportation system of safe and sustainable roadways, street lights, sidewalks and bridges	Transportation Projects	10	9	12	12
	Paving (Miles)	14.5	12.56	15.1	11.55

City Priority: Safe & Secure Community

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Estimate	2023 Projected
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 Gopher State One-Call tickets processed	11,241	10,281	11,000	10,500

City of Duluth Minnesota - 2023 Budget

Public Works & Utilities - General Operations 2023 Approved Budget by Expenditure Category



Expenditures by Category	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Permanent Salaries	3,970,629	3,992,732	4,132,900	4,186,200	53,300
Overtime	258,639	224,916	173,000	243,000	70,000
Other Wages	75	29,962	30,000	30,000	-
Retirement Incentive	7,606	-	-	-	-
Total Personal Services	4,236,950	4,247,610	4,335,900	4,459,200	123,300
Benefits	1,848,879	1,954,351	1,962,700	2,117,400	154,700
Other Expense	3,663,509	3,935,753	4,141,300	4,338,100	196,800
Department Total	9,749,338	10,137,714	10,439,900	10,914,700	474,800

Expenditures by Division	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Director's Office	99,846	87,716	89,600	91,800	2,200
Street Maintenance	7,693,802	8,014,840	8,325,400	8,711,300	385,900
Engineering	1,955,690	2,035,158	2,024,900	2,111,600	86,700
Department Total	9,749,338	10,137,714	10,439,900	10,914,700	474,800

Budgeted FTE's	2020	2021	2022	2023	Difference
	60.4	60.4	60.1	60.1	-

City of Duluth Minnesota - 2023 Budget

Director's Office

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 to ensure that the utility & transportation infrastructure is both functional and sustainable to ensure that future generations will not only benefit from the utility services provided but the amazing natural environment of the City will be preserved.

Budgeted FTE's	2020	2021	2022	2023	Difference
1170 Director	0.20	0.20	0.20	0.20	-
33 PW&U Analyst Budget & Operations	0.20	0.70	0.40	0.40	-
133 Analyst	0.50	-	-	-	-
Division Total	0.90	0.90	0.60	0.60	-

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	69,586	60,538	61,300	62,900	1,600
Overtime	102	-	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	69,688	60,538	61,300	62,900	1,600
Benefits	29,554	26,561	27,400	28,000	600
Other Expense					
Materials & Supplies	102	105	200	200	-
Services	231	243	500	500	-
Other	271	269	200	200	-
Total Other Expense	604	617	900	900	-
Division Total	99,846	87,716	89,600	91,800	2,200

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Public Works Director - 110-500-1900				
PERSONAL SERVICES				
5100 Permanent Salaries	69,586	60,538	61,300	62,900
5101 Premium Pay	102	-	-	-
TOTAL	69,688	60,538	61,300	62,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	4,941	4,458	4,600	4,700
5122 FICA - Social Security	3,986	3,375	3,800	3,900
5123 FICA - Medicare	958	832	900	900
5125 Dental Insurance	289	238	200	200
5126 Life Insurance	150	122	100	100
5127 Health Care Savings Plan (HCSP)	2,061	2,005	2,100	900
5130 Cafeteria Plan Benefits	17,120	15,530	15,700	17,300
5133 Health or Fitness Program	48	-	-	-
TOTAL	29,554	26,561	27,400	28,000
OTHER EXPENDITURES				
5200 Office Supplies	25	105	100	100
5241 Small Equip-Office/Operating	77	-	100	100
5321 Phone Service	122	169	200	200
5331 Travel/Training	-	-	100	100
5335 Local Mileage Reimbursement	109	74	200	200
5433 Dues & Subscription	271	269	200	200
TOTAL	604	617	900	900
DIVISION TOTAL	99,846	87,716	89,600	91,800

City of Duluth Minnesota - 2023 Budget

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.

Budgeted FTE's	2020	2021	2022	2023	Difference
1115 Manager	1.00	1.00	1.00	1.00	-
1090 Supervisor	2.00	2.00	2.00	2.00	-
22 Maintenance Worker	5.00	4.00	-	-	-
23 Street Maint. Laborer	-	-	3.00	5.00	2.00
27 Heavy Equip Operator	30.00	31.00	32.00	30.00	(2.00)
Traffic Maintenance					
27 Worker	3.00	3.00	3.00	3.00	-
32 Street Maint Leadwkr	3.00	3.00	2.00	2.00	-
33 Street Maint. Ops. Coord.	-	-	1.00	1.00	-
Division Total	44.00	44.00	44.00	44.00	-

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	2,658,673	2,709,171	2,831,000	2,860,300	29,300
Overtime	163,464	139,139	117,000	187,000	70,000
Other Wages	-	-	-	-	-
Retirement Incentive	7,606	-	-	-	-
Total Salaries	2,829,743	2,848,310	2,948,000	3,047,300	99,300
Benefits	1,304,233	1,343,100	1,374,800	1,472,600	97,800
Other Expense					
Materials & Supplies	1,239,506	1,026,542	1,744,700	1,849,500	104,800
Services	34,224	37,291	42,500	36,200	(6,300)
Utility & Mtc	1,985,312	1,485,846	1,682,000	1,772,000	90,000
Other	300,785	1,273,750	533,400	533,700	300
Total Other Expense	3,559,827	3,823,430	4,002,600	4,191,400	188,800
Division Total	7,693,802	8,014,840	8,325,400	8,711,300	385,900

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Street Maintenance - 110-500-1920				
PERSONAL SERVICES				
5100 Permanent Salaries	2,658,673	2,709,171	2,831,000	2,860,300
5101 Premium Pay	163,464	139,139	117,000	187,000
5105 Retirement Incentive	7,606	-	-	-
TOTAL	2,829,743	2,848,310	2,948,000	3,047,300
EMPLOYEE BENEFITS				
5118 Meal Allowance	7,665	5,415	10,000	10,000
5121 PERA Retirement	203,500	209,588	217,400	221,300
5122 FICA - Social Security	167,639	172,445	182,800	185,900
5123 FICA - Medicare	39,206	40,330	42,700	43,500
5125 Dental Insurance	16,849	16,962	17,400	17,400
5126 Life Insurance	8,653	8,738	7,900	7,900
5127 Health Care Savings Plan (HCSP)	63,776	59,915	45,300	47,300
5130 Cafeteria Plan Benefits	796,185	829,347	851,300	939,300
5133 Health or Fitness Program	759	360	-	-
TOTAL	1,304,233	1,343,100	1,374,800	1,472,600
OTHER EXPENDITURES				
5200 Office Supplies	490	606	1,200	1,200
5201 Computer Supplies/Software	983	2,316	1,700	1,700
5205 Safety & Training Materials	7,774	3,964	14,000	14,000
5210 Plant/Operating Supplies	13,485	14,780	17,000	20,000
5211 Cleaning/Janitorial Supplies	1,529	3,338	10,000	10,000
5212 Motor Fuels	176,498	237,690	361,000	463,600
5215 Shop Materials	2,122	1,632	2,500	2,500
5218 Uniforms	14,410	13,153	14,600	16,800
5219 Other Miscellaneous Supplies	13,329	13,867	21,600	18,600
5220 Repair & Maintenance Supplies	10,116	10,977	12,600	12,600
5223 Salt & Sand	772,789	541,360	1,005,000	1,005,000
5224 Gravel & Other Misc Materials	84,323	65,757	131,000	131,000
5226 Sign & Signal Materials	53,637	55,486	60,000	60,000
5228 Painting Supplies	84,489	58,430	85,500	85,500
5240 Small Tools	2,668	1,643	5,000	5,000
5241 Small Equip-Office/Operating	865	1,543	2,000	2,000
5320 Data Services	6,303	7,709	6,600	6,600
5321 Phone Service	2,620	2,920	3,200	3,200

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Street Maintenance - 110-500-1920				
5331 Travel/Training	2,917	1,047	7,000	700
5335 Local Mileage Reimbursement	13,672	12,662	16,000	16,000
5356 Copier, Printer Lease & Supplies	226	190	500	500
5384 Refuse Disposal	8,486	12,764	9,200	9,200
5409 Fleet Services Charges	1,985,312	1,485,846	1,682,000	1,772,000
5412 Building Rental	31,634	35,070	45,000	45,000
5414 Software Licenses & Mtce Agreements	33,978	34,967	38,500	38,800
5415 Vehicle/Equip Rent (Short Term)	25,846	34,595	34,000	34,000
5418 Vehicle/Equip Rent (Long Term)	205,156	365,731	400,000	400,000
5441 Other Services & Charges	4,171	3,387	15,900	15,900
5700 Transfers Out to Special Rev Funds	-	800,000	-	-
TOTAL	3,559,827	3,823,430	4,002,600	4,191,400
DIVISION TOTAL	7,693,802	8,014,840	8,325,400	8,711,300
REVENUE SOURCE				
4240 Municipal State Aid	1,533,400	1,465,349	1,533,400	1,496,100
4260 St Louis County	138,411	138,411	138,400	138,400
4261 ISD 709	6,581	-	18,000	10,000
4636 Sale of Materials	2,614	4,550	5,000	5,000
4654 Other Reimbursements	11,341	49,362	26,000	65,000
4680 Damage or Losses Recovered	19,276	-	-	-
4730 Transfer from Tourism Taxes	-	237,400	321,700	336,100
4730 Transfer from Enterprise Funds	9,600	9,600	9,600	9,600
4730 Transfer from Public Utility Funds	730,372	687,896	865,000	865,000
DIVISION TOTAL	2,451,595	2,592,568	2,917,100	2,925,200

City of Duluth Minnesota - 2023 Budget

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.

Budgeted FTE's	2020	2021	2022	2023	Difference
1140 City Engineer	0.40	0.40	0.40	0.40	-
1140 Chief Eng Transportati	1.00	1.00	1.00	1.00	-
1115 Sr Project Engineer	1.00	1.00	1.00	1.00	-
1075 Lift Bridge Supervisor	1.00	1.00	1.00	1.00	-
27 Bridge Operator	5.00	5.00	5.00	5.00	-
28 Engineering Technician	0.30	-	-	-	-
31 Sr. Engineering Tech.	3.15	3.25	3.25	3.25	-
34 Sr. Engineering Spec.	1.20	1.40	1.40	1.40	-
36 Project Engineer	2.00	2.00	2.00	2.00	-
126 Information Technician	0.40	0.40	0.20	0.20	-
129 Admin. Info. Spec.	-	-	0.20	0.20	-
Division Total	15.45	15.45	15.45	15.45	-

Expenditures	2020 Actual	2021 Actual	2022 Budget	2023 Approved	Difference
Personal Services					
Permanent Salaries	1,242,371	1,223,024	1,240,600	1,263,000	22,400
Overtime	95,072	85,777	56,000	56,000	-
Other Wages	75	29,962	30,000	30,000	-
Total Salaries	1,337,519	1,338,762	1,326,600	1,349,000	22,400
Benefits	515,092	584,691	560,500	616,800	56,300
Other Expense					
Materials & Supplies	27,255	22,800	42,700	41,700	(1,000)
Services	25,696	44,351	51,100	55,400	4,300
Utility & Mtc	26,428	18,793	16,100	20,300	4,200
Other	23,700	25,762	27,900	28,400	500
Total Other Expense	103,079	111,705	137,800	145,800	8,000
Division Total	1,955,690	2,035,158	2,024,900	2,111,600	86,700

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Engineering - 110-500-1930				
PERSONAL SERVICES				
5100 Permanent Salaries	1,242,371	1,223,024	1,240,600	1,263,000
5101 Premium Pay	95,072	85,777	56,000	56,000
5103 Other Wages	75	29,962	30,000	30,000
TOTAL	1,337,519	1,338,762	1,326,600	1,349,000
EMPLOYEE BENEFITS				
5118 Meal Allowance	75	-	200	200
5121 PERA Retirement	97,874	97,239	96,400	99,800
5122 FICA - Social Security	80,495	80,355	82,400	85,000
5123 FICA - Medicare	18,825	18,805	19,300	19,800
5125 Dental Insurance	6,118	6,052	6,100	6,100
5126 Life Insurance	3,152	3,118	2,800	2,800
5127 Health Care Savings Plan (HCSP)	28,968	53,968	20,600	21,300
5130 Cafeteria Plan Benefits	279,159	324,272	332,700	381,800
5133 Health or Fitness Program	428	882	-	-
TOTAL	515,092	584,691	560,500	616,800
OTHER EXPENDITURES				
5200 Office Supplies	414	410	1,300	1,100
5201 Computer Supplies/Software	323	1,858	200	100
5203 Paper/Stationery/Forms	22	99	500	500
5205 Safety & Training Materials	1,346	1,438	1,500	1,500
5211 Cleaning/Janitorial Supplies	1,083	460	700	700
5212 Motor Fuels	2,367	4,154	3,900	5,100
5218 Uniforms	1,829	1,829	1,800	1,900
5219 Other Miscellaneous Supplies	304	734	200	400
5220 Repair & Maintenance Supplies	11,965	7,015	18,000	17,400
5240 Small Tools	2,788	2,644	3,700	2,700
5241 Small Equip-Office/Operating	1,009	1,556	4,000	3,900
5242 Survey Equipment and Supplies	3,804	604	6,900	6,400
5303 Engineering Services	16,037	29,224	30,600	35,500
5319 Other Professional Services	-	73	500	100
5320 Data Services	2,479	2,357	2,200	2,200
5321 Phone Service	4,582	4,612	4,600	4,600
5322 Postage	33	-	100	100
5331 Travel/Training	1,619	6,731	9,300	9,300

City of Duluth Minnesota - 2023 Budget

General Fund Expenditure Detail	2020	2021	2022	2023
	Actual	Actual	Budget	Approved
Engineering - 110-500-1930 continued				
5335 Local Mileage Reimbursement	-	221	800	800
5355 Printing & Copying	83	357	1,700	1,700
5356 Copier, Printer Lease & Supplies	397	296	800	600
5384 Refuse Disposal	467	481	500	500
5404 Equipment/Machinery Repair & Mtc	20,874	9,655	13,100	12,100
5409 Fleet Services Charges	5,554	9,137	3,000	8,200
5414 Software Licenses & Mtce Agreement	14,135	17,129	16,900	16,900
5433 Dues & Subscription	404	128	2,700	4,700
5435 Books & Pamphlets	-	1,783	400	400
5438 Licenses	185	-	600	-
5441 Other Services & Charges	8,456	6,197	6,900	6,000
5450 Laundry	519	524	400	400
TOTAL	103,079	111,705	137,800	145,800
DIVISION TOTAL	1,955,690	2,035,158	2,024,900	2,111,600
REVENUE SOURCE				
4152 Excavation Permits	22,236	27,634	20,000	22,000
4170 Miscellaneous Permits	302,593	196,085	59,000	90,000
4370 Engineering Services	105,504	1,123,914	300,000	170,000
4472 Administrative Fines	1,620	-	-	-
4631 Media Sales	-	33	100	-
4654 Other Reimbursements	-	36	-	-
4730 Transfer from Tourism Taxes	-	-	61,100	63,900
DIVISION TOTAL	431,952	1,347,702	440,200	345,900

City of Duluth Minnesota - 2023 Budget

Transfers and Other Functions

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

General Fund Expenditure Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
EXPENDITURES				
Citywide Dues & Lobbying	119,951	184,674	124,500	189,500
Citywide Communications	232,727	152,705	236,800	236,800
Miscellaneous	632,870	295,616	886,900	886,900
Civic Affairs and Awards	42,033	12,828	65,500	59,500
Business Improvement Dist.	412,806	410,188	370,000	370,000
Public Access Television	182,000	182,000	182,000	182,000
Sales Tax Administration	85,076	87,049	120,000	120,000
Capital Program - CEP	598,194	59,506	47,000	33,000
Unemployment Compensation	4,829	-	27,500	27,500
Benefits Administration	83,193	120,467	123,000	123,000
Retiree Medical & Life Insurance	8,147,020	8,294,746	7,399,100	7,399,100
Self Insurance Contribution	1,400,000	2,440,000	3,236,000	2,400,000
State of MN PERA Contribution Employer Ex	502,878	368,733	-	-
Accruals	-	-	500,000	457,500
Interfund Transfers to Special Rev Funds	9,159	350,000	250,000	117,700
Interfund Transfers to Internal Svc Funds	-	100,000	-	-
Capital Equipment	-	-	-	3,000,000
DEPARTMENT TOTAL	12,452,736	13,058,511	13,568,300	15,602,500
REVENUE SOURCE				
4233 State of MN PERA Contribution	502,878	368,733	-	-
4500 Assessments - Service Charge	412,806	410,188	370,000	370,000
4639 Sale of Equipment	59,976	154,779	-	-
4640 Sale of Land	163,500	36,063	-	-
4654 Other Reimbursements	1,156,427	789,853	-	-
4730 Transfer from Special Revenue	4,567,151	547,392	425,000	425,000
4730 ARPA Funding	-	-	2,551,600	245,000
4730 ARPA Capital	-	-	-	3,000,000
4999 Cash Balance Forward	-	-	200,000	-
DEPARTMENT TOTAL	6,862,737	2,307,007	3,546,600	4,040,000

City of Duluth Minnesota - 2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	112,650,764	129,880,342	159,330,582	167,144,576
REVENUES				
Taxes	22,667,243	28,919,428	27,077,200	27,627,200
Intergovernmental	10,582,904	17,284,994	13,635,744	12,535,208
Miscellaneous	35,067,628	49,472,661	29,112,854	37,725,791
TOTAL REVENUES	68,317,776	95,677,083	69,825,798	77,888,199
EXPENSES				
Personal Services	15,251,022	17,384,781	16,325,828	17,011,573
Other Services and Charges	6,025,072	8,421,143	7,525,686	11,048,749
Transfers	19,392,276	24,605,651	21,671,049	21,810,800
Miscellaneous	10,419,828	15,815,267	16,489,241	16,254,733
TOTAL EXPENSES	51,088,198	66,226,843	62,011,804	66,125,855
FUND BALANCE - DECEMBER 31	129,880,342	159,330,582	167,144,576	178,906,920

City of Duluth Minnesota - 2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	(406,497)	(264,760)	308,891	317,643
REVENUES				
Intergovernmental, State of MN	238,137	190,000	330,000	190,000
Admissions	497,359	1,221,397	1,209,309	1,397,300
Concessions & Commissions, Misc	151,503	377,591	251,097	284,500
Reimbursement, Lake Superior Zoological Society	-	-	19,534	47,600
Investment Income	-	745	-	-
Gifts and Donations	96,843	116,668	63,500	105,100
Other Sources	9,229	189,953	6,600	20,100
Interfund Transfer from Tourism Tax	510,000	510,000	510,000	510,000
TOTAL REVENUES	1,503,071	2,606,354	2,390,040	2,554,600
EXPENSES				
Phone Service	834	834	3,600	-
Contract Services, Zoo Personnel	670,664	916,199	1,300,102	1,490,800
Contract Services, Op Expenses	676,929	1,073,631	1,040,686	1,017,400
Bank Charges	12,907	42,039	32,000	31,500
Interest	-	-	4,900	8,400
TOTAL EXPENSES	1,361,334	2,032,703	2,381,288	2,548,100
FUND BALANCE - DECEMBER 31	(264,760)	308,891	317,643	324,143

City of Duluth Minnesota - 2023 Budget

Parks

City Priority: Innovation and Excellence in Service

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
Fiscal Responsibility: 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			\$ 7,441,362	\$ 17,417,855
High Performing Organization: Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals	Number of training hours completed by Division (Conference, workshop)	87	500.75	448	280
	Number of public presentations, panels, etc. Division members participate in/deliver	6	8	5	5

City Priority: Culture and Recreation

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
Open Space Development: 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	237	256.5	270.5	271
Transportation: 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	43.5	60	60.8	61.5

City of Duluth Minnesota - 2023 Budget

Parks

City Priority: Safe and Secure Community

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
Community Engagement: Offer community programming which affords safe spaces for youth and adults to play, learn, and engage	Amount invested in community programs	\$ 221,569	\$ 273,961	\$ 100,562	\$ 102,000
	Number of free programs offered	42%	39%	40%	40%
	Amount of fee assistance applied to programming	\$ 1,176	\$3,156	\$3,818	\$5,000
	Number of tabling/outreach events	0	8	7	5
	Registered Program Participants	6,003	6,382	4,787	5,000
	Drop-in Program Participants	4,428	10,163	17,713	18,000

City Priority: Infrastructure

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
Way-Finding: Develop a clear way-finding system to help residents and visitors navigate through the community as efficiently and easily as possible	Number of Parks and Trails where a wayfinding project was completed. A new sign design plan was implemented in 2019.	6	2	3	2

City Priority: Dynamic and Diverse Economy

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
Attracting Business: 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	67	409	388	375
	Special Event Permits	25	170	185	190
	Commercial Operator Permits	12	29	31	40
	Building Reservations	32	196	409	425

City of Duluth Minnesota - 2023 Budget

Parks

205

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

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	1,546,260	1,969,842	1,374,202	1,250,002
REVENUES				
Property Tax Levy	2,837,698	2,844,683	2,880,000	2,880,000
Intergovernmental Revenue	760,907	336,053	-	-
Licenses and Permits	53,305	110,247	61,500	70,000
Miscellaneous	163,543	260,240	110,300	41,400
Transfers In	157,371	382,434	-	67,700
TOTAL REVENUES	3,972,825	3,933,657	3,051,800	3,059,100
EXPENSES				
Personal Services	1,205,571	1,360,410	1,859,600	2,031,900
Other Services and Charges	896,407	1,258,051	521,800	480,300
Supplies	165,812	184,985	208,300	208,500
Transfers Out	842,746	467,371	61,300	59,100
Capital Outlay	438,706	1,258,480	525,000	279,300
TOTAL EXPENSES	3,549,243	4,529,297	3,176,000	3,059,100
FUND BALANCE - DECEMBER 31	1,969,842	1,374,202	1,250,002	1,250,002

City of Duluth Minnesota - 2023 Budget

Parks continued

205

BUDGETED FTE'S	2020	2021	2022	2023
1110 Manager Parks & Recreation	1.00	1.00	1.00	1.00
1080 Assistant Manager	2.00	2.00	1.00	1.00
133 Budget & Operations Analyst	0.20	0.20	0.20	0.20
131 Grant Coordinator	-	-	-	0.75
127 Admin Clerical Specialist	1.00	1.00	1.00	1.00
124 Senior Center Coordinator	1.00	1.00	-	-
34 Natural Resources Coordinator	0.50	0.50	0.50	0.50
34 Senior Parks Planner	1.00	1.00	1.00	1.00
32 Project Coordinator	-	-	1.00	1.00
30 Trails Coordinator	1.00	1.00	1.00	1.00
29 Parks Permit Coordinator	1.00	1.00	1.00	1.00
27 Project Technician	1.00	1.00	1.00	1.00
27 Recreation Specialist	4.00	4.00	5.00	5.00
Division Total	13.70	13.70	13.70	14.45

City of Duluth Minnesota - 2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	1,739,973	1,982,593	2,127,062	2,127,062
REVENUES				
Intergovernmental	317,180	989,914	262,500	365,000
Miscellaneous	717,184	864,347	760,100	914,800
Transfers In	9,434	-	-	-
TOTAL REVENUES	1,043,798	1,854,261	1,022,600	1,279,800
EXPENSES				
Personal Services - Police Extra Duty Pay	134,776	130,377	253,900	218,900
Other Services and Charges	224,657	616,936	344,900	389,100
Transfers Out	376,710	446,019	343,900	590,800
Miscellaneous	65,035	188,350	79,900	81,000
Capital Equipment	-	328,110	-	-
TOTAL EXPENSES	801,178	1,709,792	1,022,600	1,279,800
FUND BALANCE - DECEMBER 31	1,982,593	2,127,062	2,127,062	2,127,062

City of Duluth Minnesota - 2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	134,160	299,793	413,880	413,880
REVENUES				
Intergovernmental	2,321,640	3,164,870	2,291,245	1,933,423
Felony Forfeitures	264,855	362,217	100,000	100,000
TOTAL REVENUES	2,586,495	3,527,087	2,391,245	2,033,423
EXPENSES				
Other Services and Charges	789,873	1,221,988	422,308	351,500
Transfer to General Fund	1,164,846	1,775,209	1,641,749	1,331,800
Miscellaneous	266,392	309,282	327,188	350,123
Capital Equipment	199,751	106,521	-	-
TOTAL EXPENSES	2,420,862	3,413,000	2,391,245	2,033,423
FUND BALANCE - DECEMBER 31	299,793	413,880	413,880	413,880

City of Duluth Minnesota - 2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	2,444,155	2,372,803	3,097,514	3,097,514
REVENUES				
Earnings on Investments	44,820	(6,283)	-	-
Bond Proceeds	3,307,818	4,521,491	3,550,000	3,700,000
TOTAL REVENUES	3,352,638	4,515,208	3,550,000	3,700,000
EXPENSES				
Bond Issuance Costs	34,338	49,866	50,000	300,000
Capital Equipment - Nonrolling	1,517,506	1,934,594	1,850,000	1,725,000
Capital Equipment - Rolling	1,872,146	1,806,037	1,650,000	1,675,000
TOTAL EXPENSES	3,423,990	3,790,497	3,550,000	3,700,000
FUND BALANCE - DECEMBER 31	2,372,803	3,097,514	3,097,514	3,097,514

City of Duluth Minnesota - 2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	4,334	168,506	608,044	932,852
REVENUES				
Intergovernmental	211,145	199,025	100,000	431,900
Rent Revenues	185,421	448,749	344,808	38,257
Sale of Buildings	-	-	-	5,154,083
Interest on Loans, Program Revenue	-	-	-	11,478
Other Reimbursements	2,074	-	-	-
TOTAL REVENUES	398,640	647,774	444,808	5,635,718
EXPENSES				
Economic Development	234,468	208,236	120,000	2,187,702
TOTAL EXPENSES	234,468	208,236	120,000	2,187,702
FUND BALANCE - DECEMBER 31	168,506	608,044	932,852	4,380,869

City of Duluth Minnesota - 2023 Budget

Community Investment Fund

256

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

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	26,871,570	30,577,729	32,580,414	32,580,414
REVENUES				
Investment Earnings	4,273,310	6,550,077	425,000	425,000
TOTAL REVENUES	4,273,310	6,550,077	425,000	425,000
EXPENSES				
Transfer to General Fund (annual)	567,151	547,392	425,000	425,000
Transfer to Housing Trust Fund	-	4,000,000	-	-
TOTAL EXPENSES	567,151	4,547,392	425,000	425,000
FUND BALANCE - DECEMBER 31	30,577,729	32,580,414	32,580,414	32,580,414

City of Duluth Minnesota - 2023 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.

	2020	2021	2022	2023
	Actual	Actual	Budget	Approved
FUND BALANCE - JANUARY 1	172,360	57,555	2,143,240	2,143,240
REVENUES				
Other Reimbursements	38,737	43,752	13,500	21,500
Rent of Land	-	4,760	5,000	5,000
Miscellaneous	143	98	-	-
Interfund Transfer from General Fund	57,000	2,157,000	151,000	151,000
Interfund Transfer from Public Utility	75,000	75,000	75,000	75,000
TOTAL REVENUES	170,880	2,280,610	244,500	252,500
EXPENSES				
Personal Services	99,706	95,572	98,300	103,900
Other Services and Charges	34,090	98,642	145,700	948,100
Miscellaneous	4,822	711	500	500
Capital Outlay	147,067	-	-	200,000
TOTAL EXPENSES	285,685	194,925	244,500	1,252,500
FUND BALANCE - DECEMBER 31	57,555	2,143,240	2,143,240	1,143,240
BUDGETED FTE'S				
33 Energy Coordinator	1	1	1	1

City of Duluth Minnesota - 2023 Budget

Special City Excise and Sales Tax (Tourism Taxes)

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	932,313	1,950,090	3,166,252	1,758,652
REVENUES				
Hotel Motel 3%	1,959,167	3,205,776	2,908,200	2,976,000
Hotel Motel 1%	653,056	1,068,592	963,600	992,000
Add'l. 2.0% Hotel Motel Tax	1,161,813	1,922,523	1,802,000	1,884,800
Add'l. .5% Hotel Motel Tax	290,453	480,631	450,500	471,200
Food & Beverage Tax 1.0%	1,918,850	2,564,032	2,611,400	2,700,444
Food & Beverage Tax .75%	1,439,138	1,923,024	1,958,600	2,025,333
Food & Beverage Tax .5%	959,425	1,282,016	1,305,700	1,350,222
Change in Fair Value	26,420	(18,235)	-	-
TOTAL REVENUES	8,408,322	12,428,359	12,000,000	12,400,000
EXPENSES				
Duluth Entertainment & Convention Center	97,578	114,077	115,800	120,200
Visit Duluth	666,667	1,500,000	950,000	650,000
Business Improvement District	110,000	165,000	220,000	230,000
Great Lakes Aquarium	330,000	270,000	320,000	340,000
Lake Superior Zoo	510,000	510,000	510,000	510,000
Spirit Mountain	420,700	620,700	585,700	585,700
The Depot Foundation	54,999	165,000	200,000	220,000
Duluth Children's Museum	-	5,000	20,000	50,000
MN Land Trust	-	-	-	50,000
Hawk Ridge Bird Observatory	-	-	30,000	40,000
Public Arts	-	-	-	50,000
Duluth Sister Cities International	-	-	25,000	25,000
Lake Superior & Mississippi Railroad	-	-	20,000	20,000
Rail Alliance	15,000	13,500	15,000	20,000
Glensheen	-	20,000	35,000	35,000
Catalyst Content Festival	-	-	-	30,000

City of Duluth Minnesota - 2023 Budget

Special City Excise and Sales Tax (Tourism Taxes) continued

258

Fourth Fest Fireworks	2,500	57,000	57,000	70,000
Duluth Area Family Y	10,000	20,402	-	-
North Shore Scenic Railroad	-	-	50,000	50,000
Kraus Anderson Bike Duluth Festival	-	-	8,500	10,000
Zeitgeist	-	-	25,000	25,000
UMD Athletics	-	20,000	-	30,000
Gary New Duluth Skateboard Park	-	-	20,000	40,000
Funds allocated pursuant to Res. 21-0847	-	-	450,000	-
Bellmont Partners	-	-	1,800,000	1,800,000
Duluth Airport	-	-	50,000	50,000
City of Duluth Parks and Recreation	-	-	46,000	77,300
Duluth Amateur Hockey Association	-	-	-	20,000
FinnFest	-	-	-	25,000
Main Street Lincoln Park - Ecolibrium 3	-	-	-	25,000
Clean and Safe Team - Lincon Park Craft District	-	-	-	20,000
Marketing Position	-	-	100,000	111,700
Contingency Funds	-	-	-	40,000
Transfer to General Fund	97,958	872,534	1,195,000	1,234,800
Interfund Transfer to Capital Project Funds	550,000	550,000	550,000	30,000
Interfund Transfer to Debt Service				
- DECC	2,648,923	3,902,591	3,754,900	3,821,700
- Spirit Mountain	500,000	500,000	500,000	500,000
- St Louis River Corridor	1,376,220	1,906,394	1,754,700	2,380,700
TOTAL EXPENSES	7,390,545	11,212,197	13,407,600	13,337,100
Increase (Decrease) Undesignated Fund Balance	1,017,777	1,216,162	(1,407,600)	(937,100)
FUND BALANCE - DECEMBER 31	1,950,090	3,166,252	1,758,652	821,552

City of Duluth Minnesota - 2023 Budget

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	(123,235)	(100,803)	(24,026)	(24,026)
REVENUES				
Home Grant	621,930	669,535	548,149	573,752
CDBG ARP Grant	-	-	1,986,658	1,986,658
TOTAL REVENUES	621,930	669,535	2,534,807	2,560,410
EXPENSES				
Tenant Based Rental Assistance	97,425	60,838	90,484	107,992
Community Housing Devel Program	473,185	200,200	844,330	1,265,838
Rehabilitation	-	306,925	1,247,180	831,207
Administration	28,888	24,795	352,813	355,373
TOTAL EXPENSES	599,498	592,758	2,534,807	2,560,410
FUND BALANCE - DECEMBER 31	(100,803)	(24,026)	(24,026)	(24,026)

City of Duluth Minnesota - 2023 Budget

Community Development

262

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

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	(422,031)	(885,272)	(165,790)	(165,790)
REVENUES				
State of Minnesota				
Community Development Block Grant	2,019,489	4,159,843	2,462,495	2,302,428
Community Development Block Grant				
Cares Act	-		500,310	-
Emergency Shelter Grant	221,910	1,218,503	206,941	202,858
Miscellaneous reimbursements	150,500	25,000	20,000	4,714
TOTAL REVENUES	2,391,899	5,403,346	3,189,746	2,510,000
EXPENSES				
Economic Development	523,089	1,227,817	379,278	362,000
Housing	1,021,789	1,867,111	881,000	1,100,000
Physical Improvements	133,225	150,214	345,709	169,500
Public Service Projects	483,080	847,019	955,681	376,500
Program Administration	693,957	591,703	628,078	502,000
TOTAL EXPENSES	2,855,140	4,683,864	3,189,746	2,510,000
FUND BALANCE - DECEMBER 31	(885,272)	(165,790)	(165,790)	(165,790)

City of Duluth Minnesota - 2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	(23,690)	(16,474)	-	9
REVENUES				
Community Development Block Grant	684,901	550,853	799,465	791,255
Home Grant	24,074	16,213	54,815	57,375
HRA Housing & Environmental Emergency Shelter Grant	72,110	84,259	25,000	25,000
	28,067	74,905	15,518	15,750
TOTAL REVENUES	809,152	726,230	894,798	889,380
EXPENSES				
Personal Services	770,646	695,070	811,900	806,500
Other Services and Charges	31,290	14,686	82,889	82,889
TOTAL EXPENSES	801,936	709,756	894,789	889,389
FUND BALANCE - DECEMBER 31	(16,474)	-	9	-
BUDGETED FTE'S				
1105 Manager, CD/Housing	0.50	0.50	0.50	0.50
138 Senior Housing Developer	0.50	0.50	0.50	0.50
138 Senior Planner	1.25	1.25	1.25	1.25
135 Economic Developer	0.75	0.75	0.75	0.75
133 Planner II	2.00	2.00	2.00	2.00
131 Grant Coordinator	-	-	1.00	2.00
129 Administrative Info Specialist	0.75	0.75	0.75	0.75
129 Planner I	1.00	1.00	1.00	-
DIVISION TOTAL	6.75	6.75	7.75	7.75

City of Duluth Minnesota - 2023 Budget

Workforce Development

City Priority: Dynamic and Diverse Economy

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Estimated	2023 Target
Workforce Development: 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	877	1001	938	900
	Percent of enrolled clients pursuing education and training who attained a credential	67%	70%	77%	72%
	Percent of non-MFIP clients who successfully exited	68%	81%	75%	75%

City of Duluth Minnesota - 2023 Budget

Workforce Development

268

Special Revenue fund which accounts for monies received through the Minnesota Department of Employment and Economic Development and St. Louis County to provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed persons. The 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	269,641	198,923	301,719	851,719
REVENUES				
Miscellaneous	2,751	-	-	18,042
Building Rent	240,175	251,872	249,435	187,282
MN Family Investment Program	957,244	982,140	912,240	979,435
Federal Grant	714,039	781,283	1,062,856	729,222
State Grant	514,879	845,468	697,252	1,187,227
Local Grant	7,800	89,708	-	-
Interfund Trsf in from General Fund	4,159	50,000	600,000	50,000
TOTAL REVENUES	2,441,047	3,000,471	3,521,783	3,151,208
EXPENSES				
Personal Services	1,584,288	1,774,953	1,876,675	2,131,914
OPEB	2,934	1,860	2,126	2,126
Other Services and Charges	924,544	1,120,862	1,092,982	1,271,156
TOTAL EXPENSES	2,511,765	2,897,675	2,971,783	3,405,196
FUND BALANCE - DECEMBER 31	198,923	301,719	851,719	597,731
BUDGETED FTE'S				
1155 Director Workforce Development	1.00	1.00	1.00	1.00
1085 Workforce Development Ops Manager	1.00	1.00	1.00	1.00
132 Workforce Development Technician II	-	5.00	5.00	5.00
131 Employment Technician	13.64	6.64	6.64	6.64
130 Workforce Development Technician I	-	1.00	3.00	3.00
126 Information Technician	1.00	1.00	1.00	2.00
DIVISION TOTAL	16.64	15.64	17.64	18.64

City of Duluth Minnesota - 2023 Budget

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	(2,014)	(1,066)	(4,659)	(4,659)
REVENUES				
Senior Employment Program - State	210,501	244,465	91,917	92,259
Senior Aides Program - Federal	280,617	154,085	212,948	208,384
TOTAL REVENUES	491,118	398,550	304,865	300,643
EXPENSES				
Personal Services	459,393	337,824	300,146	297,241
Other Services and Charges	16,693	44,469	4,719	3,402
Transfers to General Fund	14,084	19,850	-	-
TOTAL EXPENSES	490,170	402,143	304,865	300,643
FUND BALANCE - DECEMBER 31	(1,066)	(4,659)	(4,659)	(4,659)

City of Duluth Minnesota - 2023 Budget

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	71,510,666	82,675,184	99,913,230	107,577,355
REVENUES				
Investment Earnings	1,532,100	1,488,679	1,465,000	1,570,000
Investment Earnings-City Pooled	-	-	400,000	400,000
Change in Fair Value	9,776,603	16,017,806	5,800,000	8,500,000
Transfer from Special Revenue Funds	-	-	2,125	2,125
Contributions- Employer	10,287,851	12,041,435	10,194,581	10,449,392
TOTAL REVENUES	21,596,554	29,547,920	17,861,706	20,921,517
EXPENSES				
Administrative Expenses	4,724	5,375	3,000	5,000
Benefits	10,427,312	12,304,499	10,194,581	10,449,392
TOTAL EXPENSES	10,432,036	12,309,874	10,197,581	10,454,392
FUND BALANCE - DECEMBER 31	82,675,184	99,913,230	107,577,355	118,044,480

City of Duluth Minnesota - 2023 Budget

DECC Revenue

281

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

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	4,450,991	4,382,363	4,520,455	5,336,855
REVENUES				
Investment Earnings Change in Fair Value	33,549	(32,211)	-	-
Transfer from Special Revenue Funds (Tourism)				
- Hotel/Motel Tax	1,209,786	1,979,567	1,795,800	1,837,700
- Food & Beverage Tax	1,439,137	1,923,024	1,959,100	1,984,000
TOTAL REVENUES	2,682,472	3,870,380	3,754,900	3,821,700
EXPENSES				
Miscellaneous	-	888,538	-	-
Transfer to Debt Service	2,751,100	2,843,750	2,938,500	3,036,900
TOTAL EXPENSES	2,751,100	3,732,288	2,938,500	3,036,900
FUND BALANCE - DECEMBER 31	4,382,363	4,520,455	5,336,855	6,121,655

City of Duluth Minnesota - 2023 Budget

Street System Maintenance Utility

290

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

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	442,538	1,753,463	3,445,160	3,445,160
REVENUES				
Property Tax	2,482,789	2,491,795	2,500,000	2,300,000
Other Reimbursements	3,215	-	-	-
Earnings On Investments	18,527	(26,358)	-	-
Interest Earned-Customer Accounts	41	87	-	-
TOTAL REVENUES	2,504,572	2,465,524	2,500,000	2,300,000
EXPENSES				
Personal Services	7,025	146,908	370,000	370,000
Supplies	296,170	461,219	581,000	581,000
Other Services and Charges	35,458	29,029	98,000	98,000
Non-Capital Improvements	23,065	58,715	195,000	445,000
Capital Equipment	4,410	-	-	-
Uncollectible Accounts	713	2,021	-	-
Transfer to Capital Projects	826,806	75,936	1,256,000	900,000
TOTAL EXPENSES	1,193,647	773,828	2,500,000	2,394,000
FUND BALANCE - DECEMBER 31	1,753,463	3,445,160	3,445,160	3,351,160

City of Duluth Minnesota - 2023 Budget

Street Improvement Sales Tax

291

Additional half percent general sales tax dedicated to street improvement.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	1,964,649	1,765,696	3,789,322	3,789,322
REVENUES				
Sales Tax	7,244,748	8,702,733	6,815,000	7,500,000
Use Tax	-	3,418	435,000	-
Earnings on Investments	3,837	-	-	-
TOTAL REVENUES	7,248,585	8,706,152	7,250,000	7,500,000
EXPENSES				
Contract Services	42,538	43,524	-	-
Transfer to Capital Projects	7,405,000	6,639,001	7,250,000	7,500,000
TOTAL EXPENSES	7,447,538	6,682,525	7,250,000	7,500,000
FUND BALANCE - DECEMBER 31	1,765,696	3,789,322	3,789,322	3,789,322

City of Duluth Minnesota - 2023 Budget

Street Lighting

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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	1,144,621	994,177	1,735,673	1,717,373
REVENUE				
Taxes	1,720,106	2,430,206	2,447,200	2,547,200
Street Lighting Fee	5,696	(58)	-	-
Miscellaneous	84,427	121,580	46,000	46,000
Investment Earnings	446	153	-	-
Change in Fair Value Investments	9,793	(6,292)	-	-
TOTAL REVENUES	1,820,468	2,545,589	2,493,200	2,593,200
EXPENSES				
Personal Services	559,371	537,308	558,600	599,700
Supplies	234,554	126,362	298,100	300,400
Other Services and Charges	188,139	222,722	384,000	382,100
Utilities	687,068	857,624	850,000	975,000
Non-Capital Improvements	31,048	472	-	-
Transfers	270,732	59,605	-	-
Capital	-	-	420,800	995,000
TOTAL EXPENSES	1,970,912	1,804,093	2,511,500	3,252,200
FUND BALANCE - DECEMBER 31	994,177	1,735,673	1,717,373	1,058,373

BUDGETED FTE'S	2020	2021	2022	2023
34 Traffic Operations Coordinator	-	-	-	1.00
32 Traffic Operations Leadworker	1.00	1.00	1.00	-
31 Signal Technician	3.00	3.00	3.00	3.00
27 Signal Maintenance Worker	1.00	1.00	1.00	1.00
9 Executive Assistant	0.10	0.10	0.10	0.10
Department Total	5.10	5.10	5.10	5.10

City of Duluth Minnesota - 2023 Budget

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.

Funds

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

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	16,519,239	16,175,909	15,943,300	16,044,800
REVENUES				
Taxes and Tax Increment	7,545,145	7,846,092	7,870,500	7,920,500
Special Assessments	288,094	178,265	84,300	52,200
Miscellaneous	300,151	226,410	-	300,100
Other Financing Sources	7,044,549	14,951,355	7,980,600	8,516,500
TOTAL REVENUES	15,177,939	23,202,122	15,935,400	16,789,300
EXPENSES				
Debt Service Payments	14,686,659	15,912,219	14,978,400	14,694,000
Miscellaneous	834,610	7,522,512	855,500	1,170,600
TOTAL EXPENSES	15,521,269	23,434,731	15,833,900	15,864,600
FUND BALANCE - DECEMBER 31	16,175,909	15,943,300	16,044,800	16,969,500

City of Duluth Minnesota - 2023 Budget

Debt Service Funds Narrative

2022 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, 2022 as it pertains to the City of Duluth is estimated as follows:

Total Gross Bonded Debt	\$133,843,196
Less:	
City - general obligation bonds paid by parking revenues	15,243,196
City - general obligation bonds paid by other revenues	54,140,000
Tax Abatement Bonds	9,215,000
Utility bonds paid from Enterprise Funds	17,858,000
Special assessment bonds	185,000
 Net Direct Bonded Debt	 <u>\$37,202,000</u>

The City's debt is shown in the following table as a share of market value and per capita. The general obligation debt is limited by State Statute to 2.0 % of market value or \$150.7 million.

Year	Amount (in thousands)	Percent of Market Value	Dollars Per Capita
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
2014	\$40,310	0.8	\$467
2013	\$41,281	0.8	\$479
2012	\$40,540	0.8	\$470

The preceding table used an estimated taxable market value of \$8,748,257,175 and a population of 86,697, as reported in the 2020 census.

City of Duluth Minnesota - 2023 Budget

Debt Service Funds Narrative

The following tables provide specific information relative to the 2022 status of the debt service funds of the City. The appropriation budgets of each specific debt fund follow this presentation.

