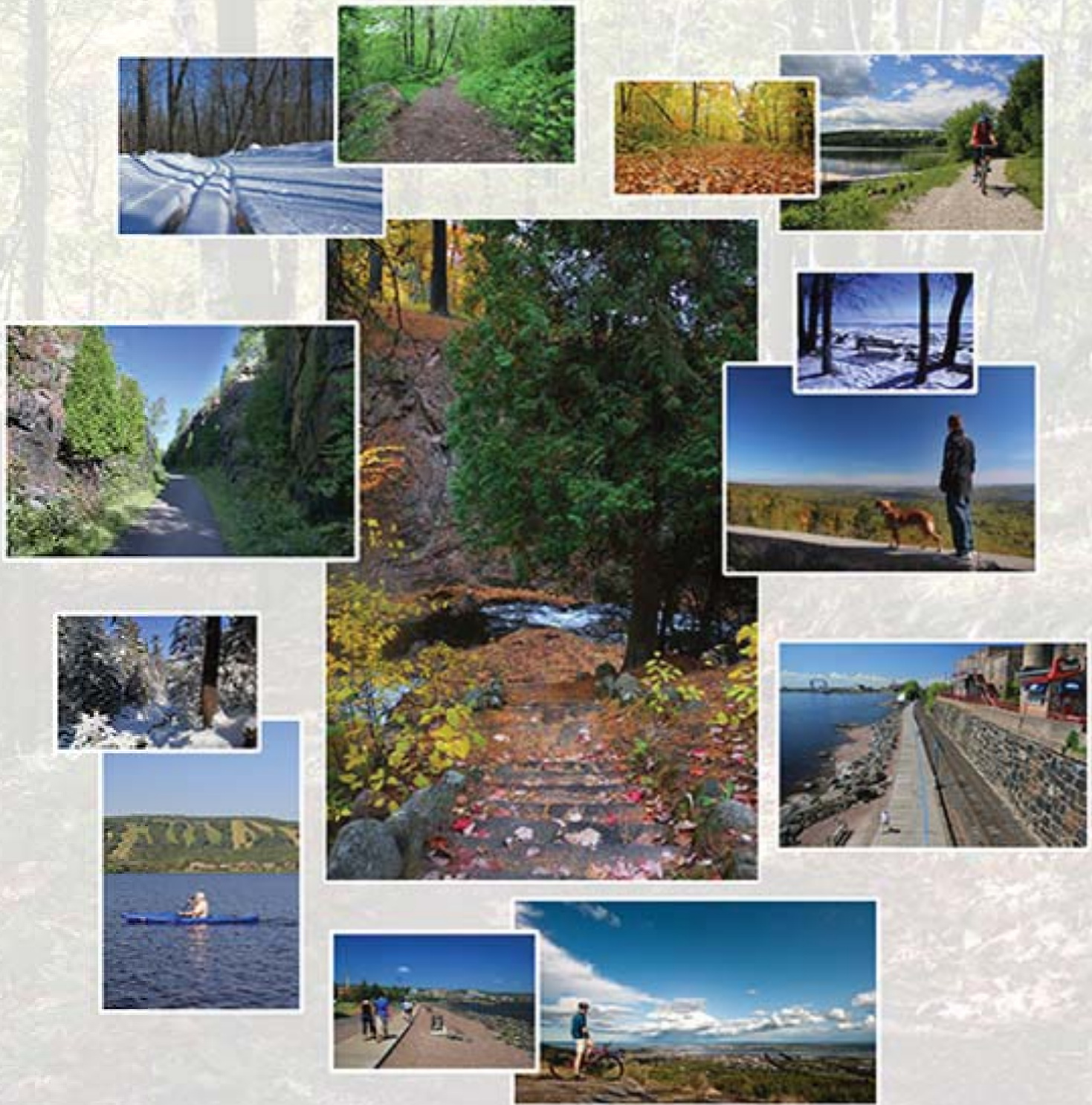


CITY OF DULUTH, MINNESOTA



2015 ANNUAL APPROVED BUDGET

CITY OF DULUTH

2015 Approved Annual Budget

MAYOR

Don Ness

CITY COUNCILORS

Zack Filipovich

Jay Fosle

Sharla Gardner

Howie Hanson

Jennifer Julsrud

Linda Krug

Emily Larson

Barb Russ

Joel Sipress

CHIEF ADMINISTRATIVE OFFICER

David Montgomery



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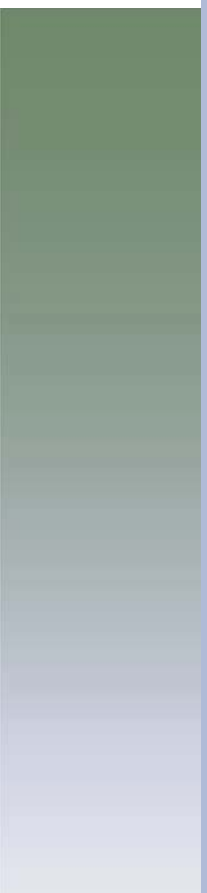
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INTRODUCTION





City of Duluth Finance Department

411 West First Street • Room 107 •
Duluth, Minnesota • 55802-1190
218-730-5460 • Fax: 218-730-5919

January 1, 2015

Members of the Duluth City Council
And Other Interested Parties

Dear Reader,

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

The budget process began with a presentation in September to the City Council to begin the development of the 2015 budget with an overview of the city's financial status; discussion on the budget drivers to be considered; and the broad goals and assumptions to be used. These items are outlined below:

Financial Status Overview:

- **General Fund Reserve** increased \$10.3 million since 2008 from a negative \$1.3 million to \$9 million today.
- **General Fund Budget** reduced significantly since the high set in 2009 at \$81.3 million to \$77.6 million today.
- **OPEB Liability** is currently \$192 million – down \$186 million from the original amount of \$378 million.
- **Street Improvement Debt** reduced \$30.9 million since 2008.
- **CIT Fund** used to pay down existing street debt and fund the street improvement program leaving a balance of \$18.7 million.
- **General Fund Staffing** reduced 4% overall since 2008.

Budget Drivers:

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

Framework Goals and Assumptions:

- No increase in overall property tax levy.
- New tax base growth from economic development will translate into tax rate decreases for property owners.
- Modest wage increases for employees.
- No general fund capital dollars for park structures.
- \$2.4 million street improvement debt to be funded outside of the levy.
- No new programs or initiatives funded.

Over the past few years, we have tried to find better ways of doing business in city government. An emphasis on continuous improvement has led to a culture of reform in all areas of the organization – one of which is in how we communicate to our citizens. Use of various platforms has become commonplace in delivering information and the budget is no exception. The use of the city's website to post documents and reports during the budget process has allowed citizens access to "the numbers" as policies and appropriations are being discussed by the City Council. Mayor Don Ness' budget presentation was captured on video and is available on the website. Mayor Ness also delivered his State of the City Speech via youtube with links throughout our city's web community including news stations, the local paper, business organization websites, and shared person to person. This practice will lead to more "viewers" and ultimately, a better informed and involved citizenry. The links to these presentations are cited below.

2015 Budget Presentation <https://www.youtube.com/watch?v=NxYpLO0uz6g>

2015 State of the City Speech <https://www.youtube.com/watch?v=nr9sxdJtXY4&feature=youtu.be>

Thank you to all who contributed to the 2015 budget process. Managers, staff and finance personnel are dedicated to developing a budget which meets the needs of administrators, elected officials and of course, the public. Each person who has contributed to this process has our sincere appreciation.

Sincerely,



Jennifer Carlson, Manager
Budget and Fiscal Analysis

Mayor Don Ness' Executive Summary

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

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

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

seasons in Duluth's history – including over \$200 million of total investment in our city.

As the local economy continues to expand, hundreds of new jobs are being created. We are now seeing signs of population growth that Duluth has not seen in over 60 years. With this growth comes a new set of challenges including housing, workforce recruitment, and growing income inequality. These challenges are closely interconnected and we will address them concurrently and proactively.