<u>General Obligation Bonds:</u>	<u>Issue Date</u>	<u>Outstanding 12/31/2022</u>	<u>2022 Levy Requirements</u>
Miller Hill Flats Abatement	-	-	18,400
Capstone LLC Abatement	-	-	60,300
Cityview Flats Abatement	-	-	84,000
Firststreet Lofts Abatement	-	-	20,000
Bluffs Senior Housing Abatement	-	-	22,500
Costco Abatement	-	-	84,000
ST Paper	-	-	60,000
Police Station	10/9/2019	8,625,000	1,117,000
Lakewalk & Cross City	12/18/2013	775,000	126,500
Lakewalk	10/21/2020	3,930,000	323,700
Equipment	10/17/2018	1,650,000	829,500
Equipment	10/9/2019	1,960,000	722,000
Equipment	10/21/2020	2,440,000	674,600
Equipment	11/3/2021	3,935,000	918,000
Equipment	11/1/2022	3,360,000	785,000
Capital Improvement Projects	12/18/2013	405,000	211,200
Capital Improvement Projects	10/30/2014	360,000	126,000
Capital Improvement Projects	11/5/2015	685,000	182,400
Capital Improvement Projects	11/9/2016	625,000	140,400
Capital Improvement Projects	11/21/2017	985,000	184,900
Capital Improvement Projects	10/17/2018	995,000	173,800
Capital Improvement Projects	10/9/2019	1,010,000	155,300
Capital Improvement Projects	10/21/2020	1,510,000	195,800
Capital Improvement Projects	11/3/2021	1,490,000	194,500
Capital Improvement Projects	11/1/2022	1,685,000	220,300
TOTAL DEBT SERVICE			7,630,100
5% Additional required by law (1)			363,600
			7,993,700
Less: Cash on hand			(636,100)
NET DEBT LEVY - Total required by taxation			7,357,600

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

City of Duluth Minnesota - 2023 Budget

Debt Service Funds Narrative

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

Year Ending December 31	General Obligation Bonds		General Obligation Certificates		General Obligation Tax Abatement	
	Interest	Principal	Interest	Principal	Interest	Principal
2023	2,882,629	6,500,000	547,050	3,455,000	190,564	930,000
2024	2,705,388	6,930,000	430,225	3,425,000	177,118	950,000
2025	2,502,069	7,060,000	282,325	2,735,000	161,673	965,000
2026	2,271,058	7,240,000	166,525	2,150,000	144,112	985,000
2027	2,006,997	6,625,000	76,500	1,580,000	124,228	1,005,000
2028-2032	5,824,427	32,800,000	18,500	740,000	270,057	4,380,000
2033-2037	480,879	10,035,000	-	-	-	-
Total	\$ 18,673,447	\$ 77,190,000	\$ 1,521,125	\$ 14,085,000	\$ 1,067,752	\$ 9,215,000

City of Duluth Minnesota - 2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	7,419,358	7,858,624	8,262,524	8,209,624
REVENUES				
Property Taxes	6,933,244	7,283,150	7,307,600	7,357,600
Earnings on Investments	68,727	(64,566)	-	-
Other Sources	222,018	301,977	-	300,100
Transfer from Special Revenue	56,858	57,900	61,300	59,100
Transfer from Capital Project	3,879	1,666	-	-
TOTAL REVENUES	7,284,726	7,580,127	7,368,900	7,716,800
EXPENSES				
Debt Service Payments				
- Bond Principal	5,375,000	5,360,000	5,680,000	5,710,000
- Bond Interest	1,194,430	1,337,480	1,398,300	1,417,700
Other Expenses				
- Tax Abatement	266,908	166,464	334,500	349,200
- Other Services and Charges	-	304,477	-	300,100
- Fiscal Agent and Bond Fees	9,122	7,806	9,000	9,000
TOTAL EXPENSES	6,845,460	7,176,227	7,421,800	7,786,000
FUND BALANCE - DECEMBER 31	7,858,624	8,262,524	8,209,624	8,140,424

City of Duluth Minnesota - 2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	6,777,345	6,804,383	6,968,294	7,459,094
REVENUES				
Earnings on Investments	59,095	(58,016)	-	-
Proceeds from Refunding Bond	-	6,550,000	-	-
Transfer from Special Revenue				
- DECC Improvement	2,402,250	2,491,800	2,587,600	2,684,400
- DECC Improvement - Seawall	348,850	351,950	349,900	352,500
- Spirit Mountain	500,000	500,000	500,000	500,000
- Lakewalk Seawall Project	-	-	-	520,000
- St. Louis River Corridor	1,376,220	1,906,394	1,800,000	1,860,700
Funded by Others				
- Airport	1,210,053	1,674,224	1,210,500	1,072,100
- MSA Maintenance	-	75,612	47,900	36,200
- MSA Construction	-	755,000	780,000	790,000
- Spirit Mountain	17,919	-	-	-
- Airport - Cirrus	644,425	644,825	643,400	641,500
TOTAL REVENUES	6,558,812	14,891,789	7,919,300	8,457,400
EXPENSES				
Bond Principal	3,910,000	5,530,000	4,970,000	5,175,000
Bond Interest	2,616,304	2,666,214	2,453,500	2,202,600
Payment to Escrow Agent	-	6,445,000	-	-
Bond Issuance Expense	-	81,439	-	-
Fiscal Agents	5,470	5,225	5,000	5,200
TOTAL EXPENSES	6,531,774	14,727,878	7,428,500	7,382,800
FUND BALANCE - DECEMBER 31	6,804,383	6,968,294	7,459,094	8,533,694

City of Duluth Minnesota - 2023 Budget

Special Assessment Debt Service

325

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

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	211,255	36,418	(36,108)	7,892
REVENUES				
Construction Assessments	199,146	117,062	44,000	36,200
Earnings on Investments	(233)	(413)	-	-
TOTAL REVENUES	198,913	116,649	44,000	36,200
EXPENSES				
Bond Principal	360,000	185,000	-	-
Bond Interest	12,800	3,700	-	-
Fiscal Agents	950	475	-	-
TOTAL EXPENSES	373,750	189,175	-	-
FUND BALANCE - DECEMBER 31	36,418	(36,108)	7,892	44,092

City of Duluth Minnesota - 2023 Budget

Street Improvement Debt Service

330

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

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	2,055,849	1,360,361	576,673	139,873
REVENUES				
Construction Assessments	88,948	61,203	40,300	16,000
Earnings on Investments	9,639	(14,116)	-	-
Transfer from Capital Project	425,000	-	-	-
TOTAL REVENUES	523,587	47,087	40,300	16,000
EXPENSES				
Fiscal Agent Fees	950	950	500	500
Bond Principal	1,145,000	790,000	460,000	185,000
Bond Interest	73,125	39,825	16,600	3,700
TOTAL EXPENSES	1,219,075	830,775	477,100	189,200
FUND BALANCE - DECEMBER 31	1,360,361	576,673	139,873	(33,327)

City of Duluth Minnesota - 2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	55,432	116,123	171,917	228,317
REVENUES				
Tax increments	611,901	562,942	562,900	562,900
Miscellaneous	-	3,528	-	-
TOTAL REVENUES	611,901	566,470	562,900	562,900
EXPENSES				
Other Miscellaneous Expenditures	499	4,028	-	-
Transfer to Enterprise Fund	550,711	506,648	506,500	506,600
TOTAL EXPENSES	551,210	510,676	506,500	506,600
FUND BALANCE - DECEMBER 31	116,123	171,917	228,317	284,617

City of Duluth Minnesota - 2023 Budget

Capital Project Funds

Funds

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

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

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	9,178,801	11,238,865	9,245,402	8,331,077
REVENUES				
Taxes	278,471	279,378	280,000	280,000
Intergovernmental	10,007,913	7,283,011	29,522,100	15,459,200
Miscellaneous	6,917,705	2,222,484	2,233,475	2,073,200
Other Financing Sources	14,736,832	9,502,827	10,201,900	9,884,700
TOTAL REVENUES	31,940,921	19,287,700	42,237,475	27,697,100
EXPENSES				
Current	82,230	33,626	84,200	52,200
Capital Outlay	29,798,627	21,247,537	43,067,600	29,001,500
TOTAL EXPENSES	29,880,857	21,281,163	43,151,800	29,053,700
FUND BALANCE - DECEMBER 31	11,238,865	9,245,402	8,331,077	6,974,477

City of Duluth Minnesota - 2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	(181,435)	(126,664)	(188,071)	(154,896)
REVENUES				
Assessment Collections	54,771	72,466	33,175	21,000
TOTAL REVENUES	54,771	72,466	33,175	21,000
EXPENSES				
Improvements Other Than Buildings	-	882	-	-
Transfers Out	-	132,991	-	-
TOTAL EXPENSES	-	133,873	-	-
FUND BALANCE - DECEMBER 31	(126,664)	(188,071)	(154,896)	(133,896)

City of Duluth Minnesota - 2023 Budget

Permanent Improvement

411

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

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	20,618	2,886,761	514,900	514,900
REVENUES				
Current Property Taxes	275,970	276,472	280,000	280,000
Delinquent Property Taxes	2,501	2,906	-	-
Miscellaneous Federal Grants	2,131,785	1,748,355	1,340,000	2,035,000
State of Minnesota	694,135	406,729	13,775,000	543,000
Municipal State Aid	4,257,750	2,962,366	1,874,800	5,400,000
Investment Earnings	78,858	(80,354)	-	-
Other Sources	841,654	258,581	-	-
Bond Proceeds	4,048,886	-	-	-
Special Revenue Funds	1,097,538	920,541	1,700,000	500,000
Capital Project Funds	38,333	132,991	-	-
Public Utility Funds	-	-	415,000	1,117,000
TOTAL REVENUES	13,467,410	6,628,587	19,384,800	9,875,000
EXPENSES				
Improvements Other Than Buildings	10,509,106	9,000,448	19,384,800	9,475,000
Transfer to Debt Service	161	-	-	-
Transfer to Capital Projects	92,000	-	-	-
TOTAL EXPENSES	10,601,267	9,000,448	19,384,800	9,475,000
FUND BALANCE - DECEMBER 31	2,886,761	514,900	514,900	914,900

City of Duluth Minnesota - 2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	1,937,743	4,151,131	5,137,206	5,123,906
REVENUES				
Investment Earnings	38,193	(30,445)	-	
Transfer from Special Revenue	7,405,000	5,854,001	6,713,000	7,500,000
Assessment Collections	434,264	307,791	168,000	135,100
TOTAL REVENUES	7,877,457	6,131,346	6,881,000	7,635,100
EXPENSES				
Improvements Other than Buildings	5,200,736	5,145,272	6,894,300	8,039,500
Transfer to Debt Service	425,000	-	-	-
Transfer to General Fund	38,333	-	-	-
TOTAL EXPENSES	5,664,069	5,145,272	6,894,300	8,039,500
FUND BALANCE - DECEMBER 31	4,151,131	5,137,206	5,123,906	4,719,506

City of Duluth Minnesota - 2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	110,918	850,608	941,094	1,406,894
REVENUES				
Federal Grant	1,364,951	316,431	1,968,800	2,969,300
State of Minnesota	88,200	288,000	10,125,000	3,375,000
Earnings on Investments	12,608	3,324	-	-
Other Sources	-	102,500	-	-
Transfer from General Fund	-	246,000	-	-
Transfer from Special Revenue	763,421	1,238,742	899,000	400,000
Transfer from Capital Projects	92,000	88,000	-	-
Bond Proceeds	5,790,000	1,490,000	1,800,000	1,800,000
Premium on bonds	405,001	350,871	-	-
TOTAL REVENUES	8,516,181	4,123,868	14,792,800	8,544,300
EXPENSES				
Transfer to Debt Service	3,718	582	-	-
Transfer to Special Revenue	4,300,000	15,316	-	-
Bond Issuance Costs	82,230	33,626	84,200	52,200
Land	-	473,893	-	-
Capital Improvements	3,390,543	3,509,965	14,242,800	8,425,100
TOTAL EXPENSES	7,776,491	4,033,382	14,327,000	8,477,300
FUND BALANCE - DECEMBER 31	850,608	941,094	1,406,894	1,473,894

City of Duluth Minnesota - 2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	7,290,957	3,477,029	2,840,272	1,440,272
REVENUES				
Federal Grants	79,738	344,780	203,000	159,900
State of Minnesota	1,391,354	1,216,350	235,500	977,000
Earnings on Investments	101,348	(14,929)	-	-
Other Sources	2,662	123,759	232,300	117,100
Transfer from General Fund	-	200,000	-	-
Transfer from Special Revenue	450,000	461,471	474,900	367,700
TOTAL REVENUES	2,025,102	2,331,432	1,145,700	1,621,700
EXPENSES				
Capital Improvements	5,400,600	1,144,619	2,309,100	2,630,700
Transfer to Capital Projects	-	776,742	-	-
Transfer to Special Revenue	12,839	-	-	-
Other Uses	425,591	1,046,828	236,600	431,200
TOTAL EXPENSES	5,839,030	2,968,189	2,545,700	3,061,900
FUND BALANCE - DECEMBER 31	3,477,029	2,840,272	1,440,272	72

City of Duluth Minnesota - 2023 Budget

Funds

Golf
 Parking
 Priley Drive Parking Facility
 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
REVENUES				
Operating	53,135,456	56,841,340	57,453,001	65,033,133
Non-Operating	18,081,248	2,288,127	4,421,300	20,403,400
Sales	34,987,154	39,436,399	38,578,900	53,239,400
TOTAL REVENUES	106,203,858	98,565,866	100,453,201	138,675,933
OPERATING EXPENSES				
Personal Services	16,816,847	14,353,329	22,886,800	24,168,400
Supplies	2,561,853	3,011,569	3,286,200	4,212,500
Other Services and Charges	24,645,753	25,172,191	27,017,452	31,382,514
Depreciation and Amortization	8,306,738	8,687,789	9,199,569	9,451,129
Miscellaneous	2,609,910	2,244,089	2,688,700	7,892,900
Cost of Sales	19,424,944	25,694,604	21,125,449	34,115,295
Interfund Transfers	4,206,635	4,960,232	5,478,200	6,522,600
Non-Operating	15,973,640	8,628,773	9,119,500	25,052,100
TOTAL EXPENSES	94,546,320	92,752,576	100,801,870	142,797,438

City of Duluth Minnesota - 2023 Budget

Golf Fund

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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 and 2022, Lester Park course was closed while still receiving minimum maintenance. In 2023, the decision on whether or not to open Lester for a final season while the Enger Park course receives upgrades has not been made.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
REVENUE				
Operating	1,198,492	1,374,841	1,395,801	1,129,733
Non-Operating	9,604	3,698	200,000	5,500,000
	1,208,096	1,378,539	1,595,801	6,629,733
EXPENSES				
Other Services and Charges	1,052,062	1,021,618	1,482,252	1,164,414
Improvements Other Than Buildings	-	-	-	5,500,000
Depreciation and Amortization	87,568	87,569	87,569	89,029
Cost of Sales	131,328	166,808	113,549	115,295
	1,270,958	1,275,995	1,683,370	6,868,738
ESTIMATED OPERATING INCOME / (LOSS)	(62,862)	102,544	(87,569)	(239,005)

City of Duluth Minnesota - 2023 Budget

Golf Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2020 Actual	2021 Actual	2022 Budget	2023 Approved
ESTIMATED UNRESTRICTED CASH	(2,402,235)	(2,502,529)	(2,602,823)	(2,602,823)
Estimated Net Income (Loss)	(187,863)	(187,863)	(87,569)	(239,005)
<u>Other Sources</u>				
Depreciation	87,569	87,569	87,569	89,029
Total Sources	(100,294)	(100,294)	-	(149,976)
ESTIMATED BUDGETARY YEAR END CASH BALANCE	(2,502,529)	(2,602,823)	(2,602,823)	(2,752,799)

City of Duluth Minnesota - 2023 Budget

Lester Golf Course

Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING REVENUES:				
4440 Daily Admission	-	-	-	-
4441 Unlimited Season - Golf	-	-	-	-
4442 Motor Cart	-	-	-	-
4443 Driving Range Fees	-	-	-	-
4444 Other Rentals	-	-	-	-
4445 Golf Specials/Coupons/Promotions	-	-	-	-
4627 Concessions & Commissions	-	-	-	-
<hr/>				
TOTAL OPERATING REVENUES	-	-	-	-
NON-OPERATING REVENUES				
4644 Misc Fees, Sales & Service	-	-	-	-
<hr/>				
TOTAL NON-OPERATING REVENUES	-	-	-	-
TOTAL REVENUE - LESTER	-	-	-	-

City of Duluth Minnesota - 2023 Budget

Enger Golf Course

Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING REVENUES:				
4440 Daily Admission	396,132	475,815	512,310	432,876
4441 Unlimited Season - Golf	143,596	182,219	199,000	120,000
4442 Motor Cart	207,955	254,917	264,691	202,699
4443 Driving Range Fees	90,231	106,669	116,045	103,283
4444 Other Rentals	-	-	2,700	2,365
4445 Golf Specials/Coupons/Promotions	-	-	8,225	2,300
4627 Concessions & Commissions	235,578	355,221	292,830	266,210
4730 Transfers from Parks	125,000	-	-	-
TOTAL OPERATING REVENUES	1,198,492	1,374,841	1,395,801	1,129,733
NON-OPERATING REVENUES				
4644 Misc. Fees, Sales & Services, Donations	9,604	3,698	200,000	-
4730 Transfer from General Fund	-	-	-	1,500,000
4750 Sale of Bonds	-	-	-	4,000,000
TOTAL NON-OPERATING REVENUES	9,604	3,698	200,000	5,500,000
TOTAL REVENUE - ENGER	1,208,096	1,378,539	1,595,801	6,629,733

City of Duluth Minnesota - 2023 Budget

Lester Golf Course

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING EXPENSES				
5284 Liquor Purchases	-	-	-	-
5285 Food & Beverage for Resale	152	-	-	-
5286 Golf Merchandise for Resale	-	-	-	-
5310 Contract Services	143,234	67,945	90,000	162,122
5415 Equipment Rental	-	-	-	-
5420 Depreciation	30,696	30,696	30,696	30,696
TOTAL - LESTER	174,082	98,641	120,696	192,818

City of Duluth Minnesota - 2023 Budget

Enger Golf Course

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING EXPENSES				
5284 Liquor Purchases	25,001	39,889	34,511	29,710
5285 Food & Beverage for Resale	40,282	55,573	28,747	27,686
5286 Golf Merchandise for Resale	65,893	71,346	50,291	57,899
5310 Contract Services	826,838	896,223	1,333,919	943,959
5415 Equipment Rental	81,990	57,450	58,333	58,333
5420 Depreciation	56,872	56,873	56,873	58,333
5530 Improvements Other Than Buildings	-	-	-	5,500,000
TOTAL - ENGER	1,096,876	1,177,354	1,562,674	6,675,920

City of Duluth Minnesota - 2023 Budget

Parking

City Priority: Infrastructure

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Actual	2023 Target
Public Parking: Ensure adequate, well-planned and accessible public parking options for residents, businesses and visitors	Number of parking tickets issued	31,556	33,028	33,928	38,000
	Number of vehicles towed as a result of parking citations	128	195	191	220
	Number of annual contractor parking permits	870	818	841	860
	Number of residential parking permits	2,375	2,138	2,250	2,300
	Number of on-street metered parking stalls	1,594	1,594	1,594	1,594
	Total number of off-street parking stalls managed	3,404	4,265	4,265	4,265
	Number of parking ramps and lots	29	29	29	29
	Number of residential parking zones	3	3	3	3

City of Duluth Minnesota - 2023 Budget

Parking Fund

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

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

Estimated Income and Expense	2020 Actual	2021 Actual	2022 Budget	2023 Approved
REVENUES				
Operating Revenue	2,907,434	3,253,133	4,227,800	4,254,600
Non-Operating	422,020	397,122	543,300	565,500
	3,329,454	3,650,255	4,771,100	4,820,100
EXPENSES				
Personal Services	565,810	589,479	695,100	779,300
Supplies	5,354	345,198	30,000	30,200
Other Services and Charges	1,295,927	1,418,657	1,444,700	1,461,400
Utilities	139,437	145,756	155,700	196,300
Depreciation and Amortization	571,931	573,987	568,000	561,500
Improvements - Non-Capital	167,140	167,404	158,300	245,000
Debt Service - Interest	178,326	161,386	143,200	123,500
Transfers Out	76,181	1,414,798	1,422,900	1,422,900
	3,000,106	4,816,665	4,617,900	4,820,100
ESTIMATED OPERATING INCOME (LOSS)	329,348	(1,166,410)	153,200	-
BUDGETED FTE'S				
1095 Parking Services Manager	1.00	1.00	1.00	1.00
327 Police Investigator	1.00	1.00	1.00	1.00
121 Clerical Support Technician	1.00	-	-	-
22 Parking Services Agent	-	6.00	6.00	6.00
18 Parking Monitors	6.00	-	-	-
Division Total	9.00	8.00	8.00	8.00

City of Duluth Minnesota - 2023 Budget

Parking Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2022 Projected	2023 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	1,976,507	2,294,048
Estimated Operating Income (Loss)	609,541	-
<u>Other Sources</u>		
Depreciation	568,000	561,500
Total Other Sources	568,000	561,500
<u>Other Uses</u>		
Bond Principal Payments	860,000	880,000
Total Other Uses	860,000	880,000
ESTIMATED BUDGETARY YEAR END CASH BALANCE	2,294,048	1,975,548

City of Duluth Minnesota - 2023 Budget

Parking Fund

505

Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING REVENUES				
4371 Parking Meter Revenues	339,660	463,003	874,000	872,000
4373 Transient Parking	408,312	693,430	708,300	927,100
4374 Contract Parking	1,245,364	1,149,413	1,565,900	1,340,300
4170 Miscellaneous Permits	41,211	79,176	64,000	70,000
4472 Administrative Parking Fines	844,863	848,376	995,400	1,023,200
4315 Cost Allocation	18,110	18,110	20,200	22,000
4622 Rent of Buildings	9,230	-	-	-
4654 Other Reimbursements	684	-	-	-
4680 Damage or Losses Recovered	-	1,625	-	-
TOTAL OPERATING REVENUE	2,907,434	3,253,133	4,227,800	4,254,600
NON-OPERATING REVENUES				
4601 Earnings on Investments	29,512	(33,635)	-	-
4730 Transfer in from Special Revenue Funds	-	-	158,300	180,500
4857 Transfer in from DEDA	392,508	430,757	385,000	385,000
TOTAL NON-OPERATING REVENUES	422,020	397,122	543,300	565,500
TOTAL REVENUE	3,329,454	3,650,255	4,771,100	4,820,100

City of Duluth Minnesota - 2023 Budget

Parking Administration

505-015-1479

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	85,769	86,271	95,200	104,700
TOTAL	85,769	86,271	95,200	104,700
EMPLOYEE BENEFITS				
5121 P.E.R.A.	6,000	6,258	6,900	7,600
5121 P.E.R.A., GASB 68	(31,487)	(22,915)	-	-
5122 F.I.C.A. Social Security	5,320	5,350	5,900	6,500
5123 F.I.C.A. Medicare	1,244	1,251	1,400	1,500
5125 Dental Insurance	396	396	400	400
5126 Life Insurance	204	204	200	200
5127 Health Care Savings Plan	3,640	3,803	2,000	2,200
TOTAL	(14,683)	(5,653)	16,800	18,400
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	1,157	917	1,900	1,900
5331 Travel/Training	695	2,828	5,000	5,000
5335 Mileage Reimbursement	-	-	300	200
5441 Other Services and Charges	540	1,632	2,000	2,100
TOTAL	2,392	5,377	9,200	9,200
1479 TOTAL - ADMINISTRATION	73,478	85,995	121,200	132,300

City of Duluth Minnesota - 2023 Budget

Technology Center Ramp

505-015-1480-2510

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	9,341	9,240	9,200	9,200
5310 Contract Services	174,451	176,170	216,800	216,800
5381 Electricity	35,961	35,072	40,100	40,100
5382 Water, Gas & Sewer	2,692	3,483	3,500	3,500
5384 Refuse Disposal	1,427	1,469	1,600	2,200
5386 Steam	15,921	17,920	18,100	25,000
5404 Equipment Maintenance/Repair	1,620	3,917	1,800	2,600
5405 Parking Lot Maintenance	-	16,339	24,800	2,100
5420 Depreciation	188,958	188,958	189,000	189,000
5493 Cost Allocation	30,000	30,000	23,300	28,100
TOTAL	460,371	482,568	528,200	518,600
2510 TOTAL - TECHNOLOGY CENTER RAMP	460,371	482,568	528,200	518,600

City of Duluth Minnesota - 2023 Budget

HART District Ramp

505-015-1480-2511

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	4,977	4,920	4,900	4,900
5310 Contract Services	289,045	286,969	294,100	304,100
5381 Electricity	15,586	15,647	16,200	19,600
5382 Water, Gas & Sewer	5,621	2,440	2,400	2,400
5404 Equipment Maintenance/Repair	2,611	2,781	3,500	3,500
5405 Parking Lot Maintenance	111,568	143,525	-	2,100
5420 Depreciation	58,674	58,675	58,700	58,700
5493 Cost Allocation	30,000	30,000	23,300	28,100
TOTAL	518,082	544,957	403,100	423,400
2511 TOTAL - HART DISTRICT RAMP	518,082	544,957	403,100	423,400

City of Duluth Minnesota - 2023 Budget

Medical District Ramp

505-015-1480-2512

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	9,403	9,336	9,300	9,300
5310 Contract Services	145,139	178,385	224,100	224,100
5381 Electricity	43,551	45,024	47,000	59,600
5382 Water, Gas & Sewer	17,396	18,236	22,100	37,300
5404 Equipment Maintenance/Repair	4,956	10,133	6,000	8,000
5405 Parking Lot Maintenance	6,172	6,300	35,500	46,100
5420 Depreciation	249,749	249,748	249,700	249,700
5481 Property Taxes	3,318	3,214	3,500	3,500
5493 Cost Allocation	30,000	30,000	23,300	28,100
5611 Bond Interest	178,326	161,386	143,200	123,500
5620 Fiscal Agents Fees	475	475	500	500
TOTAL	688,485	712,237	764,200	789,700
2512 TOTAL - MEDICAL DISTRICT RAMP	688,485	712,237	764,200	789,700

City of Duluth Minnesota - 2023 Budget

Municipal Lots

505-015-1480-2513

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	11,538	11,514	15,900	15,900
5310 Contract Services	225,636	248,584	246,400	228,900
5381 Electricity	2,709	2,864	2,900	2,900
5382 Water, Gas & Sewer	-	5,070	3,400	5,900
5405 Parking Lot Maintenance	49,400	1,240	98,000	194,700
5420 Depreciation	41,730	41,730	33,100	33,100
5493 Cost Allocation	30,000	30,000	23,300	28,100
TOTAL	361,013	341,002	423,000	509,500
2513 TOTAL - MUNICIPAL LOTS	361,013	341,002	423,000	509,500

City of Duluth Minnesota - 2023 Budget

On Street Parking & Enforcement

505-015-1481

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	321,512	323,425	374,400	398,000
5101 Permanent Employees - Overtime	2,026	1,527	-	-
5103 Other Wages	828	-	-	-
TOTAL	324,366	324,952	374,400	398,000
EMPLOYEE BENEFITS				
5121 P.E.R.A.	31,041	30,429	35,800	38,900
5122 F.I.C.A. Social Security	14,036	16,200	17,900	19,000
5123 F.I.C.A. Medicare	4,504	4,488	5,400	5,800
5125 Dental Insurance	2,442	2,673	2,800	2,800
5126 Life Insurance	1,258	1,377	1,300	1,300
5127 Health Care Savings Plan	6,853	6,990	20,000	20,600
5130 Cafeteria Plan Benefits	110,184	121,752	125,500	169,800
5133 Health or Fitness Program	40	-	-	-
TOTAL	170,358	183,909	208,700	258,200
OPERATING EXPENSES				
5200 Office Supplies	350	-	700	700
5212 Motor Fuels	708	1,291	2,000	2,200
5218 Uniforms	630	183	1,000	800
5219 Other Miscellaneous Supplies	-	3,405	5,600	5,200
5226 Sign & Signal Materials	-	313,060	-	-
5241 Small Equipment	2,509	26,342	18,800	19,400
5306 Collection Services	6,832	4,142	5,800	5,800
5307 Admin/Management Fees	7,200	7,200	7,200	7,200
5310 Contract Services	218,411	268,394	248,400	248,400
5355 Printing & Copying Services	17,622	19,215	-	-
5356 Copier, Printer Lease & Supplies	70	-	-	-
5409 Fleet Service Charges	771	5,633	7,900	4,700
5414 Software Lic & Mtc Agreements	1,200	1,200	1,200	1,200
5420 Depreciation	32,820	34,876	37,500	31,000
5427 Credit Card Commissions	4,220	6,742	7,000	7,000
5441 Other Services and Charges	4,429	4,564	5,800	5,800
5493 Cost Allocation	30,000	30,000	23,300	28,100
5700 Transfer to General Fund	76,181	1,414,798	1,422,900	1,422,900
TOTAL	403,953	2,141,045	1,795,100	1,790,400

City of Duluth Minnesota - 2023 Budget

On Street Parking & Enforcement

505-015-1481

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
NON-OPERATING EXPENSES				
5580 Capital Equipment	99,375	-	-	-
TOTAL	99,375	-	-	-
1481 TOTAL - ON STREET PARKING & ENFORCEMENT	998,052	2,649,906	2,378,200	2,446,600

City of Duluth Minnesota - 2023 Budget

Priley Drive Parking Facility

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.

Estimated Income and Expense	2020 Actual	2021 Actual	2022 Budget	2023 Approved
REVENUES				
Operating Revenue	406,224	434,544	502,900	486,700
Non-Operating	555,130	502,635	550,700	506,600
	961,354	937,179	1,053,600	993,300
EXPENSES				
Contract Services	138,207	146,948	201,900	173,000
Other Services and Charges	-	-	2,000	2,000
Electricity	28,129	30,851	33,800	38,800
Parking Lot Maintenance	8,212	2,628	2,900	3,800
Equipment/Machinery Repair & Maintenance	-	20,067	4,200	4,200
Cost Allocation	23,110	23,110	26,900	30,500
Tax Abatement	28,624	1,793	27,000	27,000
Depreciation - Funded	50,000	50,000	50,000	50,000
Depreciation - Unfunded	470,571	470,571	470,600	470,600
Debt Service - Interest	484,342	476,242	470,900	462,000
	1,231,195	1,222,210	1,290,200	1,261,900
ESTIMATED OPERATING INCOME (LOSS)	(269,841)	(285,031)	(236,600)	(268,600)

City of Duluth Minnesota - 2023 Budget

Priley Drive Parking Facility

	2022	2023
<u>OPERATING FUND</u>	Projected	Approved
ESTIMATED UNRESTRICTED and CAPITAL ACCOUNT CASH	575,547	594,547
Estimated Operating Income (Loss)	(236,600)	(268,600)
<u>Other Sources</u>		
Unfunded Depreciation	470,600	470,600
Total Other Sources	470,600	470,600
<u>Other Uses</u>		
Bond Principal Payments	215,000	223,700
Total Other Uses	215,000	223,700
ESTIMATED BUDGETARY YEAR END CASH BALANCE	594,547	572,847

City of Duluth Minnesota - 2023 Budget

Priley Drive Parking Facility

506

Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING REVENUES				
4373 Transient Parking	26,870	30,980	49,300	44,300
4374 Contract Parking	371,942	403,564	453,600	442,400
4680 Damage or Losses Recovered	7,412	-	-	-
TOTAL OPERATING REVENUE	406,224	434,544	502,900	486,700
NON-OPERATING REVENUES				
4601 Earnings on Investments	4,419	(4,013)	-	-
4730 Transfers in from Debt Service	550,711	506,648	550,700	506,600
TOTAL NON-OPERATING REVENUES	555,130	502,635	550,700	506,600
TOTAL REVENUE	961,354	937,179	1,053,600	993,300

City of Duluth Minnesota - 2023 Budget

Priley Drive Parking Facility

506

Expense Detail		2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING EXPENSES					
5307	Admin/Management Fees	14,400	14,400	14,500	14,500
5310	Contract Services	123,807	132,548	187,400	158,500
5381	Electricity	28,129	30,851	33,800	38,800
5404	Equipment Maintenance/Repair	-	20,067	4,200	4,200
5405	Parking Lot Maintenance	8,212	2,628	2,900	3,800
5420	Depreciation - Funded	50,000	50,000	50,000	50,000
5420	Depreciation - Unfunded	470,571	470,571	470,600	470,600
5441	Other Services and Charges	-	-	2,000	2,000
5479	Tax Abatement	28,624	1,793	27,000	27,000
5493	Cost Allocation	23,110	23,110	26,900	30,500
5611	Bond Interest	484,342	476,242	470,900	462,000
	TOTAL	1,231,195	1,222,210	1,290,200	1,261,900
2510	TOTAL -Priley Drive Parking Facility	1,231,195	1,222,210	1,290,200	1,261,900

City of Duluth Minnesota – 2023 Budget

Public Works & Utilities Department – Enterprise Funds

Mission and Vision

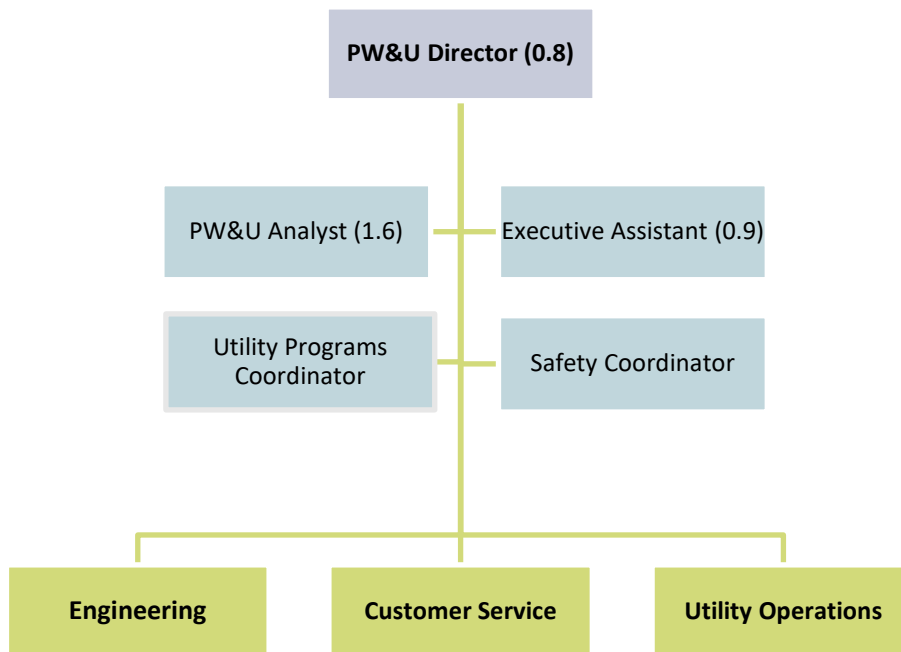
The mission of the Public Works and Utilities Department is to provide professional engineering services, street maintenance activities, and water, natural gas, sanitary sewer, storm water, and street lighting utilities to Duluth’s businesses and residents in a safe, cost-effective and environmentally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

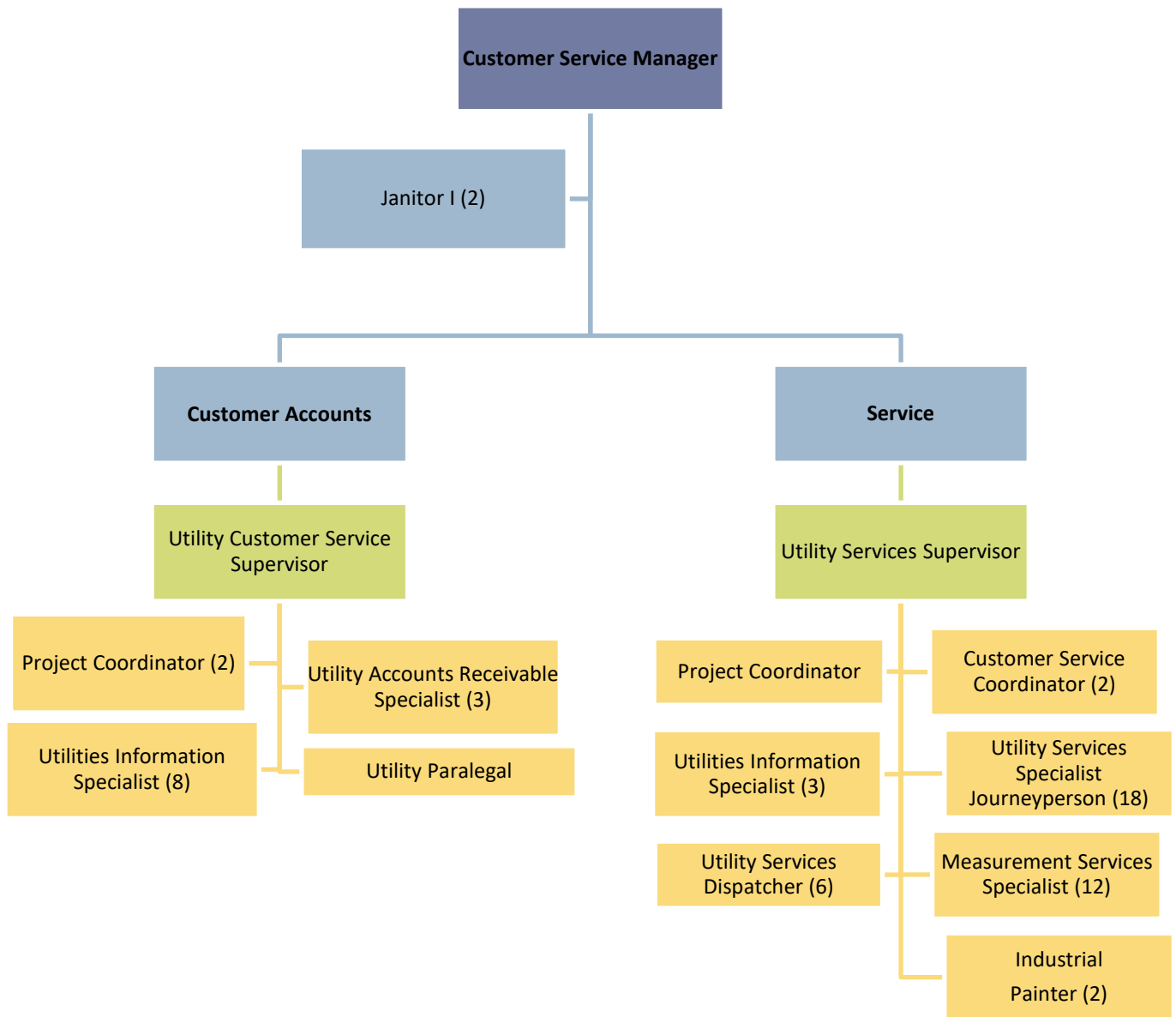
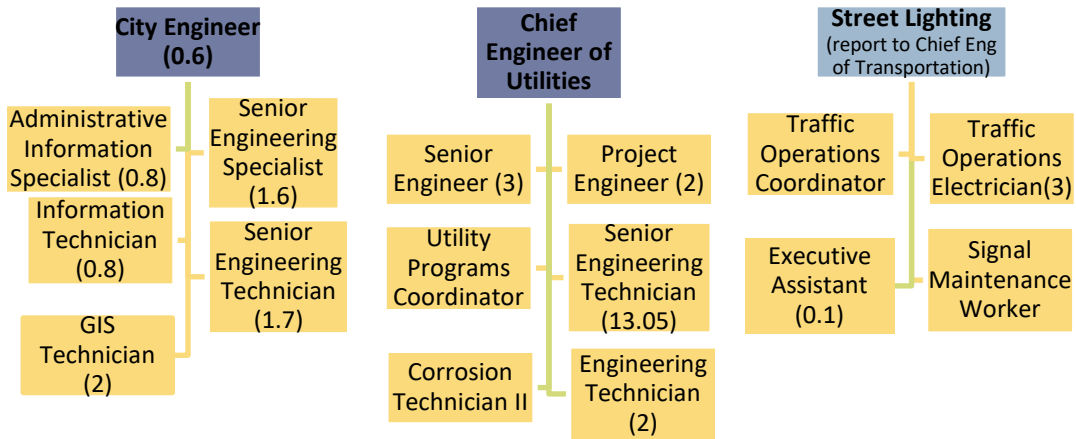
The Department’s vision is to become a functionally integrated organization operating at optimum efficiencies and providing cost-effective and reliable service for all Duluthians.

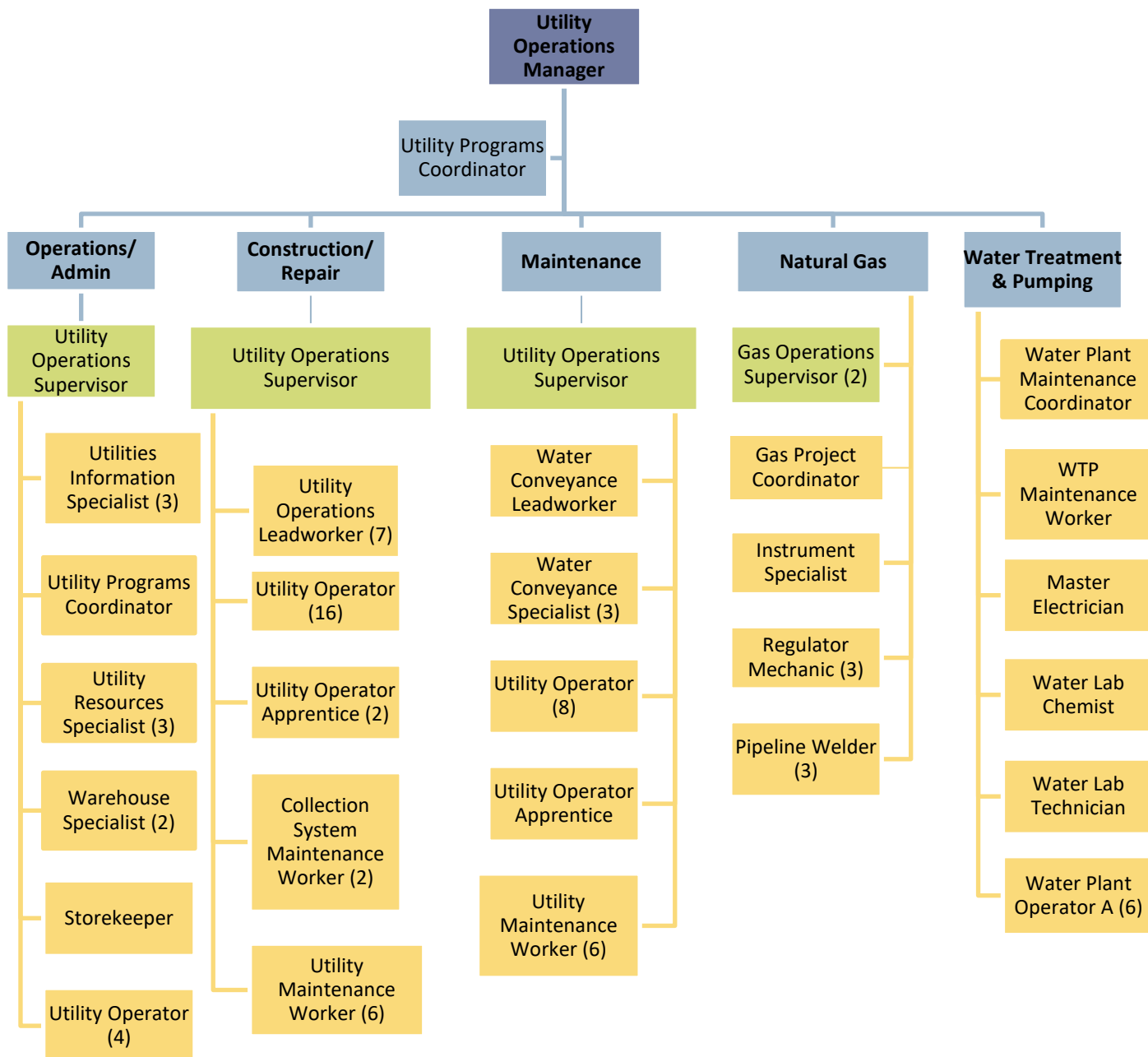
Structure

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

Public Works & Utilities Department – Utilities Organization Charts







City of Duluth Minnesota - 2023 Budget

Utility Operations Division

City Priority: Infrastructure

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Estimate	2023 Projected
Utilities: 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	72	70	114	100
	Gas Services & Mains - Valves inspected and operated	442	450	466	466
	Sanitary Pipe cleaned (ft)	400,394	400,000	371,564	345,000
Water Quality: Protect water resources in order to maintain water quality of streams, aquifers and to preserve existing hydrology patterns.	Ditch line restored (ft)	7,795	6,000	3,729	4,000

City Priority: Safe & Secure Community

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Estimate	2023 Projected
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	Water Samples Completed for testing	1,107	3,000	5,700	5,000
	Water Hydrants Repaired/Replaced	213	200	79	100
	Inflow and Infiltration Home Inspections	1,742	1,800	1,400	1,400

City of Duluth Minnesota - 2023 Budget

Customer Service Division

City Priority: Innovation and Excellence in Service

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Estimate	2023 Projected
Customer Service: Ensures timely and effective two-way communication with internal customers, residents, and businesses providing equal access to information to information encouraging input from all areas of the organization and community at large.	Appliance Service & Furnace cleaning & venting Workorders Completed	7,098	8,100	8,000	10,000
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.	Water Meters tested/repared	620	750	700	10000
	Gas Meters tested/repared	1381	1400	1350	500

City Priority: Safe & Secure Community

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Estimate	2023 Projected
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	Gas leak detection survey	16,302	18,000	20,000	15,000

City of Duluth Minnesota - 2023 Budget

Street Lighting

City Priority: Infrastructure

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Estimate	2023 Projected
	Number of traffic signals maintained	120	117	117	117
Transportation: Continually invest in building and improving a well-designed, well-maintained, accessible transportation system of safe and sustainable roadways, street lights, sidewalks and bridges	Decorative Street Lights	3900	3350	3350	3,350
	Residential Street Lights MP&L Leased & Maintained	3700	3700	3700	3,700

City Priority: Livable Neighborhoods and Affordable Housing

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Estimate	2023 Projected
Safe/Quality Neighborhood: Promote, support, and sustain well-maintained, safe, clean, visually appealing, free of blight neighborhoods, commercial areas and public spaces	Number of holiday lighting outlets maintained	3350	3350	3350	3,350

City of Duluth Minnesota - 2023 Budget

Divisions

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

Public Works & Utilities - Utilities

The Department of Public Works & Utilities represents 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.

Mission and Core Services

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.

	2020	2021	2022	2023
Budgeted FTE's	191.55	191.55	190.85	190.85

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
Expenses				
Salaries and Benefits	16,251,037	13,763,850	22,191,700	23,389,100
Supplies	21,850,115	28,194,167	24,268,100	38,182,300
Other Services & Charges	18,013,426	17,150,170	18,782,800	20,574,000
Utilities	1,430,249	1,483,361	1,504,600	1,525,100
Depreciation/Amortization	5,808,651	5,938,979	6,423,300	6,498,400
Grants & Awards	533,477	345,050	600,000	600,000
Improvements -Non-Capital	283,944	244,270	518,000	170,000
Debt Service - Interest	347,977	287,102	255,100	239,900
Debt Service - Other	(22,755)	(27,798)	(15,800)	(7,000)
Capital Lease Interest	109,890	85,617	67,300	38,100
Total Operating	64,606,011	67,464,768	74,595,100	91,209,900
Non-Operating	15,973,640	8,628,773	9,119,500	25,052,100
Total Appropriation Budget	80,579,651	76,093,541	83,714,600	116,262,000

City of Duluth Minnesota - 2023 Budget

Utilities - Personnel Summary

Budgeted FTE's	2020	2021	2022	2023
1170 Director of Public Works & Utilities	0.80	0.80	0.80	0.80
1145 Manager, Utility Operations	1.00	1.00	1.00	1.00
1140 Chief Engineer - Utilities	1.00	1.00	1.00	1.00
1140 City Engineer	0.60	0.60	0.60	0.60
1115 Manager, Customer Service	1.00	1.00	1.00	1.00
1115 Senior Engineer	3.00	3.00	3.00	3.00
1115-1080 Utility Operations Supervisor	3.00	3.00	3.00	3.00
1105 Measurement Services Supervisor	1.00	1.00	1.00	1.00
1095 Gas Operations Supervisor	2.00	2.00	2.00	2.00
1095 Utility Customer Service Supervisor	1.00	1.00	1.00	1.00
133 Budget & Operations Analyst	0.50	-	-	-
133 Safety Coordinator	1.00	1.00	1.00	1.00
133 Utility Paralegal	1.00	1.00	1.00	1.00
132 Utility Accounts Receivable Specialist	3.00	3.00	3.00	3.00
129 Administrative Information Specialist	-	-	0.80	0.80
129 Utilities Information Specialist	15.00	15.00	15.00	14.00
126 Information Technician	2.60	2.60	0.80	0.80
122 Janitor II	1.00	-	-	-
38 Project Engineer	2.00	2.00	2.00	2.00
34 Instrument Specialist	1.00	1.00	1.00	1.00
34 Senior Engineering Specialist	0.80	1.60	1.60	1.60
33 Customer Service Coordinator	2.00	2.00	2.00	2.00
33 Pipeline Welder	3.00	3.00	3.00	3.00
33 Public Works and Utilities Analyst	0.80	1.30	1.60	1.60
33 Utility Programs Coordinator	3.00	3.00	5.00	4.00
32 Corrosion Technician II	1.00	1.00	1.00	1.00
32 Gas Project Coordinator	1.00	1.00	1.00	1.00
32 Project Coordinator	3.00	3.00	1.00	3.00
32 Utility Operations Leadworker	7.00	7.00	7.00	7.00
32 Water Conveyance Leadworker	-	-	1.00	1.00
32 Water Lab Chemist	1.00	1.00	1.00	1.00
32 Water Plant Maintenance Coordinator	-	1.00	1.00	1.00
31-28 Engineering Technician	1.00	1.00	3.00	4.00
31 Master Electrician	1.00	1.00	1.00	1.00
31-29 Measurement Services Specialist	11.00	11.00	12.00	13.00
31 Senior Engineering Technician	14.55	13.75	12.75	12.75
31 Utility Resources Specialist	4.00	4.00	3.00	3.00
31 Utility Services Specialist Apprentice	10.00	9.00	3.00	2.00

City of Duluth Minnesota - 2023 Budget

Utilities - Personnel Summary

Budgeted FTE's	2020	2021	2022	2023
31 Utility Services Specialist Journeyperson	10.00	11.00	16.00	15.00
31 Water Conveyance Specialist	3.00	3.00	3.00	3.00
31 Water Plant Operator A	5.00	6.00	4.00	4.00
30 Regulator Mechanic	3.00	3.00	3.00	3.00
30 Warehouse Specialist	3.00	3.00	2.00	2.00
29 Industrial Painter	2.00	2.00	2.00	2.00
29 Water Conveyance Technician	1.00	1.00	-	-
28 Collection System Maintenance Worker	2.00	2.00	2.00	2.00
28 GIS Technician	-	-	2.00	2.00
28 Senior GIS Technician	1.00	1.00	-	-
28 Utility Operator	25.00	26.00	27.00	28.00
28 Utility Operator Apprentice	7.00	6.00	4.00	3.00
28 Water Plant Operator B	2.00	1.00	-	-
27 Storekeeper	1.00	1.00	1.00	1.00
27 Water Lab Technician	1.00	1.00	1.00	1.00
26 Utility Services Dispatcher	6.00	6.00	6.00	6.00
26 Water Plant Operator C	-	-	1.00	1.00
24 Water Plant Operator D	-	-	1.00	1.00
23 Utility Maintenance Worker	12.00	11.00	13.00	12.00
23 WTP Maintenance Worker	-	-	-	1.00
21 Janitor I	1.00	2.00	2.00	2.00
9 Executive Assistant	0.90	0.90	0.90	0.90
DEPARTMENT TOTAL	191.55	191.55	190.85	190.85

City of Duluth Minnesota - 2023 Budget

Water Fund

510 & 511

The Water Fund is a self-supporting enterprise fund which accounts for the collection, treatment, and distribution of water to the citizens of Duluth. The major funding source is water sales, representing 98% of total revenues for 2023. The most significant category of expense is personal services at 49% of total proposed expenses. Presented below is a summary of the major categories of revenues and expenses over a four year period.

Estimated Income and Expense	2020 Actual	2021 Actual	2022 Budget	2023 Approved
REVENUE				
Operating	15,099,895	15,920,408	15,533,300	16,831,000
Non-Operating	227,492	228,915	149,000	13,653,000
	<u>15,327,387</u>	<u>16,149,323</u>	<u>15,682,300</u>	<u>30,484,000</u>
EXPENSES				
Personal Services	4,667,652	3,780,259	6,721,100	6,892,200
Supplies	1,086,473	1,035,684	1,271,800	1,799,200
Other Services & Charges	1,120,826	1,254,801	1,403,550	1,625,300
Utilities	1,235,594	1,309,923	1,285,400	1,290,600
Depreciation/Amortization	1,773,304	1,797,168	1,985,300	2,017,000
Improvements -Non-Capital	73,565	64,883	68,250	65,000
Debt Service - Interest	185,680	168,221	159,500	178,300
Debt Service - Other	(6,966)	(6,947)	(3,100)	(2,800)
Capital Lease Interest	40,150	30,232	24,200	13,700
Transfers	172,124	154,233	221,000	221,800
	<u>10,348,402</u>	<u>9,588,457</u>	<u>13,137,000</u>	<u>14,100,300</u>
ESTIMATED OPERATING INCOME (LOSS)	4,978,985	6,560,866	2,545,300	16,383,700
Other Sources of Cash	3,175,427	2,539,295	1,982,200	2,014,200
Other Uses of Cash	(7,239,644)	(6,335,499)	(5,002,200)	(18,595,400)
Increase (Decrease) in Cash	<u>914,768</u>	<u>2,764,662</u>	<u>(474,700)</u>	<u>(197,500)</u>

City of Duluth Minnesota - 2023 Budget

Water Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2022 Budget	2022 Projected	2023 Approved
ESTIMATED OPERATING INCOME (LOSS)	2,545,300	5,175,178	16,383,700
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,985,300	1,871,100	2,017,000
Interest from Bond Discount	(3,100)	(3,100)	(2,800)
Due from Other Funds	-	120,860	-
Special Assessment Principal	-	72,858	-
Total Other Sources of Cash	1,982,200	2,061,718	2,014,200
<u>Other Uses of Cash</u>			
Due to Other Funds	-	23,333	-
Capital Improvements from State Bond	-	-	13,500,000
Capital Improvements from Current Revenues	3,140,000	6,710,000	3,000,000
Capital Equipment Purchases	164,400	165,000	434,700
Bond Principal Payments	1,422,600	1,141,531	1,375,000
AMRS Lease Principal Payments	275,200	275,200	285,700
Total Other Uses of Cash	5,002,200	8,315,064	18,595,400
INCREASE (DECREASE) IN CASH	(474,700)	(1,078,168)	(197,500)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH-BEGINNING	5,786,743	7,325,298	6,247,130
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH-ENDING	5,312,043	6,247,130	6,049,630

City of Duluth Minnesota - 2023 Budget

Water Fund

510 & 511

Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING REVENUES				
4636 Sale of Scrap	4,099	21,848	10,000	10,000
4680 Damage or Losses Recovered	-	4,814	-	-
4700 Other Sources	-	15,682	-	-
4800 Meter Repair	13,297	30,599	40,000	35,000
4801 Off/On Charge	8,863	23,094	30,000	25,000
4802 Interest - Customer Accounts	9,587	20,772	47,000	40,000
4805 Reimbursements	11,640	2,717	6,000	6,000
4809 Miscellaneous Operating	89,448	6,671	13,000	10,000
4810 Metered Water Sales	11,324,698	11,862,409	11,600,000	12,500,000
4811 Water for Resale	1,217,833	1,504,456	1,332,300	1,700,000
4831 Fixed Rate Charges	2,414,493	2,423,793	2,450,000	2,500,000
4851 Interest Income	5,937	3,553	5,000	5,000
TOTAL OPERATING REVENUES	15,099,895	15,920,408	15,533,300	16,831,000
NON-OPERATING REVENUES				
4209 Direct Federal Grants, Capital	-	120,860	-	-
4220 State of Minnesota, Capital	29,124	-	-	13,500,000
4601 Change in Fair Value Investments	41,998	(28,198)	-	-
4806 Connection Fees	11,621	15,265	12,000	13,000
4853 Gain on Sale of Assets	9,749	3,026	2,000	5,000
4854 Utility Assessments	-	17,962	-	-
4730 Transfers from Special Revenue Fund	135,000	100,000	135,000	135,000
TOTAL NON-OPERATING REVENUES	227,492	228,915	149,000	13,653,000
TOTAL REVENUE	15,327,387	16,149,323	15,682,300	30,484,000

City of Duluth Minnesota - 2023 Budget

Director's Office

510-500-1900

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	76,180	78,853	75,200	95,200
5101 Permanent Employees - Overtime	257	78	-	-
TOTAL	76,437	78,931	75,200	95,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	5,361	5,767	5,600	7,100
5122 F.I.C.A. Social Security	4,504	4,506	4,700	5,900
5123 F.I.C.A. Medicare	1,079	1,097	1,100	1,400
5125 Dental Insurance	308	333	300	400
5126 Life Insurance	159	172	100	200
5127 Health Care Savings	2,221	2,404	2,400	1,600
5130 Cafeteria Plan Benefits	16,044	18,961	18,000	25,400
5133 Health or Fitness Program	48	-	-	-
TOTAL	29,724	33,240	32,200	42,000
OPERATING EXPENSES				
5200 Office Supplies	7	162	100	100
5241 Small Equipment	77	514	100	200
5321 Telephone	210	281	200	300
5331 Training Expense	-	426	200	200
5335 Mileage Reimbursement - Local	117	88	200	200
5441 Other Services & Charges	2	88	-	-
TOTAL	413	1,559	800	1,000
1900 TOTAL - DIRECTOR'S OFFICE	106,574	113,730	108,200	138,200

City of Duluth Minnesota - 2023 Budget

Capital

510-500-1905

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING EXPENSES				
5420 Depreciation	1,773,304	1,797,168	1,985,300	2,017,000
5535 Improvements (Non-Capital)	73,565	64,883	68,250	65,000
5540 Equipment (Non-Capital)	16,379	2,614	5,750	1,200
5611 Bond Interest	185,680	168,221	159,500	178,300
5613 Interest from Bond Amortization	(6,966)	(6,947)	(3,100)	(2,800)
5614 Capital Lease Interest	40,150	30,232	24,200	13,700
5620 Fiscal Agents Fee	357	635	800	800
TOTAL	2,082,469	2,056,806	2,240,700	2,273,200
NON-OPERATING EXPENSES				
5532 Capital Improvements - Bond Financing	7,063	-	-	13,500,000
5533 Capital Improvements - Revenue Financing	4,089,152	2,148,359	3,140,000	3,000,000
5580 Capital Equipment	217,553	159,393	164,400	434,700
TOTAL	4,313,768	2,307,752	3,304,400	16,934,700
1905 TOTAL - CAPITAL	6,396,237	4,364,558	5,545,100	19,207,900

City of Duluth Minnesota - 2023 Budget

Utility General Expense

510-500-1915

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	39,952	37,673	143,800	148,300
5101 Permanent Employees - Overtime	227	2	500	2,000
TOTAL	40,179	37,675	144,300	150,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	2,792	2,781	10,600	11,000
5121 P.E.R.A., GASB 68	(175,703)	(476,176)	-	-
5122 F.I.C.A. Social Security	2,420	2,234	8,900	9,300
5123 F.I.C.A. Medicare	566	523	2,100	2,200
5125 Dental Insurance	290	277	1,000	1,000
5126 Life Insurance	10,068	7,193	500	500
5127 Health Care Savings	732	727	6,900	2,500
5130 Cafeteria Plan Benefits	12,230	15,294	46,000	55,700
5133 Health or Fitness Program	71	86	-	-
5134 Other Post Retirement Benefits	(1,288,877)	(1,710,213)	-	-
5135 Retiree Health Insurance	589,388	551,438	600,300	600,300
5151 Worker's Compensation	45,900	57,900	75,200	80,500
TOTAL	(800,123)	(1,547,936)	751,500	763,000
OPERATING EXPENSES				
5200 Office Supplies	-	-	100	100
5205 Safety & Training	19	81	800	800
5211 Cleaning & Janitorial Supplies	3,210	1,832	3,500	3,500
5218 Uniforms	137	138	100	200
5241 Small Equipment	2,436	788	1,900	1,700
5301 Auditing Services	1,153	1,573	1,300	1,600
5305 Medical Services/Testing Fees	1,982	1,113	1,600	1,600
5310 Contract Services	4,996	61	5,000	5,000
5320 Data Services	17,391	14,529	13,400	15,300
5321 Telephone	3,852	3,632	3,800	3,800
5331 Training Expense	56	53	2,300	1,800
5333 Freight/Delivery Charges	5	-	-	-
5335 Mileage Reimbursement - Local	430	543	500	500

City of Duluth Minnesota - 2023 Budget

Utility General Expense

510-500-1915

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5355 Printing & Copying Services	187	-	-	-
5356 Copier, Printer Lease & Supplies	4,629	3,082	5,000	4,500
5360 Insurance	89,400	99,600	76,000	71,300
5381 Electricity	12,459	12,431	14,000	16,500
5382 Water, Gas & Sewer	16,831	13,271	18,400	18,400
5384 Refuse Disposal	4,272	4,383	4,100	4,500
5401 Building Repair & Maintenance	1,822	5,832	6,700	6,700
5404 Equipment Repair & Maintenance	-	-	1,100	1,100
5414 Software Lic & Mtc Agreements	49,042	50,319	51,400	52,300
5441 Other Services & Charges	1,242	2,110	4,000	4,000
5450 Laundry	801	1,137	1,000	1,200
5457 Hydrant Maintenance	30,000	30,000	30,000	30,000
5493 Cost Allocation	356,400	356,400	394,600	394,600
5700 Transfer to General Fund	59,975	59,075	55,000	55,800
TOTAL	662,727	661,983	695,600	696,800
1915 TOTAL - GENERAL EXPENSE	(97,217)	(848,278)	1,591,400	1,610,100

City of Duluth Minnesota - 2023 Budget

Engineering

510-500-1930

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	407,902	436,026	444,100	448,500
5101 Permanent Employees - Overtime	40,218	29,235	42,200	42,200
5103 Temporary Wages	75	225	6,100	2,700
5118 Meal Allowance	356	285	1,200	1,200
TOTAL	448,551	465,771	493,600	494,600
EMPLOYEE BENEFITS				
5121 P.E.R.A.	32,753	34,197	32,800	36,300
5122 F.I.C.A. Social Security	26,764	27,926	27,500	30,600
5123 F.I.C.A. Medicare	6,260	6,531	6,400	7,200
5125 Dental Insurance	2,093	2,293	2,400	2,400
5126 Life Insurance	1,079	1,181	1,100	1,100
5127 Health Care Savings	9,406	11,905	11,800	9,700
5130 Cafeteria Plan Benefits	101,350	105,735	110,100	137,500
5133 Health or Fitness Program	212	230	-	-
5159 Project Benefits (Contra-Account)	(50,990)	(116,845)	-	-
TOTAL	128,927	73,153	192,100	224,800
OPERATING EXPENSES				
5200 Office Supplies	300	239	400	400
5201 Computer Supplies	215	290	100	100
5203 Paper, Stationery and Forms	22	644	100	700
5205 Safety and Training Materials	298	140	200	200
5212 Motor Fuel	2,553	4,677	3,800	6,400
5218 Uniforms	1,216	1,217	1,200	1,200
5219 Other Miscellaneous Supplies	439	2,533	-	194,000
5240 Small Tools	382	671	400	700
5241 Small Equipment	2,569	970	1,200	1,200
5242 Survey Equipment and Supplies	6,783	4,462	5,900	5,900
5320 Data Services	2,142	2,128	2,200	2,200
5321 Telephone	1,568	1,553	1,600	1,600
5322 Postage	-	159	100	100
5331 Training Expenses	35	1,083	3,200	3,200

City of Duluth Minnesota - 2023 Budget

Engineering

510-500-1930

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5335 Mileage Reimbursement	-	-	100	100
5355 Printing and Copying	375	2,810	800	3,000
5356 Copier, Printer Lease & Supplies	114	100	2,100	2,100
5404 Equipment Maintenance Repair	455	1,107	1,600	2,000
5409 Fleet Services	3,983	6,428	5,100	6,800
5414 Software Lic & Mtc Agreements	13,120	15,372	12,700	15,900
5433 Dues and Subscriptions	105	128	1,000	1,000
5435 Books and Pamphlets	-	10	100	-
5438 Licenses	185	-	200	-
5441 Other Services and Charges	2,325	3,783	2,600	6,300
5486 One Call System	3,806	3,478	4,500	4,500
TOTAL	42,990	53,982	51,200	259,600
1930 TOTAL - ENGINEERING	620,468	592,906	736,900	979,000

City of Duluth Minnesota - 2023 Budget

Customer Service

510-500-1940

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	871,300	875,407	807,200	827,700
5101 Permanent Employees - Overtime	11,355	10,895	16,400	14,900
5105 Retirement Incentive	2,745	-	-	-
5118 Meal Allowance	69	78	100	100
TOTAL	885,469	886,380	823,700	842,700
EMPLOYEE BENEFITS				
5121 P.E.R.A.	63,851	64,628	59,500	62,200
5122 F.I.C.A. Social Security	52,848	52,479	50,100	52,200
5123 F.I.C.A. Medicare	12,360	12,274	11,700	12,200
5125 Dental Insurance	5,129	5,209	4,600	4,600
5126 Life Insurance	2,643	2,683	2,100	2,100
5127 Health Care Savings	18,865	35,320	14,800	22,100
5130 Cafeteria Plan Benefits	243,450	244,339	220,700	266,400
5133 Health or Fitness Program	317	92	-	-
TOTAL	399,463	417,024	363,500	421,800
OPERATING EXPENSES				
5200 Office Supplies	1,111	1,324	1,600	4,200
5201 Computer Supplies	2,353	1,606	800	800
5205 Safety & Training Materials	112	47	-	-
5210 Plant/Operating Supplies	44	45	-	-
5212 Motor Fuel	10,462	16,526	14,800	24,600
5215 Shop Materials	132	-	-	-
5218 Uniforms	5,519	2,173	3,200	3,200
5219 Other Miscellaneous Supplies	548	106	-	-
5220 Repair & Maintenance Supplies	12,177	32	5,000	12,000
5227 Utility System	204,103	85,865	44,600	106,700
5228 Painting Supplies	367	162	1,000	1,000
5240 Small Tools	2,329	4,957	5,600	5,600
5241 Small Equipment	848	5,060	5,000	4,200
5310 Contract Services	23,460	23,908	42,000	42,000

City of Duluth Minnesota - 2023 Budget

Customer Service

510-500-1940

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5320 Data Services	1,885	3,003	2,800	2,800
5321 Telephone	2,999	2,675	2,900	2,900
5322 Postage	49,227	43,589	48,300	47,900
5331 Training Expenses	(192)	1,877	10,800	10,800
5339 Armored Pickup	1,466	1,760	1,800	5,000
5355 Printing & Copying	471	-	2,100	1,200
5356 Copier, Printer Lease & Supplies	376	367	500	500
5404 Equipment Maintenance & Repair	496	299	600	600
5409 Fleet Services	9,313	19,878	18,300	17,900
5414 Software Lic & Mtc Agreements	4,281	3,488	7,000	9,800
5427 Credit Card Commission	38,906	46,856	39,000	74,300
5432 Uncollectible Accounts	89,417	(49,008)	15,000	15,000
5441 Other Services & Charges	3,253	3,540	4,600	4,600
TOTAL	465,463	220,135	277,300	397,600
1940 TOTAL - CUSTOMER SERVICE	1,750,395	1,523,539	1,464,500	1,662,100

City of Duluth Minnesota - 2023 Budget

Utility Operations

510-500-1945

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,501,332	1,521,474	1,685,800	1,573,800
5101 Permanent Employees - Overtime	121,319	117,171	205,000	205,000
5103 Other Wages	-	6,865	15,600	19,200
5111 Long-Term Disability Wages	-	321	-	-
5118 Meal Allowance	1,711	1,973	5,300	5,300
TOTAL	1,624,362	1,647,804	1,911,700	1,803,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	119,043	120,886	124,300	131,700
5122 F.I.C.A. Social Security	97,718	98,775	104,500	111,500
5123 F.I.C.A. Medicare	22,816	23,101	24,400	26,100
5125 Dental Insurance	9,089	9,002	10,000	9,200
5126 Life Insurance	4,665	4,648	4,600	4,200
5127 Health Care Savings	32,954	32,135	31,600	33,700
5130 Cafeteria Plan Benefits	433,264	424,277	489,000	562,800
5133 Health or Fitness Program	227	72	-	-
5141 Unemployment Compensation	958	-	-	-
TOTAL	720,734	712,896	788,400	879,200
OPERATING EXPENSES				
5200 Office Supplies	870	2,424	1,300	1,300
5201 Computer Supplies/Software	3,310	589	500	500
5205 Safety & Training Materials	2,672	4,509	9,200	9,200
5210 Plant/Operating Supplies	13,375	19,388	21,800	22,800
5212 Motor Fuel	37,869	58,267	67,000	103,800
5215 Shop Materials	3,449	4,001	4,500	5,500
5218 Uniforms	9,650	7,345	11,800	12,900
5219 Other Miscellaneous Supplies	5,123	3,515	2,000	4,000
5220 Repair & Maintenance Supplies	4,916	5,738	11,800	11,800
5222 Paving Materials	13,000	17,378	30,000	30,000
5224 Gravel & Other Maintenance Mtls	62,934	68,532	104,000	116,000
5227 Utility Maintenance Supply	285,382	338,900	341,500	411,000

City of Duluth Minnesota - 2023 Budget

Utility Operations

510-500-1945

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5228 Painting Supplies	33	-	500	500
5240 Small Tools	9,327	8,854	19,000	19,300
5241 Small Equipment	1,633	585	10,100	7,200
5310 Contract Services	-	7,702	16,000	16,000
5320 Data Services	2,554	3,716	3,700	3,900
5321 Telephone	2,489	1,800	2,100	2,100
5331 Training Expenses	3,743	3,899	11,100	13,100
5333 Freight/Delivery Charges	2,607	4,127	4,500	4,500
5335 Mileage Reimbursement	2,341	2,304	3,000	3,000
5355 Printing and Copying	-	16	300	300
5356 Copier, Printer Lease & Supplies	117	-	400	400
5381 Electricity	6,205	5,903	5,000	6,000
5382 Water/Sewer/Gas	3,821	5,191	6,000	7,200
5384 Refuse Disposal	10,918	15,540	20,000	20,000
5404 Equipment Maintenance/Repair	5,162	9,638	9,000	9,000
5409 Fleet Service Charges	124,638	158,567	154,100	161,200
5414 Software Lic & Mtc Agreements	400	360	-	-
5415 Vehicle/Equipment Rental	5,565	3,624	18,000	18,000
5419 Other Rentals	-	850	-	-
5438 License	219	552	800	800
5441 Other Services & Charges	23,722	5,048	5,000	5,000
5450 Laundry	5,481	5,453	8,000	8,000
5700 Transfer to General Fund	112,149	95,158	166,000	166,000
TOTAL	765,674	869,473	1,068,000	1,200,300
1945 TOTAL - UTILITY OPERATIONS	3,110,770	3,230,173	3,768,100	3,882,800

City of Duluth Minnesota - 2023 Budget

Water Treatment and Pumping

510-500-1955

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	711,494	653,846	761,200	762,400
5101 Permanent Employees - Overtime	50,941	42,275	30,000	30,000
5111 Long-Term Disability Wages	1,641	-	-	-
5118 Meal Allowance	570	210	-	-
TOTAL	764,646	696,331	791,200	792,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	55,969	51,402	56,100	58,300
5122 F.I.C.A. Social Security	45,239	41,380	47,200	49,100
5123 F.I.C.A. Medicare	10,580	9,678	11,000	11,500
5125 Dental Insurance	3,990	3,755	4,500	4,500
5126 Life Insurance	2,054	1,935	2,100	2,100
5127 Health Care Savings	23,568	9,910	18,300	12,100
5130 Cafeteria Plan Benefits	207,603	160,930	214,500	245,300
5133 Health or Fitness Program	280	-	-	-
TOTAL	349,283	278,990	353,700	382,900
OPERATING EXPENSES				
5200 Office Supplies	1,648	2,080	800	800
5201 Computer Supplies/Software	437	5,367	6,200	6,400
5205 Safety & Training Materials	3,313	1,309	2,000	2,000
5210 Plant/Operating Supplies	7,722	7,548	9,500	9,500
5211 Cleaning/Janitorial Supplies	1,628	588	1,500	1,500
5212 Motor Fuel	2,239	3,462	4,800	6,100
5216 Treatment Chemicals	269,477	229,707	386,000	493,000
5218 Uniforms	4,070	2,983	4,300	5,000
5219 Other Miscellaneous Supplies	14,397	27,822	24,600	34,600
5220 Repair & Maintenance Supplies	57,403	71,763	85,800	85,800
5228 Painting Supplies	446	302	-	-
5240 Small Tools	6,150	2,538	2,000	6,000
5241 Small Equipment	3,232	2,929	7,800	13,000

City of Duluth Minnesota - 2023 Budget

Water Treatment and Pumping

510-500-1955

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5310 Contract Services	15,560	9,921	25,000	25,000
5319 Other Professional Services	-	-	5,000	5,000
5320 Data Services	122	537	700	700
5321 Telephone	600	552	700	700
5322 Postage	765	371	800	800
5331 Training Expenses	35	1,013	4,600	5,600
5355 Printing and Copying	266	-	5,000	1,000
5356 Copier, Printer Lease & Supplies	118	-	500	500
5381 Electricity	1,122,411	1,193,680	1,165,000	1,165,000
5382 Water & Sewer	73,867	79,447	77,000	77,500
5401 Building Repair & Maintenance	2,770	50,512	26,500	138,000
5404 Equipment Maintenance/Repair	62,142	166,857	157,900	219,000
5409 Fleet Services	5,365	3,117	11,400	10,000
5433 Dues and Subscriptions	-	6,475	6,500	6,700
5438 Licenses	-	42	300	300
5441 Other Services & Charges	3,869	73,103	59,800	59,800
5450 Laundry	142	235	300	300
5483 Water Testing Fees	820	-	-	-
TOTAL	1,661,014	1,944,260	2,082,300	2,379,600
1955 TOTAL-WATER TRMT & PUMPING	2,774,943	2,919,581	3,227,200	3,554,900

City of Duluth Minnesota - 2023 Budget

Gas Fund

520

The Gas Fund is a self-supporting enterprise fund which accounts for the distribution of an adequate, reliable and safe supply of natural gas. Other services provided are the inspection, maintenance and servicing of customer gas utilization equipment. The major funding source is gas sales, representing 96% of total revenues for 2023. The major category of expense is purchased gas, which represents 64% of total proposed expenses. Presented below is a summary of the major categories of revenues and expenses over a four year period.

Estimated Income and Expense	2020 Actual	2021 Actual	2022 Budget	2023 Approved
REVENUE				
Gas Sales	34,987,154	39,436,399	38,578,900	53,239,400
Other Operating Revenues	1,455,317	1,553,253	1,562,600	2,125,500
Non-Operating Revenues	1,406,573	27,861	105,000	100,000
	<u>37,849,044</u>	<u>41,017,513</u>	<u>40,246,500</u>	<u>55,464,900</u>
EXPENSES				
Personal Services	6,466,955	5,538,423	8,977,900	9,495,700
Supplies	1,041,757	1,202,671	1,249,600	1,554,700
Other Services & Charges	1,694,257	1,513,041	1,859,150	1,893,300
Natural Gas Purchases	19,293,616	25,527,796	21,011,900	34,000,000
Utilities	36,287	33,574	39,300	41,800
Depreciation/Amortization	1,515,571	1,563,784	1,682,200	1,752,000
Improvements -Non-Capital	35,211	49,316	98,250	35,000
Capital Lease Interest	36,805	27,713	22,200	12,600
Transfers	3,219,985	2,669,522	3,058,800	4,159,700
	<u>33,340,444</u>	<u>38,125,840</u>	<u>37,999,300</u>	<u>52,944,800</u>
ESTIMATED OPERATING INCOME (LOSS)	4,508,600	2,891,673	2,247,200	2,520,100
Other Sources of Cash	6,181,370	2,916,093	1,721,200	1,752,000
Other Uses of Cash	(8,866,746)	(10,249,171)	(3,155,300)	(3,592,100)
Increase (Decrease) in Cash	<u>1,823,224</u>	<u>(4,441,405)</u>	<u>813,100</u>	<u>680,000</u>

City of Duluth Minnesota - 2023 Budget

Gas Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2022 Budget	2022 Projected	2023 Approved
ESTIMATED OPERATING INCOME (LOSS)	2,247,200	4,370,773	2,520,100
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,682,200	1,626,100	1,752,000
Energy Fund Loan Repayment	39,000	39,000	-
Special Assessment Principal	-	6,272	-
Total Other Sources of Cash	1,721,200	1,671,372	1,752,000
<u>Other Uses of Cash</u>			
Due to Other Funds	-	26,400	-
Capital Improvements from Current Revenues	2,650,000	2,675,000	2,500,000
Capital Equipment Purchases	253,100	250,000	830,200
AMRS Lease Principal Payment	252,200	252,200	261,900
Total Other Uses of Cash	3,155,300	3,203,600	3,592,100
INCREASE (DECREASE) IN CASH	813,100	2,838,545	680,000
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	8,601,461	1,397,025	4,235,570
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	9,414,561	4,235,570	4,915,570

City of Duluth Minnesota - 2023 Budget

Gas Fund

520

Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING REVENUES				
GAS SALES				
4820 Residential Firm	17,970,854	19,966,971	19,772,200	27,072,300
4822 Comm/Industrial Firm Large	8,436,053	9,923,401	8,748,700	12,462,500
4824 Comm/Industrial Interruptible Large	4,457,990	5,388,568	5,858,000	9,454,600
4831 Fixed Rate Charges	4,122,257	4,157,459	4,200,000	4,250,000
TOTAL	34,987,154	39,436,399	38,578,900	53,239,400
OTHER OPERATING REVENUES				
4636 Sale of Scrap	600	1,231	600	500
4700 Other Sources	-	16	-	-
4801 Off/On Charge	8,863	23,094	27,000	25,000
4802 Interest Earned on Customer Accts	36,731	25,031	100,000	30,000
4805 Reimbursements	152,204	31,579	60,000	450,000
4809 Miscellaneous Operating Revenue	61,946	32,640	70,000	70,000
4818 Servicing Appliances	470,598	531,702	550,000	500,000
4819 Comfort Policy	468,334	474,304	500,000	500,000
4825 Purchase Gas Adjustment	-	(16)	-	-
4827 Gas-Interruptible Transport	255,949	433,609	255,000	550,000
4851 Interest Income - Other Sources	92	63	-	-
TOTAL	1,455,317	1,553,253	1,562,600	2,125,500
TOTAL OPERATING REVENUES	36,442,471	40,989,652	40,141,500	55,364,900
NON-OPERATING REVENUES				
4220 Minnesota Grants - Capital	1,229,127	140	-	-
4601 Change in Fair Value Investments	62,885	(73,767)	-	-
4829 Two Tier Rate	97,198	105,605	90,000	100,000
4853 Gain on Sale of Assets	17,363	(4,117)	15,000	-
TOTAL NON-OPERATING REVENUES	1,406,573	27,861	105,000	100,000
TOTAL REVENUE	37,849,044	41,017,513	40,246,500	55,464,900

City of Duluth Minnesota - 2023 Budget

Director's Office

520-500-1900

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	92,199	92,947	89,100	110,000
5101 Permanent Employees - Overtime	412	156	-	-
TOTAL	92,611	93,103	89,100	110,000
EMPLOYEE BENEFITS				
5121 P.E.R.A.	6,513	6,759	6,600	8,100
5122 F.I.C.A. Social Security	5,483	5,384	5,500	6,800
5123 F.I.C.A. Medicare	1,308	1,302	1,300	1,600
5125 Dental Insurance	403	413	400	500
5126 Life Insurance	207	213	200	200
5127 Health Care Savings	2,577	2,720	2,700	1,900
5130 Cafeteria Plan Benefits	19,253	21,313	20,400	28,200
5133 Health or Fitness Program	48	-	-	-
TOTAL	35,792	38,104	37,100	47,300
OPERATING EXPENSES				
5200 Office Supplies	178	224	100	100
5241 Small Equipment	82	504	100	200
5321 Telephone	282	352	300	400
5331 Training/Travel	-	1,562	600	600
5335 Mileage Reimbursement Local	125	88	200	200
5438 Licenses	91	91	100	100
5441 Other Services & Charges	2	88	-	-
TOTAL	760	2,909	1,400	1,600
1900 TOTAL - DIRECTOR'S OFFICE	129,163	134,116	127,600	158,900

City of Duluth Minnesota - 2023 Budget

Capital

520-500-1905

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING EXPENSES				
5420 Depreciation	1,515,571	1,563,784	1,682,200	1,752,000
5441 Other Services & Charges	400	41	-	-
5535 Improvements (Non-Capital)	35,211	49,316	98,250	35,000
5540 Equipment (Non-Capital)	540	2,430	5,750	1,300
5614 Capital Lease Interest	36,805	27,713	22,200	12,600
5620 Fiscal Agents Fee	237	-	-	-
TOTAL	1,588,764	1,643,284	1,808,400	1,800,900
NON-OPERATING EXPENSES				
5533 Capital Improvements				
- Revenue Financing	3,491,512	3,117,956	2,650,000	2,500,000
5580 Capital Equipment	158,258	265,503	253,100	830,200
TOTAL	3,649,770	3,383,459	2,903,100	3,330,200
1905 TOTAL - CAPITAL	5,238,534	5,026,743	4,711,500	5,131,100

City of Duluth Minnesota - 2023 Budget

Utility General Expense

520-500-1915

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	61,465	58,773	235,800	243,000
5101 Permanent Employees - Overtime	281	4	500	4,200
TOTAL	61,746	58,777	236,300	247,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	4,319	4,308	17,300	18,100
5121 PERA Retirement, GASB 68	(213,297)	(459,274)	-	-
5122 F.I.C.A. Social Security	3,763	3,551	14,600	15,300
5123 F.I.C.A. Medicare	880	831	3,400	3,600
5125 Dental Insurance	409	396	1,600	1,600
5126 Life Insurance	10,130	7,254	700	700
5127 Health Care Savings	1,138	1,134	11,400	4,100
5130 Cafeteria Plan Benefits	15,758	18,822	70,000	84,700
5133 Health or Fitness Program	179	215	-	-
5134 Other Post Retirement Benefits	(1,844,118)	(2,372,807)	-	-
5135 Retiree Health Insurance	869,970	786,281	813,200	813,200
5151 Worker's Compensation	62,000	78,300	101,600	105,800
TOTAL	(1,088,869)	(1,930,989)	1,033,800	1,047,100
OPERATING EXPENSES				
5200 Office Supplies	-	-	100	100
5205 Safety & Training	24	86	1,000	800
5211 Cleaning & Janitorial Supplies	3,636	2,338	3,500	3,500
5218 Uniforms	138	138	200	100
5241 Small Equipment	5,027	19,712	2,000	1,700
5301 Auditing Services	1,153	1,573	1,300	1,600
5305 Medical Services/Testing Fees	8,021	8,796	10,200	10,200
5310 Contract Services	5,794	87	5,000	5,000
5320 Data Services	38,935	30,379	30,500	33,200
5321 Telephone	4,126	4,206	4,300	4,300
5322 Postage	296	266	700	1,000
5331 Training Expense	633	7,901	11,400	3,900
5333 Freight/Delivery Charges	840	106	-	-

City of Duluth Minnesota - 2023 Budget

Utility General Expense

520-500-1915

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5335 Mileage Reimbursement	821	604	1,500	1,500
5340 Advertising and Promotion	28,007	24,262	29,500	32,000
5355 Printing & Copying	187	2,632	10,000	11,500
5356 Copier, Printer Lease & Supplies	4,947	3,356	5,000	4,500
5360 Insurance	62,200	64,400	64,800	65,000
5381 Electricity	13,027	12,959	14,000	16,500
5382 Water, Gas & Sewer	13,114	11,816	13,300	13,300
5384 Refuse Disposal	2,930	3,011	2,600	3,000
5401 Building Repair & Maintenance	2,588	6,593	4,600	4,600
5404 Equipment/Machinery Repair	-	-	2,500	2,500
5414 Software Lic & Mtc Agreements	86,148	79,343	72,900	75,400
5433 Dues and Subscriptions	5,816	4,426	7,700	7,700
5441 Other Services & Charges	2,522	1,760	4,200	4,200
5443 Board & Meeting Expenses	610	-	1,700	-
5450 Laundry	856	1,207	1,000	1,200
5452 Pipe Line Safety	6,460	8,025	15,000	15,000
5493 Cost Allocation	494,600	494,600	481,800	481,800
5711 Payment in Lieu of Taxes	2,778,917	2,550,973	2,900,000	4,000,000
5700 Transfer to General Fund	59,975	59,075	55,000	55,900
5700 Transfer to Enterprise Fund	311,000	-	-	-
TOTAL	3,943,348	3,404,630	3,757,300	4,861,000
1915 TOTAL - GENERAL EXPENSE	2,916,225	1,532,418	5,027,400	6,155,300

City of Duluth Minnesota - 2023 Budget

Engineering

520-500-1930

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	910,877	935,123	935,300	993,500
5101 Permanent Employees - Overtime	43,139	47,341	50,000	50,000
5103 Temporary Wages	75	224	6,100	2,700
5118 Meal Allowance	356	300	1,100	1,100
TOTAL	954,447	982,988	992,500	1,047,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	70,327	73,175	69,700	77,900
5122 F.I.C.A. Social Security	57,259	58,756	58,000	64,900
5123 F.I.C.A. Medicare	13,391	13,742	13,600	15,200
5125 Dental Insurance	4,480	4,701	4,700	4,900
5126 Life Insurance	2,316	2,422	2,200	2,200
5127 Health Care Savings	27,144	25,470	19,900	20,200
5130 Cafeteria Plan Benefits	259,612	273,313	277,200	355,600
5133 Health or Fitness Program	212	150	-	-
5159 Project Benefits (Contra-Account)	(327,468)	(375,871)	-	-
TOTAL	107,273	75,858	445,300	540,900
OPERATING EXPENSES				
5200 Office Supplies	309	278	400	400
5201 Computer Supplies	491	308	100	100
5203 Paper, Stationery and Forms	24	97	100	100
5205 Safety & Training Materials	330	185	200	200
5212 Motor Fuel	4,116	7,185	5,500	10,000
5218 Uniforms	2,489	2,614	2,500	2,600
5219 Other Miscellaneous Supplies	2,862	131	-	-
5220 Repair & Maintenance Supplies	976	3,290	5,000	5,000
5240 Small Tools	255	483	400	500
5241 Small Equipment	4,607	778	7,900	7,900
5242 Survey Equipment and Supplies	8,007	9,528	5,900	5,900
5320 Data Services	2,276	2,248	2,200	2,200
5321 Telephone	3,143	2,960	3,100	3,100
5322 Postage	169	148	100	100

City of Duluth Minnesota - 2023 Budget

Engineering

520-500-1930

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5331 Training Expenses	2,257	2,317	14,200	14,200
5335 Mileage Reimbursement	-	-	200	200
5355 Printing and Copying	118	408	800	600
5356 Copier, Printer Lease & Supplies	126	107	2,200	2,200
5404 Equipment Maintenance Repair	377	1,164	1,600	2,000
5409 Fleet Services	7,547	7,567	11,800	10,400
5414 Software Lic & Mtc Agreements	17,448	22,429	19,000	22,900
5433 Dues and Subscriptions	2,305	2,618	3,300	3,300
5435 Books and Pamphlets	-	10	100	-
5438 Licenses	185	-	200	-
5441 Other Services and Charges	5,670	5,607	6,200	8,100
5486 One Call System	3,825	3,504	4,500	4,500
TOTAL	69,912	75,964	97,500	106,500
1930 TOTAL - ENGINEERING	1,131,632	1,134,810	1,535,300	1,694,700

City of Duluth Minnesota - 2023 Budget

Customer Service

520-500-1940

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	2,829,270	2,828,436	2,765,700	2,811,500
5101 Permanent Employees - Overtime	46,858	48,062	71,500	67,800
5105 Retirement Incentive	11,267	-	-	-
5118 Meal Allowance	135	252	400	400
TOTAL	2,887,530	2,876,750	2,837,600	2,879,700
EMPLOYEE BENEFITS				
5121 P.E.R.A.	209,224	210,272	204,100	212,600
5122 F.I.C.A. Social Security	172,162	171,121	171,500	178,500
5123 F.I.C.A. Medicare	40,263	40,020	40,100	41,700
5125 Dental Insurance	16,308	16,348	15,700	15,400
5126 Life Insurance	8,402	8,422	7,200	7,000
5127 Health Care Savings	59,538	129,872	51,800	70,600
5130 Cafeteria Plan Benefits	785,940	779,388	756,000	900,900
5133 Health or Fitness Program	639	152	-	-
TOTAL	1,292,476	1,355,595	1,246,400	1,426,700
OPERATING EXPENSES				
5200 Office Supplies	2,423	2,326	3,000	7,200
5201 Computer Supplies/Software	4,969	3,785	1,200	1,200
5203 Paper/Stationery/Forms	227	-	-	-
5205 Safety & Training Materials	459	81	-	-
5210 Plant/Operating Supplies	54,873	32,623	34,000	34,000
5212 Motor Fuel	39,790	63,829	54,000	92,800
5215 Shop Materials	3,639	1,226	17,000	17,000
5218 Uniforms	13,507	8,221	11,500	11,500
5219 Other Miscellaneous Supplies	174,824	240,018	137,000	350,000
5220 Repair & Maintenance Supplies	36,999	32,157	35,000	40,000
5227 Utility System Maintenance Supply	401,730	312,708	373,200	352,400