Housing

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

To meet rising demand, we must add 1,000 new or fully renovated units by the end of 2017; and a total 2,300 by 2020. We must increase availability of housing options including senior housing, multi-family units, micro apartments, as well as new single family homes. We must also address perceived barriers to investment including availability of building sites, cost of construction, and access to financing. In early February, 250 community leaders convened at the first housing summit to address these issues and jump start housing construction in 2014 and 2015.

Workforce

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

Inequality

Perhaps the most important reason to be intentional and proactive in regards to workforce challenges are the related issues of poverty and income inequality which continues to burden our community and the nation. We must build better pathways to help people in poverty to grow the skill sets needed by employers

so they can create a better life for themselves and their families while making positive contributions to our community.

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

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

In addition to the critical issues we have already discussed of housing, workforce and income inequality, we will prioritize our efforts on other issues such as resolving the casino dispute and fixing our city streets. Over the past several months, a working group of city staff and City Councilors have been working to develop a plan to fund much needed repairs to our streets. Thanks to their work and valuable input from the community, we have brought forward a temporary street fee in order to make tangible improvement to city streets while we work to resolve the casino dispute and find a more permanent funding source. While the street fee may be less than ideal, we know we cannot sit idle as our city streets continue to deteriorate.

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

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

A Healthy River - A Healthy Future

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

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

Each of the neighborhoods features distinctive strengths. The common thread is access to an amazing natural resource which is too often overlooked in Duluth – the St. Louis River. There's no question that if not for Lake Superior, Duluth would be defined as a river city. But, it doesn't have to be either/or. In my mind, Duluth should be defined as both – the world's greatest lake and the world's largest fresh water estuary.

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

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

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

St. Louis River Corridor – Environmental Stewardship

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

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

The environmental health of the river is key to the broader vision that is emerging - both to enhance the practical use of the river for fishing and recreation, but equally important to celebrate our stewardship. The environmental damage of the river has historically been a source of embarrassment but now we have

committed to a nationally significant project that reflects our common commitment to protect the freshwater resource that we are blessed with.

St. Louis River Corridor – Infrastructure Improvements

No area of the city has seen more public investment than the St. Louis River corridor. This investment in infrastructure is the foundation for private investment and job growth that we want to encourage. Key investments have included critical street and utility improvement projects, parks and trails, schools, environmental cleanup of brownfields and extending public infrastructure to foster industrial development sites. During a five year stretch from 2010 to 2015, the St. Louis River corridor will see a total public investment of \$290 million – which does not include \$90 million for I-35 improvement or flood recovery efforts. The task before us now is to leverage these improvements into private investments and job creation.

St. Louis River Corridor – Jobs and Economy

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

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

St. Louis River Corridor – Tourism

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

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

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

In other parts of the country, people pay millions to have access to resort towns. Along the St. Louis River, you can have all that and a \$120,000 mortgage with opportunities to canoe and kayak, ski, mountain bike, snowmobile, fish and hunt, and have world class trails right outside their back door.

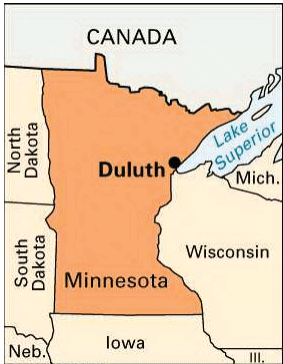
Demographic studies show the St. Louis River neighborhoods are aging quickly and we must be deliberate about creating market demand for housing. This will inspire a new generation of home buyers to choose these neighborhoods. It should be our common goal for when a young family moves to our town, local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

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

Fifteen years ago, Lakeside and Lester Park neighborhoods faced the same demographics challenge. A large percent of those homes were owned by seniors. Today, the neighborhoods are booming and have become a magnet for young families. As our economy grows, we have the same opportunity in the St. Louis River neighborhoods. It won't be easy and there may be some resistance. But the stars are aligning. This is our moment to create a vibrant future for these neighborhoods and for Duluth.

City of Duluth Minnesota – 2015 Budget

Profile of Duluth, MN



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

The City is built into a steep rocky hillside, with an elevation change of approximately 900 feet, and temperatures that can vary greatly from season to season and even day to day, due to the proximity of Lake Superior. January has an average low temperature of -2.2°F and July has an average high temperature of 77.1°F. The average snowfall is 80.7 inches and the average precipitation is 31 inches.

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

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



Higher education opportunities include the University of MN, Duluth, the College of St. Scholastica, Lake Superior College and Duluth Business University. 32% of the adult population in Duluth has a bachelor's degree or higher.

After reaching a population peak of 107,312 in 1960, Duluth's 2013 population of 86,128, as estimated by the US Census Bureau, has remained relatively flat since the 1990 census. The labor force is estimated at 45,773, with 43,052 employed. Unemployment has steadily fallen since the 2010 peak of 7.6% to the current level of 4.4%.

There are 35,487 households in Duluth with a home ownership rate of 60.1% versus the state ownership rate of 72.5%. The median income is \$43,064, while the average median income for state of Minnesota is \$59,836.

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



City of Duluth Minnesota – 2015 Budget

Form of Government

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

ELECTED OFFICIALS

Mayor – Don Ness

January 2008 to January 2016

Councilors at Large

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

District Councilors

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

APPOINTED OFFICIALS

Chief Administrative Officer

David Montgomery

City Attorney

Gunnar Johnson

Authorities Directors

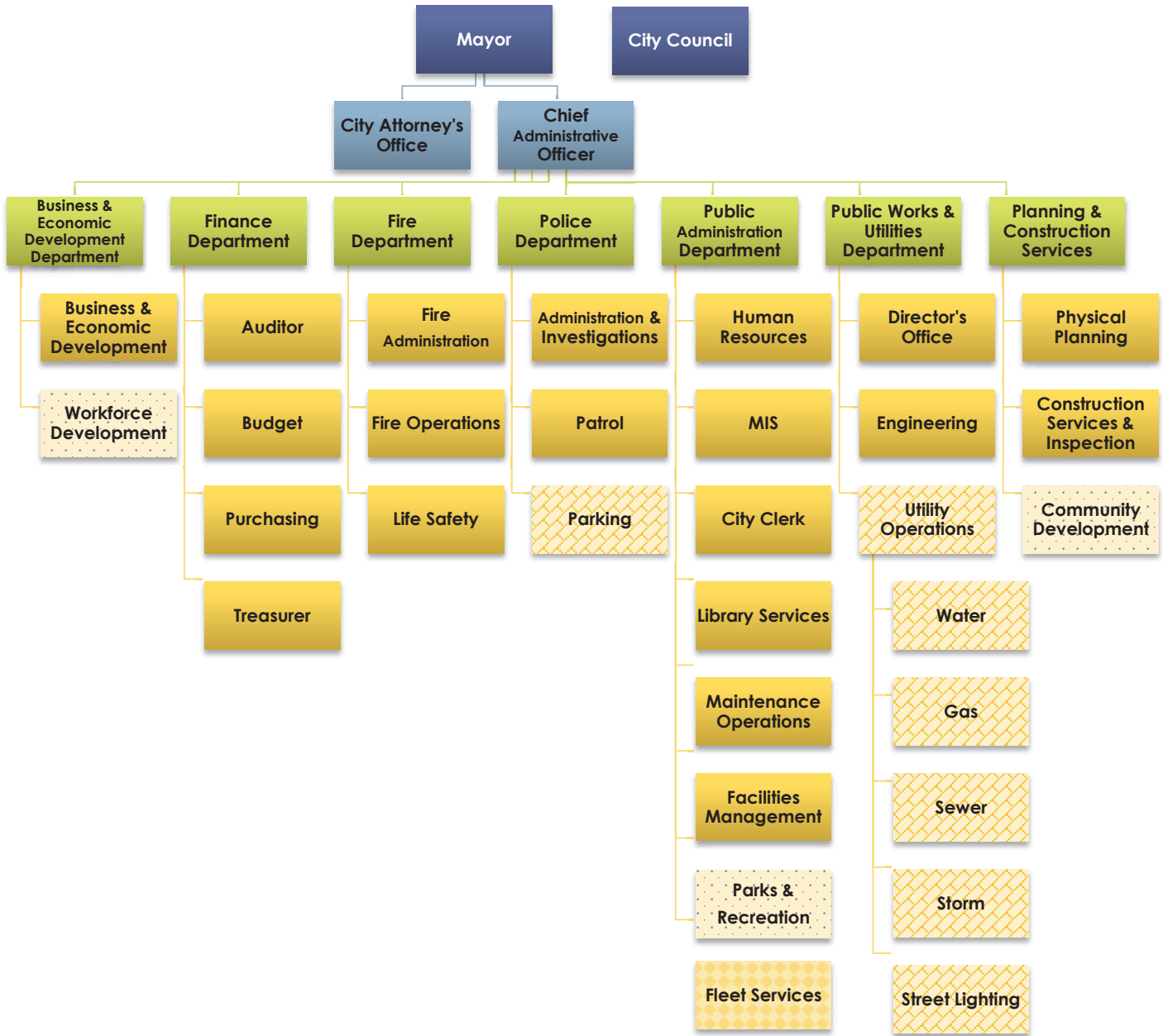
Airport	Tom Werner
DECC	Daniel Russell
DTA	Dennis Jensen
Spirit Mountain	Brandy Ream