City of Duluth Minnesota - 2023 Budget

Customer Service

520-500-1940

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5228 Painting Supplies	6,440	6,519	7,500	7,500
5240 Small Tools	17,882	39,553	29,400	29,400
5241 Small Equipment	5,134	5,574	17,700	21,800
5310 Contract Services	37,463	38,384	67,200	67,200
5320 Data Services	11,833	18,956	15,300	15,300
5321 Telephone	10,653	9,815	11,200	11,200
5322 Postage	78,775	69,742	77,300	77,000
5331 Training / Travel	3,049	4,656	28,000	35,500
5335 Mileage Reimbursement	-	-	200	200
5339 Armored Pickup	2,973	3,466	2,800	8,000
5340 Advertising and Promotion	17,588	24,783	84,700	79,500
5355 Printing & Copying	1,065	-	3,400	1,300
5356 Copier, Printer Lease & Supplies	589	564	700	700
5404 Equipment Repair & Maintenance	7,928	13,020	1,200	7,200
5409 Fleet Services	36,414	76,658	65,500	69,500
5414 Software Lic & Mtc Agreements	16,617	18,479	22,600	29,900
5427 Credit Card Commissions	101,987	113,415	100,000	118,800
5432 Uncollectible Accounts	186,419	(69,078)	55,000	55,000
5433 Dues and Subscriptions	600	2,548	3,400	3,600
5441 Other Services & Charges	21,366	20,696	32,400	32,400
5487 Conservation Improvement	179,363	204,237	221,900	226,900
5615 Customer Deposit Refund Interest	33,320	1,767	40,000	10,000
TOTAL	1,510,898	1,300,728	1,553,300	1,814,000
1940 TOTAL - CUSTOMER SERVICES	5,690,904	5,533,073	5,637,300	6,120,400

City of Duluth Minnesota - 2023 Budget

Utility Operations

520-500-1945

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,142,550	1,051,914	1,075,500	1,070,400
5101 Permanent Employees - Overtime	62,257	49,914	110,000	110,000
5103 Other Wages	-	9,611	-	-
5111 Long-Term Disability Wages	-	321	-	-
5118 Meal Allowance	722	645	3,000	3,000
TOTAL	1,205,529	1,112,405	1,188,500	1,183,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	87,784	80,981	79,000	86,900
5122 F.I.C.A. Social Security	72,401	66,813	66,700	73,200
5123 F.I.C.A. Medicare	16,920	15,626	15,600	17,100
5125 Dental Insurance	6,536	5,979	6,000	5,900
5126 Life Insurance	3,358	3,067	2,700	2,700
5127 Health Care Savings	22,745	20,921	17,100	19,000
5130 Cafeteria Plan Benefits	279,016	246,753	252,100	299,900
5133 Health or Fitness Program	201	288	-	-
5141 Unemployment Compensation	958	-	-	-
TOTAL	489,919	440,428	439,200	504,700
OPERATING EXPENSES				
5200 Office Supplies	934	881	1,300	1,300
5201 Computer Supplies/Software	457	728	500	500
5205 Safety & Training Materials	4,160	5,040	8,500	8,500
5210 Plant Operations Supplies	32,571	20,850	14,600	15,600
5212 Motor Fuel	25,921	40,887	42,600	69,600
5215 Shop Materials	13,589	21,336	15,000	17,500
5218 Uniforms	9,103	5,586	9,600	10,300
5219 Other Miscellaneous Supplies	3,140	2,239	2,500	3,000
5220 Repair and Maintenance Supplies	4,950	3,413	8,800	8,800
5222 Paving Materials	11,818	14,924	25,000	25,000
5224 Gravel & Other Maintenance Supplies	45,809	52,660	60,000	66,000
5227 Utility Maintenance Supply	16,872	133,143	125,700	138,700
5228 Painting Supplies	388	28	500	500

City of Duluth Minnesota - 2023 Budget

Utility Operations

520-500-1945

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5240 Small Tools	18,137	9,482	22,300	22,900
5241 Small Equipment	12,715	446	10,300	6,000
5310 Contract Services	-	3,327	4,200	4,200
5320 Data Services	2,184	3,488	3,300	3,300
5321 Telephone	3,698	3,057	3,300	3,300
5331 Training Expense	6,916	3,555	7,300	8,500
5333 Freight/Delivery Charges	5,018	4,805	4,500	5,000
5335 Mileage Reimbursement	1,829	1,856	2,300	2,000
5355 Printing and Copying	-	9	300	300
5356 Copier, Printer Lease & Supplies	124	-	400	400
5384 Refuse Disposal	5,322	8,309	7,800	8,000
5404 Equipment Repair & Maintenance	3,261	11,647	13,000	13,600
5409 Fleet Service Charges	78,805	86,252	96,600	99,200
5414 Software Lic & Mtc Agreements	400	287	-	-
5415 Vehicle/Equipment Rental	3,664	4,305	6,500	6,500
5419 Other Rentals	-	1,930	-	-
5441 Other Services & Charges	8,361	2,112	2,500	2,500
5450 Laundry	4,936	4,815	5,000	5,000
5700 Transfer to General Fund	70,093	59,474	103,800	103,800
TOTAL	395,175	510,871	608,000	659,800
1945 TOTAL - UTILITY OPERATIONS	2,090,623	2,063,704	2,235,700	2,347,900

City of Duluth Minnesota - 2023 Budget

Natural Gas

520-500-1960

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	301,625	308,014	318,500	327,000
5101 Permanent Employees - Overtime	6,799	7,513	-	6,000
5118 Meal Allowance	45	15	-	-
TOTAL	308,469	315,542	318,500	333,000
EMPLOYEE BENEFITS				
5121 P.E.R.A. Contribution	23,019	23,204	23,500	24,600
5122 F.I.C.A. Social Security	18,758	19,151	19,800	20,600
5123 F.I.C.A. Medicare	4,387	4,479	4,600	4,800
5125 Dental Insurance	1,360	1,347	1,300	1,300
5126 Life Insurance	694	694	600	600
5127 Health Care Savings	11,194	11,229	3,700	3,700
5130 Cafeteria Plan Benefits	60,620	59,758	60,100	72,800
TOTAL	120,032	119,862	113,600	128,400
OPERATING EXPENSES				
5200 Office Supplies	179	94	500	300
5201 Computer Supplies/Software	798	5,491	10,000	10,000
5210 Plant Operations Supplies	21,432	18,569	30,000	40,000
5212 Motor Fuel	2,903	3,418	3,300	5,800
5218 Uniforms	384	610	800	900
5219 Other Miscellaneous Supplies	128	-	2,500	2,500
5220 Repair & Maintenance Supplies	14,574	64,868	92,000	92,000
5241 Small Equipment	4,348	1,479	7,800	5,000
5280 Natural Gas Purchases	19,293,616	25,527,796	21,011,900	34,000,000
5320 Data Services	1,102	1,650	1,800	1,800
5321 Telephone	2,043	1,813	2,000	2,000
5331 Training Expense	3,020	886	7,600	9,200
5333 Freight/Delivery Charges	-	16	-	-
5356 Copier, Printer Lease & Supplies	261	151	300	300
5381 Electricity	10,146	8,799	10,000	10,000
5382 Water/Sewer/Gas	-	-	2,000	2,000

City of Duluth Minnesota - 2023 Budget

Natural Gas

520-500-1960

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5404 Equipment Maintenance Repair	2,687	4,737	2,500	12,500
5409 Fleet Services Charges	2,641	1,539	3,500	3,500
5433 Dues and Subscriptions	290	100	500	500
5441 Other Services & Charges	4,080	7,015	6,500	7,000
TOTAL	19,364,632	25,649,031	21,195,500	34,205,300
1960 TOTAL - NATURAL GAS	19,793,133	26,084,435	21,627,600	34,666,700

City of Duluth Minnesota - 2023 Budget

Sewer Fund

530

The Sewer Fund accounts for the provision of sanitary sewer service as a self-supporting enterprise fund. Activities include the operation and maintenance of the City's sanitary sewer collection system. The major funding source is user charges, representing 99% of total revenues for 2023. The major expense category is for contractual services and charges paid to the Western Lake Superior Sanitary District (WLSSD), constituting 56% of total proposed expenses. Presented below is a summary of the major categories of revenues and expenses over a four year period.

Estimated Income and Expense	2020 Actual	2021 Actual	2022 Budget	2023 Approved
REVENUE				
Operating Revenue	17,526,647	18,197,617	19,047,400	19,874,100
Non-Operating Revenue	4,922,143	1,101,553	190,300	14,300
	<u>22,448,790</u>	<u>19,299,170</u>	<u>19,237,700</u>	<u>19,888,400</u>
EXPENSES				
Personal Services	2,690,274	2,341,243	3,736,400	3,887,300
Supplies	261,875	234,025	444,600	467,600
Other Services & Charges	1,017,213	859,452	1,082,550	1,119,400
WLSSD Treatment	9,494,802	9,480,967	9,737,500	9,980,900
Utilities	137,342	117,553	153,500	163,800
Depreciation/ Amortization	1,499,486	1,562,666	1,668,500	1,646,200
Sanitary Sewer -Grants	130,077	71,290	200,000	200,000
Improvements -Non-Capital	117,652	47,276	103,250	35,000
Debt Service - Interest	65,043	42,643	32,700	17,600
Debt Service - Other	(9,250)	(14,329)	(12,100)	(4,200)
Capital Lease Interest	32,935	27,672	20,900	11,800
Transfers	130,068	118,549	158,700	159,500
	<u>15,567,517</u>	<u>14,889,007</u>	<u>17,326,500</u>	<u>17,684,900</u>
ESTIMATED OPERATING INCOME (LOSS)	6,881,273	4,410,163	1,911,200	2,203,500
Other Sources of Cash	7,518,304	3,431,344	1,656,400	1,642,000
Other Uses of Cash	(15,893,965)	(6,278,981)	(3,470,300)	(3,107,800)
Increase (Decrease) in Cash	(1,494,388)	1,562,526	97,300	737,700

City of Duluth Minnesota - 2023 Budget

Sewer Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2022 Budget	2022 Projected	2023 Approved
ESTIMATED OPERATING INCOME (LOSS)	1,911,200	2,631,205	2,203,500
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,668,500	1,592,900	1,646,200
Interest from Bond Discount	(12,100)	(12,100)	(4,200)
Special Assessment Principal	-	77,400	-
Total Other Sources of Cash	1,656,400	1,658,200	1,642,000
<u>Other Uses of Cash</u>			
Due to Other Funds	-	8,726	-
Infrastructure System Replacement Fund	104,600	(482,245)	54,500
Capital Improvements from Current Revenues	2,125,000	1,776,000	2,200,000
Capital Equipment Purchases	383,000	200,000	189,100
Bond Principal Payments	620,800	620,800	418,200
AMRS Lease Principal Payment	236,900	236,900	246,000
Total Other Uses of Cash	3,470,300	2,360,181	3,107,800
INCREASE (DECREASE) IN CASH	97,300	1,929,224	737,700
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	1,993,628	2,577,472	4,506,696
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	2,090,928	4,506,696	5,244,396

City of Duluth Minnesota - 2023 Budget

Sewer Fund

530

Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING REVENUES:				
4636 Sale of Materials	35	180	500	300
4700 Other Sources	-	10,590	-	-
4802 Interest Earned on Customer Accts	12,261	20,698	55,000	50,000
4805 Reimbursements	34,068	34,692	33,000	33,000
4809 Misc. Operating Revenue	576	3,039	2,000	3,000
4831 Fixed Rate Charges	1,954,079	1,959,583	1,950,000	1,950,000
4833 Sewer Revenues	15,358,493	15,990,881	16,850,000	17,673,900
4834 Fond du Lac Grinder Pump Surcharge	11,961	11,784	11,900	11,900
4836 I & I Surcharge	-	-	-	2,000
4839 Point of Sale Inspection Fee	149,460	162,429	145,000	150,000
4851 Interest Income - Other Sources	5,714	3,741	-	-
TOTAL OPERATING REVENUES	17,526,647	18,197,617	19,047,400	19,874,100
NON-OPERATING REVENUES:				
4220 Minnesota Grants - Capital	4,829,399	955,956	-	-
4601 Change in Fair Value Investments	11,667	(8,292)	-	-
4853 Gain on Sale of Assets	1,847	(794)	3,000	3,000
4854 Utility Special Assessments	8,965	84,418	-	-
4857 Capital Contributions	-	-	117,000	-
4730 Transfer from Enterprise Funds	70,265	70,265	70,300	11,300
TOTAL NON-OPERATING REVENUES	4,922,143	1,101,553	190,300	14,300
TOTAL REVENUE	22,448,790	19,299,170	19,237,700	19,888,400

City of Duluth Minnesota - 2023 Budget

Director's Office

530-500-1900

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	72,646	75,330	71,700	91,500
5101 Permanent Employees - Overtime	219	59	-	-
TOTAL	72,865	75,389	71,700	91,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	5,110	5,519	5,300	6,800
5122 F.I.C.A. Social Security	4,282	4,286	4,400	5,700
5123 F.I.C.A. Medicare	1,027	1,045	1,000	1,300
5125 Dental Insurance	289	314	300	400
5126 Life Insurance	148	162	100	200
5127 Health Care Savings	2,142	2,325	2,300	1,500
5130 Cafeteria Plan Benefits	15,456	18,373	17,500	24,700
5133 Health or Fitness Program	48	-	-	-
TOTAL	28,502	32,024	30,900	40,600
OPERATING EXPENSES				
5200 Office Supplies	-	23	-	-
5241 Small Equipment	77	494	100	200
5321 Telephone	174	245	200	300
5331 Training Expense	-	426	200	200
5335 Mileage Reimbursement	115	88	200	200
5356 Copier, Printer Lease & Supplies	35	54	100	100
5441 Other Services & Charges	2	88	-	-
TOTAL	403	1,418	800	1,000
1900 TOTAL - DIRECTOR'S OFFICE	101,770	108,831	103,400	133,100

City of Duluth Minnesota - 2023 Budget

Capital

530-500-1905

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING EXPENSES				
5420 Depreciation	1,499,486	1,562,666	1,668,500	1,646,200
5441 Other Services & Charges	-	501	-	-
5535 Improvements (Non-Capital)	117,652	47,276	103,250	35,000
5540 Equipment (Non-Capital)	739	2,529	5,750	1,200
5611 Bond Interest	65,043	42,643	32,700	17,600
5613 Interest - from Amortization	(9,250)	(14,329)	(12,100)	(4,200)
5614 Capital Lease Interest	32,935	27,672	20,900	11,800
5620 Fiscal Agents Fee	1,781	1,425	1,500	1,400
TOTAL	1,708,386	1,670,383	1,820,500	1,709,000
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue	7,007,584	2,046,278	2,125,000	2,200,000
5580 Capital Equipment	158,343	42,354	383,000	189,100
TOTAL	7,165,927	2,088,632	2,508,000	2,389,100
1905 TOTAL - CAPITAL	8,874,313	3,759,015	4,328,500	4,098,100

City of Duluth Minnesota - 2023 Budget

Utility General Expense

530-500-1915

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	36,366	34,156	69,700	71,900
5101 Permanent Employees - Overtime	218	1	500	1,700
TOTAL	36,584	34,157	70,200	73,600
EMPLOYEE BENEFITS				
5121 P.E.R.A.	2,537	2,527	5,100	5,400
5121 P.E.R.A., GASB 68	(136,239)	(210,103)	-	-
5122 F.I.C.A. Social Security	2,196	2,014	4,300	4,600
5123 F.I.C.A. Medicare	513	471	1,000	1,100
5125 Dental Insurance	270	258	500	500
5126 Life Insurance	1,890	133	200	200
5127 Health Care Savings	664	659	4,200	1,300
5130 Cafeteria Plan Benefits	11,642	14,706	25,000	30,300
5133 Health or Fitness Program	54	64	-	-
5134 Other Post Retirement Benefits	(623,851)	(868,517)	-	-
5135 Retiree Health Insurance	158,971	151,571	155,900	155,900
5151 Worker's Compensation	34,000	30,600	35,300	37,400
TOTAL	(547,353)	(875,617)	231,500	236,700
OPERATING EXPENSES				
5200 Office Supplies	-	-	100	100
5205 Safety & Training	134	181	600	600
5211 Cleaning & Janitorial Supplies	3,210	1,831	3,500	3,500
5218 Uniforms	138	138	100	200
5241 Small Equipment	1,212	619	1,900	1,700
5301 Auditing Services	1,153	1,573	1,300	1,600
5305 Medical Services/Testing Fees	701	924	1,600	1,600
5310 Contract Services	4,996	61	5,000	5,000
5320 Data Services	14,709	12,907	13,600	15,200
5321 Telephone	2,659	2,774	2,600	2,600
5331 Training / Travel	56	40	2,300	1,800
5333 Freight/Delivery Charges	5	-	-	-

City of Duluth Minnesota - 2023 Budget

Utility General Expense

530-500-1915

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5335 Mileage Reimbursement - Local	365	532	300	500
5355 Printing & Copying Services	187	-	-	-
5356 Copier, Printer Lease & Supplies	4,629	3,082	5,000	4,500
5360 Insurance	23,600	51,400	24,200	20,900
5381 Electricity	12,247	12,203	14,000	16,500
5382 Water, Gas & Sewer	9,174	10,473	14,000	14,000
5384 Refuse Disposal	2,756	2,833	2,600	3,000
5401 Building Repair & Maintenance	1,689	6,210	4,400	4,400
5404 Equipment/Machinery Repair & Mtc	-	-	1,900	3,800
5414 Software Lic & Mtc Agreements	47,783	47,435	49,700	51,500
5441 Other Services & Charges	2,187	1,794	3,500	3,500
5450 Laundry	800	1,137	1,000	1,200
5493 Cost Allocation	230,400	230,400	238,200	238,200
5700 Transfer to General Fund	59,975	59,075	55,000	55,800
TOTAL	424,765	447,622	446,400	451,700
1915 TOTAL - UTILITY GENERAL	(86,004)	(393,838)	748,100	762,000

City of Duluth Minnesota - 2023 Budget

Engineering

530-500-1930

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	408,803	420,842	429,600	433,700
5101 Permanent Employees - Overtime	38,728	25,187	37,700	37,700
5103 Temporary Wages	75	225	6,100	2,700
5105 Retirement Incentive	3,966	-	-	-
5118 Meal Allowance	356	285	1,000	1,000
TOTAL	451,928	446,539	474,400	475,100
EMPLOYEE BENEFITS				
5121 P.E.R.A.	32,514	32,807	31,800	34,900
5122 F.I.C.A. Social Security	26,938	26,688	26,600	29,400
5123 F.I.C.A. Medicare	6,300	6,242	6,200	6,900
5125 Dental Insurance	2,078	2,227	2,300	2,300
5126 Life Insurance	1,073	1,147	1,000	1,000
5127 Health Care Savings	9,652	13,406	11,500	8,800
5130 Cafeteria Plan Benefits	101,042	105,422	108,900	136,100
5133 Health or Fitness Program	212	230	-	-
5159 Project Benefits (Contra-Account)	(104,186)	(58,571)	-	-
TOTAL	75,623	129,598	188,300	219,400
OPERATING EXPENSES				
5200 Office Supplies	303	239	400	400
5201 Computer Supplies	215	290	100	100
5203 Paper, Stationary & Forms	25	94	100	100
5205 Safety & Training Materials	97	132	200	200
5212 Motor Fuels	2,208	4,033	3,900	5,600
5218 Uniforms	1,114	1,169	1,100	1,200
5219 Other Miscellaneous Supplies	135	126	-	-
5240 Small Tools	245	456	400	500
5241 Small Equipment	2,669	791	1,200	1,200
5242 Survey Equipment and Supplies	5,152	4,849	5,900	5,900
5320 Data Services	2,142	2,128	2,200	2,200
5321 Telephone	1,661	1,668	1,700	1,700
5322 Postage	-	78	100	100

City of Duluth Minnesota - 2023 Budget

Engineering

530-500-1930

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

Expense Detail	2020	2021	2022	2023
	Actual	Actual	Budget	Approved
5331 Training Expenses	36	883	4,600	4,600
5335 Mileage Reimbursement - Local	1,314	1,016	1,500	1,500
5355 Printing and Copying	-	246	800	600
5356 Copier, Printer Lease & Supplies	114	100	2,200	2,200
5404 Equipment Maintenance/Repair	-	1,107	1,600	2,000
5409 Fleet Services Charges	3,681	5,499	4,200	5,900
5414 Software Lic & Mtc Agreements	13,587	12,934	10,400	13,500
5433 Dues & Subscriptions	105	128	800	800
5435 Books & Pamphlets	-	10	100	-
5438 Licenses	186	-	200	-
5441 Other Services and Charges	4,174	5,403	5,000	6,800
5486 One Call System	3,806	3,478	4,500	4,500
TOTAL	42,969	46,857	53,200	61,600
1930 TOTAL - ENGINEERING	570,520	622,994	715,900	756,100

City of Duluth Minnesota - 2023 Budget

Customer Service

530-500-1940

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	226,884	230,597	190,400	187,000
5101 Permanent Employees - Overtime	1,182	691	2,300	700
5118 Meal Allowance	18	8	-	-
TOTAL	228,084	231,296	192,700	187,700
EMPLOYEE BENEFITS				
5121 P.E.R.A.	16,402	16,903	14,000	13,800
5122 F.I.C.A. Social Security	13,414	13,552	11,800	11,600
5123 F.I.C.A. Medicare	3,137	3,169	2,800	2,700
5125 Dental Insurance	1,366	1,426	1,100	1,000
5126 Life Insurance	704	734	500	500
5127 Health Care Savings	6,052	9,295	4,100	3,400
5130 Cafeteria Plan Benefits	60,819	65,193	52,200	53,300
5133 Health or Fitness Program	80	40	-	-
TOTAL	101,974	110,312	86,500	86,300
OPERATING EXPENSES				
5200 Office Supplies	241	228	800	800
5201 Computer Supplies	280	1,148	600	600
5218 Uniforms	-	25	-	-
5241 Small Equipment	661	99	2,400	900
5310 Contract Services	18,632	18,934	33,600	33,600
5320 Data Services	27	119	200	200
5321 Telephone	385	331	300	300
5322 Postage	39,382	34,871	38,800	38,500
5331 Training Expense	(1,103)	498	3,000	3,000
5339 Armored Pickup	1,466	1,676	1,400	4,000
5355 Printing & Copying	377	-	1,400	200
5356 Copier, Printer Lease & Supplies	269	198	300	300
5404 Equipment Repair & Maintenance	116	118	100	100
5414 Software Lic & Mtc Agreements	3,567	2,854	4,100	6,500
5427 Credit Card Commission	46,358	54,386	45,000	59,400
5432 Uncollectible Accounts	110,769	(53,303)	23,000	23,000
5441 Other Services & Charges	17	156	700	700

City of Duluth Minnesota - 2023 Budget

Customer Service

530-500-1940

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
TOTAL	221,444	62,338	155,700	172,100
1940 TOTAL-CUSTOMER SERVICES	551,502	403,946	434,900	446,100

City of Duluth Minnesota - 2023 Budget

Utility Operations

530-500-1945

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	988,613	1,065,556	1,137,700	1,085,600
5101 Permanent Employees - Overtime	41,509	48,588	70,000	7,000
5103 Temporary Wages	-	-	21,800	26,900
5111 Long-Term Disability Wages	-	320	-	-
5118 Meal Allowance	791	897	2,200	2,200
TOTAL	1,030,913	1,115,361	1,231,700	1,121,700
EMPLOYEE BENEFITS				
5121 P.E.R.A.	74,684	81,744	83,800	80,700
5122 F.I.C.A. Social Security	62,223	67,044	70,500	69,400
5123 F.I.C.A. Medicare	14,553	15,680	16,500	16,200
5125 Dental Insurance	6,060	6,416	6,800	6,500
5126 Life Insurance	3,121	3,322	3,100	2,900
5127 Health Care Savings	23,072	22,046	22,300	25,500
5130 Cafeteria Plan Benefits	283,864	306,303	325,500	390,800
5133 Health or Fitness Program	133	-	-	-
5141 Unemployment Compensation	785	-	-	-
TOTAL	468,495	502,555	528,500	592,000
OPERATING EXPENSES				
5200 Office Supplies	896	906	1,300	1,300
5201 Computer Supplies	1,301	8,280	3,200	3,200
5205 Safety & Training Materials	1,992	4,686	6,500	6,500
5210 Plant Operations Supplies	22,097	23,007	33,700	34,500
5212 Motor Fuel	29,434	42,109	61,900	80,300
5215 Shop Materials	56	-	1,000	1,500
5218 Uniforms	6,707	5,732	11,600	12,600
5219 Other Miscellaneous Supplies	1,982	2,515	2,000	2,500
5220 Repair and Maintenance Supplies	76,865	14,901	119,100	119,100
5222 Paving Materials	11,398	11,326	17,000	17,000
5224 Gravel and other Mtc Materials	40,686	39,743	50,000	56,000
5227 Utility Maintenance Supply	35,145	52,895	79,500	83,600

City of Duluth Minnesota - 2023 Budget

Utility Operations

530-500-1945

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5240 Small Tools	6,215	5,038	9,000	9,000
5241 Small Equipment	4,146	1,058	10,400	7,700
5310 Contract Services	24,511	5,508	51,300	51,300
5320 Data Services	1,315	2,499	2,700	2,700
5321 Telephone	1,461	1,051	1,100	1,100
5331 Training Expense	1,979	3,099	8,400	10,500
5333 Freight/Delivery Charges	1,447	1,182	1,500	1,500
5335 Mileage Reimbursement	2,000	2,006	2,500	2,500
5355 Printing and Copying	-	10	500	500
5356 Copier, Printer Lease & Supplies	116	-	600	600
5381 Electricity	106,494	82,212	114,000	120,000
5382 Water, Gas & Sewer	9,427	12,665	11,500	13,300
5384 Refuse Disposal	12,823	15,540	17,000	17,000
5404 Equipment Maintenance/Repair	21,429	6,274	32,000	32,000
5409 Fleet Service Charges	111,157	114,761	119,700	128,600
5414 Software Lic & Mtc Agreements	1,650	1,518	1,300	1,300
5415 Vehicle/Equipment Rental	1,007	487	5,800	5,800
5433 Dues and Subscriptions	206	-	1,000	1,000
5438 Licenses	265	377	1,000	1,000
5441 Other Services & Charges	4,696	1,646	4,000	4,000
5450 Laundry	3,434	3,628	5,000	5,000
5700 Transfer to General Fund	70,093	59,474	103,700	103,700
TOTAL	614,430	526,133	890,800	938,200
1945 TOTAL - UTILITY OPERATIONS	2,113,838	2,144,049	2,651,000	2,651,900

City of Duluth Minnesota - 2023 Budget

Wastewater Treatment

530-500-1965

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING EXPENSES				
5484 Western Lake Superior Sanitary District Service Charge	9,494,802	9,480,967	9,737,500	9,980,900
5485 Western Lake Superior Sanitary District Testing	218,359	220,074	221,000	226,500
1965 TOTAL- SEWER TREATMENT	9,713,161	9,701,041	9,958,500	10,207,400

City of Duluth Minnesota - 2023 Budget

Inflow and Infiltration

530-500-1970

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	480,638	353,700	403,200	469,600
5101 Permanent Employees - Overtime	14,827	3,770	20,000	20,000
5118 Meal Allowance	81	-	300	300
TOTAL	495,546	357,470	423,500	489,900
EMPLOYEE BENEFITS				
5121 P.E.R.A.	36,415	26,690	30,100	36,500
5122 F.I.C.A. Social Security	29,430	20,678	25,000	30,400
5123 F.I.C.A. Medicare	6,883	4,836	5,800	7,100
5125 Dental Insurance	2,831	2,044	2,300	2,700
5126 Life Insurance	1,455	1,049	1,000	1,200
5127 Health Care Savings	7,461	5,241	6,100	7,200
5130 Cafeteria Plan Benefits	162,581	121,621	136,200	187,700
5133 Health or Fitness Program	57	-	-	-
TOTAL	247,113	182,159	206,500	272,800
OPERATING EXPENSES				
5200 Office Supplies	397	132	600	500
5201 Computer Supplies/Software	30	36	-	100
5205 Safety & Training	175	14	1,000	1,000
5212 Motor Fuels	1,886	3,144	3,500	4,400
5218 Uniforms	1,976	1,538	1,700	2,000
5241 Small Equipment	375	-	8,200	1,000
5320 Data Services	1,146	1,380	1,600	1,800
5321 Telephone	3,368	2,144	2,800	2,800
5331 Training Expense	-	2,071	2,500	2,500
5335 Mileage Reimbursement	5,043	1,627	8,500	4,500
5355 Printing & Copying	-	-	2,000	2,000
5356 Copier, Printer Lease & Supplies	44	-	200	200
5404 Equipment Maintenance Repair	-	-	3,000	3,000
5409 Fleet Services	4,625	4,111	3,300	5,500

City of Duluth Minnesota - 2023 Budget

Inflow and Infiltration

530-500-1970

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5441 Other Services and Charges	1,023	3,012	23,000	23,000
5450 Laundry	1,520	1,473	2,300	2,300
5482 Private Property Sewer Grants	130,077	71,290	200,000	200,000
TOTAL	151,685	91,972	264,200	256,600
1970 TOTAL INFLOW & INFILTRATION	894,344	631,601	894,200	1,019,300

City of Duluth Minnesota - 2023 Budget

Clean Water Surcharge Fund

532

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

Estimated Income and Expense	2020 Actual	2021 Actual	2022 Budget	2023 Approved
REVENUE				
Operating Revenue	1,638,279	1,639,309	1,652,000	1,658,000
Non-Operating Revenue	5,363	(4,957)	-	-
	<u>1,643,642</u>	<u>1,634,352</u>	<u>1,652,000</u>	<u>1,658,000</u>
EXPENSES				
Other Services & Charges	17,499	(12,819)	8,200	8,200
Depreciation/ Amortization	566,871	566,871	566,900	566,900
Grants & Awards	403,400	273,760	400,000	400,000
Debt Service - Interest	88,352	71,523	60,700	44,000
Transfers	70,265	70,265	70,300	11,300
	<u>1,146,387</u>	<u>969,600</u>	<u>1,106,100</u>	<u>1,030,400</u>
ESTIMATED OPERATING INCOME (LOSS)	497,255	664,752	545,900	627,600
Other Sources of Cash	570,848	566,871	566,900	566,900
Other Uses of Cash	(1,200,755)	(1,213,157)	(1,159,200)	(1,125,800)
Increase (Decrease) in Cash	<u>(132,652)</u>	<u>18,466</u>	<u>(46,400)</u>	<u>68,700</u>

City of Duluth Minnesota - 2023 Budget

Clean Water Fund Estimated Unrestricted Cash Balance

<u>OPERATING FUND</u>	<u>2022 Budget</u>	<u>2022 Projected</u>	<u>2023 Approved</u>
ESTIMATED OPERATING INCOME (LOSS)	545,900	802,800	627,600
<u>Other Sources of Cash</u>			
Depreciation and Amortization	566,900	566,900	566,900
Total Other Sources of Cash	566,900	566,900	566,900
<u>Other Uses of Cash</u>			
Bond Principal Payments	1,159,200	1,159,200	1,125,800
Total Other Uses of Cash	1,159,200	1,159,200	1,125,800
INCREASE (DECREASE) IN CASH	(46,400)	210,500	68,700
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	554,015	690,081	900,581
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	507,615	900,581	969,281

City of Duluth Minnesota - 2023 Budget

Clean Water Surcharge Fund

532

Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING REVENUES				
4836 I & I Surcharge	9,035	7,418	12,000	8,000
4837 Clean Water Surcharge	1,629,244	1,631,891	1,640,000	1,650,000
TOTAL	1,638,279	1,639,309	1,652,000	1,658,000
NON-OPERATING REVENUES				
4601 Change in Fair Value Investments	5,363	(4,957)	-	-
TOTAL	5,363	(4,957)	-	-
TOTAL REVENUE	1,643,642	1,634,352	1,652,000	1,658,000

City of Duluth Minnesota - 2023 Budget

Clean Water Surcharge Fund

532

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING EXPENSES				
5420 Depreciation	566,871	566,871	566,900	566,900
5427 Credit Card Commissions	4,228	5,084	3,200	3,200
5432 Uncollectible Accounts	13,271	(17,905)	5,000	5,000
5434 Grants & Awards	403,400	273,760	400,000	400,000
5441 Other Services & Charges	-	2	-	-
5611 Bond Interest	88,352	71,523	60,700	44,000
5700 Transfers to Sewer Fund	70,265	70,265	70,300	11,300
TOTAL	1,146,387	969,600	1,106,100	1,030,400

City of Duluth Minnesota - 2023 Budget

Stormwater Fund

535

The Stormwater Fund accounts for the provision of stormwater sewer service as a self-supporting enterprise fund. Activities include the operation and maintenance of the City's stormwater sewer collection system. The primary funding source is user charges to all residential and business property owners.

Estimated Income and Expense	2020 Actual	2021 Actual	2022 Budget	2023 Approved
REVENUE				
Stormwater Sewer Service	5,382,638	6,267,455	5,029,100	6,155,800
Miscellaneous Revenue	17,655	30,792	37,000	26,000
Non-Operating	80,854	37,022	1,000	1,000
	5,481,147	6,335,269	5,067,100	6,182,800
EXPENSES				
Personal Services	2,426,156	2,103,925	2,756,300	3,113,900
Supplies	166,394	193,991	290,200	360,800
Other Services and Charges	538,375	509,294	636,550	847,200
Utilities	21,026	22,311	26,400	28,900
Depreciation and Amortization	453,419	448,490	520,400	516,300
Improvements - Non-Capital	57,516	82,795	248,250	35,000
Debt Service - Interest	8,902	4,715	2,200	-
Bond Amortization	(6,539)	(6,522)	(600)	-
Transfers Out	538,012	532,865	546,500	547,400
	4,203,261	3,891,864	5,026,200	5,449,500
ESTIMATED OPERATING INCOME (LOSS)	1,277,886	2,443,405	40,900	733,300
Other Sources of Cash	671,298	610,221	519,800	516,300
Other Uses of Cash	(1,414,796)	(1,743,975)	(549,000)	(2,398,100)
Increase (Decrease) in Cash	534,388	1,309,651	11,700	(1,148,500)

City of Duluth Minnesota - 2023 Budget

Stormwater Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2022 Budget	2022 Projected	2023 Approved
ESTIMATED OPERATING INCOME (LOSS)	40,900	1,436,766	733,300
<u>Other Sources of Cash</u>			
Depreciation and Amortization	520,400	473,100	516,300
Interest from Bond Discount	(600)	(600)	-
Due from Other Funds	-	1,535	-
Special Assessment Principal	-	578	-
Total Other Sources of Cash	519,800	474,613	516,300
<u>Other Uses of Cash</u>			
Due to Other Funds	-	4,671	-
Capital Improvements from Current Revenues	285,000	539,000	2,250,000
Capital Equipment Purchases	119,000	100,000	148,100
Bond Principal Payments	145,000	145,000	-
Total Other Uses of Cash	549,000	788,671	2,398,100
INCREASE (DECREASE) IN CASH	11,700	1,122,708	(1,148,500)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	2,239,270	2,976,000	4,098,708
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	2,250,970	4,098,708	2,950,208

City of Duluth Minnesota - 2023 Budget

Stormwater Fund

535

Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING REVENUES:				
4170 Miscellaneous Permits & Licenses	11,175	21,600	16,000	16,000
4636 Sale of Materials	291	1,051	3,000	3,000
4700 Other Sources	-	8	-	-
4802 Interest Earned on Customer Accounts	2,525	5,531	14,000	2,500
4805 Reimbursements	1,977	2,880	2,000	2,000
4835 Stormwater Revenues	5,382,638	6,267,455	5,029,100	6,155,800
4851 Interest - Other Sources	1,687	(278)	2,000	2,500
TOTAL OPERATING REVENUES	5,400,293	6,298,247	5,066,100	6,181,800
NON-OPERATING REVENUES:				
4220 State of Minnesota, Capital	63,034	39,146	-	-
4220 State of Minnesota, Operating	-	6,784	-	-
4601 Change in Fair Value Investments	15,989	(8,129)	-	-
4853 Gain/Loss-Sale of Fixed Assets	1,831	(779)	1,000	1,000
TOTAL NON-OPERATING REVENUES	80,854	37,022	1,000	1,000
TOTAL REVENUE	5,481,147	6,335,269	5,067,100	6,182,800

City of Duluth Minnesota - 2023 Budget

Director's Office

535-500-1900

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	72,646	75,330	71,700	91,500
5101 Permanent Employees - Overtime	219	59	-	-
TOTAL	72,865	75,389	71,700	91,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	5,110	5,519	5,300	6,800
5122 F.I.C.A. Social Security	4,282	4,286	4,400	5,700
5123 F.I.C.A. Medicare	1,027	1,045	1,000	1,300
5125 Dental Insurance	289	314	300	400
5126 Life Insurance	148	162	100	200
5127 Health Care Savings	2,142	2,325	2,300	1,500
5130 Cafeteria Plan Benefits	15,456	18,373	17,500	24,700
5133 Health or Fitness Program	48	-	-	-
TOTAL	28,502	32,024	30,900	40,600
OPERATING EXPENSES				
5200 Office Supplies	-	23	-	-
5241 Small Equipment	77	494	100	200
5321 Telephone	174	244	200	300
5331 Training Expense	-	426	100	100
5335 Mileage Reimbursement-Local	115	88	200	200
5356 Copier, Printer Lease & Spplies	-	-	100	100
5441 Other Services & Charges	2	88	-	-
TOTAL	368	1,363	700	900
1900 TOTAL - DIRECTOR'S OFFICE	101,735	108,776	103,300	133,000

City of Duluth Minnesota - 2023 Budget

Capital

535-500-1905

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING EXPENSES				
5420 Depreciation	453,419	448,490	520,400	516,300
5535 Improvements (Non-Capital)	57,516	82,795	248,250	35,000
5540 Equipment (Non-Capital)	740	4,828	5,750	1,300
5611 Bond Interest	8,902	4,715	2,200	-
5613 Interest from Amortization	(6,539)	(6,522)	(600)	-
TOTAL	514,038	534,306	776,000	552,600
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue	782,576	806,266	285,000	2,250,000
5580 Capital Equipment	61,599	42,664	119,000	148,100
TOTAL	844,175	848,930	404,000	2,398,100
1905 TOTAL - CAPITAL	1,358,213	1,383,236	1,180,000	2,950,700

City of Duluth Minnesota - 2023 Budget

Utility General Expense

535-500-1915

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	36,366	34,156	69,700	71,900
5101 Permanent Employees - Overtime	218	1	500	1,500
TOTAL	36,584	34,157	70,200	73,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	2,537	2,526	5,100	5,400
5121 P.E.R.A., GASB 68	(8,547)	(97,028)	-	-
5122 F.I.C.A. Social Security	2,196	2,014	4,300	4,500
5123 F.I.C.A. Medicare	513	471	1,000	1,100
5125 Dental Insurance	269	257	500	500
5126 Life Insurance	141	133	200	200
5127 Health Care Savings	663	658	4,200	1,300
5130 Cafeteria Plan Benefits	11,641	14,705	25,000	30,300
5133 Health or Fitness Program	54	64	-	-
5134 Other Post Retirement Benefits	(247,340)	(379,012)	-	-
5135 Retiree Health Insurance	32,572	23,850	32,400	32,400
5151 Worker's Compensation	17,000	19,500	24,000	28,100
TOTAL	(188,301)	(411,862)	96,700	103,800
OPERATING EXPENSES				
5200 Office Supplies	-	-	100	100
5205 Safety & Training Materials	20	81	600	600
5211 Cleaning and Janitorial Supplies	3,210	1,831	3,500	3,500
5218 Uniforms	138	138	200	100
5241 Small Equipment	1,212	541	2,000	1,700
5301 Auditing Services	1,153	1,573	1,300	1,600
5305 Medical Services/Testing Fees	613	829	1,500	1,500
5310 Contract Services	4,996	61	5,000	5,000
5320 Data Services	8,208	7,052	5,900	7,300
5321 Telephone	1,140	1,341	1,100	1,100
5331 Training Expenses	56	40	2,300	1,800
5333 Freight/Delivery Charges	5	-	-	-
5335 Mileage Reimbursement - Local	365	532	300	500

City of Duluth Minnesota - 2023 Budget

Utility General Expense

535-500-1915

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

Expense Detail	2020	2021	2022	2023
	Actual	Actual	Budget	Approved
5356 Copier, Printer Lease & Supplies	4,629	3,119	5,000	4,500
5360 Insurance	18,700	14,600	15,100	13,300
5381 Electricity	12,247	12,203	14,000	16,500
5382 Water & Gas	8,779	10,108	12,400	12,400
5384 Refuse Disposal	4,268	5,814	6,600	7,000
5401 Building Repair & Maintenance	1,704	5,606	4,200	4,200
5414 Software Lic & Mtc Agreements	29,444	30,294	32,800	33,100
5441 Other Services and Charges	1,338	1,609	3,400	183,400
5450 Laundry	801	1,137	1,000	1,200
5493 Cost Allocation Charges	169,900	169,900	196,800	196,800
5700 Transfer to General Fund	59,975	59,075	55,000	55,900
TOTAL	332,901	327,484	370,100	553,100
1915 TOTAL - UTILITY EXPENSE	181,184	(50,221)	537,000	730,300

City of Duluth Minnesota - 2023 Budget

Engineering

535-500-1930

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	466,884	485,355	493,100	537,700
5101 Permanent Employees - Overtime	19,441	17,871	23,200	23,200
5103 Temporary Wages	75	225	6,100	2,700
5105 Retirement Incentive	3,966	-	-	-
5118 Meal Allowance	356	285	600	600
TOTAL	490,722	503,736	523,000	564,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	35,752	37,227	36,600	41,800
5122 F.I.C.A. Social Security	29,034	29,966	30,600	34,900
5123 F.I.C.A. Medicare	6,790	7,008	7,100	8,200
5125 Dental Insurance	2,153	2,317	2,300	2,500
5126 Life Insurance	1,110	1,194	1,100	1,200
5127 Health Care Savings	15,389	19,776	10,600	11,300
5130 Cafeteria Plan Benefits	120,262	124,403	125,900	172,500
5133 Health or Fitness Program	212	150	-	-
5141 Unemployment Compensation	785	-	-	-
5159 Project Benefits (Contra-Account)	(1,312)	(32,480)	-	-
TOTAL	210,175	189,561	214,200	272,400
OPERATING EXPENSES				
5200 Office Supplies	303	274	400	400
5201 Computer Supplies	622	380	100	100
5203 Paper, Stationery and Forms	25	94	100	100
5205 Safety & Training Materials	97	132	200	200
5212 Motor Fuel	1,925	3,832	3,400	4,800
5218 Uniforms	797	853	800	900
5219 Other Miscellaneous Supplies	200	126	-	-
5240 Small Tools	246	255	400	500
5241 Small Equipment	3,286	1,046	2,600	2,600
5242 Survey Equipment and Supplies	3,960	2,192	5,900	5,900
5303 Engineering Services	-	10,000	22,500	22,500
5310 Contract Services	2,428	-	-	-

City of Duluth Minnesota - 2023 Budget

Engineering

535-500-1930

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5320 Data Services	2,137	2,122	4,300	4,300
5321 Telephone	2,419	1,774	2,400	2,400
5322 Postage	-	-	100	100
5331 Training Expenses	873	2,398	3,700	5,400
5335 Mileage Reimbursement	2,318	1,873	2,300	2,300
5355 Printing and Copying	-	294	800	600
5356 Copier, Printer Lease & Splies	114	100	2,100	2,100
5404 Equipment Maintenance Repair	-	1,107	1,600	2,000
5409 Fleet Services	3,334	4,438	3,300	4,900
5414 Software Lic & Mtc Agreements	10,881	13,701	11,700	14,000
5433 Dues and Subscriptions	105	128	300	300
5435 Books and Pamphlets	139	10	100	-
5438 Licenses	185	-	200	-
5441 Other Services and Charges	26,634	7,697	23,100	26,800
5486 One Call system	3,806	3,478	4,500	4,500
TOTAL	66,834	58,304	96,900	107,700
1930 TOTAL - ENGINEERING	767,731	751,601	834,100	944,300