City Department Heads

Chief Finance Officer	Vacant
Public Administration	Jim Filby Williams
Business & Econ Dev	Christopher Eng
Planning & Comm Dev	Keith Hamre
Fire	Bryan Bushey
Police	Gordon Ramsay
Public Works & Utilities	James Benning

CITY OF DULUTH ORGANIZATION CHART

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



Key

General Fund
Enterprise
Special Revenue
Internal Service

CITYWIDE PERSONNEL SUMMARY

Fulltime, Permanent Positions

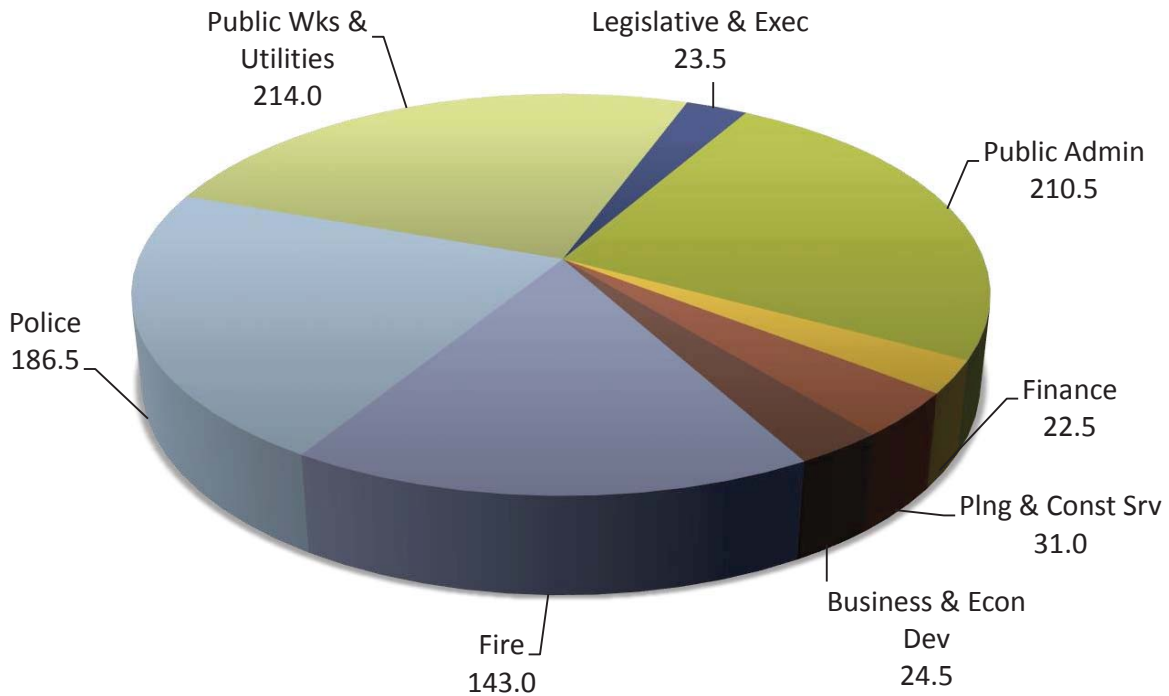
Department/Division	2012 Actual	2013 Actual	2014 Budget	2015 Approved
LEGISLATIVE AND EXECUTIVE				
City Council	0.00	0.00	0.00	0.00
Mayor Office	3.00	3.00	3.00	4.00
Administrative Assistant	2.50	2.50	2.50	2.50
Attorney's Office	17.00	15.00	16.00	17.00
Human Resources	11.00	0.00	0.00	0.00
Safety & Training	1.00	0.00	0.00	0.00
DEPARTMENT TOTAL	34.50	20.50	21.50	23.50
MANAGEMENT INFORMATION SYSTEMS				
Management Information Systems	22.00	0.00	0.00	0.00
DEPARTMENT TOTAL	22.00	0.00	0.00	0.00
PUBLIC ADMINISTRATION				
Human Resources	0.00	12.00	12.00	12.00
Management Information Systems	0.00	20.00	22.00	21.00
City Clerk	6.00	8.00	8.00	7.00
Maintenance Operations	76.20	70.50	69.40	68.60
Library Services	48.50	49.00	49.00	46.50
Parks and Recreation	9.00	10.00	10.00	9.75
Facilities Management	13.40	19.00	20.30	25.30
Fleet Services	18.40	18.50	18.35	18.35
Safety and Training	0.00	1.00	1.00	1.00
Energy Management	1.00	1.00	1.00	1.00
DEPARTMENT TOTAL	172.50	209.00	211.05	210.50
FINANCE				
Budget Office	6.00	3.25	3.00	3.00
Assessor's Office	10.00	1.00	0.00	0.00
Auditor's Office	12.00	7.50	8.50	8.50
Purchasing	2.00	2.00	2.00	2.00
Treasurer's Office	4.00	12.00	10.00	9.00
DEPARTMENT TOTAL	34.00	25.75	23.50	22.50
PLANNING & CONSTRUCTION SERVICES				
Physical Planning	7.00	7.20	7.20	7.17
Building Inspection	18.00	17.00	17.00	17.00
Community Development	7.00	6.83	6.83	6.83
DEPARTMENT TOTAL	32.00	31.03	31.03	31.00
BUSINESS & COMM DEV RESOURCES				
Business Development	6.50	7.25	6.50	5.50
Workforce Development	22.00	22.00	22.00	19.00
DEPARTMENT TOTAL	28.50	29.25	28.50	24.50

CITYWIDE PERSONNEL SUMMARY
Fulltime, Permanent Positions

Department/Division	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FIRE DEPARTMENT				
Fire Administration	3.00	3.00	4.00	3.00
Firefighting Operations	124.00	124.00	127.00	130.00
Life Safety	11.00	11.00	11.00	10.00
SAFER Grant	0.00	3.00	0.00	0.00
DEPARTMENT TOTAL	138.00	141.00	142.00	143.00
POLICE DEPARTMENT				
Administration & Investigative	86.00	79.50	78.50	78.50
Patrol	99.00	99.00	100.00	100.00
Parking	3.00	8.00	8.00	8.00
DEPARTMENT TOTAL	188.00	186.50	186.50	186.50
PUBLIC WORKS & UTILITIES				
Public Works Operations				
Director' Office	0.40	0.40	0.40	0.40
Engineering	16.60	16.20	16.10	16.05
Public Works Subtotal	17.00	16.60	16.50	16.45
Utilities Operations				
Water and Gas	131.59	137.39	132.60	128.65
Sewer	39.24	36.11	39.33	36.93
Stormwater	25.92	25.65	25.52	26.87
Street Lighting	5.00	5.00	5.10	5.10
Utilities Subtotal	201.75	204.15	202.55	197.55
DEPARTMENT TOTAL	218.75	220.75	219.05	214.00
TOTAL CITY EMPLOYEES	868.25	863.78	863.13	855.50

CITYWIDE PERSONNEL SUMMARY

2015 Permanent FTE's by Department



Department	2012 Budget	2013 Budget	2014 Budget	2015 Approved	Difference 2014/2015
Legislative & Executive	34.50	20.50	21.50	23.50	2.00
Management Information Systems	22.00	0.00	0.00	0.00	0.00
Public Administration	172.50	209.00	211.05	210.50	-0.55
Finance	34.00	25.75	23.50	22.50	-1.00
Planning & Construction Services	32.00	31.03	31.03	31.00	-0.03
Business & Economic Development	28.50	29.25	28.50	24.50	-4.00
Fire Department	138.00	141.00	142.00	143.00	1.00
Police Department	188.00	186.50	186.50	186.50	0.00
Public Works & Utilities	218.75	220.75	219.05	214.00	-5.05
TOTAL	868.25	863.78	863.13	855.50	-7.63

BUDGET HIGHLIGHTS

BUDGET PROCESS

The Administration's proposed 2015 Annual Operating Budget for the City of Duluth was submitted to the Council on September 22 for consideration and approval. Following the presentation of the proposed budget, the Council held multiple finance committee hearings with city departments and agencies to discuss priorities. During the review period, the City Council along with the Mayor and the Administration worked steadfastly to craft a budget that reflected the community's priorities measured against available resources. The recommended budget was submitted in accordance with the City's budget policies and the State of Minnesota Truth in Taxation law.

The 2009 State Legislature made significant changes to the **Truth in Taxation law**. The law had required a published notice, public hearing, and meetings, which have now been essentially abolished in the current law. The City still must pass a resolution establishing a maximum proposed levy for 2015 to be certified to the County no later than September 30. Proposed levies are then assembled by the County from all taxing jurisdictions to prepare parcel specific notices of proposed property taxes to be mailed out to each property owner between November 11 and November 23. A public hearing no longer needs to be held, but information on the process must be included in the minutes by stating what meeting the Council will be considering the budget and levy. The meeting must be held after November 25 and must allow citizens to speak before the final budget and levy is determined. Cities may, but are not required to, determine a final budget and levy at this public comment meeting. The City's Truth in Taxation budget and levy discussion was held on Monday, December 8 at 7:00 p.m. The budget and levy were adopted at the December 15 meeting.

BUDGET CALENDAR

BUDGET TRAINING

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

DEPARTMENT BUDGET DEVELOPMENT AND SUBMISSION

We will be using the City's financial management system, New World, to develop and submit 2015 budget proposals. Instructions will be mailed, as well as available as a document attachment of the Budget Accounts screen in the system. Divisions/Departments are asked to submit staffing requests, expense proposals, and revenue estimates per these instructions. Due dates by fund type are as follows:

June 20	GENERAL FUND REVENUE
July 21	GENERAL FUND STAFFING REQUESTS AND EXPENSE PROPOSALS, SPECIAL REVENUE: INTERNAL SERVICE: DEBT: AND CAPITAL FUNDS
August 1	ENTERPRISE FUNDS including utilities; street lighting; golf

ADMINISTRATIVE REVIEW

Week of June 23	Administrative review of department revenue budget proposals
Week of July 21	Department budget proposals reviewed by the Administration. A template for the meeting sent under separate cover

CAPITAL BUDGETS

July 25	Instructions and packets sent out to departments
August 11	CIP and CEP committee meetings to review five year plan update

MAYOR'S PRESENTATION TO COUNCIL

Sept 4	Proposed levy and budget resolutions on council agenda
Sept 8	Council sets preliminary budget and levy

COUNCIL BUDGET REVIEW

Sept – Nov Review schedule set by the Finance Committee Chair of the Council

TRUTH IN TAXATION MEETINGS

Dec 8 Truth in Taxation hearing

Dec 15 Council approves final budget and levy to become effective January 1.

PROPERTY TAX LEVY REVENUES

The **City’s preliminary and final property tax levy** certified to the County was \$20,088,800, an increase of 3.33% over the 2014 levy. The minimal increase will mean no change in the tax rate due to larger than anticipated growth in tax capacity.

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

2015 APPROVED PROPERTY TAX LEVY					% Change in Tax Rate
	2014 Approved Levy	2015 Approved Levy	Change in Levy		
General Operations Levy					
General Operations	\$ 12,749,800	\$ 12,749,800	\$ -		
New Growth	\$ -	\$ 114,700	\$ 114,700	.59%	
Provision for Tax Delinquency	\$ 150,000	\$ 150,000	\$ -		
Total General Operations Levy	\$ 12,899,800	\$ 13,014,500	\$ 114,700	.59%	0.00%
Capital Projects Levy					
Debt Service	\$ 6,261,200	\$ 6,574,300	\$ 313,100	1.61%	
Permanent Improvement	\$ 280,000	\$ 280,000	\$ -		
Levy with no Tax Rate Impact	\$ 6,541,200	\$ 6,854,300	\$ 313,100	1.61%	0.00%
Street Lighting Levy	\$ -	\$ 220,000	\$ 220,000	1.13%	0.00%
TOTAL CITY PROPERTY TAX LEVY	\$ 19,441,000	\$ 20,088,800	\$ 647,800	3.33%	0.00%
Parks Referendum Levy	\$ 2,600,000	\$ 2,600,000	\$ -		

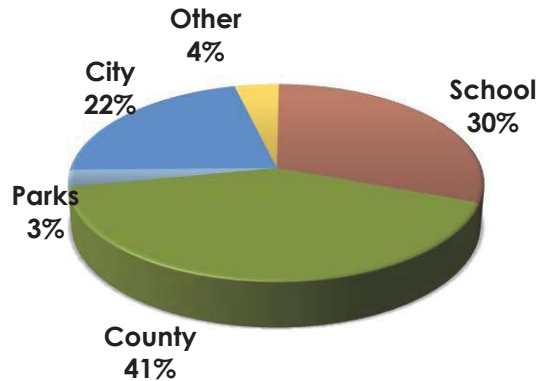
INCREASE IN AVERAGE HOMESTEAD (\$156,000) ANNUAL CITY PROPERTY TAX BILL

2014 City Property Taxes	\$ 503
2015 Property Taxes as Approved	\$ 503
Approved Annual Increase	\$ 0

In addition, the City, on behalf of two special taxing districts approved levy requests as follows: the **Duluth Transit Authority** in the amount of \$1,391,900; and **Parks Fund** in the amount of \$2.6 million as approved in a voter referendum. These levies are separate on the property tax statement and are not included in the city levy.

Property tax bills for Duluth residents are comprised of the taxes levied for the City of Duluth, St. Louis County, the School District; the Parks Fund and several other smaller taxing districts. The City's portion is the smallest portion of the big three at 25% of the total. The chart below shows an average resident's property tax bill with the breakdown by taxing entity.

Taxing Entity	2015 Property Taxes	
City of Duluth (incl. Parks)	\$ 503	25%
St. Louis County	\$ 860	41%
School District 709	\$ 631	30%
Other Entities	\$ 82	4%
Total Average Bill	\$ 2,076	100%



*Based on Market Value of \$156,000

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

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

The truth in taxation hearing is an opportunity for the public to provide comment on the City's proposed budget and property tax levy for the year 2015 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 2014 tax bill with the proposed tax bill for 2015. The numbers are based on the property tax levy proposals by St. Louis County, the School District, other taxing districts, as well as the City of Duluth. It also factors in any changes in your property's market value and tax rate classification. The County mails these statements out to individual property owners to show the impact of all property tax proposals on a resident's tax.