City of Duluth Minnesota - 2023 Budget

Customer Service

535-500-1940

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	174,902	177,686	138,400	135,800
5101 Permanent Employees - Overtime	1,073	598	1,700	700
5118 Meal Allowance	18	7	-	-
TOTAL	175,993	178,291	140,100	136,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	12,669	13,023	10,200	10,000
5122 F.I.C.A. Social Security	10,367	10,449	8,600	8,500
5123 F.I.C.A. Medicare	2,425	2,443	2,000	2,000
5125 Dental Insurance	1,062	1,107	800	800
5126 Life Insurance	548	571	400	300
5127 Health Care Savings	4,535	6,815	2,800	2,400
5130 Cafeteria Plan Benefits	47,202	50,428	38,200	38,800
5133 Health or Fitness Program	66	36	-	-
TOTAL	78,874	84,872	63,000	62,800
OPERATING EXPENSES				
5200 Office Supplies	187	160	600	600
5201 Computer Supplies	188	861	400	400
5218 Uniforms	-	25	-	-
5241 Small Equipment	370	65	800	800
5310 Contract Services	13,974	14,201	25,200	25,200
5320 Data Services	13	77	100	100
5321 Telephone	263	228	200	200
5322 Postage	29,536	26,153	29,000	28,900
5331 Training Expense	(115)	463	2,200	2,200
5339 Armored Pickup	1,466	1,592	1,000	3,000
5355 Printing & Copying	282	-	1,100	200
5356 Copier, Printer Lease & Supplies	133	112	300	300
5404 Equipment Repair & Maintenance	87	89	100	-
5427 Credit Card Commission	13,639	16,758	13,000	44,600
5432 Uncollectible Accounts	22,164	(8,522)	4,900	4,900
5441 Other Services & Charges	32	106	500	500
TOTAL	82,219	52,368	79,400	111,900
1940 TOTAL - CUSTOMER SERVICES	337,086	315,531	282,500	311,200

City of Duluth Minnesota - 2023 Budget

Utility Operations

535-500-1945

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	990,486	912,619	981,300	1,085,100
5101 Permanent Employees - Overtime	55,489	46,122	62,500	62,500
5103 Other Wages	-	10,983	25,000	30,700
5111 Long-Term Disability Wages	-	320	-	-
5118 Meal Allowance	714	625	1,800	1,800
TOTAL	1,046,689	970,669	1,070,600	1,180,100
EMPLOYEE BENEFITS				
5121 P.E.R.A.	75,998	71,518	72,500	84,700
5122 F.I.C.A. Social Security	62,691	57,776	60,800	73,100
5123 F.I.C.A. Medicare	14,661	13,512	14,200	17,100
5125 Dental Insurance	5,875	5,512	5,900	6,400
5126 Life Insurance	3,050	2,829	2,700	2,900
5127 Health Care Savings	20,983	18,782	18,800	22,800
5130 Cafeteria Plan Benefits	290,689	277,159	301,000	381,600
5133 Health or Fitness Program	106	-	-	-
TOTAL	474,053	447,088	475,900	588,600
OPERATING EXPENSES				
5200 Office Supplies	865	721	1,300	1,300
5201 Computer Supplies/Software	437	407	600	600
5205 Safety & Training Materials	1,877	4,505	4,600	4,600
5210 Plant Operating Supplies	11,690	19,698	14,000	15,000
5212 Motor Fuels	21,745	29,346	47,900	58,300
5218 Uniforms	6,296	4,946	7,900	8,600
5219 Other Miscellaneous Supplies	933	1,694	2,000	2,000
5220 Repair and Maintenance Supplies	4,866	4,894	7,000	7,000
5222 Blacktop	9,796	7,183	18,500	18,500
5224 Gravel and Other Maintenance Materials	41,120	39,743	53,000	58,000
5227 Utility Maintenance Supplies	46,009	63,743	98,300	152,800
5240 Small Tools	2,957	2,872	4,600	4,600
5241 Small Equipment	940	836	8,300	6,000

City of Duluth Minnesota - 2023 Budget

Utility Operations

535-500-1945

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5310 Contract Services	8,613	4,781	9,600	9,600
5320 Data Services	1,652	2,702	2,800	2,800
5321 Telephone	1,492	1,084	1,200	1,200
5331 Training Expense	1,000	2,604	3,000	4,500
5333 Freight and Delivery Charges	1,730	687	1,000	1,000
5335 Mileage Reimbursement	2,112	3,484	4,800	4,000
5355 Printing & Copying	8,475	6	9,000	9,000
5356 Copier, Printer Lease & Supplies	116	35	600	600
5384 Refuse Disposal	13,563	31,905	12,000	13,000
5404 Equipment/Maintenance Repair	3,236	4,176	6,100	6,100
5409 Fleet Services	91,592	89,000	112,600	106,100
5414 Software Lic & Mtc Agreements	3,125	3,301	3,200	1,300
5415 Vehicle/Equip Rent	3,134	2,485	10,500	10,500
5433 Dues and Subscriptions	7,326	6,790	2,500	2,500
5441 Other Services & Charges	3,106	3,779	4,000	4,000
5450 Laundry	2,905	2,917	4,400	4,400
5700 Transfer to General Fund	478,037	473,790	491,500	491,500
TOTAL	780,745	814,114	946,800	1,009,400
1945 TOTAL - UTILITY OPERATIONS	2,301,487	2,231,871	2,493,300	2,778,100

City of Duluth Minnesota - 2023 Budget

Steam Utility Fund

540

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

Estimated Income and Expense	2020 Actual	2021 Actual	2022 Budget	2023 Approved
REVENUE				
Operating	7,502,875	8,169,988	8,465,100	12,491,700
Miscellaneous	10,452,069	(5,722)	2,682,000	63,000
	<u>17,954,944</u>	<u>8,164,266</u>	<u>11,147,100</u>	<u>12,554,700</u>
EXPENSES				
Duluth Steam Co-op Management Contract	2,959,235	3,054,778	3,053,200	3,204,000
Fuel Expense	2,926,171	3,428,755	3,568,100	7,052,700
Other Operating & Maintenance Expenses	733,418	789,133	782,700	1,025,000
Depreciation/Amortization	1,318,017	1,566,683	1,600,100	1,781,600
In Lieu of Taxes	152,800	154,492	154,000	223,200
Debt Service - Interest	186,957	348,899	336,300	297,200
Debt Service - Other	187,812	1,425	1,400	1,000
	<u>8,464,410</u>	<u>9,344,165</u>	<u>9,495,800</u>	<u>13,584,700</u>
ESTIMATED OPERATING INCOME/(LOSS)	9,490,534	(1,179,899)	1,651,300	(1,030,000)
Other Sources of Cash	7,071,708	22,464,165	1,600,100	1,781,600
Other Uses of Cash	(11,979,034)	(26,363,725)	(5,660,000)	(3,675,000)
Increase (Decrease) in Cash	<u>4,583,208</u>	<u>(5,079,459)</u>	<u>(2,408,600)</u>	<u>(2,923,400)</u>

City of Duluth Minnesota - 2023 Budget

Steam Utility Fund Estimated Cash Balance

OPERATING FUND	2022 Budget	2022 Projected	2023 Approved
ESTIMATED OPERATING INCOME (LOSS)	1,651,300	1,263,203	(1,030,000)
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,600,100	1,613,035	1,781,600
Due from Other Funds	-	33,142	-
Total Other Sources of Cash	1,600,100	1,646,178	1,781,600
<u>Other Uses of Cash</u>			
Due to Other Funds	-	1,368,909	-
Capital Improvements	250,000	643,839	1,700,000
Capital Improvements - Bond Financing	1,800,000	582,067	-
Capital Improvements - Revenue Financing	2,550,000	2,550,000	845,000
Capital Equipment Purchases	-	49,242	-
Bond Principal Payments	1,060,000	1,060,000	1,130,000
Total Other Uses of Cash	5,660,000	6,254,057	3,675,000
INCREASE (DECREASE) IN CASH	(2,408,600)	(3,344,677)	(2,923,400)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH-BEGINNING	181,039	181,039	(3,163,638)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH-ENDING	(2,227,561)	(3,163,638)	(6,087,038)

City of Duluth Minnesota - 2023 Budget

Steam Utility Fund

540

Revenue Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING REVENUES:				
4801 Off/On Charge	600	-	-	-
4802 Interest Earned on Customer Accts	7,933	16,082	18,000	12,000
4809 Misc Non-Operating Income	21,632	8,460	9,600	9,600
4840 Energy Charge	2,804,241	3,243,332	3,418,900	6,580,000
4842 Capacity Charge	4,110,407	4,137,110	4,243,200	4,996,000
4843 Steam Repair - Labor	13,519	3,640	4,200	4,200
4844 Steam Repair - Materials	3,516	1,283	6,000	6,000
4845 Hot Water Sales	172,504	294,549	290,300	401,200
4846 Chilled Water Capacity Charge	198,253	177,475	198,300	198,300
4847 Chilled Water Energy Charge	91,893	113,874	102,100	100,800
4858 Infrastructure Charge	78,377	174,183	174,500	183,600
TOTAL OPERATING REVENUES	7,502,875	8,169,988	8,465,100	12,491,700
MISCELLANEOUS REVENUES:				
4210 Pass-thru Federal Grants	-	-	2,550,000	-
4220 Minnesota Grants - Capital	10,287,879	-	-	-
4601 Earnings on Investments	65,837	(65,239)	-	-
4855 DECC Capacity Charge	103,154	59,517	132,000	63,000
4720 Gain/Loss on Sale Capital Assets	(4,801)	-	-	-
TOTAL MISCELLANEOUS REVENUES	10,452,069	(5,722)	2,682,000	63,000
TOTAL REVENUE	17,954,944	8,164,266	11,147,100	12,554,700

City of Duluth Minnesota - 2023 Budget

Steam Utility Fund

540

Expense Detail by Division	2020 Actual	2021 Actual	2022 Budget	2023 Approved
1490 Production	2,926,171	3,428,755	3,568,100	7,052,700
1491 Chiller Production	76,806	318,562	65,100	63,000
1492 Production Maintenance	188,082	204,186	228,000	270,000
1493 Transmission & Distribution	227,203	70,436	210,000	360,000
1494 Customer Accounting	5,500	-	6,000	6,000
1495 Administration & General	4,620,302	4,970,309	5,083,700	5,537,600
1497 Hot Water	14,410	16,622	15,600	15,600
1499 Debt Service & Capital	405,936	335,295	319,300	279,800
TOTAL EXPENSES	8,464,410	9,344,165	9,495,800	13,584,700

City of Duluth Minnesota - 2023 Budget

Production

540-1490

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5216 Chemicals	16,772	53,191	48,000	78,000
5220 Repair and Mtc Supplies	7,241	2,160	-	-
5310 Contract Services	358	-	-	-
5381 Electricity	83,621	73,976	99,000	140,000
5382 Water, Gas and Sewer	200,048	192,425	164,500	240,000
5383 Natural Gas	2,397,794	2,973,706	3,061,400	6,258,300
5384 Refuse Disposal	1,898	2,243	-	-
5385 Oil	14,243	6,663	25,000	30,300
5387 Coal	199,540	116,325	155,400	292,700
5388 Ash Handling	4,656	8,066	14,800	13,400
1490 TOTAL - PRODUCTION	2,926,171	3,428,755	3,568,100	7,052,700

City of Duluth Minnesota - 2023 Budget

Chiller Production

540-1491

Records the variable cost of producing and distributing chilled water.

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5216 Chemicals	17,875	479	7,500	7,500
5220 Repair & Mntc Supplies	5,982	75,207	6,600	6,600
5310 Contract Services	21,664	216,303	10,300	18,500
5381 Electricity	25,049	21,838	35,200	25,900
5382 Water, Gas & Sewer	6,236	4,735	5,500	4,500
1491 TOTAL - PRODUCTION	76,806	318,562	65,100	63,000

City of Duluth Minnesota - 2023 Budget

Production Maintenance

540-1492

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

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5205 Safety Equipment & Supplies	1,918	1,143	6,000	6,000
5220 Repair Materials & Supplies	159,652	170,979	156,000	156,000
5310 Contract Services	26,512	32,064	66,000	108,000
1492 TOTAL - PRODUCTION MAINTENANCE	188,082	204,186	228,000	270,000

City of Duluth Minnesota - 2023 Budget

Transmission & Distribution

540-1493

Provides the materials, supplies, and contractual services when required for the operation of the distribution system, involving ten miles of line, 105 manholes, and 230 services.

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5220 Repair Materials & Supplies	89,932	21,206	132,000	180,000
5310 Contract Services	137,271	47,649	78,000	180,000
5409 Fleet Services Charges	-	1,581	-	-
1493 TOTAL - TRANSMISSIONS & DISTRIBUTION	227,203	70,436	210,000	360,000

City of Duluth Minnesota - 2023 Budget

Customer Accounting

540-1494

Supports the department's operations by billing promptly and accurately for services provided. Collects, deposits, and accounts for all revenues.

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5432 Uncollectible Accounts	5,500	-	6,000	6,000
1494 TOTAL - CUSTOMER ACCOUNTING	5,500	-	6,000	6,000

City of Duluth Minnesota - 2023 Budget

Administration & General

540-1495

Manages the Duluth Steam Cooperative and administers the auditing expense, insurance, depreciation, in lieu of tax, and the Duluth Steam District management contract.

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5200 Office Supplies	1,598	1,458	2,100	4,200
5301 Audit Fees	1,557	2,706	2,800	2,800
5304 Legal Services	-	300	-	-
5307 Management Contract	2,959,235	3,054,778	3,053,200	3,204,000
5319 Other Professional Services	11,793	3,144	9,100	9,100
5321 Telephone Service	4,423	4,385	4,800	6,000
5322 Postage	1,327	1,172	1,300	1,300
5331 Travel/Training	-	-	1,200	1,200
5340 Advertising & Promotion	4,945	5,630	6,000	6,000
5361 General Liability Boiler Insurance	88,004	55,530	101,300	134,900
5384 Refuse Disposal	-	-	2,300	2,300
5415 Vehicle/Equip Rent (Short-term)	5,268	5,273	6,000	6,000
5420 Depreciation	1,286,850	1,581,712	1,618,500	1,800,000
5433 Dues & Subscription	4,696	1,811	3,600	4,800
5438 Licenses Operating	33,453	34,538	35,300	35,300
5441 Other Services & Charges	11,153	10,180	28,100	31,100
5443 Board & Meeting Expenses	-	-	900	900
5480 Payment in Lieu of Taxes	152,800	154,492	154,000	223,200
5493 Cost Allocation	53,200	53,200	53,200	64,500
1495 TOTAL - ADMINISTRATION & GENERAL	4,620,302	4,970,309	5,083,700	5,537,600

City of Duluth Minnesota - 2023 Budget

Hot Water

540-1497

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5220 Repair & Maintenance Supplies	-	-	1,200	1,200
5310 Contract Services	-	-	1,200	1,200
5381 Electricity	13,767	15,979	13,200	13,200
5441 Other Services & Charges	643	643	-	-
1497 TOTAL - HOT WATER	14,410	16,622	15,600	15,600

City of Duluth Minnesota - 2023 Budget

Debt Service & Capital

540-1499

Costs to pay the interest expense on the outstanding bond issues and the DEDA storefront loan and capital improvement costs.

Expense Detail	2020 Actual	2021 Actual	2022 Budget	2023 Approved
OPERATING EXPENSES				
5611 Bond Interest	186,957	348,899	336,300	297,200
5620 Fiscal Agents Fee	1,433	1,425	1,400	1,000
5621 Bond Issuance/Discount Fees	186,379	-	-	-
5622 Bond Amortization	31,167	(15,029)	(18,400)	(18,400)
TOTAL	405,936	335,295	319,300	279,800
NON-OPERATING EXPENSES				
5530 Capital Improvements	585,044	269,660	250,000	1,700,000
5530 Capital Improvements - Bond Financing	14,777,081	1,775,037	1,800,000	-
Capital Improvements - Revenue				
5530 Financing	790,199	1,645,811	2,550,000	845,000
TOTAL	16,152,324	3,690,508	4,600,000	2,545,000
1499 TOTAL - DEBT SERVICE & CAPITAL	16,558,260	4,025,803	4,919,300	2,824,800

City of Duluth Minnesota - 2023 Budget

Internal Service Funds

Funds

Self-Insurance - Workers' Compensation
 Self-Insurance - Liability
 Medical Health Fund
 Dental Health Fund
 Fleet Services

Internal Service funds account for financing of goods or services provided by one department to other departments of the City, or to other governmental units on a cost reimbursement basis.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	4,580,062	7,738,821	9,630,071	10,026,664
REVENUES				
Participation from Other Funds	30,035,050	31,196,060	32,208,457	32,827,910
Charges for Services	3,984,386	4,029,079	4,651,600	5,162,500
Miscellaneous	4,061,414	5,903,531	3,739,100	4,193,941
TOTAL REVENUES	38,080,850	41,128,670	40,599,157	42,184,351
EXPENSES				
Personal Services	3,091,958	2,592,571	3,524,466	3,559,063
Other Expenditures	5,258,457	5,274,710	5,011,283	5,561,416
Claims	26,571,676	31,370,139	31,666,815	35,963,614
TOTAL EXPENSES	34,922,091	39,237,420	40,202,564	45,084,093
FUND BALANCE - DECEMBER 31	7,738,821	9,630,071	10,026,664	7,126,922

City of Duluth Minnesota - 2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	(613,052)	(1,679,693)	(1,254,839)	(599,539)
REVENUES				
Transfer from City Funds				
- General	900,000	1,900,000	2,736,000	2,100,000
- Public Utility	158,900	186,320	235,800	251,900
Other Reimbursements	68,165	51,861	140,600	140,200
TOTAL REVENUES	1,127,065	2,138,181	3,112,400	2,492,100
EXPENSES				
Personal Services	1,150,056	720,899	1,408,300	1,317,200
Claims: Workers' Compensation	321,508	320,804	409,600	399,700
Other Services and Charges	722,142	671,624	639,200	695,000
TOTAL EXPENSES	2,193,706	1,713,327	2,457,100	2,411,900
FUND BALANCE - DECEMBER 31	(1,679,693)	(1,254,839)	(599,539)	(519,339)
BUDGETED FTE'S				
1100 Safety & Training Officer	1	1	1	1

City of Duluth Minnesota - 2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	854,625	984,857	797,052	558,152
REVENUES				
Transfer from City Funds				
- General	500,000	540,000	500,000	300,000
- Public Utility	193,900	230,000	179,900	170,600
- Duluth Steam	20,363	46,714	42,100	43,700
Duluth Airport	47,015	94,304	70,400	73,600
DEDA	24,812	35,628	30,100	31,900
Other Reimbursements	6,075	98,149	-	-
TOTAL REVENUES	792,165	1,044,795	822,500	619,800
EXPENSES				
Claims: Liability	39,664	581,882	355,200	328,200
Property/Boiler Insurance	308,203	323,071	323,000	343,500
Other Services and Charges	314,066	327,647	383,200	400,200
TOTAL EXPENSES	661,933	1,232,600	1,061,400	1,071,900
FUND BALANCE - DECEMBER 31	984,857	797,052	558,152	106,052

City of Duluth Minnesota - 2023 Budget

Medical Health Fund

630

Accounts for health care activities of the City's Joint Powers Enterprise self-insurance plan. Health care costs for retired and active employees of the City and participating City authorities are paid from this fund. The fund is financed by employer and employee premiums as specified in the various collective bargaining agreements. Plan oversight, including premium rate setting, is provided by the Joint Powers Enterprise Board of Trustees.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	5,001,204	8,894,280	10,240,361	10,177,930
REVENUES				
City Employer/Employee Premium	27,261,691	27,201,504	27,414,437	28,856,118
Sub-Group Employer/Employee Premium	2,359,407	2,243,562	2,562,371	3,040,116
Miscellaneous	1,538,838	3,376,752	969,205	925,413
TOTAL REVENUES	31,159,936	32,821,818	30,946,013	32,821,647
EXPENSES				
Personal Services	380,598	390,113	399,866	409,863
Claims	25,468,582	29,554,009	29,877,970	34,070,999
Other Services and Charges	1,417,680	1,531,615	730,608	752,291
TOTAL EXPENSES	27,266,860	31,475,737	31,008,444	35,233,153
FUND BALANCE - DECEMBER 31	8,894,280	10,240,361	10,177,930	7,766,424

City of Duluth Minnesota - 2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	237,365	445,452	507,950	483,974
REVENUES				
City Employer/Employee Premiums	928,369	961,590	999,720	1,000,092
Sub-Group Employer/Employee Premiums	82,829	83,413	66,924	88,212
Miscellaneous	4,484	(1,077)	-	-
TOTAL REVENUES	1,015,682	1,043,926	1,066,644	1,088,304
EXPENSES				
Claims	741,922	913,444	1,024,045	1,164,715
Other Services and Charges	65,673	67,984	66,575	67,525
TOTAL EXPENSES	807,595	981,428	1,090,620	1,232,240
FUND BALANCE - DECEMBER 31	445,452	507,950	483,974	340,038

City of Duluth Minnesota - 2023 Budget

Fleet Services

City Priority: Innovation and Excellence in Service

<u>Objective:</u>	<u>Strategy/Measure:</u>	2020 Actual	2021 Actual	2022 Estimate	2023 Target
High Performing Organization: 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	2,959	3,131	2,883	2,900
	Percent of in house work orders to outsource workorders.	87%	86%	74%	80%
	Percent of hours worked billed by shop mechanics.	80%	81%	83%	80%
	Train and support new users on Collective Data system.	50%	60%	70%	80%
Long Range Planning: 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.	N/A	5%	50%	100%
	Complete remodel of upstairs area to accommodate breakroom, locker room, training area, and a fitness center.	95%	95%	100%	N/A
Transportation: 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.	N/A	10%	15%	25%
High Performing Organization: Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals	Expand FIMS use in Capital Planning	40%	60%	75%	100%
	Incorporate the new service vehicle into the PM scheduling	N/A	50%	50%	75%
	Implement scheduling module to reduce downtime.	50%	60%	65%	70%
	Develop and implement Fleet right-sizing and usage standards	75%	75%	85%	100%

City of Duluth Minnesota - 2023 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.

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
FUND BALANCE - JANUARY 1	(900,081)	(906,076)	(660,454)	(593,854)
REVENUES				
SALES & SERVICES (BY ACCOUNT):				
Fuel Sales	619,574	922,774	1,236,100	1,580,800
Fleet Repair Part Sales, Fleet Parts	831,514	795,105	900,100	751,100
Fleet Repair Part Sales, Sublet Part Sales	572,994	298,407	400,000	388,100
Fleet Repair Part Sales, Fleet Repair				
Services Other Cost	-	3,294	8,900	3,000
Fleet Repair Services, Fleet Labor	1,599,054	1,752,155	1,803,500	1,874,000
Fleet Repair Services, Sublet Labor	361,250	257,344	303,000	315,000
Fleet Fixed Costs	-	-	-	250,500
TOTAL SALES & SERVICES	3,984,386	4,029,079	4,651,600	5,162,500
SALES & SERVICES (BY FUND):				
General Fund	3,264,399	3,102,014	3,648,700	3,984,200
Parks Fund	7,894	5,239	3,700	6,600
Special Projects Fund	2,098	6,303	-	-
Parking Fund	1,479	6,923	9,900	6,900
Water and Gas	394,557	558,258	562,100	697,600
Sewer	152,991	173,657	196,500	229,200
Stormwater	118,597	126,616	167,200	174,100
Steam	-	1,580	-	-
Street Light Utility	42,371	48,489	63,500	63,900
TOTAL SALES & SERVICES	3,984,386	4,029,079	4,651,600	5,162,500
Other Revenue	1,616	50,871	-	-
TOTAL REVENUES	3,986,002	4,079,950	4,651,600	5,162,500
EXPENSES				
Personal Services	1,115,323	1,098,200	1,170,500	1,210,000
Benefits	445,981	383,359	545,800	622,000
Other Expenses	2,430,693	2,352,769	2,868,700	3,302,900
TOTAL EXPENSES	3,991,997	3,834,328	4,585,000	5,134,900
FUND BALANCE - DECEMBER 31	(906,076)	(660,454)	(593,854)	(566,254)

City of Duluth Minnesota - 2023 Budget

Fleet Services - Personnel Summary

660

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
1125 Fleet Services Manager	1.00	1.00	1.00	1.00
32 Fleet Assistant	1.00	-	-	-
1075 Service Center Supervisor	-	1.00	1.00	1.00
133 Budget & Operations Analyst	0.20	0.20	0.20	0.20
32 Fleet Services Leadworker	2.00	1.00	1.00	1.00
30 Asset & Supply Specialist	-	1.00	1.00	1.00
28 Heavy Equipment Mechanic	6.00	6.00	6.00	6.00
28 Welder	2.00	2.00	2.00	2.00
27 Industrial Equipment Technician	1.00	1.00	1.00	1.00
27 Inventory Tech II	-	1.00	1.00	1.00
27 Storekeeper	1.00	-	-	-
27 Vehicle Repair Specialist	1.00	1.00	1.00	1.00
25 Vehicle Maintenance Mechanic	1.00	1.00	1.00	1.00
24 Assistant Storekeeper	1.00	-	-	-
24 Inventory Tech I	-	1.00	1.00	1.00
22 Maintenance Worker	-	1.00	-	-
Division Total	17.20	18.20	17.20	17.20

City of Duluth Minnesota - 2023 Budget

Fleet Services - Expense Detail

660

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,091,501	1,086,901	1,160,500	1,200,000
5101 Permanent Employees - Overtime	16,028	11,269	10,000	10,000
5105 Pass-thru Federal Grants, Operating	7,794	-	-	-
5118 Meal Allowance	-	30	-	-
TOTAL	1,115,323	1,098,200	1,170,500	1,210,000
5121 P.E.R.A.	80,568	80,414	86,400	89,300
5121 P.E.R.A., GASB 68	(58,338)	(122,974)	-	-
5122 F.I.C.A. Social Security	67,037	65,573	72,600	75,000
5123 F.I.C.A. Medicare	15,678	15,336	17,000	17,500
5125 Dental Insurance	6,481	6,448	6,800	6,800
5126 Life Insurance	5,874	4,811	3,100	3,100
5127 Health Care Savings Plan	25,100	22,517	25,100	25,200
5130 Cafeteria Plan Benefits	303,581	311,234	334,800	405,100
TOTAL	445,981	383,359	545,800	622,000
OTHER EXPENSES				
5200 Office Supplies	413	782	1,000	1,000
5205 Safety & Training Materials	1,373	1,931	5,000	5,000
5210 Plant/Operating Supplies	17,355	9,386	20,000	20,000
5211 Cleaning/Janitorial Supplies	350	151	-	-
5212 Motor Fuel	621,289	926,286	1,211,700	1,546,700
5215 Shop Materials	17,020	16,300	17,500	17,500
5218 Uniforms	600	400	400	400
5219 Other Miscellaneous Supplies	363	-	-	-
5221 Equipment Repair Supplies	1,088,613	847,727	1,000,000	1,050,000
5240 Small Tools	6,665	8,818	8,000	8,000
5241 Small Equipment	30	-	-	-
5319 Other Professional Services	-	-	4,000	-
5320 Data Services	9,184	8,439	5,300	9,300
5321 Telephone	546	740	1,100	1,100
5331 Travel/Training	800	4,212	5,000	7,500
5335 Local Mileage Reimbursement	5	-	500	100
5356 Copier, Printer Lease & Supplies	2,823	1,821	3,100	3,100
5381 Electricity	17,439	18,517	19,000	20,900
5382 Water, Gas and Sewer	15,846	17,884	19,000	25,000

City of Duluth Minnesota - 2023 Budget

Fleet Services - Expense Detail

660

	2020 Actual	2021 Actual	2022 Budget	2023 Approved
5384 Refuse Disposal	1,112	987	1,500	1,500
5401 Building Structure Repair	945	624	-	-
5404 Equipment Repair & Maintenance	374,554	244,520	300,000	315,000
5414 Software Licenses & Maintenance	19,968	15,604	22,000	31,000
5420 Depreciation	59,288	61,101	38,400	58,600
5438 Licenses	8,701	1,408	8,000	3,000
5441 Other Services and Charges	9,847	11,853	20,000	20,000
5450 Laundry	9,364	7,078	12,000	12,000
5493 Cost Allocation Charges	146,200	146,200	146,200	146,200
TOTAL	2,430,693	2,352,769	2,868,700	3,302,900
5580 Capital Equipment	9,846	-	-	-
TOTAL EXPENSES	4,001,843	3,834,328	4,585,000	5,134,900

City of Duluth Minnesota - 2023 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 improvement projects to City infrastructure, such as facility enhancements and expansion, upgrades to parks and trails, and improvements to streets and utilities. Also included in the capital budget are capital equipment rolling stock, such as public safety and maintenance vehicles, and non-rolling stock such as technology and public safety equipment. This section presents a summary of the 2023 capital improvement budget and the 2023 through 2027 capital improvement plans.

2023 Proposed Improvements

The 2023 capital improvement program outlines total proposed projects in the amount of \$99,107,271 funded through various sources including bonding, State bonding, City Tourism Tax 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 (.5%) and utilities revenue. Included in the capital improvement budget are projects for facilities, state bonding projects, parks and trails, streets and bridges, and the Water, Gas, Sewer, Stormwater and Street Lighting utilities.

To identify which project 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 \$1,800,000. State Bonding Projects are to be funded by Federal Funding totaling \$4,938,067, State Bonds totaling \$13,500,000, and Other City Funding totaling \$6,400,000 for a combined total of \$24,838,067.

Parks and trails are to be funded by federal grants totaling \$3,317,421; ARPA Funding totaling \$1,300,000; state grants totaling \$3,370,035; St Louis River Corridor bond proceeds (½ and ½ tax) of \$1,315,700; other Grants and Donations totaling \$7,301,575; City Bond totaling \$2,000,000; State Bond totaling \$204,000; Other City funding of \$2,107,366 and the Parks fund contribution of \$1,488,061 for a combined program total of \$22,404,158.

City of Duluth Minnesota - 2023 Budget

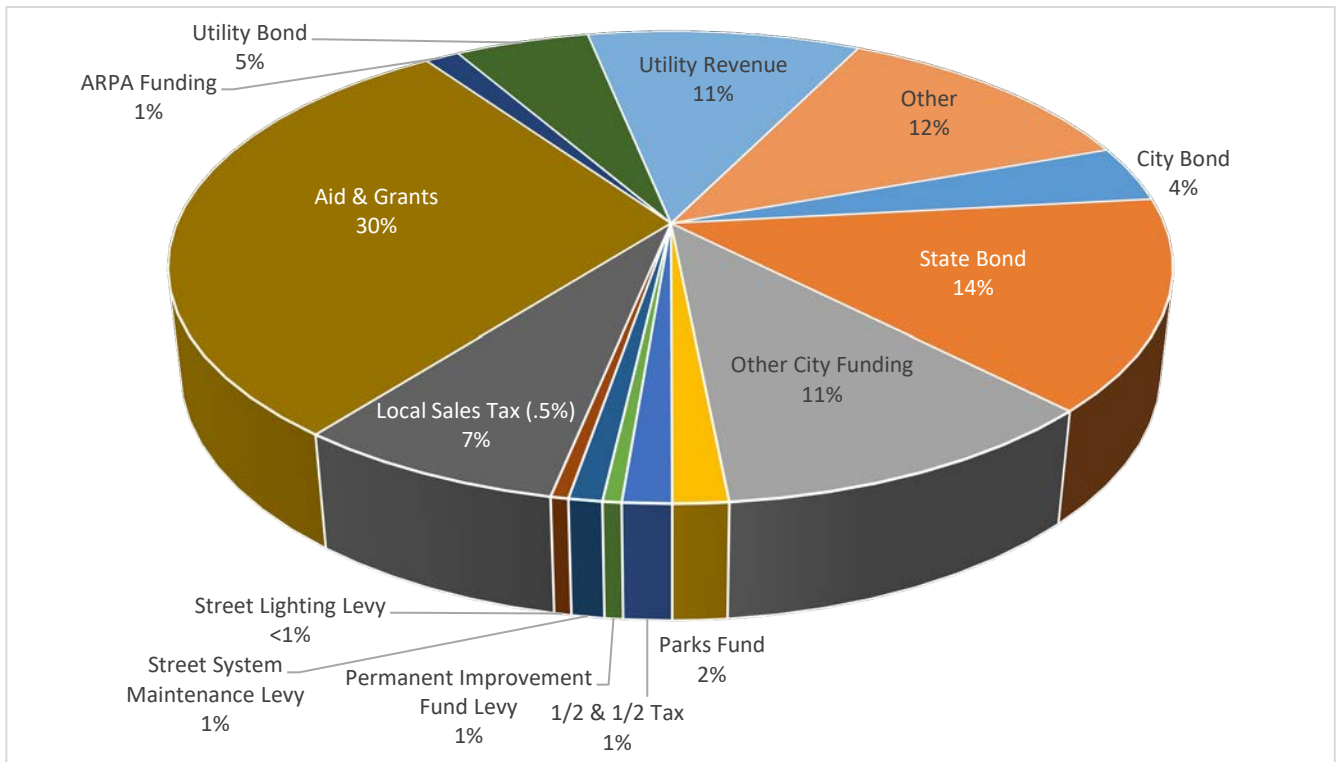
Capital Improvement Plan Continued

The Street and Bridge Improvement and Preservation program for 2023 totals \$26,173,046. Funding sources include \$16,199,000 from aids and grants, \$543,046 from State Bonding, \$505,000 from property tax dollars levied in the Permanent Improvement fund, \$7,250,000 from the local sales tax dedicated to street improvement (.5%), \$500,000 from the Street System Maintenance levy, \$475,000 from the Street Lighting Fund and \$701,000 from other City funding sources.

2023 Capital Utility Projects total \$23,892,000 and will be funded using: \$5,100,000 from Water Revenue Bonds, \$8,400,000 from Grants, and \$10,392,000 from utility revenue.

2023 Funding Sources

City Bond	3,800,000	Street Lighting Levy	475,000
State Bond	14,247,046	Local Sales Tax (.5%)	7,250,000
Other City Funding	10,715,366	Aid & Grants	29,574,523
Parks Fund	1,488,061	ARPA Funding	1,300,000
1/2 & 1/2 Tax	1,315,700	Utility Bond	5,100,000
Permanent Improvement Fund Levy	505,000	Utility Revenue	10,392,000
Street System Maintenance Levy	900,000	Other	12,044,575
		Total	99,107,271



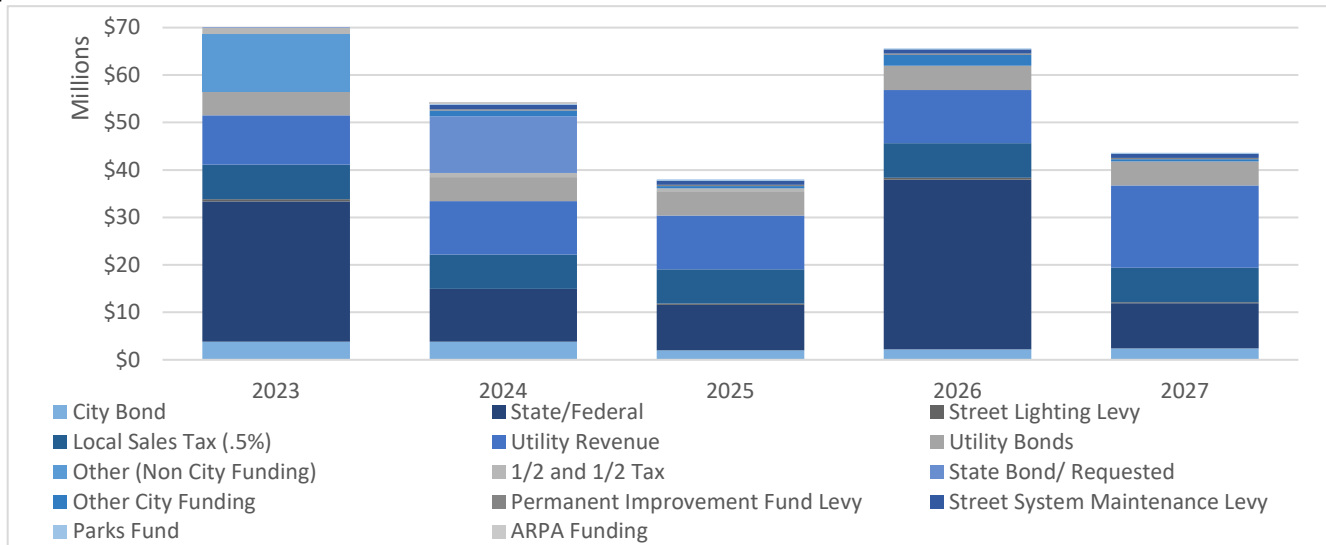
City of Duluth Minnesota - 2023 Budget

Capital Improvement Plan

5 Year Funding Sources

Five Year Improvement Plan Funding

The City has identified \$300.7 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 \$39.7 million in capital improvements. Shown in the chart below are the funding sources by year for the five-year capital improvement plan.



	2023	2024	2025	2026	2027	Total
City Bond	3,800,000	3,800,000	1,980,000	2,178,000	2,395,800	14,153,800
State Bond/ Requested	14,247,046	12,000,000	-	-	-	26,247,046
Other City Funding	10,715,366	1,190,000	440,000	2,290,000	440,000	15,075,366
State/Federal	29,574,523	11,150,000	9,610,000	35,808,091	9,500,000	95,642,614
ARPA Funding	1,300,000	375,000	-	-	-	1,675,000
Permanent Improvement Fund	505,000	280,000	280,000	280,000	280,000	1,625,000
Street System Maintenance Levy	900,000	900,000	900,000	900,000	900,000	4,500,000
Street Lighting Levy	475,000	-	250,000	400,000	250,000	1,375,000
Local Sales Tax (.5%)	7,250,000	7,250,000	7,250,000	7,250,000	7,250,000	36,250,000
Utility Revenue	10,392,000	11,221,000	11,340,000	11,220,000	17,333,500	61,506,500
Utility Bonds	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000	25,500,000
Parks Fund	1,488,061	265,000	265,000	175,000	150,000	2,343,061
Other (Non City Funding)	12,044,575	-	-	-	-	12,044,575
1/2 and 1/2 Tax	1,315,700	820,000	610,500	-	-	2,746,200
Total Plan	99,107,271	54,351,000	38,025,500	65,601,091	43,599,300	300,684,162

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

2023 Funding Sources by Project

Facilities	Bond				
	Parks Fund	1/2 & 1/2 Tax	Aids/Grants/ Bond	Other	ARPA Funding
CIP Eligible VFA Building Improvements			425,000		
Civic Buildings (CCW/City Hall/Library)			1,050,000		
Public Safety Buildings (Fire/Police)			325,000		
Total			1,800,000		
Parks and Trails	Parks Fund	1/2 & 1/2 Tax	Aids/Grants/ Bond	Other	ARPA Funding
St. Louis County Tax Forfeit Land Conveyance	240,000	-	-	4,200,000	-
St. Louis River Natural Area Land Acquisition	30,000	-	900,000	2,800,000	-
Lincoln Park Restoration	587,500	810,000	1,092,026	578,880	1,200,000
Enger Golf Course Renovation	-	-	2,000,000	750,000	-
Lester Park Golf Course-Public Planning Process	100,000	-	-	-	-
Brighton Beach Park:	-	-	-	-	-
Landscape	-	-	801,634	414,061	-
Green Space Renewal	127,000	-	-	-	-
Signage & Wayfinding	50,000	-	-	-	-
Spirit Landing Project:	-	-	-	-	-
Land Purchase/Design	-	120,000	250,000	-	-
Zoo Main Building Design	-	-	204,000	-	-
Community Athletic Facilities Needs Assessment	150,000	-	-	-	-
Indian Point Campground Maintenance	-	-	-	70,000	-
Neighborhood Parks:					
Midtown Park Construction	-	-	-	-	100,000
Park Point Beach House	-	-	-	90,000	-
Fond du Lac and Historical Parks	-	30,000	-	-	-
Sustainable Infrastructure:					
Asset Management Plan	15,000	-	-	-	-
Golf Subsidy	25,000	-	-	-	-
Natural Resources	30,000	-	-	25,000	-
Duluth Traverse Trail & Grand Avenue Nordic Center	-	-	1,478,696	-	-

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

2023 Funding Sources by Project

Parks and Trails Continued	Parks Fund	1/2 & 1/2 Tax	Aids/Grants	Other	ARPA Funding
Cross City Trail:					
Phase III: Irving Park to Greene Street	28,050	255,700	600,000	246,000	-
Waabizheshikana-The Marten Trail:					
Segment 2 Construction	-	-	665,100	115,000	-
Snowmobile Trail	-	-	400,000	-	-
Park Point Beach Access-Lafayette Community Center	6,076	-	100,000	100,000	-
St. Louis River Estuary Water Trail Improvements:					
Munger Landing Park Improvements	-	50,000	-	-	-
Perch Lake Improvements	-	50,000	-	-	-
Lakewalk Interpretive Plan	-	-	-	20,000	-
Other Trail Improvements:					
ADA Access	10,000	-	-	-	-
Bridges/Infrastructure Failures	14,435	-	-	-	-
Forest Hill Property Acquisition	55,000	-	400,000	-	-
Amity Creek Multi-Purpose Trail Gates	10,000	-	-	-	-
Lakewalk Speed Limit Signage	10,000	-	-	-	-
Total	1,488,061	1,315,700	8,891,456	9,408,941	1,300,000
State Bonding Projects	State Bond	Other City Funding	Federal Funding		
Seawall & Surface Improvements	13,500,000	6,400,000	4,938,067		
Street & Bridge Reconstruction and Preservation Program	Permanent Improvement Fund	Aids/Grants	Street Mtc Levy/Local Sales Tax	Other	State Bond/Request
Aerial Lift Bridge Painting and Misc. Structural Repairs	-	1,200,000	-	-	-
Raleigh St., 59th Ave W to Grand Ave. Watermain & Street Reconstruction	-	1,700,000	-	-	-
St. Andrews Bridge Replacement at Tischer Creek	240,000	-	-	-	250,000
6th Ave E., 1st St to 2nd St.	-	6,650,000	-	-	-

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

2023 Funding Sources by Project

Street & Bridge Reconstruction and Preservation Program Continued	Permanent Improvement Fund		Street Mtc Levy/Local Sales Tax		State Bond/Request
	Aids/Grants	Other	Sales Tax	Other	Request
3rd St., Mesaba Ave to 12th Ave E	-	4,400,000	-	-	-
Lincoln Park Safe Routes to School	-	-	100,000	-	293,046
MNDOT Gogebic & Steel Creek	-	-	-	10,000	-
W. Superior St., Michigan St. to Carlton St.	-	2,400,000	400,000	15,000	-
Rural Pavement Marking	15,000	135,000	-	-	-
Retaining Wall, Guard Rail Repair, Restripping, Bridge Repair	170,000	-	-	-	-
Street Preservation (Various Locations) Patch Project	-	-	7,250,000	450,000	-
Sidewalks	60,000	-	-	415,000	-
Total	20,000	-	-	-	-
	505,000	16,485,000	7,750,000	890,000	543,046
Capital Utility Projects	Utility				
	Rev/Bond	Grants			
WTP Resiliency Grant	-	3,500,000			
WTP Resiliency Grant Match	750,000	-			
Woodland Pump Station (design)	250,000	-			
Gogebic & Steel Creeks (MNDOT Coordination)	320,000	-			
Morris Thomas Rd (SLC Coordination)	1,100,000	-			
Lead Service Replacement Project (49% Grant Funded) If Awarded	5,100,000	4,900,000			
Raleigh St, 59th Ave W to Grand	702,000	-			
W Superior St Reconstruction, 23-Design	185,000	-			
Devonshire St, Atlantic to West End	120,000	-			
First Ave E, Superior St to 3rd St Alley	240,000	-			
Chester Park Alley	135,000	-			
Blanket Project	1,650,000	-			
EFV/meter relocations /bollards	500,000	-			
Patch contract	10,000	-			
Street projects	30,000	-			
Gogebic culverts with MNDOT	100,000	-			

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

2023 Funding Sources by Project

Capital Utility Projects Continued	Utility	
	Rev/Bond	Grants
Morris Thomas Rd (SLC Coordination)	100,000	-
Miscellaneous Street Projects	100,000	-
Lift Station Rehabilitation	450,000	-
Manhole Rehabilitation	50,000	-
City Wide Sanitary Sewer Lining	1,500,000	-
Annual Manhole Adjustments	50,000	-
Misc. Small Scale projects	145,000	-
Annual CIPP Lining	300,000	-
Annual SIP Coordination	750,000	-
Brewery Creek 5th St Alley	150,000	-
Citywide Pipe Repairs & Steep Slope "down drains"	200,000	-
FEMA Outfall Unreimbursed Overruns	35,000	-
Gogebic Creek CIPP & Improvements	385,000	-
Morris Thomas Rd with SLC	20,000	-
Miller Creek Down Drain w CI US ACOE Grant Match	60,000	-
US Steel Creek Storm Sewer Replacement	5,000	-
Total	15,492,000	8,400,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