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

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

What services do property taxes fund?

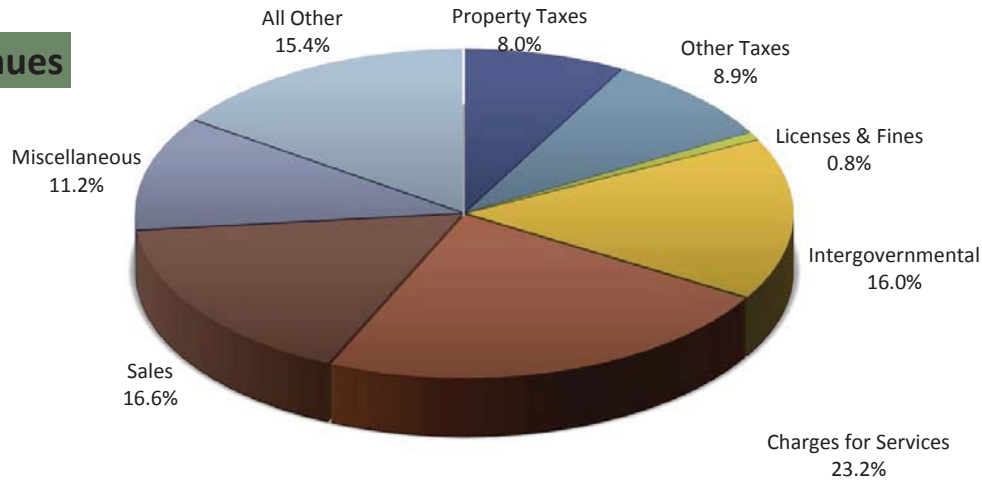
Approximately 1/3 goes to fund debt service on capital improvements, equipment and neighborhood street improvements. The remaining 2/3 goes into the City's General Fund to pay for services such as police, fire, libraries, planning and zoning, and street maintenance. For 2015, the portion of the City's general services paid for with property taxes is \$13 million or 17% of total general services. To put the amount into perspective, this does not even cover the Fire Department's 2015 funding requirements.

If property taxes only cover 17% of the cost of city services, what other sources of revenue fund the City's General Fund?

The General Fund revenues include over 200 separate sources. The largest single source of revenue is Local Government Aid from the State of Minnesota at \$29 million or 38% of the total, followed by Sales Tax at \$13.16 million or 17% of the total.

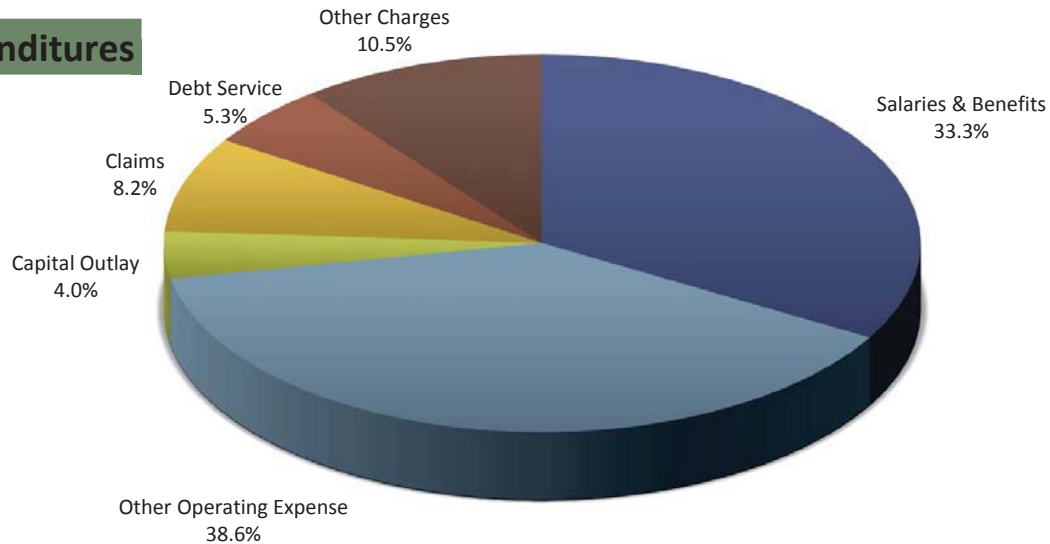
TOTAL APPROVED CITY OF DULUTH BUDGET

2015 Revenues



REVENUES:	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Property Taxes	21,241,602	21,851,819	22,041,000	22,468,800
Other Taxes	22,996,265	22,479,470	22,725,600	24,951,000
Licenses & Fines	2,633,058	2,390,993	2,091,600	2,116,000
Intergovernmental	44,066,586	44,905,571	43,428,600	44,980,254
Charges for Services	63,745,583	65,527,739	65,733,500	65,246,800
Sales	32,412,219	39,061,884	37,844,800	46,895,300
Miscellaneous Revenue	30,043,734	31,445,988	30,279,393	31,644,549
All Other Sources	50,272,309	39,602,571	42,206,246	43,371,024
TOTAL REVENUES	267,411,356	267,266,035	266,350,739	281,673,727

2015 Expenditures



EXPENDITURES	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Salaries & Benefits	87,002,872	86,482,970	89,516,700	90,411,800
Other Operating Expense	90,414,317	96,062,853	94,699,500	104,726,818
Capital Outlay	14,141,076	11,354,758	11,919,015	10,946,709
Claims	12,113,291	11,840,521	22,229,300	22,187,354
Debt Service	33,390,578	16,354,118	14,550,300	14,468,500
Other Charges	30,382,849	28,159,520	25,101,454	28,465,054
TOTAL EXPENDITURES	267,444,983	250,254,740	258,016,269	271,206,235

TOTAL APPROVED CITY OF DULUTH 2015 BUDGET

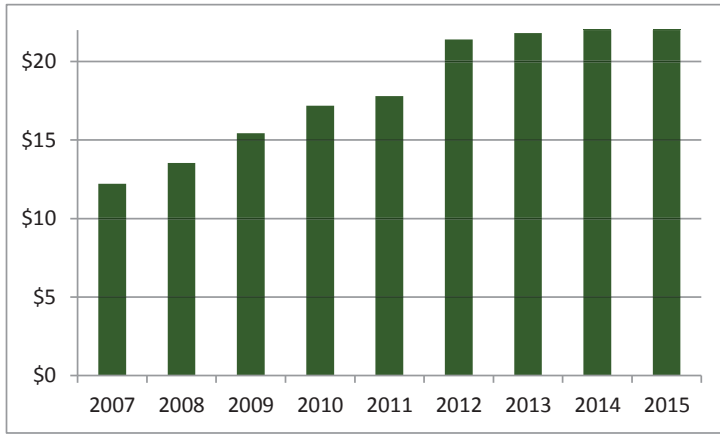
REVENUE COMPARISON	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference 2014/2015
CURRENT PROPERTY TAXES					
General Fund	12,042,260	12,024,345	12,899,800	13,014,500	114,700
Special Revenue Funds	2,536,938	2,576,740	2,600,000	2,600,000	-
Debt Service Funds	6,513,938	7,042,313	6,261,200	6,574,300	313,100
Capital Project Funds	148,466	208,421	280,000	280,000	-
Total Current Property Taxes	<u>21,241,602</u>	<u>21,851,819</u>	<u>22,041,000</u>	<u>22,468,800</u>	<u>427,800</u>
OTHER TAXES					
General Fund	14,552,068	14,834,707	14,987,200	15,396,000	408,800
Special Revenue Funds	8,444,197	7,644,763	7,738,400	9,555,000	1,816,600
Total Other Taxes	<u>22,996,265</u>	<u>22,479,470</u>	<u>22,725,600</u>	<u>24,951,000</u>	<u>2,225,400</u>
LICENSES & FINES					
General Fund	2,633,058	2,390,993	2,091,600	2,116,000	24,400
Total Licenses and Fines	<u>2,633,058</u>	<u>2,390,993</u>	<u>2,091,600</u>	<u>2,116,000</u>	<u>24,400</u>
INTERGOVERNMENTAL					
General Fund	31,224,933	31,827,357	33,056,900	32,908,400	(148,500)
Special Revenue Funds	11,675,273	10,156,173	7,981,700	8,151,854	170,154
Debt Service Funds	3,402	-	-	-	-
Capital Project Funds	1,162,978	2,922,041	2,390,000	3,920,000	1,530,000
Total Intergovernmental	<u>44,066,586</u>	<u>44,905,571</u>	<u>43,428,600</u>	<u>44,980,254</u>	<u>1,551,654</u>
CHARGES FOR SERVICES					
General Fund	4,985,569	5,206,559	5,610,000	5,498,000	(112,000)
Enterprise Funds	54,307,414	55,861,956	56,005,400	55,586,400	(419,000)
Internal Service Funds	4,452,600	4,459,224	4,118,100	4,162,400	44,300
Total Charges for Services	<u>63,745,583</u>	<u>65,527,739</u>	<u>65,733,500</u>	<u>65,246,800</u>	<u>(486,700)</u>
SALES					
Enterprise Funds	32,412,219	39,061,884	37,844,800	46,895,300	9,050,500
Total Sales	<u>32,412,219</u>	<u>39,061,884</u>	<u>37,844,800</u>	<u>46,895,300</u>	<u>9,050,500</u>
MISCELLANEOUS REVENUE					
General Fund	1,629,056	2,017,368	1,202,700	962,000	(240,700)
Special Revenue Funds	21,295,357	23,307,559	22,956,600	25,001,880	2,045,280
Debt Service Funds	277,044	138,332	239,700	240,900	1,200
Capital Project Funds	3,986,897	3,511,385	4,081,993	3,560,113	(521,880)
Internal Service Funds	2,855,380	2,471,344	1,798,400	1,879,656	81,256
Total Miscellaneous Revenue	<u>30,043,734</u>	<u>31,445,988</u>	<u>30,279,393</u>	<u>31,644,549</u>	<u>1,365,156</u>
ALL OTHER SOURCES					
General Fund	8,009,134	6,733,153	6,559,700	7,773,100	1,213,400
Debt Service Funds	25,145,664	11,054,077	7,128,800	7,294,400	165,600
Capital Project Funds	357,308	4,506,920	4,368,726	2,805,000	(1,563,726)
Enterprise Funds	5,265,754	4,457,326	2,140,600	2,500,900	360,300
Internal Service Funds	11,494,449	12,851,095	22,008,420	22,997,624	989,204
Total All Other Sources	<u>50,272,309</u>	<u>39,602,571</u>	<u>42,206,246</u>	<u>43,371,024</u>	<u>1,164,778</u>
TOTAL REVENUES	267,411,356	267,266,035	266,350,739	281,673,727	15,322,988

TOTAL APPROVED CITY OF DULUTH 2015 BUDGET

EXPENDITURE COMPARISON	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference 2014/2015
SALARIES & EMPLOYEE BENEFITS					
General Fund	52,736,127	53,862,162	54,935,700	56,115,500	1,179,800
Special Revenue Funds	13,355,883	12,221,244	12,870,700	12,750,800	(119,900)
Enterprise Funds	19,012,141	18,621,796	19,683,900	19,533,600	(150,300)
Internal Service Funds	1,898,721	1,777,768	2,026,400	2,011,900	(14,500)
Total Salaries & Employee Benefits	87,002,872	86,482,970	89,516,700	90,411,800	895,100
OTHER OPERATING EXPENSE					
General Fund	21,814,290	20,639,944	21,155,700	21,161,000	5,300
Special Revenue Funds	5,061,574	4,865,933	3,815,000	4,330,800	515,800
Enterprise Funds	58,585,468	65,574,920	65,059,200	74,327,600	9,268,400
Internal Service Funds	4,952,985	4,982,056	4,669,600	4,907,418	237,818
Total Other Operating Expense	90,414,317	96,062,853	94,699,500	104,726,818	10,027,318
CAPITAL OUTLAY					
General Fund	602,352	374,060	316,500	391,500	75,000
Capital Project Funds	13,538,724	10,980,698	11,602,515	10,555,209	(1,047,306)
Total Capital Outlay	14,141,076	11,354,758	11,919,015	10,946,709	(972,306)
CLAIMS					
Internal Service Funds	12,113,291	11,840,521	22,229,300	22,187,354	(41,946)
Total Claims	12,113,291	11,840,521	22,229,300	22,187,354	(41,946)
DEBT SERVICE					
Debt Service Funds	33,390,578	16,354,118	14,550,300	14,468,500	(81,800)
Total Debt Service	33,390,578	16,354,118	14,550,300	14,468,500	(81,800)
OTHER CHARGES					
Special Revenue Funds	26,210,503	24,314,010	21,085,154	24,924,854	3,839,700
Enterprise Funds	4,172,346	3,845,510	4,016,300	3,540,200	(476,100)
Total Other Charges	30,382,849	28,159,520	25,101,454	28,465,054	3,363,600
TOTAL EXPENDITURES	267,444,983	250,254,740	258,016,269	271,206,235	13,189,966

MAJOR REVENUE SOURCE ANALYSIS

Current Property Tax Levy (in millions)



Tax Levy in millions

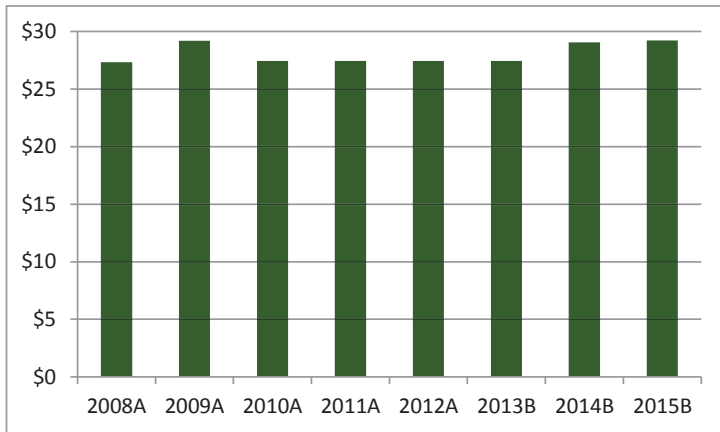
2007	\$12.208
2008	\$13.544
2009	\$15.438
2010	\$17.176
2011	\$17.791
2012	\$21.405
2013	\$21.811
2014	\$22.041
2015	\$22.469

Description and 2015 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 decreased slightly. Estimated market value and tax rates can be found in the statistical section of the Appendix section of this book.

The 2015 levy is slightly higher than 2014; however, due to new tax base growth from economic development, annual property tax bills will not increase.

Local Government Aid (in millions)



LGA in millions

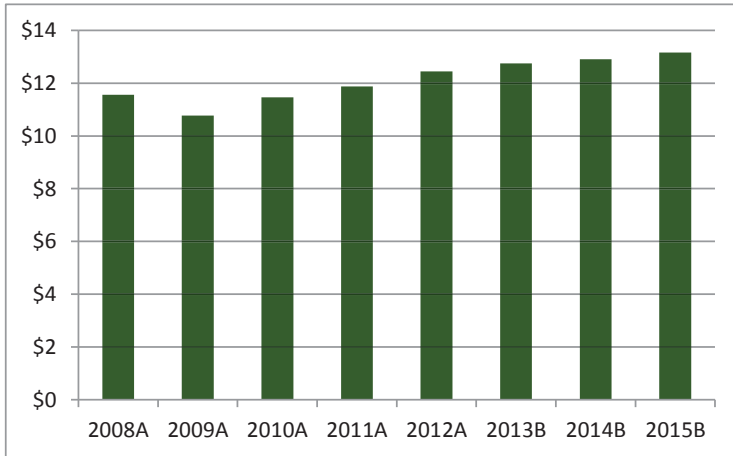
2008A	\$27.325
2009A	\$29.201
2010A	\$27.437
2011A	\$27.437
2012A	\$27.450
2013B	\$27.437
2014B	\$29.043
2015B	\$29.204

Description and 2015 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. A slight increase is budgeted for 2015 with a total amount of \$29.2 million expected.