5 Year Project Summary

Facilities	2023	2024	2025	2026	2027	Total
CIP Eligible VFA Building Improvements	425,000	400,000	780,000	963,000	1,170,800	3,738,800
40th Toolhouse Portable/Above-Ground Material Storage	-	-	250,000	-	-	250,000
Fleet Roof Design/Engineering	-	-	35,000	-	-	35,000
Miscellaneous Toolhouse Mtce	-	-	-	415,000	-	415,000
42nd Toolhouse Structural Study/Repair	-	-	-	300,000	-	300,000
City Hall HVAC	800,000	800,000	-	-	-	1,600,000
City Hall Grounds/Priley Circle	250,000	250,000	400,000	400,000	-	1,300,000
City Center West Flooring & Paint	-	-	-	100,000	-	100,000
City Center West EOC Driveway/Parking Lot	-	-	-	-	500,000	500,000
Main Library Elevator Upgrade	-	-	-	-	425,000	425,000
Firehall Miscellaneous Maintenance	250,000	100,000	415,000	-	300,000	1,065,000
Police Firing Range Study & Improvements	25,000	250,000	-	-	-	275,000
Public Safety Building Miscellaneous Improvements	50,000	-	100,000	-	-	150,000
Facilities Total	1,800,000	1,800,000	1,980,000	2,178,000	2,395,800	10,153,800
Parks and Trails	2023	2024	2025	2026	2027	Total
St. Louis County Tax Forfeit Land Conveyance	4,440,000	-	-	-	-	4,440,000
St. Louis River Natural Area Land Acquisition	3,730,000	-	-	-	-	3,730,000
Lincoln Park Restoration	4,268,406	-	-	-	-	4,268,406

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

5 Year Project Summary

Parks and Trails Continued	2023	2024	2025	2026	2027	Total
Enger Golf Course Renovation	2,750,000	2,750,000	-	-	-	5,500,000
Lester Park Golf Course- Public Planning Process	100,000	-	-	-	-	100,000
Brighton Beach Park: Remove Old Road & Restore Landscape	1,215,695	-	-	-	-	1,215,695
Green Space Renewal	127,000	-	-	-	-	127,000
Signage & Wayfinding	50,000	-	-	-	-	50,000
Spirit Landing Project: Land Purchase/Design	370,000	-	-	-	-	370,000
Trail Alignment	-	175,000	-	-	-	175,000
Park Restoration	-	80,000	-	-	-	80,000
Zoo Main Building Design	204,000	-	-	-	-	204,000
Community Athletic Facilities Needs Assessment	150,000	-	-	-	-	150,000
Indian Point Campground Maintenance	70,000	-	-	-	-	70,000
Memorial Park MMP Implementation	-	80,000	515,000	-	-	595,000
Neighborhood Parks: Midtown Park Construction	100,000	-	-	-	-	100,000
Park Point Beach House	90,000	-	-	-	-	90,000
Fond du Lac and Historical Parks	30,000	150,000	-	-	-	180,000
Hillside Neighborhood Planning/Revitalization	-	375,000	-	-	-	375,000
Norton Park	-	75,000	255,000	-	-	330,000
Birchwood Park	-	-	5,500	-	-	5,500
Signage & Wayfinding	-	50,000	40,000	50,000	50,000	190,000
Sustainable Infrastructure: Asset Management Plan	15,000	10,000	10,000	10,000	-	45,000
Golf Subsidy	25,000	25,000	-	-	-	50,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

5 Year Project Summary

Parks and Trails Continued	2023	2024	2025	2026	2027	Total
Natural Resources	55,000	55,000	75,000	75,000	75,000	335,000
Other Park Improvements	-	-	-	25,000	25,000	50,000
Duluth Traverse Trail & Grand Avenue Nordic Center	1,478,696	-	-	-	-	1,478,696
Cross City Trail:						
Phase III: Irving Park to Greene Street	1,129,750	-	-	-	-	1,129,750
Phase VI: Lower BN Route-Irving Park to Munger	-	150,000	-	-	-	150,000
Waabizheshikana-The Marten Trail:						
Segment 2 Construction	780,100	-	-	-	-	780,100
Segments 0 & 1 Construction	-	400,000	-	-	-	400,000
Snowmobile Trail	400,000	-	-	-	-	400,000
Park Point Beach Access-Lafayette Community Center	206,076	-	-	-	-	206,076
St. Louis River Estuary Water Trail Improvements:						
Munger Landing Park Improvements	50,000	-	-	-	-	50,000
Perch Lake Improvements	50,000	-	-	-	-	50,000
Lakewalk Interpretive Plan	20,000	-	-	-	-	20,000
Other Trail Improvements:						
ADA Access	10,000	10,000	-	10,000	-	30,000
Bridges/Infrastructure Failures	14,435	-	-	-	-	14,435

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

5 Year Project Summary

Parks and Trails Continued	2023	2024	2025	2026	2027	Total
Forest Hill Property Acquisition	455,000	-	-	-	-	455,000
Amity Creek Multi-Purpose Trail Gates	10,000					10,000
Lakewalk Speed Limit Signage	10,000	-	-	-	-	10,000
Other Trail Improvements-TBD	-	-	-	30,000	25,000	55,000
Parks and Trails Total	22,404,158	4,385,000	900,500	200,000	175,000	28,064,658
State Bonding Projects	2023	2024	2025	2026	2027	Total
Seawall & Surface Improvements	24,838,067	-	-	-	-	24,838,067
State Bonding Projects Total	24,838,067	-	-	-	-	24,838,067
Street & Bridge Reconstruction and Preservation Program	2023	2024	2025	2026	2027	Total
Aerial Lift Bridge Painting and Misc. Structural Repairs	1,200,000	14,000,000	-	-	-	15,200,000
Raleigh St., 59th Ave W to Grand Ave. Watermain & Street Reconstruction	1,700,000	-	-	-	-	1,700,000
St. Andrews Bridge Replacement at Tischer Creek	490,000	-	-	-	-	490,000
6th Ave E., 1st St to 2nd St.	6,650,000	-	-	-	-	6,650,000
3rd St., Mesaba Ave to 12th Ave E	4,400,000	-	-	-	-	4,400,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

5 Year Project Summary

Street & Bridge Program Continued	2023	2024	2025	2026	2027	Total
Lincoln Park Safe Routes to School	393,046	-	-	-	-	393,046
MNDOT Gogebic & Steel Creek	10,000	-	-	-	-	10,000
W. Superior St., Michigan St. to Carlton St.	2,815,000	-	-	29,149,000	-	31,964,000
MNDOT ADA Upgrades I-35, 68th Ave W to 26th Ave E (City match)	-	200,000	-	-	-	200,000
Street Preservation (Various Locations)	7,700,000	8,050,000	8,050,000	3,425,000	8,050,000	35,275,000
Engineering for NHS 2025 Project at Garfield Ave & Port Terminal	-	100,000	360,000	-	-	460,000
Railroad St -Canal Park Dr to 5th Ave W	-	-	2,100,000	-	-	2,100,000
London Rd 26th Ave E to 60th Ave E (MNDOT)	-	-	-	3,750,000	-	3,750,000
4th St, Mesaba to 6th Ave E	-	-	2,500,000	-	-	2,500,000
Mesaba Ave Turn Lane/Signal 1st St (MNDOT)	-	-	-	250,000	-	250,000
St. Marie St, Campus Connector Shared Use Path & Street	-	-	-	2,784,091	-	2,784,091
Central Entrance Reconstruction (MNDOT)	-	-	-	-	2,550,000	2,550,000
Grand Ave Reconditioning	-	-	-	-	2,000,000	2,000,000
Annual Federal Project Engineering	-	300,000	-	-	300,000	600,000
Patch Project	475,000	475,000	475,000	475,000	475,000	2,375,000
Rural Pavement Marking	150,000	-	-	-	-	150,000
Retaining Wall, Guard Rail Repair, Restripping, Bridge Repair	170,000	200,000	200,000	200,000	200,000	970,000
Sidewalks	20,000	120,000	120,000	120,000	120,000	500,000
Street, Bridge, and Preservation Total	26,173,046	23,445,000	13,805,000	40,153,091	13,695,000	117,271,137

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

5 Year Project Summary

Capital Utility Projects	2023	2024	2025	2026	2027	Total
WTP Resiliency Grant	3,500,000	3,500,000	-	-	-	7,000,000
WTP Resiliency Grant Match	750,000	-	-	-	-	750,000
W Superior St Reconstruction, 23-Design	185,000	-	-	1,850,000	-	2,035,000
Woodland Pump Station (design)	250,000	-	-	-	-	250,000
Gogebic & Steel Creeks (MNDOT Coordination)	320,000	-	-	-	-	320,000
Morris Thomas Rd (SLC Coordination)	1,100,000	-	-	-	-	1,100,000
Lead Service Replacement Project (49% Grant Funded) If Awarded	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	50,000,000
Raleigh St, 59th Ave W to Grand	702,000	-	-	-	-	702,000
Devonshire St, Atlantic to West End	120,000	-	-	-	-	120,000
First Ave E, Superior St to 3rd St Alley	240,000	-	-	-	-	240,000
Chester Park Alley	135,000	-	-	-	-	135,000
Solids Removal @ Water Plant	-	500,000	-	-	-	500,000
Fascia Repairs @ Pump Building	-	100,000	-	-	-	100,000
College Ave, Faye to Lawn	-	450,000	-	-	-	450,000
Chambersburg Dead End	-	486,000	-	-	-	486,000
Far East Superior St Reconnections (remove services from transmission line)	-	300,000	300,000	700,000	-	1,300,000
Ideal St, Swan Lake to Ecklund	-	720,000	-	-	-	720,000
Upper Lakeside Tank Replacement	-	500,000	-	-	-	500,000
24th Ave W, 3rd to 7th St	-	-	450,000	-	-	450,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

5 Year Project Summary

Capital Utility Projects Continued	2023	2024	2025	2026	2027	Total
4th St Water Main, 6th Ave E to Mesaba (Design & Construction)	-	-	1,300,000	1,100,000	-	2,400,000
40th Ave W (SLC coordination)	-	-	600,000	-	-	600,000
WTP Building & Structural Repairs	-	-	650,000	-	-	650,000
Flocculator & Sedimentation Tank Repairs	-	-	-	530,000	-	530,000
Mesaba Ave Bridge (MNDOT Coordination)	-	-	-	100,000	-	100,000
Rapid Mix Tank Upgrades	-	-	-	-	280,000	280,000
Filter #6	-	-	-	-	1,800,000	1,800,000
Duluth Heights	-	-	-	-	1,000,000	1,000,000
Arlington Pump Station, Central Entrance (MNDOT Coordination)	-	-	-	-	1,800,000	1,800,000
Central Entrance Feed Pipe (MNDOT Coordination)	-	-	-	-	2,050,000	2,050,000
6th Ave E, 3rd St to 6th St	-	-	-	-	157,500	157,500
Upgrade 5 water Filters	-	-	-	-	2,200,000	2,200,000
Blanket Project	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	8,250,000
EFV/meter relocations /bollards	500,000	500,000	500,000	500,000	500,000	2,500,000
Building shell at Stora Enso	-	250,000	-	-	-	250,000
3rd Street, Vernon, 2nd Street Alley	-	200,000	-	-	-	200,000
20th Avenue West, 23rd Avenue West, 10th Street	-	-	500,000	500,000	-	1,000,000
MnDot Central entrance, 8 inch plastic replacement	-	320,000	-	-	-	320,000
Patch contract	10,000	10,000	10,000	10,000	10,000	50,000
Street projects	30,000	30,000	30,000	30,000	30,000	150,000
Gogebic culverts with MNDOT	100,000	-	-	-	-	100,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

5 Year Project Summary

Capital Utility Projects Continued	2023	2024	2025	2026	2027	Total
Morris Thomas Rd (SLC Coordination)	100,000	-	-	-	-	100,000
Miscellaneous Street Projects	100,000	100,000	100,000	100,000	100,000	500,000
Lift Station Rehabilitation	450,000	450,000	450,000	450,000	450,000	2,250,000
Manhole Rehabilitation	50,000	50,000	50,000	50,000	50,000	250,000
City Wide Sanitary Sewer Lining	1,500,000	1,950,000	1,850,000	1,850,000	1,850,000	9,000,000
Cental Entrance, Blackman to Anderson.	-	-	-	450,000	6,000	456,000
40th Ave West - SLC Project	-	150,000	-	-	-	150,000
Annual Manhole Adjustments	50,000	50,000	75,000	75,000	75,000	325,000
Misc. Small Scale projects	145,000	175,000	175,000	175,000	175,000	845,000
Annual CIPP Lining	300,000	300,000	300,000	300,000	300,000	1,500,000
Annual SIP Coordination	750,000	900,000	900,000	900,000	900,000	4,350,000
Creek Tunnel Repairs TBD	-	350,000	350,000	350,000	350,000	1,400,000
Brewery Creek 5th St Alley	150,000	-	-	-	-	150,000
Critical Culvert/Crossing Repairs	-	300,000	300,000	300,000	300,000	1,200,000
Citywide Storm Improvements	-	-	-	300,000	400,000	700,000
Citywide Culvert & Ditch Repairs Block Long Projects	-	-	125,000	200,000	200,000	525,000
Citywide Pipe Repairs & Steep Slope "down drains" FEMA Outfall	200,000	200,000	250,000	250,000	250,000	1,150,000
Unreimbursed Overruns	35,000	-	-	-	-	35,000
Gogebic Creek CIPP & Improvements	385,000	-	-	-	-	385,000
Green Infrastructure Grant Match - TMDL Impaired Watersheds	-	-	100,000	200,000	300,000	600,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

5 Year Project Summary

Capital Utility Projects Continued	2023	2024	2025	2026	2027	Total
Irving Park - Keene Creek GLC Grant Match	-	80,000	-	-	-	80,000
Morris Thomas Rd with SLC	20,000	-	-	-	-	20,000
Miller Creek Down Drain w CI US ACOE Grant Match	60,000	-	-	-	-	60,000
Park Point - Phase 2 Sump Pump Laterals	-	150,000	-	-	-	150,000
Storm SWPPP Document Update	-	-	25,000	-	-	25,000
Stream TMDL E.coli Studies - MS4 Permit Compliance TMDL Action Plans Document - Next permit cycle	-	-	150,000	150,000	150,000	450,000
US Steel Creek Storm Sewer Replacement	5,000	-	-	-	-	5,000
Capital Utility Projects	23,892,000	24,721,000	21,340,000	23,070,000	27,333,500	120,356,500
GRAND TOTAL	99,107,271	54,351,000	38,025,500	65,601,091	43,599,300	300,684,162

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

5 Year Funding Sources

	2023	2024	2025	2026	2027	Total
City Bond	3,800,000	3,800,000	1,980,000	2,178,000	2,395,800	14,153,800
State Bond	14,247,046	-	-	-	-	14,247,046
State Bond Requested	-	12,000,000	-	-	-	12,000,000
Other City Funding	10,715,366	1,190,000	440,000	2,290,000	440,000	15,075,366
Parks Fund	1,488,061	265,000	265,000	175,000	150,000	2,343,061
1/2 & 1/2 Tax Permanent Improvement Fund Levy	1,315,700	820,000	610,500	-	-	2,746,200
Street System Maintenance Levy	505,000	280,000	280,000	280,000	280,000	1,625,000
Street Lighting Levy	900,000	900,000	900,000	900,000	900,000	4,500,000
Local Sales Tax (.5%)	475,000	-	250,000	400,000	250,000	1,375,000
Minnesota State Aid	7,250,000	7,250,000	7,250,000	7,250,000	7,250,000	36,250,000
State Grants	5,400,000	2,600,000	2,870,000	4,045,000	3,600,000	18,515,000
Federal Grants/Aid	11,484,035	8,400,000	4,900,000	4,900,000	4,900,000	34,584,035
ARPA Funding	12,690,488	150,000	1,840,000	26,863,091	1,000,000	42,543,579
Other Funding	1,300,000	375,000	-	-	-	1,675,000
Utilities - Bond	12,044,575	-	-	-	-	12,044,575
Utilities - Current	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000	25,500,000
Year Revenue						
-Water	3,692,000	3,056,000	3,300,000	2,430,000	9,287,500	21,765,500
-Gas	2,300,000	2,960,000	2,690,000	2,690,000	2,190,000	12,830,000
-Sewer	2,250,000	2,550,000	2,450,000	2,900,000	2,456,000	12,606,000
-Stormwater	2,150,000	2,655,000	2,900,000	3,200,000	3,400,000	14,305,000
Total	99,107,271	54,351,000	38,025,500	65,601,091	43,599,300	300,684,162

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Capital Improvement Program Summary

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

Projects	2023	2024	2025	2026	2027	Total
CIP Eligible VFA Building Improvements	425,000	400,000	780,000	963,000	1,170,800	3,738,800
Maintenance Buildings Improvements	-	-	285,000	715,000	-	1,000,000
Civic Buildings (CCW/City Hall/Library)	1,050,000	1,050,000	400,000	500,000	925,000	3,925,000
Public Safety Buildings (Fire/Police)	325,000	350,000	515,000	-	300,000	1,490,000
Total	1,800,000	1,800,000	1,980,000	2,178,000	2,395,800	10,153,800
Funding	2023	2024	2025	2026	2027	Total
Capital Improvement Bond	1,800,000	1,800,000	1,980,000	2,178,000	2,395,800	10,153,800

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

CIP Eligible Capital Maintenance 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	2023	2024	2025	2026	2027	Total
CIP Eligible VFA Building Improvements	425,000	400,000	780,000	963,000	1,170,800	3,738,800
Total	425,000	400,000	780,000	963,000	1,170,800	3,738,800

Funding	2023	2024	2025	2026	2027	Total
Capital Improvement Bond	425,000	400,000	780,000	963,000	1,170,800	3,738,800

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

CIP Eligible Capital Maintenance Building Improvements

Project Title:

CIP Eligible Capital Maintenance Building Improvements

Description:

Improvements related to deferred maintenance, end-of-life-cycle systems, and other facility improvement requirements identified in the City's asset management system.

**Funding Source:**

FY 2023-2027

Capital Improvement Bond \$ 3,738,800

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 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	2023	2024	2025	2026	2027	Total
40th Toolhouse Portable/Above-Ground Material Storage	-	-	250,000	-	-	250,000
Fleet Roof Design/Engineering	-	-	35,000	-	-	35,000
Miscellaneous Toolhouse Mtce	-	-	-	415,000	-	415,000
42nd Toolhouse Structural Study/Repair	-	-	-	300,000	-	300,000
Total	-	-	285,000	715,000	-	1,000,000
Funding	2023	2024	2025	2026	2027	Total
Capital Improvement Bond	-	-	285,000	715,000	-	1,000,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Maintenance

Project Title:

40th Toolhouse Improvements

Description:

40th Toolhouse Portable/Above-Ground Material Storage



Funding Source:

FY 2025

Capital Improvement Bond \$ 250,000

Project Title:

Fleet Toolhouse Improvements

Description:

Fleet Roof Design and Engineering



Funding Source:

FY 2025

Capital Improvement Bond \$ 35,000

Project Title:

Miscellaneous Toolhouse Improvements

Description:

Maintenance facility improvement requirements identified in the City's asset management system.



Funding Source:

FY 2026

Capital Improvement Bond \$ 415,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Maintenance

Project Title:

42nd Toolhouse Improvements

Description:

42nd Toolhouse Structural Study and Repair



Funding Source:

FY 2026

Capital Improvement Bond \$ 300,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 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	2023	2024	2025	2026	2027	Total
City Hall HVAC	800,000	800,000	-	-	-	1,600,000
City Hall Grounds/Priley Circle	250,000	250,000	400,000	400,000	-	1,300,000
City Center West Flooring & Paint	-	-	-	100,000	-	100,000
City Center West EOC						
Driveway/Parking Lot	-	-	-	-	500,000	500,000
Main Library Elevator Upgrade	-	-	-	-	425,000	425,000
Total	1,050,000	1,050,000	400,000	500,000	925,000	3,925,000

Funding	2023	2024	2025	2026	2027	Total
Capital Improvement Bond	1,050,000	1,050,000	400,000	500,000	925,000	3,925,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Civic (City Center West/City Hall/Library)

Project Title:

City Hall Improvements

Description:

City Hall HVAC Renewal

**Funding Source:**

FY 2023-2024

Capital Improvement Bond \$ 1,600,000

Project Title:

City Hall Improvements

Description:

City Hall Grounds/Priley Circle Improvements

**Funding Source:**

FY 2023-2026

Capital Improvement Bond \$ 1,300,000

Project Title:

City Center West Improvements

Description:

Flooring and Paint

**Funding Source:**

FY 2026

Capital Improvement Bond \$ 100,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Civic (City Center West/City Hall/Library)

Project Title:

City Center West Improvements

Description:

EOC Driveway/Parking Lot

**Funding Source:**

FY 2027

Capital Improvement Bond	\$	500,000
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Project Title:

Library Improvements

Description:

Main Library Elevator Upgrade

**Funding Source:**

FY 2027

Capital Improvement Bond	\$	425,000
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City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Public Safety (Fire/Police)

Description:

Over the next five years, the City is proposing to invest \$1.49 million in capital maintenance projects at firehalls and police facilities throughout the City. There are remodeling projects to accommodate staff reorganizations as part of the Fire Department consolidation plan. Energy improvements consist of installing new windows and overhead doors, lighting, building controls and replacing furnaces and roofs. Repair and maintenance projects consist of masonry and brick repair, as well as resolving drainage issues and replacing driveways, apparatus bay doors, heating systems, ventilation systems and deferred maintenance requirements identified by the City asset management system (VFA).

Project	2023	2024	2025	2026	2027	Total
Firehall Miscellaneous Maintenance	250,000	100,000	415,000	-	300,000	1,065,000
Police Firing Range Study & Improvements	25,000	250,000	-	-	-	275,000
Public Safety Building Miscellaneous Improvements	50,000		100,000	-	-	150,000
Total	325,000	350,000	515,000	-	300,000	1,490,000
Funding	2023	2024	2025	2026	2027	Total
Capital Improvement Bond	325,000	350,000	515,000	-	300,000	1,490,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Public Safety (Fire/Police)

Project Title:

Firehall Improvements

Description:

Firehall facility improvement requirements identified in the City's asset management system.

**Funding Source:**

FY 2023-2025, 2027

Capital Improvement Bond \$ 1,065,000

Project Title:

Public Safety Building (Police) Improvements

Description:

Police Firing Range Study & Improvements

**Funding Source:**

FY 2023-2024

Capital Improvement Bond \$ 275,000

Project Title:

Public Safety Building (Police) Improvements

Description:

Public Safety Building (Police) facility improvement requirements identified in the City's asset management system.

**Funding Source:**

FY 2023, 2025

Capital Improvement Bond \$ 150,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

State Bonding Projects

Description:

The City of Duluth was awarded \$13.5 million in 2020 state bonds to predesign, design, construct, furnish, and equip seawall and Lakewalk infrastructure with related surface improvements, including a boardwalk and bike trails, public gathering spaces, and loading areas, along the shore of Lake Superior in the City of Duluth. This appropriation may also be used for demolition and removal of existing seawall and Lakewalk structures. A complementary Federal Economic Development Administration grant was awarded to contribute to seawall construction including enhancements to accommodate large draft cruise ships.

Projects	2023	2024	2025	2026	2027	Total
Seawall & Surface Improvements	24,838,067	-	-	-	-	24,838,067
Total	24,838,067	-	-	-	-	24,838,067

Funding	2023	2024	2025	2026	2027	Total
Federal Funding	4,938,067	-	-	-	-	4,938,067
State Bond	13,500,000	-	-	-	-	13,500,000
Other City Funding	6,400,000	-	-	-	-	6,400,000
Total	24,838,067	-	-	-	-	24,838,067

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 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	2023	2024	2025	2026	2027	Total
Parks	17,790,101	3,825,000	900,500	160,000	150,000	22,825,601
Trails	4,614,057	560,000	-	40,000	25,000	5,239,057
Total	22,404,158	4,385,000	900,500	200,000	175,000	28,064,658

Funding	2023	2024	2025	2026	2027	Total
Federal Grant	3,317,421	150,000	-	-	-	3,467,421
ARPA Funding	1,300,000	375,000	-	-	-	1,675,000
State Grant	3,370,035	-	-	-	-	3,370,035
Other Grants/ Donations/ Funding	7,301,575	-	-	-	-	7,301,575
Parks Fund	1,488,061	265,000	265,000	175,000	150,000	2,343,061
1/2 and 1/2 Tax	1,315,700	820,000	610,500	-	-	2,746,200
Other City Funding	2,107,366	775,000	25,000	25,000	25,000	2,957,366
City Bond	2,000,000	2,000,000	-	-	-	4,000,000
State Bond	204,000	-	-	-	-	204,000
Total	22,404,158	4,385,000	900,500	200,000	175,000	28,064,658

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Parks Detail

Project	2023	2024	2025	2026	2027	Total
St. Louis County Tax Forfeit						
Land Conveyance	4,440,000	-	-	-	-	4,440,000
St. Louis River Natural Area						
Land Acquisition	3,730,000	-	-	-	-	3,730,000
Lincoln Park Restoration	4,268,406	-	-	-	-	4,268,406
Enger Golf Course Renovation	2,750,000	2,750,000	-	-	-	5,500,000
Lester Park Golf Course-Public Planning Process	100,000	-	-	-	-	100,000
Brighton Beach Park:						
Remove Old Road & Restore Landscape	1,215,695	-	-	-	-	1,215,695
Green Space Renewal	127,000	-	-	-	-	127,000
Signage & Wayfinding	50,000	-	-	-	-	50,000
Spirit Landing Project:	-	-	-	-	-	-
Land Purchase/Design	370,000	-	-	-	-	370,000
Trail Alignment	-	175,000	-	-	-	175,000
Park Restoration	-	80,000	-	-	-	80,000
Zoo Main Building Design	204,000	-	-	-	-	204,000
Community Athletic Facilities Needs Assessment	150,000	-	-	-	-	150,000
Indian Point Campground Maintenance	70,000	-	-	-	-	70,000
Memorial Park MMP Implementation	-	80,000	515,000	-	-	595,000
Neighborhood Parks:						
Midtown Park Construction	100,000	-	-	-	-	100,000
Park Point Beach House	90,000	-	-	-	-	90,000
Fond du Lac and Historical Parks	30,000	150,000	-	-	-	180,000
Hillside Neighborhood Planning/Revitalization	-	375,000	-	-	-	375,000
Norton Park	-	75,000	255,000	-	-	330,000
Birchwood Park	-	-	5,500	-	-	5,500
Signage & Wayfinding	-	50,000	40,000	50,000	50,000	190,000
Sustainable Infrastructure:						
Asset Management Plan	15,000	10,000	10,000	10,000	-	45,000
Golf Subsidy	25,000	25,000	-	-	-	50,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Parks Detail

Project Continued	2023	2024	2025	2026	2027	Total
Natural Resources	55,000	55,000	75,000	75,000	75,000	335,000
Other Park Improvements	-	-	-	25,000	25,000	50,000
Total	17,790,101	3,825,000	900,500	160,000	150,000	22,825,601

Funding	2023	2024	2025	2026	2027	Total
Federal Grant	2,208,196	-	-	-	-	2,208,196
ARPA Funding	1,300,000	375,000	-	-	-	1,675,000
State Grant	835,464	-	-	-	-	835,464
State Bond	204,000	-	-	-	-	204,000
Other						
Grants/Donations/Funding	7,186,575	-	-	-	-	7,186,575
Parks Fund	1,354,500	190,000	265,000	135,000	125,000	2,069,500
1/2 and 1/2 Tax	960,000	485,000	610,500	-	-	2,055,500
City Bond	2,000,000	2,000,000	-	-	-	4,000,000
Other City Funding	1,741,366	775,000	25,000	25,000	25,000	2,591,366
Total	17,790,101	3,825,000	900,500	160,000	150,000	20,234,235

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

2023-2027 Parks Projects

Project Title:

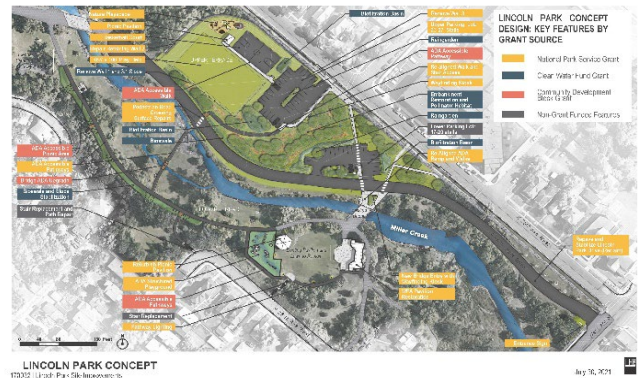
Lincoln Park Restoration

Description:

Comprehensive restoration of developed lower portion of Lincoln Park.

Funding Source:

	FY 2023
ARPA	1,200,000
Parks Fund	587,500
1/2 & 1/2	810,000
Federal Grant	792,501
Other City Funds	392,305
State Grant	299,525
Other Grants/Donations/Funding	186,575
	4,268,406



Project Title:

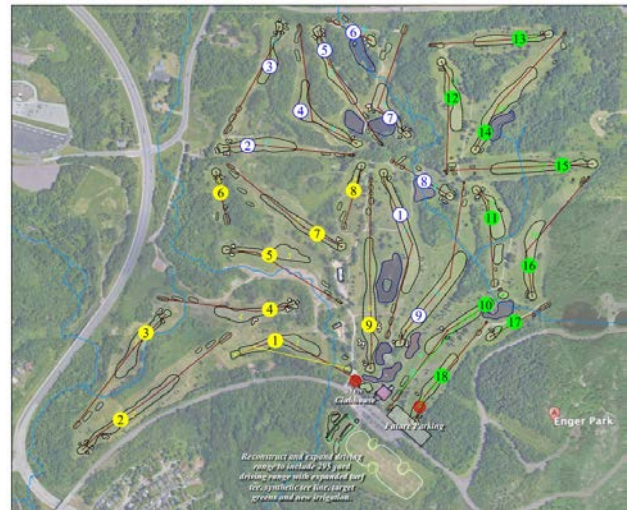
Enger Golf Course Renovation

Description:

Enger Golf Course renovation items include a new irrigation system, improvements to fairways, and bunker renovations.

Funding Source:

	FY 2023-2024
City Bond	4,000,000
Other City Funding	1,500,000
	5,500,000



City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

2023-2027 Parks Projects

Project Title:

Lester Park Golf Course

Description:

Public process to determine the future use(s) of this parkland.

Funding Source:

Parks Fund

FY 2023
100,000
100,000



Project Title:

Brighton Beach Park

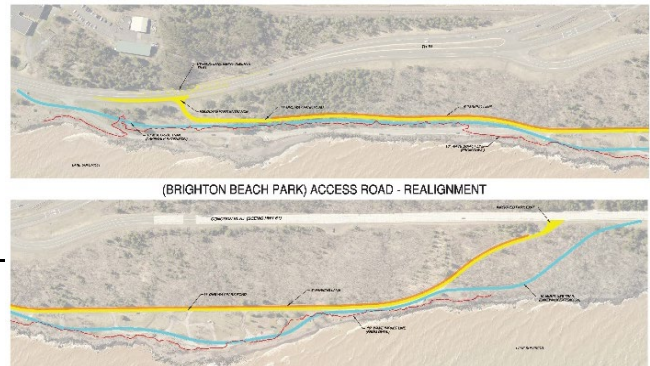
Description:

Construction of new northeast entrance road, stabilization of shoreline, and renewal of park amenities.

Funding Source:

Federal Grant
State Grant
Other City Funds
Parks Fund

FY 2023
515,695
285,939
414,061
177,000
1,392,695



City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

2023-2027 Parks Projects

Project Title:

Spirit Landing Project

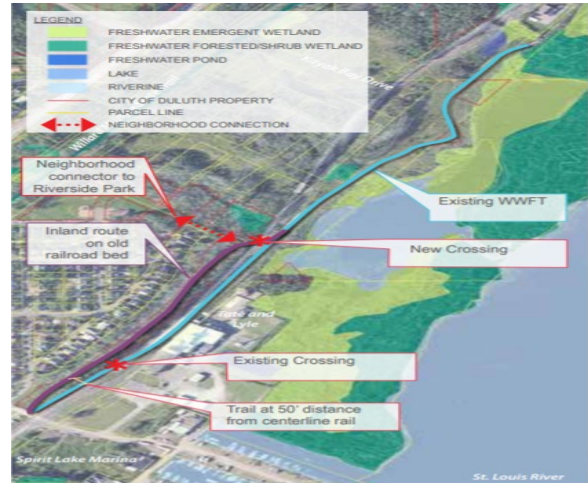
Description:

Acquisition and restoration of eight-acre riverfront property and connection of trail systems to and through the property.

Funding Source:

1/2 & 1/2
State Grant

	FY 2023-2024
	375,000
	250,000
	<u>625,000</u>



Project Title:

Zoo Main Building Design

Description:

Lake Superior Zoo main building pre-design.

Funding Source:

State Bond

	FY 2023
	204,000
	<u>204,000</u>



City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

2023-2027 Parks Projects

Project Title:

Community Athletic Facilities Needs Assessment

Description:

Assessment to determine Citywide condition and repair or replacement needs of athletic facilities.



Funding Source:

	FY 2023
Parks Fund	150,000
	150,000

Project Title:

Indian Point Campground

Description:

Deferred maintenance and campground improvements.



Funding Source:

	FY 2023
Other City Funds	70,000
	70,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

2023-2027 Parks Projects

Project Title:

Memorial Park MMP Implementation

Description:

Development, design, and Phase I implementation of new Memorial Park Mini-Master Plan.

Funding Source:

1/2 & 1/2

	FY 2024-2025
	595,000
	595,000



Project Title:

Neighborhood Parks

Description:

Hillside infrastructure renewal, implementation of mini-master plan for Norton Park, and miscellaneous infrastructure renewal throughout the system.

Funding Source:

ARPA
Parks Fund
1/2 & 1/2
Other City Funds

	FY 2023-2025
	475,000
	240,000
	275,500
	90,000
	1,080,500



City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

2023-2027 Parks Projects

Project Title:

Signage & Wayfinding

Description:

Entrance signs, kiosks, and wayfinding at various parks, coupled with other onsite improvements.

Funding Source:

Parks Fund

FY 2024-2027

190,000

190,000



Project Title:

Sustainable Infrastructure

Description:

Deferred and enhanced maintenance and upgrades to outdoor parks' assets and facilities.

Funding Source:

Parks Fund

Other City Funds

FY 2023-2027

355,000

125,000

480,000



City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Trails Detail

Project	2023	2024	2025	2026	2027	Total
Duluth Traverse Trail & Grand Avenue Nordic Center	1,478,696	-	-	-	-	1,478,696
Cross City Trail:						
Phase III: Irving Park to Greene Street	1,129,750	-	-	-	-	1,129,750
Phase VI: Lower BN Route-Irving Park to Munger	-	150,000	-	-	-	150,000
Waabizheshikana-The Marten Trail:						
Segment 2 Construction	780,100	-	-	-	-	780,100
Segments 0 & 1 Construction	-	400,000	-	-	-	400,000
Snowmobile Trail	400,000	-	-	-	-	400,000
Park Point Beach Access-Lafayette Community Center	206,076	-	-	-	-	206,076
St. Louis River Estuary Water Trail Improvements:						
Munger Landing Park Improvements	50,000	-	-	-	-	50,000
Perch Lake Improvements	50,000	-	-	-	-	50,000
Lakewalk Interpretive Plan	20,000	-	-	-	-	20,000
Other Trail Improvements:						
ADA Access	10,000	10,000	-	10,000	-	30,000
Bridges/Infrastructure Failures	14,435	-	-	-	-	14,435
Forest Hill Property Acquisition	455,000	-	-	-	-	455,000
Amity Creek Multi-Purpose Trail	10,000	-	-	-	-	10,000
Lakewalk Speed Limit Signage	10,000	-	-	-	-	10,000
Other Trail Improvements-TBD	-	-	-	30,000	25,000	55,000
Total	4,614,057	560,000	-	40,000	25,000	5,239,057

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Trails Detail

Funding	2023	2024	2025	2026	2027	Total
Federal Grant	1,109,225	150,000	-	-	-	1,259,225
State Grant	2,534,571	-	-	-	-	2,534,571
Other						
Grants/Donations/Funding	115,000	-	-	-	-	115,000
Parks Fund	133,561	75,000	-	40,000	25,000	273,561
1/2 and 1/2 Tax	355,700	335,000	-	-	-	690,700
Other City Funding	366,000	-	-	-	-	366,000
Total	4,614,057	560,000	-	40,000	25,000	5,239,057

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

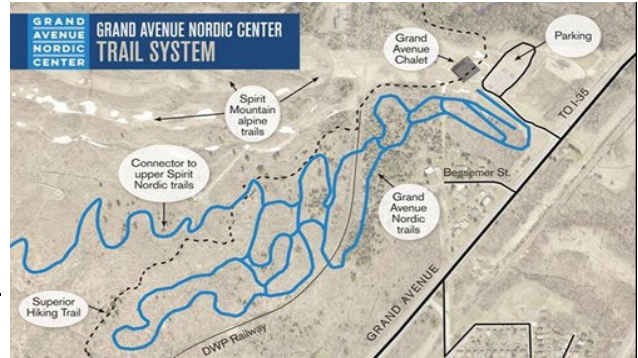
2023-2027 Trails Projects

Project Title:

Duluth Traverse Trail & Grand Avenue Nordic Center

Description:

Expand the recreational facilities at Spirit Mountain by expanding the Duluth Traverse trail system and completing the Grand Avenue Nordic Center trails.



Funding Source:

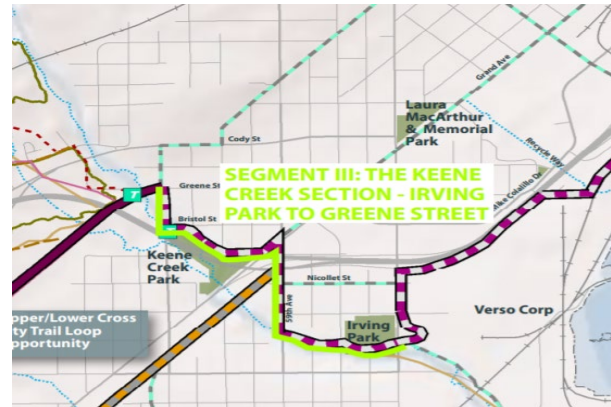
	FY 2023
State Grant	1,254,471
Federal Grant	224,225
	1,478,696

Project Title:

Cross City Trail

Description:

2023 - Phase III: Irving Park to Greene Street
 2024 - Phase VI: Lower BN Route-Irving Park to Munger



Funding Source:

	FY 2023-2024
Federal Grant	750,000
Other City Funds	246,000
1/2 & 1/2	255,700
Parks Fund	28,050
	1,279,750

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

2023-2027 Trails Projects

Project Title:

Waabizheshikana (The Marten Trail)

Description:

2023 - Segment 2 Construction
 2024 - Segments 0 & 1 Construction

Funding Source:

	FY 2023-2024
State Grants	630,100
1/2 & 1/2	335,000
Other Grants/Donations/Funding	115,000
Parks Fund	65,000
Federal Grants	35,000
	1,180,100



Project Title:

Snowmobile Trail

Description:

Complete abutments for Knowlton Snowmobile Trail bridge and a trail connecting lower Spirit Chalet to Cross Town trail.

Funding Source:

	FY 2023
State Grant	250,000
Federal Grant	150,000
	400,000



City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

2023-2027 Trails Projects

Project Title:

Park Point Beach Access-Lafayette Community Center

Description:

Replace deteriorated boardwalk, providing Architectural Barriers Act (ABA) beach access from Lafayette Community Center parking lot, across Park Point sand dune, to the beach.



Funding Source:

	FY 2023
Federal Grant	100,000
Other City Funds	100,000
Parks Fund	6,076
	206,076

Project Title:

St. Louis River Estuary Water Trail Improvements

Description:

New/improved canoe/kayak accesses at Munger Landing and Perch Lake



Funding Source:

	FY 2023
1/2 & 1/2	100,000
	100,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

2023-2027 Trails Projects

Project Title:

Lakewalk Improvements

Description:

Lakewalk interpretive plan

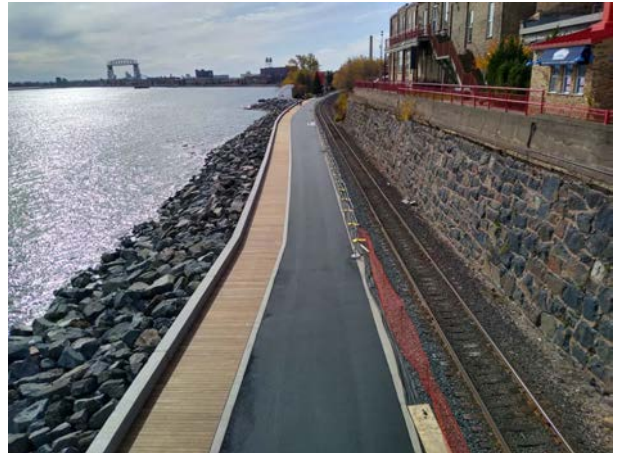
Funding Source:

Other City Funds

FY 2023

20,000

20,000



City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 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 levy, local sales tax, St. Louis County, and developer contributions. Utility Improvements that may occur in conjunction with these projects are included in the Utilities Capital Improvement Plan.

Operating Cost Implications of 2023 Approved Projects:

Beginning in 2020, the Street Improvement Program began receiving dedicated funding through a local .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.

Projects	2023	2024	2025	2026	2027	Total
Street Preservation Project	7,700,000	8,050,000	8,050,000	3,425,000	8,050,000	35,275,000
Sidewalk & Patching Project	495,000	595,000	595,000	595,000	595,000	2,875,000
Retaining Wall, Guard Rail Repair, Restripping, Bridge Repair	170,000	200,000	200,000	200,000	200,000	970,000
Raleigh St, 59th Ave W to Grand Ave	1,700,000	-	-	-	-	1,700,000
W Superior St Reconstruction, Michigan St	2,815,000	-	-	29,149,000	-	31,964,000
3rd St, Mesaba Ave to 12th Ave E	4,400,000	-	-	-	-	4,400,000
Aerial Lift Bridge Repair & Maintenance, Structural Repairs	1,200,000	14,000,000	-	-	-	15,200,000
MNDOT Gogebic & Steel Creek	10,000	-	-	-	-	10,000
Lincoln Park Safe Routes to School	393,046	-	-	-	-	393,046
Rural Pavement Marking	150,000	-	-	-	-	150,000
St. Andrew's Bridge at Tischer Creek	490,000	-	-	-	-	490,000
6th Ave E, 1st St to 2nd St (Essentia Project)	6,650,000	-	-	-	-	6,650,000
Annual Federal Project Engineering	-	300,000	-	-	300,000	600,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Street Improvement & Bridge Projects Summary

Projects Continued	2023	2024	2025	2026	2027	Total
MNDOT ADA Upgrades I-35, 68th Ave W to 26th Ave E (City match)	-	200,000	-	-	-	200,000
Engineering for NHS 2025 Project at Garfield Ave & Port Terminal	-	100,000	360,000	-	-	460,000
Railroad St, Canal Park Dr to 5th Ave W	-	-	2,100,000	-	-	2,100,000
4th St, Mesaba Ave to 6th Ave E	-	-	2,500,000	-	-	2,500,000
London Rd, 26th to 60th	-	-	-	3,750,000	-	3,750,000
Mesaba Turn Lane at 1st St. (MNDOT)	-	-	-	250,000	-	250,000
St. Marie St, Campus Connector Shared Use Path & Street	-	-	-	2,784,091	-	2,784,091
Central Entrance Reconstruction (MNDOT)	-	-	-	-	2,550,000	2,550,000
Grand Ave Reconditioning	-	-	-	-	2,000,000	2,000,000
Total	26,173,046	23,445,000	13,805,000	40,153,091	13,695,000	117,271,137
Funding	2023	2024	2025	2026	2027	Total
Federal	4,435,000	-	1,840,000	26,863,091	1,000,000	34,138,091
State Bonding Requested	-	12,000,000	-	-	-	12,000,000
State Bonding	543,046	-	-	-	-	543,046
Other State Funding	11,764,000	2,600,000	2,870,000	4,045,000	3,600,000	24,879,000
Street System Mtce Levy	500,000	900,000	900,000	900,000	900,000	4,100,000
Local Sales Tax (.5%)	7,250,000	7,250,000	7,250,000	7,250,000	7,250,000	36,250,000
Permanent Improvement	505,000	280,000	280,000	280,000	280,000	1,625,000
Street Lighting	475,000	-	250,000	400,000	250,000	1,375,000
Other (Parks Funds)	701,000	415,000	415,000	415,000	415,000	2,361,000
Total	26,173,046	23,445,000	13,805,000	40,153,091	13,695,000	117,271,137

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 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 and bridges. 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	2023	2024	2025	2026	2027	Total
Permanent Improvements	810,000	200,000	200,000	200,000	200,000	1,610,000
Patch Project	475,000	475,000	475,000	475,000	475,000	2,375,000
Sidewalks	20,000	120,000	120,000	120,000	120,000	500,000
Total	1,305,000	795,000	795,000	795,000	795,000	4,485,000

Funding	2023	2024	2025	2026	2027	Total
PI Fund	505,000	280,000	280,000	280,000	280,000	1,625,000
State & Federal	385,000	-	-	-	-	385,000
Street System Mtce Levy	-	100,000	100,000	100,000	100,000	400,000
Utilities Funds	415,000	415,000	415,000	415,000	415,000	2,075,000
Total	1,305,000	795,000	795,000	795,000	795,000	4,485,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Street Improvement & Bridge Projects

* Utility Funds included to show total cost of project but detailed out in Utilities section.