MAJOR REVENUE SOURCE ANALYSIS

General Sales Tax

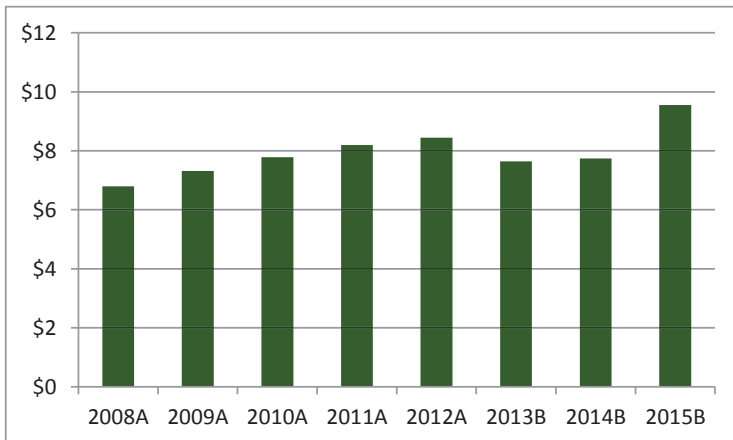


	Sales Tax in millions
2008A	\$11.564
2009A	\$10.775
2010A	\$11.466
2011A	\$11.873
2012A	\$12.445
2013B	\$12.744
2014B	\$12.900
2015B	\$13.160

Description and 2015 Budget

General Sales Tax is a one percent excise tax on gross receipts from retail sales or materials purchased for use in the City of Duluth. The tax collections do not have restrictions on use other than to fund general city services in the General Fund. Many factors have impacted this revenue stream including the State law eliminating the City's ability to charge sales tax on vehicles; the State's taking over as collection agent for Duluth's sales tax; and the economy. The 2015 sales tax budget reflects a 2% increase over the 2014 budget to more accurately reflect current trends.

Tourism Taxes (in millions)



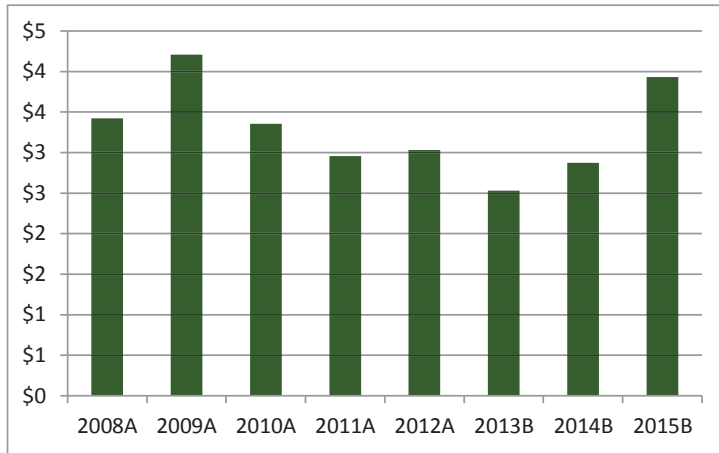
	Tourism Taxes in millions
2008A	\$6.799
2009A	\$7.312
2010A	\$7.787
2011A	\$8.199
2012A	\$8.444
2013B	\$7.637
2014B	\$7.738
2015B	\$9.555

Description and 2015 Budget

Tourism taxes are applied to food and beverage and hotel/motel sales. Revenues are recognized in the Special Revenue Fund 258 and distributed by Council action. Revenue in 2015 is projected to increase 23.5% over the 2014 budget, of which 4.7% is due to local trends, and 18.8% is due to the new .5% food and beverage tax and .5% hotel/motel tax that is to be used for tourist related capital improvement bond projects west of 34th Avenue West. The remainder of the increase in budgeted tourism taxes is due to projected revenues.

MAJOR REVENUE SOURCE ANALYSIS

Payment in Lieu of Taxes (in millions)



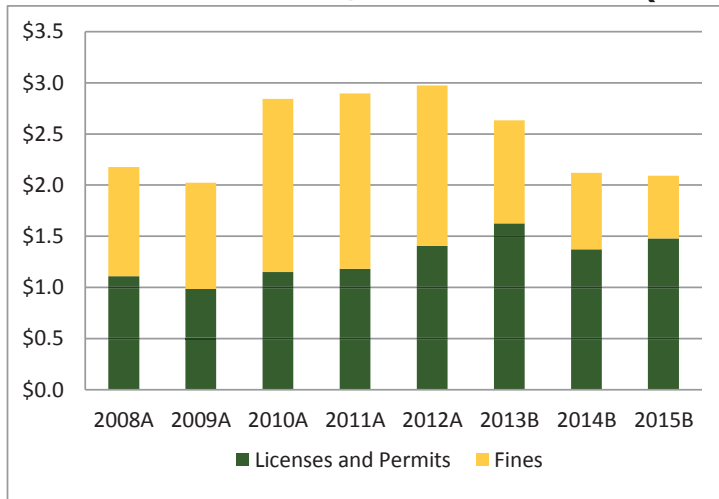
PILOT in millions

2008A	\$3.422
2009A	\$4.208
2010A	\$3.357
2011A	\$2.958
2012A	\$3.030
2013B	\$2.529
2014B	\$2.872
2015B	\$3.931

Description and 2015 Budget

Payment in Lieu of Taxes - PILOT revenue is derived from payments for municipal services provided in lieu of property taxes. The largest source of PILOT revenues is from the municipal gas utility, with a minimal amount from the steam utility. Payments are based on each utility's annual gross receipts. Per City ordinance, effective January 1, 2015, PILOT funds are reallocated between the general fund and the street system utility fund with the base amount of \$3.6 million (increased annually to reflect the CPI-U amount) going to the general fund and the incremental PILOT going to the street system utility fund. Revenues for 2015 from steam are expected to increase slightly over the 2014 budget; revenues from gas expected to increase an estimated \$1,052,400. Yearly fluctuations result from factors related to the prior heating season, natural gas pricing, and customer usage.

General Fund Licenses/Permits and Fines (in millions)



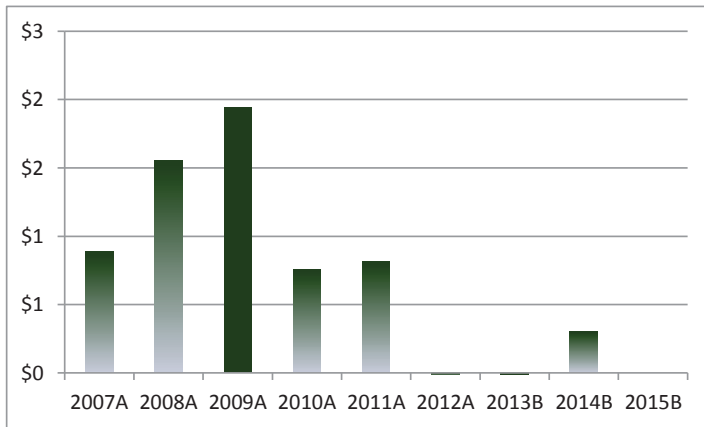
	Licenses and Permits	Fines	Total
2008A	\$985,505	\$1,037,452	\$2,022,957
2009A	\$1,149,268	\$1,692,916	\$2,842,184
2010A	\$1,182,044	\$1,712,924	\$2,894,968
2011A	\$1,407,951	\$1,564,835	\$2,972,786
2012A	\$1,625,827	\$1,007,231	\$2,633,058
2013B	\$1,799,153	\$591,840	\$2,390,993
2014B	\$1,478,800	\$612,800	\$2,091,600
2015B	\$1,576,400	\$539,600	\$2,116,000

Description and 2015 Budget

These revenues for the city's General Fund represent a wide variety of sources such as licenses, permits, fines, forfeits and fees - the largest single source being multiple dwelling licenses. Fees are annually reviewed/modified by the Administration, updated for inflation (1.32% in 2015), and then submitted as a complete package to the City Council for action. This process has resulted in fees that are current and more accurately reflect the cost of providing service. The largest increases in 2015 budgeted revenue include increases in liquor license revenue, pet license revenue, and administrative fines. The largest decreases in 2015 budgeted revenues include court fines and library fines.