Project Title:

Raleigh St., 59th Ave W to Grand Ave. Watermain & Street Reconstruction

Description:

Replace watermain and reconstruct street

Funding Source:

	2023
MSA	\$ 1,700,000
Total Streets Funding	\$ 1,700,000
*Utility Funds	\$ 702,000
Total Project Funding	\$ 2,402,000



Project Title:

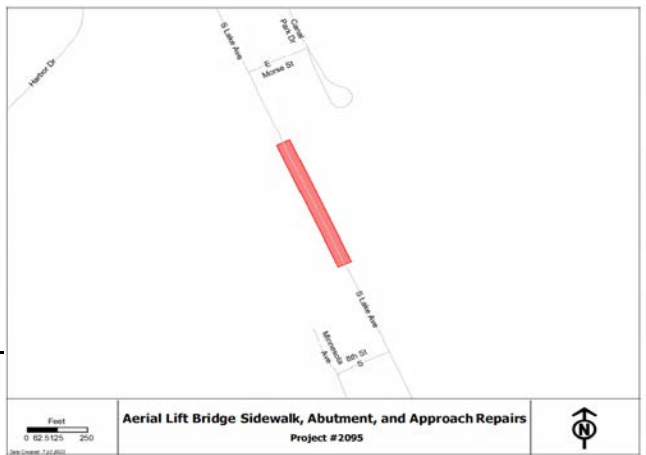
Aerial Lift Bridge Repairs

Description:

Repairs to the Aerial Lift Bridge Sidewalk, Abutment & Approach

Funding Source:

	2023 & 2024
State Bonding	\$ 12,000,000
NPS Federal Grant	\$ 500,000
MSA	\$ 2,700,000
	\$ 15,200,000



City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Street Improvement & Bridge Projects

Project Title:

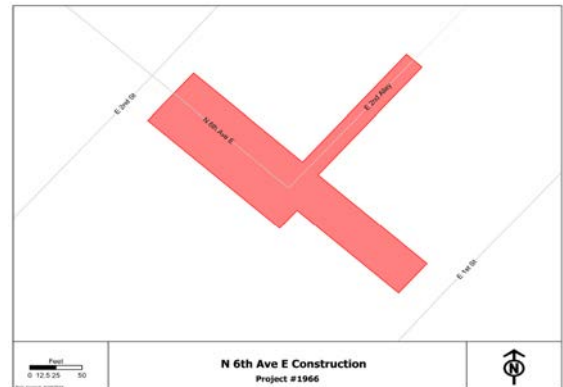
6th Ave E., 1st St to 2nd St

Description:

Construction of street, Essentia project

Funding Source:

	2023
Regional Exchange District	\$ 6,650,000



Project Title:

3rd St, Mesaba Ave to 12th Ave E

Description:

Recondition street

Funding Source:

	2023
Federal Traffic Funds	\$ 1,400,000
MSA	\$ 3,000,000
	\$ 4,400,000



City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Street Improvement & Bridge Projects

* Utility Funds included to show total cost of project but detailed out in Utilities section.

Project Title:

MNDOT Gogebic & Steel Creek

Description:

Culvert Replacements

Funding Source:

	2023
Street Lighting	\$ 10,000
Total Street Funding	\$ 10,000
*Utility Funds	\$ 810,000
Total Project Funding	\$ 820,000



Project Title:

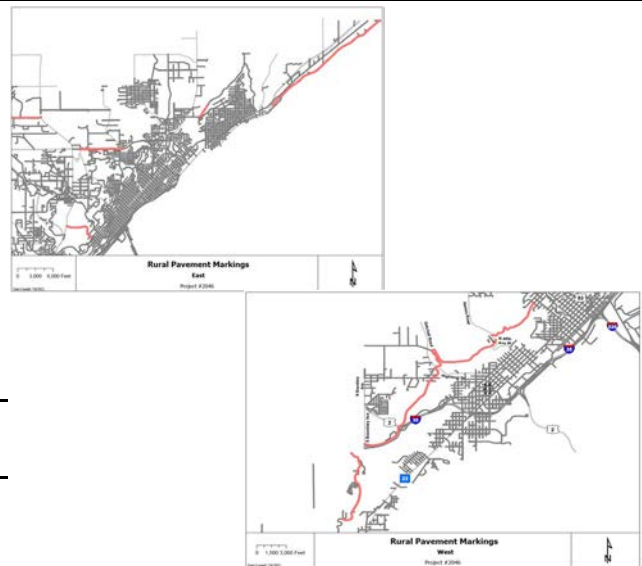
Rural Pavement Marking

Description:

Rural Road Marking, East & West

Funding Source:

	2023
Federal Traffic Fund	\$ 135,000
Permanent Improvement	\$ 15,000
Total Project Funding	\$ 150,000



City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Street Improvement & Bridge Projects

* Utility Funds included to show total cost of project but detailed out in Utilities section.

Project Title:

W. Superior St., Michigan St to Carlton St

Description:

Design Phase in 2023

Funding Source:

	2023 & 2026
Federal Traffic Funds	\$ 27,399,000
Local Sales Tax (.5%)	\$ 4,400,000
Street Lighting	\$ 165,000
Total Streets Funding	\$ 31,964,000
 *Utility Funds	 \$ 2,035,000
Total Project Funding	\$ 33,999,000



City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Street Improvement & Bridge Projects

Project Title:

Street Preservation Projects

2023 Project Goal: 11.55 miles of Street improvements

Description:

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

Funding Source:

	2023
Federal	\$ 1,400,000
MN State Aid (MSA)	\$ 4,993,046
Local Sales Tax	\$ 6,850,000
Street System Mtce Fund	\$ 900,000
Enterprise Funding	\$ 1,953,000
	\$ 16,096,046

2023 Street Preservation Plan

2023 Segments

- Ramsey St, Central Av - 51st AW
- W 6th St, 55th AW - 57th AW
- Devonshire St, Atlantic Av- dead end westerly
- Airport Blvd- Rice Lake Rd to Haines Rd
- Venture Avenue- Airport Rd to Airport Blvd
- Harbor Drive and 5th Ave W
- 1st Ave E, from Superior St to 3rd St
- 3rd Ave E, from 2nd St alley to 2nd St
- Chester Park Dr alley, from 17th AE to 18th AE
- Grand View Ave, from 18th AE to Kent Rd
- E 4th St, from Hawthorne Rd - Old Howard Mill Rd
- Old Howard Mill Rd, N 36th AE - E 4th St
- 36th AE, from Crescent View Ave to Old Howard Mill Rd
- Redwing St, Woodland Av-Maxwell Av
- Alden Ave, Redwing St - Faribault St
- Chip Seal various locations
- Engineering
- Contingency

Total \$ 7,700,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Street Improvement & Bridge Projects

Project Title: continued

Street Preservation Projects

2023 Project Goal: 11.55 miles of Street improvements

Other City Projects in 2023:

Raleigh St, N 59th AW-Grand Ave	\$ 2,402,000
3rd St, Mesaba Av - 12th Av E	\$ 4,400,000
Lincoln Park Safe Routes to School	\$ 393,046
Brighton Beach Road Construction	\$ 1,201,000
	<u>\$ 8,396,046</u>

Total 2023 Miles	11.55
Total 2023 Construction Cost	\$14,486,441
Maint, Engineering & Contingency Cost	\$1,609,605
Total 2023 Costs	\$16,096,046

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Street Improvement & Bridge Projects

Project Title:

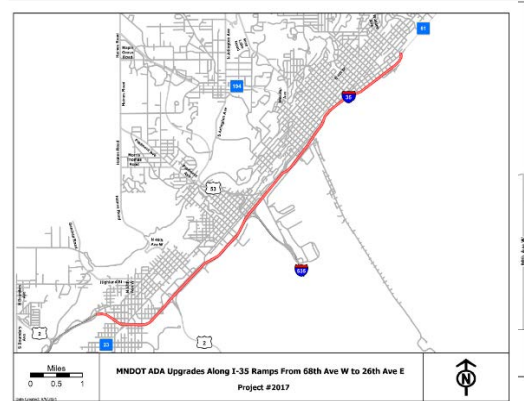
MNDOT ADA upgrades along I-35 ramps 68th Ave W to 26th Ave E (City Match)

Description:

ADA Ramp and sidewalk work adjacent to the I35 corridor, city match.

Funding Source:

	2024
State	\$ 200,000



Project Title:

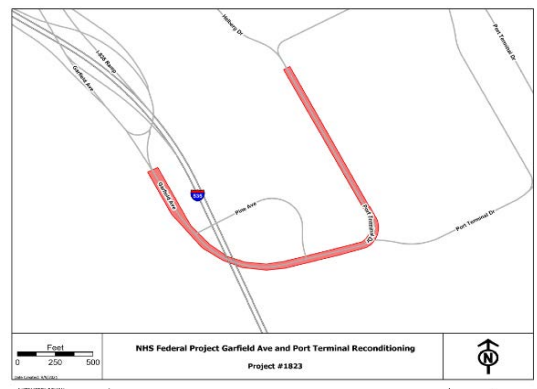
Garfield Ave and Port Terminal Reconditioning
Engineering NHS Federal 2025 project

Description:

Reconditioning of street post TPI

Funding Source:

	2024 & 2025
Federal Traffic Funds	\$ 360,000
MSA	\$ 100,000
	\$ 460,000



City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Street Improvement & Bridge Projects

Project Title:

Railroad Street: Canal Park Dr to 5th Ave W

Description:

Reconditioning road post TPI

Funding Source:

	2025
Federal Traffic Funds	\$ 1,480,000
MSA	\$ 370,000
Street Lighting	\$ 250,000
	\$ 2,100,000



Project Title:

4th Street, Mesaba to 6th Ave E

Description:

Reconstruct road after utility replacements

Funding Source:

	2025
MSA	\$ 2,500,000



City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Street Improvement & Bridge Projects

Project Title:

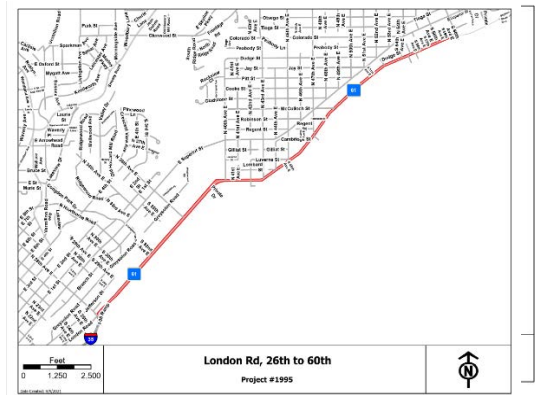
London Rd 26th Ave E to 60th Ave E (MNDOT)

Description:

Coordinate with MNDOT for reconditioning of London Rd (MN 61)

Funding Source:

	2026
Federal Traffic Funds	\$ 1,480,000
MSA	\$ 1,645,000
Local Sales Tax (.5%)	\$ 625,000
	\$ 3,750,000



Project Title:

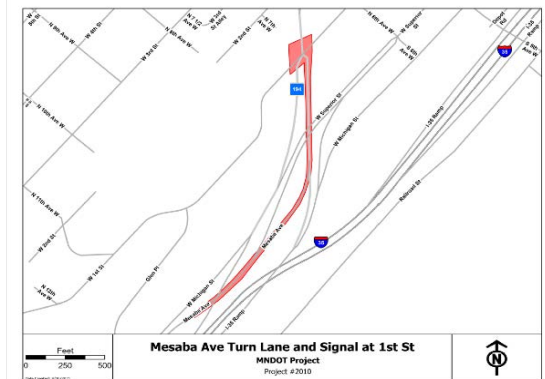
Mesaba Ave Turn Lane/Signal 1st St (MNDOT)

Description:

Traffic flow upgrades.

Funding Source:

	2026
Street Lighting Fund	\$ 250,000



City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Street Improvement & Bridge Projects

Project Title:

St. Marie St., Campus Connector Shared Use Path & Street

Description:

Widening road for shared use path

Funding Source:

	2026
Federal Traffic Funds	\$ 384,091
MSA	\$ 2,400,000
	\$ 2,784,091



Project Title:

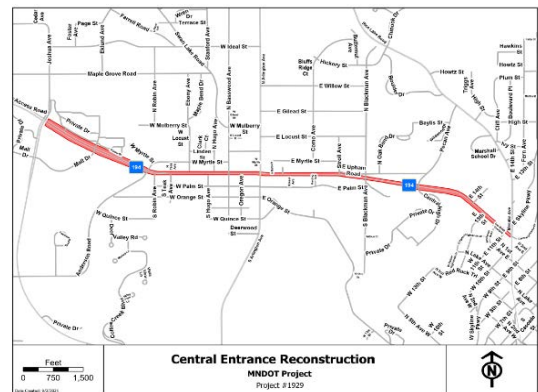
Central Entrance Reconstuction (MNDOT)

Description:

Total reconstruction of roadway

Funding Source:

	2027
Federal	\$ 1,000,000
MSA	\$ 1,300,000
Street Lighting	\$ 250,000
	\$ 2,550,000



City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Street Improvement & Bridge Projects

Project Title:

Grand Ave Reconditioning

Description:

Reconditioning of Grand Ave, Carlton St to 59th Ave W

Funding Source:

MSA

	2027
\$	<u>2,000,000</u>



City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 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, with a large 5 year investment in replacing all remaining lead service lines in the water distribution system.

Operating Cost Implications of 2023 Approved Projects:

The Water Fund projects are for replacement and rehabilitation of the water system to increase system reliability, with an emphasis on lead service line replacement, 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	2023	2024	2025	2026	2027	Total
Water	17,192,000	16,556,000	13,300,000	13,180,000	19,287,500	79,515,500
Gas	2,300,000	2,960,000	2,690,000	2,790,000	2,190,000	12,930,000
Sewer	2,250,000	2,550,000	2,450,000	3,400,000	2,456,000	13,106,000
Stormwater	2,150,000	2,655,000	2,900,000	3,700,000	3,400,000	14,805,000
Total	23,892,000	24,721,000	21,340,000	23,070,000	27,333,500	120,356,500

Funding	2023	2024	2025	2026	2027	Total
Water Revenue Bonds	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000	25,500,000
Grant Fund	8,400,000	8,400,000	4,900,000	4,900,000	4,900,000	31,500,000
Water - Current Revenue	3,692,000	3,056,000	3,300,000	3,180,000	9,287,500	22,515,500
Gas - Current Revenue	2,300,000	2,960,000	2,690,000	2,790,000	2,190,000	12,930,000
Sewer - Current Revenue	2,250,000	2,550,000	2,450,000	3,400,000	2,456,000	13,106,000
Stormwater - Current Revenue	2,150,000	2,655,000	2,900,000	3,700,000	3,400,000	14,805,000
Total	23,892,000	24,721,000	21,340,000	23,070,000	27,333,500	120,356,500

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 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. Significant improvements are required at the Lakewood Water Treatment Plant (WTP). Built in 1975, this aging facility requires renovation of electrical systems as well as structural repairs to both the treatment plant and pump building. Starting in 2023, the City will pursue grant and debt funding to replace lead service lines to proactively meet the federal mandates to eliminate lead in drinking water.

Project	2023	2024	2025	2026	2027	Total
WTP Resiliency Grant	3,500,000	3,500,000	-	-	-	7,000,000
WTP Resiliency Grant Match	750,000	-	-	-	-	750,000
Woodland Pump Station (design)	250,000	-	-	-	-	250,000
Gogebic & Steel Creeks (MNDOT Coordination)	320,000	-	-	-	-	320,000
Morris Thomas Rd (SLC Coordination)	1,100,000	-	-	-	-	1,100,000
Lead Service Replacement Project (49% Grant Funded) If Awarded	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	50,000,000
Raleigh St, 59th Ave W to Grand	702,000	-	-	-	-	702,000
Devonshire St, Atlantic to West End	120,000	-	-	-	-	120,000
First Ave E, Superior St to 3rd St Alley	240,000	-	-	-	-	240,000
Chester Park Alley	135,000	-	-	-	-	135,000
W Superior St Reconstruction, 23-Design	75,000	-	-	750,000	-	825,000
Solids Removal @ Water Plant	-	500,000	-	-	-	500,000
Fascia Repairs @ Pump Building	-	100,000	-	-	-	100,000
College Ave, Faye to Lawn	-	450,000	-	-	-	450,000
Chambersburg Dead End	-	486,000	-	-	-	486,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Water Capital Projects

Project Continued	2023	2024	2025	2026	2027	Total
Far East Superior St Reconnections (remove services from transmission line)	-	300,000	300,000	700,000	-	1,300,000
Ideal St, Swan Lake to Ecklund Upper Lakeside Tank Replacement	-	720,000	-	-	-	720,000
24th Ave W, 3rd to 7th St 4th St Water Main, 6th Ave E to Mesaba (Design & Construction)	-	500,000	-	-	-	500,000
40th Ave W (SLC coordination) WTP Building & Structural Repairs	-	-	450,000	-	-	450,000
Flocculator & Sedimentation Tank Repairs	-	-	1,300,000	1,100,000	-	2,400,000
Mesaba Ave Bridge (MNDOT Coordination)	-	-	600,000	-	-	600,000
Rapid Mix Tank Upgrades Filter #6	-	-	650,000	-	-	650,000
Duluth Heights Arlington Pump Station, Central Entrance (MNDOT Coordination)	-	-	-	530,000	-	530,000
Central Entrance Feed Pipe (MNDOT Coordination)	-	-	-	100,000	-	100,000
6th Ave E, 3rd St to 6th St Upgrade 5 water Filters	-	-	-	-	280,000	280,000
Total	-	-	-	-	1,800,000	1,800,000
	-	-	-	-	2,050,000	2,050,000
	-	-	-	-	157,500	157,500
	-	-	-	-	2,200,000	2,200,000
Total	17,192,000	16,556,000	13,300,000	13,180,000	19,287,500	79,515,500
Funding	2023	2024	2025	2026	2027	Total
Grant Funded	8,400,000	8,400,000	4,900,000	4,900,000	4,900,000	31,500,000
Water Improvement Bonds	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000	25,500,000
Water - Current Revenue	3,692,000	3,056,000	3,300,000	3,180,000	9,287,500	22,515,500
Total	17,192,000	16,556,000	13,300,000	13,180,000	19,287,500	79,515,500

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 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	2023	2024	2025	2026	2027	Total
Blanket Project	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	8,250,000
EFV/meter relocations /bollards	500,000	500,000	500,000	500,000	500,000	2,500,000
W Superior St Reconstruction, 23-Design	10,000	-	-	100,000	-	110,000
Building shell at Stora Enso	-	250,000	-	-	-	250,000
3 rd Street, Vernon, 2 nd Street Alley	-	200,000	-	-	-	200,000
20 th Avenue West, 23 rd Avenue West, 10 th Street	-	-	500,000	500,000	-	1,000,000
MnDot Central entrance, 8 inch plastic replacement	-	320,000	-	-	-	320,000
Patch contract	10,000	10,000	10,000	10,000	10,000	50,000
Street projects	30,000	30,000	30,000	30,000	30,000	150,000
Gogebic culverts with MNDOT	100,000	-	-	-	-	100,000
Total	2,300,000	2,960,000	2,690,000	2,790,000	2,190,000	12,930,000
Funding	2023	2024	2025	2026	2027	Total
Gas - Current Revenue	2,300,000	2,960,000	2,690,000	2,790,000	2,190,000	12,930,000
Total	2,300,000	2,960,000	2,690,000	2,790,000	2,190,000	12,930,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 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	2023	2024	2025	2026	2027	Total
Morris Thomas Rd (SLC Coordination)	100,000	-	-	-	-	100,000
W Superior St Reconstruction, 23-Design	50,000	-	-	500,000	-	550,000
Miscellaneous Street Projects	100,000	100,000	100,000	100,000	100,000	500,000
Lift Station Rehabilitation	450,000	450,000	450,000	450,000	450,000	2,250,000
Manhole Rehabilitation	50,000	50,000	50,000	50,000	50,000	250,000
City Wide Sanitary Sewer Lining	1,500,000	1,950,000	1,850,000	1,850,000	1,850,000	9,000,000
Cental Entrance, Blackman to Anderson.	-	-	-	450,000	6,000	456,000
Total	2,250,000	2,550,000	2,450,000	3,400,000	2,456,000	13,106,000
Funding	2023	2024	2025	2026	2027	Total
Sewer - Current Revenue	2,250,000	2,550,000	2,450,000	3,400,000	2,456,000	13,106,000
Total	2,250,000	2,550,000	2,450,000	3,400,000	2,456,000	13,106,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 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 various stormwater infrastructure along numerous creeks and streets comprise a large portion of our plan to ensure the City is compliant with our MS4 Permit. Significant costs will occur in the repair and replacement of storm sewers in steep slope areas that discharge into streams located throughout the city.

Project	2023	2024	2025	2026	2027	Total
40th Ave West - SLC Project	-	150,000	-	-	-	150,000
Annual Manhole Adjustments	50,000	50,000	75,000	75,000	75,000	325,000
Misc. Small Scale projects	145,000	175,000	175,000	175,000	175,000	845,000
Annual CIPP Lining	300,000	300,000	300,000	300,000	300,000	1,500,000
Annual SIP Coordination	750,000	900,000	900,000	900,000	900,000	4,350,000
Creek Tunnel Repairs TBD	-	350,000	350,000	350,000	350,000	1,400,000
Brewery Creek 5th St Alley Critical Culvert/Crossing Repairs	150,000	-	-	-	-	150,000
Citywide Storm Improvements Citywide Culvert & Ditch Repairs Block Long Projects	-	300,000	300,000	300,000	300,000	1,200,000
Citywide Pipe Repairs & Steep Slope "down drains"	-	-	-	300,000	400,000	700,000
FEMA Outfall Unreimbursed Overruns	-	-	125,000	200,000	200,000	525,000
Gogebic Creek CIPP & Improvements	200,000	200,000	250,000	250,000	250,000	1,150,000
Green Infrastructure Grant Match - TMDL Impaired Watersheds	35,000	-	-	-	-	35,000
Irving Park - Keene Creek GLC Grant Match	385,000	-	-	-	-	385,000
Morris Thomas Rd with SLC Miller Creek Down Drain w CI	-	-	100,000	200,000	300,000	600,000
US ACOE Grant Match	-	80,000	-	-	-	80,000
W Superior St Reconstruction, 23-Design	20,000	-	-	-	-	20,000
	60,000	-	-	-	-	60,000
	50,000	-	-	500,000	-	550,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023-2027 Capital Improvement Plan

Stormwater Capital Projects

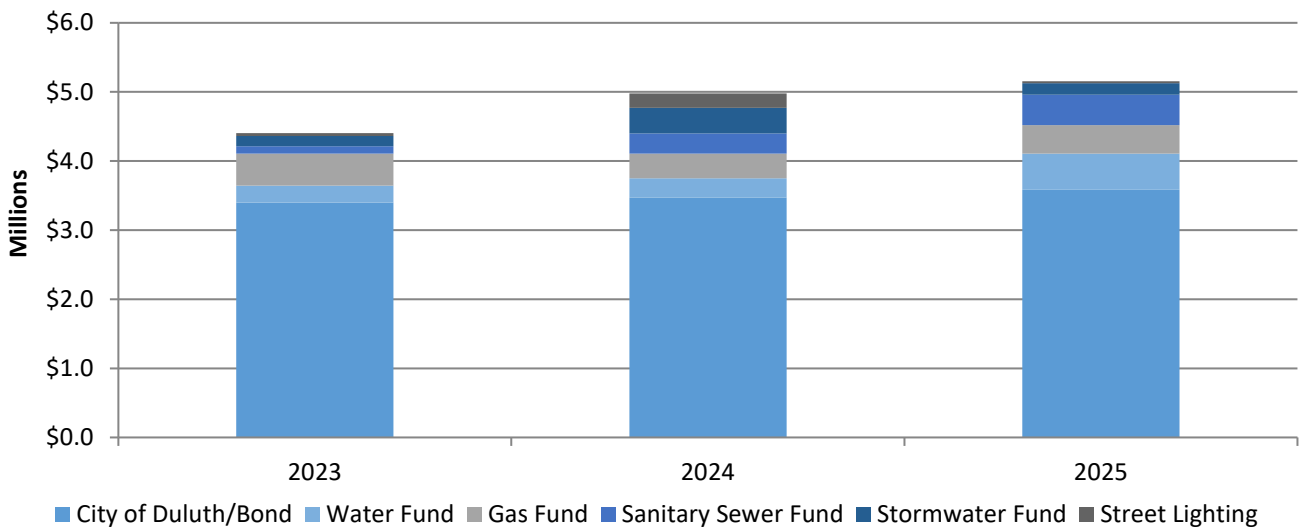
Project Continued	2023	2024	2025	2026	2027	Total
Park Point - Phase 2 Sump Pump Laterals	-	150,000	-	-	-	150,000
Storm SWPPP Document Update	-	-	25,000	-	-	25,000
Stream TMDL E.coli Studies - MS4 Permit Compliance	-	-	150,000	150,000	150,000	450,000
TMDL Action Plans Document - Next permit cycle	-	-	150,000	-	-	150,000
US Steel Creek Storm Sewer Replacement	5,000	-	-	-	-	5,000
Total	2,150,000	2,655,000	2,900,000	3,700,000	3,400,000	14,805,000
Funding	2023	2024	2025	2026	2027	Total
Stormwater - Current Revenue	2,150,000	2,655,000	2,900,000	3,700,000	3,400,000	14,805,000
Total	2,150,000	2,655,000	2,900,000	3,700,000	3,400,000	14,805,000

City of Duluth Minnesota - 2023 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. \$14.54 million in equipment purchases are proposed in this plan for the period of 2023 through 2025. Of that total, \$10.46 million of equipment will be financed using bond proceeds and the balance of \$4.08 million will be paid for using utility revenues and street lighting property tax levy. Shown in the chart below are the various funding sources by year for the plan.



	2023	2024	2025	Total
City of Duluth/Bond	3,400,000	3,472,000	3,585,000	10,457,000
Water Fund	245,200	277,000	520,300	1,042,500
Gas Fund	462,500	357,500	413,700	1,233,700
Sanitary Sewer Fund	104,200	293,100	439,100	836,400
Stormwater Fund	148,100	370,500	170,000	688,600
Street Lighting	42,000	210,000	25,000	277,000
Total Plan	4,402,000	4,980,100	5,153,100	14,535,200

City of Duluth Minnesota - 2023 Budget

Capital Equipment Plan

2023 Proposed Equipment:

The City's proposed 2023 capital equipment plan includes \$4.4 million for capital equipment purchases, of which \$3.4 million will be financed using bond proceeds and the remaining \$1.00 million will be paid for from utility revenues and the street lighting property tax levy.

For 2023, the City is proposing bonding for rolling stock purchases in the amount of \$1.68 million comprised of Fire vehicles and equipment totaling \$120,000; Construction Services vehicles and equipment totaling \$30,000; Police vehicles and equipment totaling \$554,600; Park Maintenance vehicles and equipment totaling \$137,000; Parks and Rec vehicles and equipment totaling \$33,400; Street Maintenance vehicles and equipment totaling \$800,000. For 2023 the City is also proposing bonding for non-rolling stock equipment in the amount of \$1.73 million for technology improvements and replacements and Fire equipment.

The breakdown of equipment purchases for the utility funds in 2023 includes \$143,000 for non-rolling stock equipment and \$859,000 for rolling stock vehicles for a total of \$1,002,000 in 2023; to be paid for using utility revenues and the street lighting property tax levy.

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Rolling Stock Vehicles

		2023	2024	2025	Total
Fire Department					
	Vehicles and Equipment	120,000	95,000	150,000	365,000
	Subtotal Fire Department	120,000	95,000	150,000	365,000
Construction Services					
	Vehicles and Equipment	30,000	-	-	30,000
	Subtotal Construction Services	30,000	-	-	30,000
Police Department					
	Vehicles and Equipment	554,600	605,000	600,000	1,759,600
	Subtotal Police Department	554,600	605,000	600,000	1,759,600
Park Maintenance					
	Vehicles and Equipment	137,000	250,000	400,000	787,000
	Subtotal Park Maintenance	137,000	250,000	400,000	787,000
Parks and Rec					
	Vehicles and Equipment	33,400	40,000		73,400
	Subtotal Parks Department	33,400	40,000		73,400
Street Maintenance					
	Vehicles and Equipment	800,000	950,000	600,000	2,350,000
	Subtotal Street Maintenance	800,000	950,000	600,000	2,350,000
Library					
	Vehicles and Equipment	-	-	25,000	25,000
	Subtotal Library	-	-	25,000	25,000
Transportation Engineering					
	Vehicles and Equipment	-	34,000	40,000	74,000
	Subtotal Transportation Engineering	-	34,000	40,000	74,000
Rolling Stock Bond Total		1,675,000	1,974,000	1,815,000	5,464,000

City of Duluth Minnesota - 2023 Budget

Estimated Operating Costs for 2023 Rolling Stock Vehicles

Item Description	2023	2024	2025	2026	2027	2028	6-year total
Construction Svcs SUVs	650	725	900	1,600	1,600	1,625	7,100
Fire Marked Squads (2) Avg	3,875	5,950	5,175	2,450	2,350	2,250	22,050
Park Maintenance Pickup	2,175	600	1,050	1,625	2,250	2,975	10,675
Park Maintenance Mower	850	2,425	1,325	1,625	3,400	1,625	11,250
Park Maint Snow Blower	1,550	4,575	2,175	2,800	5,125	5,050	21,275
Parks and Rec Pickup	2,175	600	1,050	1,625	2,250	2,975	10,675
Police SUV Squads (10) Avg	3,875	5,950	5,175	2,450	2,350	2,250	22,050
Streets Plow Trucks (2) Avg	8,875	16,725	11,875	15,175	33,200	25,025	110,875
Street Maint Wheel Loader	2,850	5,375	4,050	12,025	9,325	13,125	46,750
PW&U Welder	525	525	550	850	875	875	4,200
PW&U Pickups (3) Avg	2,175	600	1,050	1,625	2,250	2,975	10,675
PW&U Utility Vans (4) Avg	1,150	950	350	1,075	1,800	2,725	8,050
PW&U SUV	650	725	900	1,600	1,600	1,625	7,100
PW&U Excavator	1,025	1,600	2,175	2,250	3,450	7,825	18,325
PW&U Step Van	1,550	1,850	2,175	2,250	2,875	2,300	13,000
PW&U Service Body (2) Avg	3,375	8,825	9,850	7,850	8,050	8,625	46,575

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Rolling Stock Vehicle Goals*

*We may need to substitute a piece of equipment on the replacement plan with an item on the backlog list if the other asset has a major mechanical failure or requires costly repairs.

Fire Department - Two Crew Cap Rapid Response Vehicles

Description:

A light response vehicle is used for emergency response purposes and so reduces wear and tear on an expensive pumper apparatus.

Funding Source:

Capital Equipment Bond

FY 2023

120,000



City Priority Strategic Alignment:

City Priority

Safe and Secure Community

Definition

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

Construction Services - Inspector Vehicle

Description:

Used for Inspectors to visit construction sites where Inspectors spend over 80% of their time.

Funding Source:

Capital Equipment Bond

FY 2023

30,000



City Priority Strategic Alignment:

City Priority

Livable Neighborhoods and Affordable Housing

Definition

Development/Redevelopment: Encourage and support strategically planned, well-designed and uniformly regulated mixed-use development and redevelopment, enhancing its desirability as a great place to live and work

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Rolling Stock Vehicle Goals*

*We may need to substitute a piece of equipment on the replacement plan with an item on the backlog list if the other asset has a major mechanical failure or requires costly repairs.

Police Department - Police Vehicles

Description:

Annual police vehicle replacement is required for overall police fleet sustainability. The Duluth Police Dept. needs to ensure our police vehicles are safe, efficient and functional in order to meet the expectations of our community.



Funding Source:

FY 2023

Capital Equipment Bond

554,600

Fun Fact: The DPD will travel approximately 1.5 million miles annually.

City Priority Strategic Alignment:

City Priority

Safe and Secure Community

Definition

Safety Presence: Fosters a feeling of personal safety through a visible and approachable public safety presence, proactive prevention, community care-taking and education

Park Maintenance - 2007 Ford F250

Description:

This truck is used for hauling tools, plants, and supplies along with crew members for parks and trails work. The lift gate on the back allows staff to safely load heavy cargo into the bed.



Funding Source:

FY 2023

Capital Equipment Bond

46,000

City Priority Strategic Alignment:

City Priority

Infrastructure

Definition

Facilities: Continuously improve and invest in a well-maintained, safe and effective public infrastructure network and accessible, efficient, adequately regulated city facilities

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Rolling Stock Vehicle Goals*

*We may need to substitute a piece of equipment on the replacement plan with an item on the backlog list if the other asset has a major mechanical failure or requires costly repairs.

Park Maintenance - Toro Groundsmaster Ball Field

Mower Description:

This equipment is a hydrolically-driven turf mower, specifically designed for cutting athletic turf on baseball, softball, and soccer field.

Funding Source:

Capital Equipment Bond

FY 2023

56,000



City Priority Strategic Alignment:

City Priority

Green Space and Energy Conservation

Definition

Open Space Development: Design, develop and enhance its parks, trails, open spaces and recreation facilities, ensuring they are sustainable, convenient, safe, accessible, attractive and well-maintained

Park Maintenance - Two Snoquip Snowblowers

Description:

These are the snowblower heads for the trackless sidewalk cleaners. Equipment allows for continued operation of snow removal when another unit is broken or damaged.

Funding Source:

Capital Equipment Bond

FY 2023

35,000



City Priority Strategic Alignment:

City Priority

Green Space and Energy Conservation

Definition

Open Space Development: Design, develop and enhance its parks, trails, open spaces and recreation facilities, ensuring they are sustainable, convenient, safe, accessible, attractive and well-maintained

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Rolling Stock Vehicle Goals*

*We may need to substitute a piece of equipment on the replacement plan with an item on the backlog list if the other asset has a major mechanical failure or requires costly repairs.

Parks and Rec - Crewcab 1/2-Ton Pickup with Topper

Description:

This truck will be used daily for mobile rec programming to deliver our programs to parks throughout our community, as well as bringing 'parks' to schools, community events, libraries, and youth serving agencies.



Funding Source:

FY 2023

Capital Equipment Bond

33,400

City Priority Strategic Alignment:

City Priority

Green Space and Energy Conservation

Definition

Environmental Awareness: Encourages connection to our natural world through education and increased awareness regarding alternative mobility options, "green practices", energy efficiency, and resource conservation.

Street Maintenance - Plow Truck with Sander Insert

Description:

Plow trucks are used for snow plowing, sanding of roads, hauling blacktop, gravel, sand, salt, and other materials.



Funding Source:

FY 2023

Capital Equipment Bond

470,000

City Priority Strategic Alignment:

City Priority

Infrastructure

Definition

Transportation: Continually invest in building and improving a well-designed, well-maintained, accessible transportation system of safe and sustainable roadways, street lights, sidewalks and bridges

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Rolling Stock Vehicle Goals*

*We may need to substitute a piece of equipment on the replacement plan with an item on the backlog list if the other asset has a major mechanical failure or requires costly repairs.

Street Maintenance - Wheeled Loader

Description:

This piece of equipment loads salt and sand into our plow trucks.

Funding Source:

Capital Equipment Bond

FY 2023

90,000



City Priority Strategic Alignment:

City Priority

Safe and Secure Community

Definition

Transportation: Designs and constructs a safe transportation network that is well maintained, accessible and enhances traffic flow for all types of mobility options.

Street Maintenance - Traffic Paint Truck

Description:

Paints traffic lines on city streets.

Funding Source:

Capital Equipment Bond

FY 2023

240,000



City Priority Strategic Alignment:

City Priority

Safe and Secure Community

Definition

Transportation: Designs and constructs a safe transportation network that is well maintained, accessible and enhances traffic flow for all types of mobility options.

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Non-Rolling Stock Equipment

	2023	2024	2025	Total
IT				
Life Cycle Projects	1,275,000	770,000	875,000	2,920,000
Innovation Projects	50,000	555,000	455,000	1,060,000
Subtotal IT	1,325,000	1,325,000	1,330,000	3,980,000
Fire				
Rope rescue equipment	-	20,000	-	20,000
Personal Protection Equipment	65,000	68,000	75,000	208,000
Large Diameter Hose	-	-	75,000	75,000
SCBA	325,000	-	-	325,000
Thermal Imaging Camera	-	-	42,500	42,500
Medical Bags	10,000	-	-	10,000
Subtotal Fire	400,000	88,000	192,500	680,500
Police				
Police Equipment	-	25,000	192,500	217,500
Subtotal Police	-	25,000	192,500	217,500
Transportation Engineering				
Concrete Saw	-	-	20,000	20,000
J-Barrier Picker	-	-	5,000	5,000
Engineering GPS Units	-	60,000	30,000	90,000
Subtotal Transportation Engineering	-	60,000	55,000	115,000
Non-Rolling Stock Bond Total	1,725,000	1,498,000	1,770,000	4,993,000

City of Duluth Minnesota - 2023 Budget

Operating Costs for Non Rolling Stock Equipment

Item Description	2023	2024	2025	2026	2027	2028	6-year total
Police Video Consolidation	400,000	400,000	400,000	400,000	400,000	400,000	2,400,000
Network Equipment	30,000	20,000	30,000	20,000	20,000	30,000	150,000
Police RMS System	135,000	150,000	150,000	150,000	150,000	150,000	885,000
ARMER Radio Replacements	20,000	20,000	20,000	20,000	20,000	20,000	120,000
Document Mgt	70,000	70,000	70,000	100,000	100,000	100,000	510,000
Security Regulations	10,000	10,000	10,000	10,000	50,000	50,000	140,000
Knox Box Replacements	-	5,000	5,000	5,000	5,000	5,000	25,000
TRAKiT Replacement	-	20,000	20,000	25,000	25,000	-	90,000
Atty File Management	19,500	21,500	23,500	25,500	27,500	29,500	147,000
Community Center Technology	100,000	100,000	100,000	100,000	100,000	100,000	600,000
Library Scan and Fax	1,200	1,200	1,200	1,200	1,200	1,200	7,200
Vehicle Telematics	-	100,000	100,000	100,000	100,000	100,000	500,000

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Non-Rolling Stock Equipment

IT - Life Cycle Projects

Description:

Technology solutions have a usable and effective life span. Life cycle replacement projects are designed to maintain functionality and user productivity through acquiring, tracking, supporting and decommissioning existing technology solutions.



Life Cycle Project Goals:

	<u>2023-2025</u>
Radio Replacements	450,000
Enterprise Wide PC/Laptop Replacements	700,000
Core/Compute Switch Replacement	75,000
Camera System Hardware Replacements	60,000
Pictometry/Lidar Imagery	45,000
Network Equipment Replacements	925,000
Security Regulations	75,000
Backup Server Replacements	30,000
Priority Two Storage	50,000
Vehicle Telematics	400,000
Conference Room Technology Needs	50,000
Street Maintenance Sign Printer	10,000
Fire Video Conferencing	50,000
Total	2,920,000

*estimated project costs

City Priority Strategic Alignment:

City Priority

Innovation and Excellence in Service

Definition

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



Funding Source:

Capital Equipment Bond	2,920,000
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Fun Fact: The City hosts over 5,000 network devices and more than 250 applications and integrations across 42 City facilities.

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Non-Rolling Stock Equipment

IT - Innovation Projects

Description:

Innovation projects encompass the creation, development and/or implementation of a new product, process or service, with the aim of aligning technology projects to the City wide organizational goals.



Fun Fact: Professionals spend 5 – 15 percent of their time reading information, but up to 50 percent looking for it.

Innovation Project Goals:

	2023-2025	*estimated project costs
ITSC Project Planning	800,000	
Document Mgt	250,000	
PC / Peripheral Adds	10,000	
Total	1,060,000	



Fun Fact: In the US, there is a hacker attack every 39 seconds. The global average cost of a data breach is \$3.9 million. 95% of cybersecurity breaches are due to human error. Since COVID-19, the US FBI reported a 300% increase in reported cybercrimes.

Funding Source:

Capital Equipment Bond	1,060,000
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City Priority Strategic Alignment:

City Priority
Innovation and Excellence in Service

Definition
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

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Non-Rolling Stock Equipment

Fire - Personal Protection Equipment

Description:

This equipment will be replaced in compliance with industry standards for cancer reduction and prevention.

Funding Source:

Capital Equipment Bond

FY 2023

65,000



Fun Fact: The jacket weighs up to 15 lbs and the pants weigh up to 30 lbs. That's why firefighters always wear suspenders. The knees have special material for all the crawling they do.

City Priority Strategic Alignment:

City Priority

Safe and Secure Community

Definition

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

Fire - SCBA

Description:

A self-contained breathing apparatus (SCBA) is a respiratory device that contains and delivers breathable compressed air.

Funding Source:

Capital Equipment Bond

FY 2023

325,000



City Priority Strategic Alignment:

City Priority

Safe and Secure Community

Definition

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

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Non-Rolling Stock Equipment

Fire - Medical Bags

Description:

Medical bags contain all of the necessary equipment needed by Fire Operations personnel for medical emergency calls including, patient airway management (including oxygen), pediatric care, trauma care (including a defibrillator), universal precautions (PPE), wound care (including an OB kit), and a morale booster pocket that contains small stuffed animals and stickers! The current bags are difficult if not impossible to decontaminate.



Funding Source:

FY 2023

Capital Equipment Bond

10,000

City Priority Strategic Alignment:

City Priority

Safe and Secure Community

Definition

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

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

Utility Funds Capital Equipment Summary

	2023	2024	2025	Total
Water Fund				
Vehicles and Equipment	198,700	227,000	470,300	896,000
Non-Rolling Capital Equipment	46,500	50,000	50,000	146,500
Subtotal Water Fund	245,200	277,000	520,300	1,042,500
Gas Fund				
Vehicles and Equipment	404,500	307,500	363,700	1,075,700
Non-Rolling Capital Equipment	58,000	50,000	50,000	158,000
Subtotal Gas Fund	462,500	357,500	413,700	1,233,700
Sanitary Sewer Fund				
Vehicles and Equipment	84,900	273,100	419,100	777,100
Non-Rolling Capital Equipment	19,300	20,000	20,000	59,300
Subtotal Sanitary Sewer Fund	104,200	293,100	439,100	836,400
Stormwater Fund				
Vehicles and Equipment	128,900	350,500	150,000	629,400
Non-Rolling Capital Equipment	19,200	20,000	20,000	59,200
Subtotal Stormwater Fund	148,100	370,500	170,000	688,600
Street Lighting Fund				
Vehicles and Equipment	42,000	210,000	25,000	277,000
Subtotal Street Lighting Fund	42,000	210,000	25,000	277,000
Utility Funds Total	1,002,000	1,508,100	1,568,100	4,078,200

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Utilities Rolling Stock Vehicles

*We may need to substitute a piece of equipment on the replacement plan with an item on the backlog list if the other asset has a major mechanical failure or requires costly repairs.

Public Works and Utilities - Utility Engineering

Crewcab Pickup Truck

Description:

Project inspection vehicle, surveying, and utility marking.

Funding Source:

	<u>FY 2023</u>
Water Fund	6,800
Gas Fund	13,600
Sanitary Sewer Fund	6,800
Stormwater Fund	6,800
Total	<u>34,000</u>



City Priority Strategic Alignment:

City Priority

Infrastructure

Definition

Transportation: Continually invest in building and improving a well-designed, well-maintained, accessible transportation system of safe and sustainable roadways, street lights, sidewalks and bridges

Public Works and Utilities - Utility Operations

Welding Truck

Description:

The transport of materials and trailered equipment for utility repair and maintenance activities.

Funding Source:

	<u>FY 2023</u>
Water Fund	7,000
Gas Fund	28,000
Total	<u>35,000</u>



City Priority Strategic Alignment:

City Priority

Infrastructure

Definition

Transportation: Continually invest in building and improving a well-designed, well-maintained, accessible transportation system of safe and sustainable roadways, street lights, sidewalks and bridges

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Utilities Rolling Stock Vehicles

*We may need to substitute a piece of equipment on the replacement plan with an item on the backlog list if the other asset has a major mechanical failure or requires costly repairs.

Public Works and Utilities - Customer Service

Four Service Vans

Description:

These replacements will be used for the installation of water and gas services and meters as well as provide natural gas appliance repairs.



Funding Source:

	<u>FY 2023</u>
Water Fund	30,400
Gas Fund	121,600
Total	152,000

City Priority Strategic Alignment:

City Priority

Infrastructure

Definition

Utilities: 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

Public Works and Utilities - Utility Operations

Service Vehicle

Description:

Used to carry materials and tools to jobsites

Funding Source:

	<u>FY 2023</u>
Water Fund	4,100
Gas Fund	28,700
Sanitary Sewer Fund	4,100
Stormwater Fund	4,100
Total	41,000



City Priority Strategic Alignment:

City Priority

Infrastructure

Definition

Utilities: 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

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Utilities Rolling Stock Vehicles

*We may need to substitute a piece of equipment on the replacement plan with an item on the backlog list if the other asset has a major mechanical failure or requires costly repairs.

Public Works and Utilities - Utility Operations

Step Van

Description:

Transportation of employees, construction materials and mobile office while in the field.

Funding Source:

	FY 2023
Water Fund	14,000
Gas Fund	14,000
Sanitary Sewer Fund	14,000
Stormwater Fund	98,000
Total	140,000



City Priority Strategic Alignment:

City Priority

Infrastructure

Definition

Utilities: 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

Public Works and Utilities - Utility Operations

Excavator

Description:

Used for utility infrastructure maintenance and repairs.

Funding Source:

	FY 2023
Water Fund	130,000
Gas Fund	30,000
Sanitary Sewer Fund	20,000
Stormwater Fund	20,000
Total	200,000



City Priority Strategic Alignment:

City Priority

Infrastructure

Definition

Utilities: 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

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Utilities Rolling Stock Vehicles

*We may need to substitute a piece of equipment on the replacement plan with an item on the backlog list if the other asset has a major mechanical failure or requires costly repairs.

Public Works and Utilities - Utility Operations

3/4 Ton Pickup Truck with Plow

Description:

Servicing Sanitary Liftstations and clearing snow from other utility installations.

Funding Source:

FY 2023

Sanitary Sewer Fund

40,000

City Priority Strategic Alignment:

City Priority

Infrastructure

Definition

Utilities: 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



Public Works and Utilities - Utility Operations

Service Truck

Description:

Used to carry materials and tools to jobsites

Funding Source:

FY 2023

Gas Fund

126,000

City Priority Strategic Alignment:

City Priority

Infrastructure

Definition

Utilities: 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



City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Utilities Rolling Stock Vehicles

*We may need to substitute a piece of equipment on the replacement plan with an item on the backlog list if the other asset has a major mechanical failure or requires costly repairs.

Public Works and Utilities - Customer Service

4WD Passenger Vehicle

Description:

Used as a meter reading vehicle.

Funding Source:

	<u>FY 2023</u>
Water Fund	3,400
Gas Fund	<u>30,600</u>
Total	34,000



City Priority Strategic Alignment:

City Priority

Infrastructure

Definition

Utilities: 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

Public Works & Utilities - Utility Operations

Welder

Description:

Welding and joining water and gas pipes.

Funding Source:

	<u>FY 2023</u>
Water Fund	3,000
Gas Fund	<u>12,000</u>
Total	15,000



City Priority Strategic Alignment:

City Priority

Infrastructure

Definition

Utilities: 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

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Utilities Rolling Stock Vehicles

*We may need to substitute a piece of equipment on the replacement plan with an item on the backlog list if the other asset has a major mechanical failure or requires costly repairs.

Public Works and Utilities - Street Lighting

Pickup Truck

Description:

Transportation of employees, materials and mobile office while in the field.

Funding Source:

FY 2023

Street Lighting Fund

42,000



City Priority Strategic Alignment:

City Priority

Infrastructure

Definition

Utilities: 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

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Other Non-Rolling Stock Equipment

Public Works & Utilities - Water Treatment & Pumping

Turbidity Meters

Description:

Water-quality meters that measure the amount of suspended solid particles in water.

Funding Source:

Water Fund

FY 2023

6,000



City Priority Strategic Alignment:

City Priority

Infrastructure

Definition

Utilities: 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

Public Works & Utilities - Utility Operations

Valve Turner

Description:

This is used to turn water valves on and off.

Funding Source:

Water Fund

FY 2023

18,000



City Priority Strategic Alignment:

City Priority

Infrastructure

Definition

Utilities: 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

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Other Non-Rolling Stock Equipment

Public Works & Utilities - Utility Operations

Hammer Impactor

Description:

Opening ground for utility repairs

Funding Source:

	<u>FY 2023</u>
Water Fund	2,000
Gas Fund	2,000
Sanitary Sewer Fund	2,000
Stormwater Fund	2,000
Total	<u>8,000</u>



City Priority Strategic Alignment:

City Priority

Infrastructure

Definition

Utilities: 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

Public Works & Utilities - Utility Operations

Jumping Jack

Description:

Compacting dirt around utility digs.

Funding Source:

	<u>FY 2023</u>
Water Fund	1,500
Gas Fund	1,500
Sanitary Sewer Fund	1,500
Stormwater Fund	1,500
Total	<u>6,000</u>



City Priority Strategic Alignment:

City Priority

Infrastructure

Definition

Utilities: 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

City of Duluth Minnesota - 2023 Budget

City of Duluth 2023 - 2025 Capital Equipment Program

City of Duluth Other Non-Rolling Stock Equipment

Public Works & Utilities - Engineering

Trimble GPS

Description:

GPS Units are used for locating and recording above ground infrastructure.

Funding Source:

FY 2023

Water Fund	19,000
Gas Fund	54,500
Sanitary Sewer Fund	15,800
Stormwater Fund	15,700
Total	<u>105,000</u>

City Priority Strategic Alignment:

City Priority

Infrastructure

Definition

Transportation: Continually invest in building and improving a well-designed, well-maintained, accessible transportation system of safe and sustainable roadways, street lights, sidewalks and bridges





Legislation Details (With Text)

File #: 22-041-O Name:
 Type: Ordinance Status: Passed
 File created: 11/23/2022 In control: Finance
 On agenda: 12/5/2022 Final action: 12/19/2022
 Title: AN ORDINANCE SETTING THE BUDGET FOR THE FISCAL YEAR 2023 APPROPRIATING MONIES FOR THE SUPPORT OF THE CITY GOVERNMENT, PUBLIC UTILITIES, AND PUBLIC ENTERPRISE FUNDS AND FOR OTHER PURPOSES.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Motion to Amend: Randorf, 2. Revised Motion to Amend_2022.12.5 Revised and Passed 7-2 (Councilor Alstead and Councilor Hobbs on 12/5), 3. 22-041-O (Original)

Date	Ver.	Action By	Action	Result
12/19/2022	1	City Council	adopted as amended	
12/5/2022	1	City Council	read for the first time	

AN ORDINANCE SETTING THE BUDGET FOR THE FISCAL YEAR 2023 APPROPRIATING MONIES FOR THE SUPPORT OF THE CITY GOVERNMENT, PUBLIC UTILITIES, AND PUBLIC ENTERPRISE FUNDS AND FOR OTHER PURPOSES.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That in accordance with Section 58 of the 1912 Home Rule Charter of the City of Duluth, and all amendments thereof and law supplementary thereto, and for the fiscal year beginning January 1 and ending December 31, 2023, the city council hereby budgets, determines and states the amount of money required to meet the principal and interest of maturing obligations comprising the outstanding indebtedness of such city; the amounts of money necessary to be provided for each such fund and each department of such city; and estimates the amount of income from all other sources and revenues, exclusive of taxes upon property, together with the probable amount required to be levied and raised by taxation to defray all expenses and obligations of such city during such fiscal year.

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

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

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

must be approved by the city council if used for a purpose other than what has been specified.

That donations and gifts received that are less than \$10,000 and not anticipated in the original budget may be added to the appropriated budget item upon approval by the chief administrative officer 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 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 chief administrative officer or designee.

Section 2. That the city auditor be authorized to approve the payments of \$4,223,200 from the gas and steam public utility funds to the general fund for administrative services; comprised of \$4,000,000 or seven percent of the gross revenues of the gas utility fund to the general fund; and \$223,200 from public utilities steam fund to the general fund.

Section 3. That the mayor or the chief administrative officer or their designees may make transfers from budget item to budget item as may be considered necessary for the proper administration of the city government for the year. However, the total of any transfers to or from any budget item in excess of ten percent of the appropriation therefore as herein made shall be made only upon approval of the city council. For the purpose of the Section, the term budget item shall mean the amount appropriated to the various funds delineated as fixed charges in the budget summary. The 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, 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 2023

General Fund

110	Legislative and Executive	4,149,150
121	Property, Parks, and Libraries	14,689,700
122	Administrative Services	6,219,100
125	Finance	2,956,000
132	Planning and Economic Development	4,029,600
150	Fire	20,046,900
160	Police	27,259,200

500	Public Works	10,914,700
700	Transfers and Other Functions	15,602,500
	Total General Fund	105,866,850
Special Revenue		
205	Parks Fund	3,059,100
268 & 270	Workforce Development Fund	3,705,839
290	Street System Maintenance Utility	2,394,000
550	Street Lighting Fund	3,252,200
Public Enterprise		
503	Golf Fund	1,476,739
505	Parking Fund	5,700,100
506	Priley Drive Parking Facility	1,485,600
Public Utilities		
510 & 511	Water Fund	32,695,700
520	Gas Fund	56,536,900
530 & 532	Sewer and Clean Water Fund	22,948,900
535	Stormwater Fund	7,847,600
540	Steam Fund	17,259,700

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

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

The programs funded by state and federal grants shall be reduced or eliminated accordingly if state or federal revenue are reduced or eliminated and another funding source is not 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, 2023.

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 2023 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, and street system maintenance utility; and the three public enterprise funds of parking, Priley Drive parking facility, and golf.



Legislation Details (With Text)

File #: 22-040-O Name:
Type: Ordinance Status: Passed
File created: 11/23/2022 In control: Finance
On agenda: 12/5/2022 Final action: 12/19/2022
Title: AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR GENERAL PURPOSES FOR THE YEAR 2023.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A - 2023 Tax Levy (002).pdf, 2. Motion to Amend: Randorf (Withdrawn 12/5 9 - 0), 3. Motion to Amend: Kennedy (Failed 3 (Councilor Awal, Vice President Kennedy and President Forsman) -6 on 12/5), 4. Motion to Amend Randorf (2) (Passed 7-2 (Councilor Hobbs and Vice President Kennedy))

Date	Ver.	Action By	Action	Result
12/19/2022	1	City Council	adopted as amended	
12/5/2022	1	City Council	read for the first time	

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR GENERAL PURPOSES FOR THE YEAR 2023.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2023 is hereby determined to be the sum of \$41,321,376 which sum is levied against the taxable property of the City of Duluth and appropriated to the various accounts of the city, as set forth in the following sections.

Section 2. That there will be levied for the support of the general fund the sum of \$28,264,076.

Section 3. There will be levied for support of the Parks fund the amount of \$280,000.

Section 4. That there will be levied for the support of the street lighting fund the sum of \$2,547,200.

Section 5. That there will be levied for the support of the street maintenance utility fund the amount of \$2,300,000.

Section 6. That there will be levied for the support of the Duluth housing trust fund the amount of \$292,500

Section 7. That for the payment of debt, there will be levied for the general obligation debt fund the sum of \$7,357,600.

Section 8. That pursuant to Laws of Minnesota 1971, Chapter 824, to pay for the portion of the cost of local improvements which will not sustain a special assessment, there will be levied for the permanent improvement fund the sum of \$280,000.

Section 9. That this ordinance shall take effect January 1, 2023

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2023. The proposed property tax levy increase for 2023 is \$3,026,350, which is an 7.90% increase. Of the total increase, \$2,876,350 funds general operations, \$50,000 funds debt service costs attributed to interest rate increases, and \$100,000 funds increased salaries, benefits, and increased cost of goods in the street light fund.



Legislation Details (With Text)

File #: 22-037-O Name:
Type: Ordinance Status: Passed
File created: 11/22/2022 In control: Finance
On agenda: 12/5/2022 Final action: 12/19/2022
Title: AN ORDINANCE DETERMING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL PARKS FUND LEVY FOR THE YEAR 2023

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
12/19/2022	1	City Council	adopted	
12/5/2022	1	City Council	read for the first time	

AN ORDINANCE DETERMING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL PARKS FUND LEVY FOR THE YEAR 2023

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2023 for the special parks fund levy is hereby determined to be the sum of \$2,600,000 which sum is levied against the taxable property of the city of Duluth and appropriated to the various accounts as set forth in the following section.

Section 2. That pursuant to Ordinance 10102, approved by voter referendum on November 9, 2011, pursuant to the authority contained in Laws of Minnesota, 1983, Chapter 560, Section 1, there will be levied for the parks fund the sum of \$2,600,000.

Section 3. That this ordinance shall take effect January 1, 2023.

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2023 for the parks fund levy. Ordinance 10102, approved by voter referendum on November 9, 2011, created a dedicated parks fund and special levy in the amount of \$2.6 million per year to be utilized for parks and recreation purposes only.



Legislation Details (With Text)

File #: 22-036-O Name:
Type: Ordinance Status: Passed
File created: 11/22/2022 In control: Finance
On agenda: 12/5/2022 Final action: 12/19/2022
Title: AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL TAXING DISTRICT, DULUTH TRANSIT AUTHORITY, FOR THE YEAR 2023

Sponsors:

Indexes:

Code sections:

Attachments: 1. Motion to Amend 22-036-O Randorf.pdf

Date	Ver.	Action By	Action	Result
12/19/2022	1	City Council	adopted	
12/5/2022	1	City Council	read for the first time	

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL TAXING DISTRICT, DULUTH TRANSIT AUTHORITY, FOR THE YEAR 2023

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2023 for Duluth Transit Authority taxing district's operations is hereby determined to be the sum of \$2,174,408 which sum is levied against the taxable property of the city of Duluth and appropriated to the various accounts as set forth in the following sections:

Section 2. That pursuant to Minnesota Statutes, Section 458A.31, Subd.1, there will be levied for transit operations the sum of \$2,174,408.

Section 3. That this ordinance shall take effect January 1, 2023.

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2023 for the special taxing district, Duluth Transit Authority (DTA). Although the transit authority is a special taxing district per Minnesota Statute 275.066, the city is obligated through council action to levy on their behalf.

The full levy allowable by law in Minnesota State Statute 458A.31 of .07253 percent of estimated market value for 2023 is in excess of \$6.7 Million. The DTA, in reviewing their needs for 2023, is opting not to request the full levy available. Instead, the DTA is requesting approximately .04214 percent of the estimated market value for 2023, resulting in a \$2.2 Million increase from 2022.



Legislation Details (With Text)

File #: 22-0971R Name:
Type: Resolution Status: Passed
File created: 11/23/2022 In control: Finance
On agenda: 12/5/2022 Final action: 12/19/2022
Title: RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2023 TO DECEMBER 31, 2023, OPERATION BUDGET OF THE DULUTH TRANSIT AUTHORITY.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/19/2022	1	City Council	adopted	
12/5/2022	1	City Council	tabled	

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2023 TO DECEMBER 31, 2023, OPERATION BUDGET OF THE DULUTH TRANSIT AUTHORITY.

CITY PROPOSAL:

RESOLVED, that the operation budget for the fiscal year January 1, 2023 to December 31, 2023, in the amount of \$23,290,476 for the Duluth Transit Authority is hereby approved.

STATEMENT OF PURPOSE: This resolution adopts the 2023 operating budget for the Duluth Transit Authority, a detailed budget is attached as Exhibit A.

The budget includes an increase of \$ 2,597,553 or 12.5% over the 2022 budget. This resolution adopts the budget as presented for the current year



Legislation Details (With Text)

File #: 22-1007R Name:

Type: Resolution Status: Passed

File created: 12/2/2022 In control: Finance

On agenda: 12/19/2022 Final action: 12/19/2022

Title: RESOLUTION ESTABLISHING ANNUAL BONDING PLAN FOR 2023.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/19/2022	1	City Council	adopted	

RESOLUTION ESTABLISHING ANNUAL BONDING PLAN FOR 2023.

CITY PROPOSAL:

RESOLVED, that, pursuant to Section 20-33 of the Duluth City Code, 1959, as amended, the following is hereby established as the annual, ordinary course general obligation bonding plan for the city of Duluth for the year 2023.

General obligation bonds and notes to be issued in 2023	\$22,400,000
General obligation bonds and notes scheduled to be retired in 2023	\$16,019,000
Net anticipated increase in general obligation bonding for 2023	\$6,381,000

STATEMENT OF PURPOSE: This resolution sets forth the city's estimated bond and note issuances and repayments for the year 2023 as required by Section 20-33 of the city code. The city estimates its bonding activity in 2023 will result in a net increase of \$6,381,000 in the amount of the city's general obligation outstanding debt during 2023; see Exhibit A for estimated debt issuance.

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



Legislation Details (With Text)

File #: 22-1026R Name:
 Type: Resolution Status: Passed
 File created: 12/8/2022 In control: Finance
 On agenda: 12/19/2022 Final action: 12/19/2022
 Title: RESOLUTION APPROVING CAPITAL IMPROVEMENT PLAN AND STATING INTENT TO ISSUE GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS UNDER MINNESOTA STATUTES, SECTION 475.521.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
12/19/2022	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 2023 through 2027 which has been presented to the Council in the section entitled "Capital Improvement Program Summary" in the document entitled "2023-2027 Capital Improvement Budget and Five-Year Plan" (the "Plan");

(b) A notice of public hearings has been published in accordance with the Act, and the Council has held on December 19, 2022, 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 19, 2022, after notice of public hearing required by the Act, on the City's intention to issue general obligation capital improvement bonds, in an amount not to exceed \$1,900,000 for the purposes set forth in the notice of public hearing. All persons who desired to speak at the public hearing were heard and written comments were considered.

(c) The Council hereby finds and determines that it is necessary, expedient and in the best interests of the City's residents that the City issue, sell and deliver general obligation capital improvement bonds in the maximum amount of \$1,900,000 (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 HVAC, City Hall Grounds/Priley Circle, Firehalls, Police Firing Range Study and Improvements and other CIP Eligible Facilities, and for the payment of costs of issuance of the Bonds.

(d) If, within 30 days after December 19, 2022, 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 2023-2027 capital improvement plan and declares the City's intent to issue general obligation capital improvement bonds in 2023 in an amount not to exceed \$1,900,000 for certain capital improvements as listed in the resolution. The estimated costs of the capital improvements to be financed by the 2023 bonds are \$1,800,000 plus underwriter discount and costs of issuance.



Legislation Details (With Text)

File #: 22-1027R Name:
 Type: Resolution Status: Passed
 File created: 12/8/2022 In control: Finance
 On agenda: 12/19/2022 Final action: 12/19/2022
 Title: RESOLUTION OF THE CITY OF DULUTH, MINNESOTA, STATING THE INTENT TO ISSUE GENERAL OBLIGATION CAPITAL EQUIPMENT NOTES, SERIES 2023, IN THE APPROXIMATE AMOUNT OF \$3,700,000 AND APPROVING THE CAPITAL EQUIPMENT LIST ASSOCIATED WITH THE NOTES.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/19/2022	1	City Council	adopted	

RESOLUTION OF THE CITY OF DULUTH, MINNESOTA, STATING THE INTENT TO ISSUE GENERAL OBLIGATION CAPITAL EQUIPMENT NOTES, SERIES 2023, IN THE APPROXIMATE AMOUNT OF \$3,700,000 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 2023 in an amount up to \$3,700,000 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 2023.

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: sSTATEMENT OF PURPOSE: This resolution states the City's intent to issue general obligation capital equipment notes in 2023 to finance the purchase of capital equipment. It further approves the capital equipment list as items to be financed in 2023 in an amount of \$3,400,000 plus an additional amount for costs of issuance and discount.



Legislation Details (With Text)

File #: 22-0786R Name:

Type: Resolution Status: Passed

File created: 9/16/2022 In control: Finance

On agenda: 9/26/2022 Final action: 10/10/2022

Title: RESOLUTION DISTRIBUTING THE ESTIMATED 2023 HOTEL-MOTEL AND FOOD AND BEVERAGE TOURISM TAXES.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A, 2. Motion to Amend: Alstead - Tabled on 9.26.22 - Failed 10.10.22, 3. Motion to Amend: Passed 7-2-2 10.10.22

Date	Ver.	Action By	Action	Result
10/10/2022	1	City Council	adopted as amended	Pass
9/26/2022	1	City Council	tabled	

RESOLUTION DISTRIBUTING THE ESTIMATED 2023 HOTEL-MOTEL AND FOOD AND BEVERAGE TOURISM TAXES.

CITY PROPOSAL:

WHEREAS, Tourism Taxes are collected on specific purchases and are used to fund legislatively allowable expenses mandated by Minnesota Laws and City Ordinance.

WHEREAS, it is expected that tourism tax collections will amount to both 2019 and 2021 levels of approximately \$12.4 million. A significant amount of these collections- more than 50%- are set aside through specific authorizing legislation that tied bonding projects to tourism or through previously stated and mandated commitments. These are:

- DECC Improvement Refunding Bonds (AMSOIL Arena) - \$33,440,000
- Tourism Tax Revenue Bonds (St Louis River Corridor) - \$18,000,000
- Spirit Mountain Tax Abatement Bonds (Grand Avenue Chalet & Improvements) - \$7,055,000
- Minnesota Slip Bridge Interfund Loan - \$2,200,000
- Promotion and Publicity 3% Hotel/Motel Tax Mandate

WHEREAS, the allocations for City funding to the General Fund and Parks are focused on the costs of providing services for events and tourist-focused activities which include but are not limited to: Lakewalk, Enger Tower, Rose Garden, Public Safety staffing and road closures for special events.

WHEREAS, the remainder can be spent in ways that align with legislative intent in support of our tourism

economy. These funds cannot be unilaterally applied to other non-tourism organizational needs of the City.

RESOLVED, that the 2023 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:	\$2,976,000	\$1,138,300	\$1,837,700
1% Hotel/Motel Tax:	\$992,000	\$725,600	\$266,400
1% Food & Beverage:	\$2,728,000	\$2,728,000	\$0
Additional 2% Hotel/Motel:	\$1,860,000	\$930,000	\$930,000
Additional .75% Food & Beverage:	\$1,984,000	\$0	\$1,984,000
Additional .5% Food & Bev & .5% Hotel/Motel	\$1,860,000	\$0	\$1,860,000
Tourism Tax Fund	\$937,100	\$937,100	\$0
Unappropriated Fund Balance			
Total:	\$13,337,100	\$6,459,000	\$6,878,100
DECC- Amsoil Arena Debt Service	\$3,821,700	\$0	\$3,821,700
Spirit Mountain Bond - Chalet	\$500,000	\$0	\$500,000
Spirit Mountain Adventure Park Lease	\$145,700	\$0	\$145,700
St Louis River Corridor Debt Service	\$1,860,700	\$0	\$1,860,700
MN Slip Bridge (final payment)	\$30,000	\$0	\$30,000
Lakewalk Seawall Project	\$520,000	\$0	\$520,000
DECC - Bayfront Park Management	\$73,500	\$73,500	\$0
DECC - Blue Bridge Operations	\$46,700	\$46,700	\$0
Tourism Events Support General Fund	\$1,234,800	\$1,234,800	\$0
Tourism Marketing Position	\$111,700	\$111,700	\$0
Greater Downtown Council/Duluth	\$230,000	\$230,000	\$0
Downtown Waterfront District			
Lake Superior Zoo	\$510,000	\$510,000	\$0
Northern Lights Express	\$20,000	\$20,000	\$0
Bellmont Partners	\$1,800,000	\$1,800,000	\$0
Visit Duluth Event and Convention Sales	\$650,000	\$650,000	\$0
Fourth Fest Fireworks	\$70,000	\$70,000	\$0

Duluth Airport - Denver Flight	\$50,000	\$50,000	\$0
Great Lakes Aquarium	\$340,000	\$340,000	\$0
The Depot Foundation	\$220,000	\$220,000	\$0
Duluth Sister Cities International	\$25,000	\$25,000	\$0
Glensheen	\$35,000	\$35,000	\$0
Duluth Children's Museum	\$50,000	\$50,000	\$0
Hawk Ridge Bird Observatory	\$40,000	\$40,000	\$0
North Shore Scenic Railroad	\$50,000	\$50,000	\$0
City of Duluth Parks and Recreation	\$77,300	\$77,300	\$0
Spirit Mountain Operations	\$440,000	\$440,000	\$0
Zeitgeist Center for Arts and Community	\$25,000	\$25,000	\$0
Kraus Anderson Bike Duluth Festival	\$10,000	\$10,000	\$0
Gary New Duluth Skateboard park	\$40,000	\$40,000	\$0
MN Land Trust	\$50,000	\$50,000	\$0
Duluth Amateur Hockey Association	\$20,000	\$20,000	\$0
Catalyst Content Festival	\$30,000	\$30,000	\$0
FinnFest	\$25,000	\$25,000	\$0
Main Street Lincoln Park - Ecolibrium 3	\$25,000	\$25,000	\$0
Duluth Public Arts Commission	\$50,000	\$50,000	\$0
UMD NCAA Women's Hockey Frozen Four Championship			
Operational Contingency	\$40,000	\$40,000	\$0
Clean and Safe Team in the Lincoln Park Craft District	\$20,000	\$20,000	
Lake Superior & Mississippi Railroad Company	\$20,000	\$20,000	
Total	\$13,337,100	\$6,459,000	\$6,878,100

STATEMENT OF PURPOSE: This resolution distributes the 2023 estimated tourism taxes as required by Minnesota State Statutes, City ordinance, or City policy. \$12.4 million is budgeted to be collected in 2023, similar to the amounts collected in both 2019 and 2021. A comparison of 2022 approved allocations to 2023 proposed allocations is attached as Exhibit A.

For 2023, the City intends to use \$937,100 of unappropriated fund balance from the tourism tax fund.

As has been done in previous years, the City continued its annual electronic application process. All applicants were asked to apply for funds, submit budgets, answer a series of questions and report on previous tourism tax funding levels and uses. This is the fourth year this process has been used and it was implemented with the intent to provide greater accountability, transparency, and process to a significant source of public funding.



Legislation Details (With Text)

File #: 22-0961R Name:
Type: Resolution Status: Passed
File created: 11/22/2022 In control: Finance
On agenda: 12/5/2022 Final action: 12/5/2022
Title: RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2023 TO DECEMBER 31, 2023, OPERATION BUDGET OF THE DULUTH AIRPORT AUTHORITY.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/5/2022	1	City Council	adopted	

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2023 TO DECEMBER 31, 2023, OPERATION BUDGET OF THE DULUTH AIRPORT AUTHORITY.

CITY PROPOSAL:

RESOLVED, that the operations budget for the fiscal year January 1, 2023 to December 31, 2023, in the amount of \$16,246,031 for the Duluth Airport Authority is hereby approved.

STATEMENT OF PURPOSE: This resolution adopts the 2023 operating budget for the Duluth Airport Authority, a detailed budget is attached as Exhibit A



Legislation Details (With Text)

File #: 22-0962R Name:
Type: Resolution Status: Passed
File created: 11/22/2022 In control: Finance
On agenda: 12/5/2022 Final action: 12/19/2022
Title: RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2023 TO DECEMBER 31, 2023 BUDGETS OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A to Resolution #22-0962R

Date	Ver.	Action By	Action	Result
12/19/2022	1	City Council	adopted	
12/5/2022	1	City Council	tabled	

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2023 TO DECEMBER 31, 2023 BUDGETS OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY.

CITY PROPOSAL:

RESOLVED, that the DEDA operating fund, debt service fund, capital projects fund attached in Exhibit A are hereby approved.

STATEMENT OF PURPOSE: This resolution adopts the various DEDA budgets for fiscal year 2023. The DEDA adopted the DEDA budgets at its October 26, 2022 meeting.

City of Duluth Minnesota - 2023 Budget

DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year	Population	Total Personal Income	Per Capita		Unemployment Rate
			Personal Income	Per Capita School Enrollment	
2013	86,128	2,510,223,601	29,145	9,020	5.2%
2014	86,238	2,605,207,475	30,210	8,809	4.4%
2015	86,110	2,763,072,824	32,088	8,819	3.3%
2016	86,293	2,709,298,125	31,396	8,632	3.9%
2017	86,066	2,770,709,396	32,193	8,547	3.5%
2018	85,884	2,894,363,625	33,701	8,844	3.2%
2019	85,618	3,020,478,591	35,279	8,706	3.3%
2020	86,697	2,937,425,075	33,881	8,896	6.7%
2021	86,372	3,113,711,612	36,050	8,358	3.3%
2022*	86,372	3,314,416,974	38,374	8,487	2.0%

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.

* Estimates

MINNESOTA CITIES HOUSING STOCK COMPARISON

Age of Housing Stock	Duluth		Rochester		St. Cloud		Mankato	
Total Housing Units	38,767		51,901		28,614		18,756	
1980 or newer	7,633	19.7%	29,630	57.1%	14,080	49.2%	9,178	48.9%
1960 to 1979	6,907	17.8%	11,679	22.5%	7,530	26.3%	3,915	20.9%
1940 to 1959	7,167	18.5%	6,363	12.3%	3,483	12.2%	2,422	12.9%
1939 or earlier	17,060	44.0%	4,229	8.1%	3,521	12.3%	3,241	17.3%

Data source: American Community Survey

City of Duluth Minnesota - 2023 Budget

PRINCIPAL EMPLOYERS

Employer	Type of Business	Employees	Rank	% of Total City Employment
Essentia Health	Health Care	6,513	1	14.64%
St. Luke's Hospital	Health Care	2,241	2	5.04%
St. Louis County	Public Administration	1,881	3	4.23%
Independent School District No.709	Educational Services	1,450	4	3.26%
ALLETE	Utilities	1,314	5	2.95%
Duluth Air National Guard Base	Public Administration	1,068	6	2.40%
Cirrus Design	Manufacturing	1,000	7	2.25%
United Health Care	Finance and Insurance	999	8	2.25%
University of Minnesota - Duluth	Educational Services	953	9	2.14%
City of Duluth	Public Administration	872	10	1.96%
		<u>18,291</u>		<u>41.12%</u>

Source: Northland Connection's website. Total city employment is from the MN Department of Employment & Economic Development's website.

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

Function	2018	2019	2020	2021	2022
General government	126.50	131.65	134.10	135.10	133.90
Public Safety					
Police	182.14	182.14	180.50	183.00	183.50
Fire	146.50	146.50	148.50	148.50	148.50
Public Works	82.95	83.95	82.95	82.95	82.85
Culture and recreation					
Parks and recreation	11.70	11.70	13.70	13.70	13.70
Library	46.70	46.70	46.70	47.70	47.50
Urban & Economic Development	50.64	57.64	56.14	55.14	58.14
Water & Gas	134.75	135.45	133.00	133.00	132.60
Sewer	34.65	33.05	33.75	33.75	33.50
Stormwater	23.15	24.05	24.80	24.80	24.75
Parking	9.00	9.00	9.00	8.00	8.00
Street Lighting	5.10	5.10	5.10	5.10	5.10
Total	<u>853.78</u>	<u>866.93</u>	<u>868.24</u>	<u>870.74</u>	<u>872.04</u>

City of Duluth Minnesota - 2023 Budget

TOTAL ESTIMATED MARKET VALUES

Fiscal Year End	Total Estimated Market Value	Tax Capacity	% Capacity to Market Value	Tax Rate
2013	5,473,015,800	61,948,785	1.13%	0.33198
2014	5,584,098,600	62,430,044	1.12%	0.32338
2015	5,725,483,100	64,221,257	1.12%	0.32509
2016	5,903,691,700	66,776,729	1.13%	0.33378
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

PRINCIPAL PROPERTY TAXPAYERS

Taxpayer	Type of Business	Estimated Market Value	Rank	% of Market Value
Minnesota Power	Electric utility	156,672,100	1	1.96%
Essentia Health	Healthcare & hospital	99,389,600	2	1.24%
Summit Management LLC	Apartments & shopping mall	93,063,300	3	1.16%
Simon Property Group	Shopping mall	52,233,100	4	0.65%
Wisconsin Central Ltd	Railroad	49,515,300	5	0.62%
PLB Properties	Real estate development	33,637,600	6	0.42%
Ansa Propco Partnership	Lease administration	32,269,900	7	0.40%
St. Luke's Hospital	Healthcare & hospital	31,863,000	8	0.40%
Duluth HRA	Housing development	22,939,200	9	0.29%
Endi Plaza LLC	Apartments	21,992,900	10	0.27%
		593,576,000		7.41%

City of Duluth Minnesota - 2023 Budget

OPERATING INDICATORS BY FUNCTION

	2018	2019	2020	2021	2022
Police					
Criminal offences	10,437	10,890	7,695	8,169	6,682
Cleared by arrest	3,267	3,518	2,580	1,562	1,950
Traffic violations	5,421	4,568	10,223	7,344	3,689
Parking violations	31,934	42,684	31,556	33,028	33,928
Fire					
Number of calls answered	13,255	13,698	13,815	14,803	15,234
Number of inspections	7,367	8,382	4,607	8,606	9,078
Public works					
Construction permits:					
Permits issued	7,599	8,298	7,479	7,560	7,814
Estimated cost of construction during year in dollars	165,364,070	252,369,122	399,964,575	587,364,438	323,270,859
Culture and recreation					
Parks and recreation department					
Participation in special events	62,925	68,725	3,592	62,010	58,008
Attendance for parks permitted event permits	-	-	5,818	23,756	39,678
Participation in recreation	27,197	44,373	10,431	19,216	25,242
Zoo regular customers	78,439	79,128	32,533	75,366	95,627
Library					
Registered borrowers	51,636	52,178	39,906	40,228	39,967
Items in collection	419,907	346,516	332,450	407,845	291,174
Items loaned	847,237	868,740	373,521	549,697	402,342
Library visits	426,082	437,668	91,193	140,997	260,099
Internet uses	81,685	70,338	15,503	14,512	28,494
Reference/ research questions answered	59,579	65,702	25,675	17,108	29,042

City of Duluth Minnesota - 2023 Budget

OPERATING INDICATORS BY FUNCTION continued

	2018	2019	2020	2021	2022
Water					
Meters in service	28,345	28,422	28,598	28,727	28,786
Average number of gallons treated per month	388,512,500	374,256,680	334,648,416	300,481,666	295,900,000
Water pumped - million cubic feet	623	600	537	482	474
Water sold - million cubic feet	562	528	464	347	389
Daily average consumption in gallons	12,773,013	12,307,089	11,002,308	9,878,849	9,726,027
Gas					
Meters in service	28,957	29,234	29,484	29,992	30,083
MMBTU sold	5,063,708	5,984,783	5,737,419	5,678,028	6,168,117
Sewer					
Number of service connections	28,030	28,075	27,766	28,666	28,775
Daily average treatment in gallons	12,093,510	14,111,340	11,002,140	10,945,300	13,380,900
Stormwater					
Cleaning storm sewer pipe (in feet)	125,776	82,597	2,841	13,730	16,162
Steam District #1					
Steam sold (in 1,000 lbs)	345,262	350,306	293,441	284,998	335,347
Hot Water Sold (MMBtu)	-	-	-	95,165	128,444
Golf					
Season passes	462	307	183	213	215
Skyline passes	1,354	1,045	726	665	1,110
Daily tickets	39,661	33,223	15,924	16,508	15,279
Carts	25,048	21,079	16,649	19,609	14,470
Rounds played	60,988	51,402	39,337	41,440	32,400

City of Duluth Minnesota - 2023 Budget

CAPITAL ASSETS BY FUNCTION

	2018	2019	2020	2021	2022
Police					
Patrol units	123	120	120	120	104
Fire					
Fire stations	8	8	8	8	8
Public works					
Miles of streets and alleys:					
Miles of streets: paved	475.77	475.77	476.13	476.31	476.27
Miles of streets: unpaved	47.96	47.96	47.96	47.96	47.96
Miles of sidewalk	352.13	352.13	352.96	353.83	354.04
Number of street lights:					
Ornamental lamps (bulbs)	3,809	3,809	3,350	3,350	3,350
Overhead street lamps	3,665	3,665	3,700	3,700	3,700
Culture and recreation					
Parks and recreation					
Number of parks	129	129	129	129	162
Park acreage	12,000	12,000	12,000	12,000	9,715
Number of ski hills	2	2	2	2	2
Number of municipal tennis courts	17	17	17	17	16
Community clubs/field houses operated	18	17	17	17	17
Number of athletic fields	48	48	48	48	52
Number of hiking trails	14	25	25	25	-
Library					
Libraries/branches	3	3	3	3	3
Water					
Miles of water mains	429.40	432.50	430.00	433.50	432.80
Number of hydrants	2,717	2,738	2,747	2,766	2,793
Max daily capacity of plant in gallons	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000
Gas					
Miles of gas mains	548.10	551.10	554.60	558.80	562.90
Sewer					
Miles of sanitary sewers	398.10	398.10	398.00	399.00	400.00
Stormwater					
Miles of storm sewers	413.00	413.00	415.00	418.00	415.00
Steam District #1					
Miles of Steam pipeline	11.00	11.00	11.00	8.50	8.50
Miles of HW pipeline	-	-	-	5.50	5.50
Golf					
Number of municipal golf courses	2	2	2	2	2

GLOSSARY OF TERMS

Accrual Basis of Accounting

Recording revenues and expenses when they occur, regardless of the timing of related cash flow.

Appropriation

City Council authorization permitting the City to incur obligations and expend resources during the fiscal year.

American Rescue Plan Act (ARPA)

A federal relief package addressing the continued impact of COVID-19 on the economy, public health, state and local governments, individuals and businesses.

ARRA- American Recovery and Reinvestment Act

A federal economic stimulus package.

Assessed Valuation

A value set upon residential, commercial or industrial properties by the County Assessor as a basis for levying property taxes.

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

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

Budget Basis

The basis of accounting used to estimate financing sources and uses in the budget. General Governmental funds are prepared on a modified accrual basis. Enterprise funds are prepared on a GAAP basis.

Budgetary Control

The management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Comprehensive Annual Financial Report

A government financial statement that provides a thorough and detailed presentation of the government's financial condition.

Capital Budget

The appropriation of bonds or operating revenue for improvements to facilities and other infrastructure.

Capital Improvements

Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.

Capital Outlay/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 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.

Cured in Place Pipe (CIPP)

Trenchless rehabilitation method to repair existing pipelines.

Debt Service

Payment of principal and interest on specific obligations which result from the issuance of bonds.

Debt Service Fund

A governmental fund type used to account for the accumulation of resources for, and the payment of, general long term debt principal and interest.

Deficit

An excess of expenditures or expenses over revenues (resources) during an accounting period.

Department

Major unit of organization comprised of subunits named divisions. Organizational elements responsible for administration and supervision of various service delivery activities.

Depreciation

The portion of the cost of a fixed asset which is charged as an expense during a particular period. In accounting for and recognizing depreciation, the cost of a fixed asset is prorated over the estimated useful life of such an asset, and each period is charged with a share of such cost.

Distinguished Budget Presentation Awards Program

A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Division

Organizational subunits of a department which are responsible for the administration and supervision of various service delivery activities.

Employee Benefits

Those costs incurred by the employer for pension contributions and the provision of health, dental and term insurance for all covered personnel.

Encumbrance

The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

Enterprise Fund

Funds which account for operations that are financed and managed in a manner similar to private business enterprises-- where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges.

Expenditure

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, 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

Twelve-month period to which the operating budget applies; January 1 to December 31 in the case of the City.

Fixed Assets

Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

Franchise Tax

A fee charged by a governmental unit to a private business for the privileges of using a public right-of-way to generate revenue through its operations.

Full Faith and Credit

A pledge of a government's taxing power to repay debt obligations.

Full Time Equivalent (FTE)

A job classification created by Civil Service, authorized through the budgetary process, and filled in accordance with Civil Service rules and Chapter 13 of the Duluth City Code.

Function

Description of a division's operation relative to routine activities performed to accomplish established objectives and goals.

Fund

A fiscal and accounting entity, which is created and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The major funds are the General Operating; Water; Gas; Steam; Sewer; Golf/Zoo funds; Debt Service funds; Special Revenue funds; Capital Projects funds; and Internal Service funds.

Fund Balance

The excess of the assets of a fund over its liabilities, which may include reserves and designations.

Generally Accepted Accounting Principles (GAAP)

Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

General Fund

A governmental fund type which serves as the chief operating fund of the City to account for all financial resources except those required to be accounted for in another fund type.

General Obligation Bond (G.O.)

This bond is backed by the full faith, credit, and taxing power of the government.

Goal

A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

Governmental Accounting Standards Board (GASB)

The organization that establishes generally accepted accounting principles (GAAP) for states and local governments.

Governmental Funds

Fund type which includes general fund, special revenue funds, permanent improvement funds, debt service funds and special assessment funds.

Government Finance Officers Association (GFOA)

The professional association of Finance professionals in the public sector.

Grants

A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

HUD

U.S. Department of Housing and Development, a federal government agency.

Infrastructure

The physical assets of a government (e.g. streets, water, sewer, public buildings, and parks).

Intergovernmental Revenue

Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Internal Service Funds

Proprietary fund type used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government or component unit, or to other governments on a cost reimbursement basis.

Internal Service Charges

The charges to user departments for internal services provided by another government agency, such as fleet and insurance.

Interfund Transfer

Flows of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for repayment.

Levy

To impose taxes for the support of government activities.

Local Government Aid – LGA

A general purpose aid that can be used for any lawful expenditure. It is also intended to be used for property tax relief. The Department of Revenue certifies LGA for cities based on current LGA statutes, including any changes enacted during the most recent legislative session.

Long-Term Debt

Debt with a maturity of more than one year after the date of issuance.

Materials and Supplies

Expendable materials and operating supplies necessary to conduct departmental operations.

Modified Accrual Basis of Accounting

Recognizes expenses in the accounting period in which they are incurred and measurable. Recognizes revenues in the accounting period in which they are measurable and available.

Municipal State Aid (MSA)

Refers to gas tax dollars distributed by the State to local governments for use on State designated Municipal State Aid streets - usually major thoroughfares.

Object of Expenditure

An expenditure classification, referring to the lowest and most detailed level of classification, such as permanent employee wages, overtime, electricity, office supplies, and paving materials.

Objective

Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

Obligations

Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Expenses

The cost for materials, services, and supplies required for a department to operate.

Operating Revenue

Funds that the City receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Ordinance

A formal legislative enactment by the City Council. It has the full force and effect of law within City boundaries unless pre-empted by a higher form of law. An Ordinance has a higher legal standing than a Resolution.

Other Post-Employment Benefits (OPEB)

Post-employment benefits other than pension benefits that include post-employment healthcare benefits, regardless of the type of plan that provides them.

Payment In Lieu of Taxes (PILOT)

Payment that a property owner not subject to taxation makes to a government to compensate it for services that the property owner receives that normally are financed through property taxes.

Performance Measure

Quantitative and/or qualitative measures of work performed related to specific departmental or program objectives.

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.

Purpose

A broad statement of the goals, in terms of meeting public service needs, that a department is organized to meet.

Resolution

A special order of the City council which has a lower legal standing than an ordinance.

Revenue

Sources of income financing the operations of government.

Revenue Bond

Revenues from a specific enterprise or project back this type of bond. An example would be a utility improvement or project.

Revenue Source

A revenue classification that designates the origination or type of funds received.

Special Assessment

Compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Special Revenue Fund

Funds which account for specific financial resources that is restricted to expenditures for specified purposes.

Tax Capacity

A valuation placed upon the market value of the real and personal property in the City in a manner prescribed by state law as the basis for levying property taxes. The tax capacity reflects a percentage of the property's assessed value. The market value of a property is multiplied by the appropriate tax capacity classification rate to arrive at its "tax capacity".

Tax Capacity Classification Rate

The tax rates applied to tax capacities within the City. The tax capacity rate will vary depending on the property classification (homestead, seasonal-recreation, rental, non-homestead, commercial/industrial, vacant). The lowest rate is for homestead property, with significantly higher rates for seasonal-recreation, vacant, and commercial/industrial property.

Tax Levy

The sum to be raised by general taxation, for specific purposes, as delineated in the Tax Levy Ordinance upon the taxable properties within the jurisdiction and corporate limits of the City.

Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. Taxes for this city include property, sales, tourism, and charitable gambling.

Truth in Taxation (TNT)

A set of procedures adopted by the 1989 Minnesota Legislature intended to improve local accountability in the adoption of the budget and property tax levy of local government.

Unassigned Fund Balance

The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Charges

The payment of a fee for direct receipt of a public service by the party who benefits from the service.

COMMON ACRONYMS

ARPA–American Rescue Plan Act

CAO – Chief Administrative Officer

CARES -- Coronavirus Aid, Relief, and Economic Security Act

CCP – Cities for Climate Protection

CDBG – Community Development Block Grant Program

COVID-19 – Coronavirus Disease of 2019

DEDA – Duluth Economic Development Authority

DEED – Department of Employment and Economic Development

DTA – Duluth Transit Authority

EMS – Emergency Management Services

FASB -- Financial Accounting Standards Board

GFOA –Government Finance Officers Association

GIS – Geographical Information Systems

GO – General Obligation

HUD – Housing and Urban Development

LAN – Local Area Network

LGA – Local Government Aid

PBB – Priority Based Budgeting

PW&U – Public Works and Utilities