MAJOR REVENUE SOURCE ANALYSIS

General Fund Earnings on Investments (in millions)

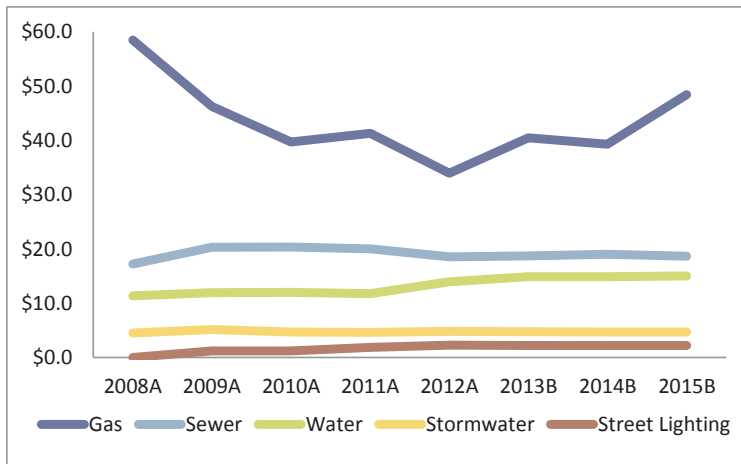


	Earnings in millions
2007A	\$0.886
2008A	\$1.557
2009A	\$1.944
2010A	\$0.760
2011A	\$0.816
2012A	(\$0.030)
2013B	(\$0.254)
2014B	\$0.305
2015B	\$0.000

Description and 2015 Budget

Earnings on Investments in the General Fund are derived from investing the City's cash. The revenues generated are dependent upon the cash on hand, current interest rates, and the makeup of the portfolio. Prior to 2009, the City sold tax anticipation certificates to aid in cash flow at the beginning of the year. This was necessary to cover expenses until the City received the first of two annual payments of property taxes and LGA. Since then, cash has been tightly managed to avoid this short term borrowing resulting in a smaller portfolio to invest during the year. Per City ordinance, effective January 1, 2015, the city shall transfer all earnings from the city's investments in the pooled portfolio to the OPEB trust fund with the exception of income earned from authority deposits, income earned from bond proceeds, and legally restricted investment income.

Public Utility Operating Revenues (in millions)



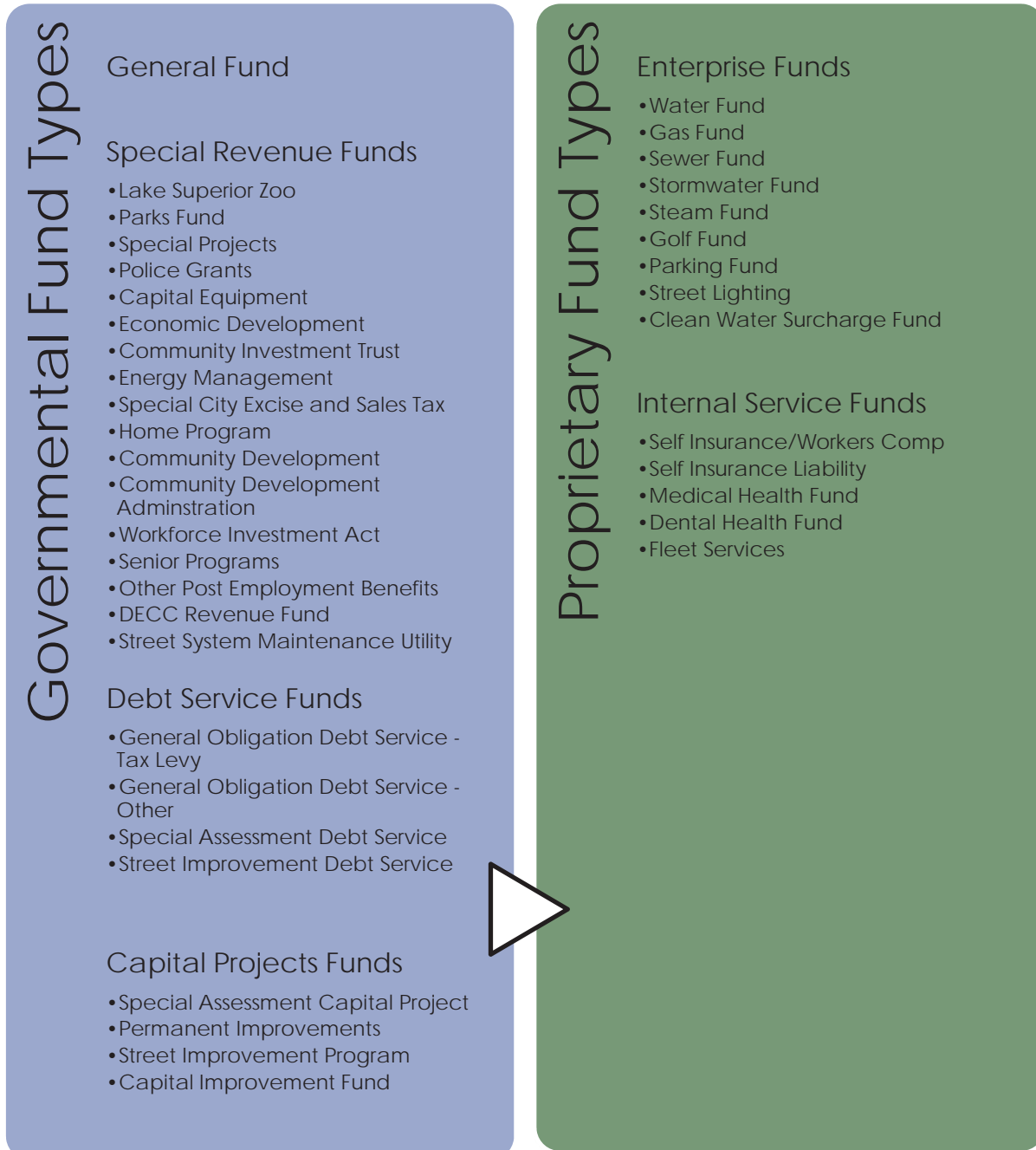
in millions	Gas	Sewer	Water	Stormwater	Street Lighting	Total
2008A	\$58.465	\$17.216	\$11.354	\$4.515	\$0.000	\$91.550
2009A	\$46.257	\$20.312	\$11.945	\$5.149	\$1.209	\$84.872
2010A	\$39.723	\$20.338	\$12.007	\$4.700	\$1.191	\$77.959
2011A	\$41.309	\$20.041	\$11.743	\$4.633	\$1.874	\$79.600
2012A	\$33.941	\$18.525	\$13.920	\$4.799	\$2.272	\$73.457
2013B	\$40.461	\$18.737	\$14.878	\$4.754	\$2.215	\$81.045
2014B	\$39.298	\$19.005	\$14.906	\$4.709	\$2.200	\$80.118
2015B	\$48.408	\$18.682	\$15.018	\$4.718	\$2.200	\$89.026

Description and 2015 Budget

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

CITY OF DULUTH FUND ACCOUNTS

The City's budget is presented and approved as funds. Fund accounting is the methodology used as the standard for governmental entities. For Duluth, the funds that are budgeted are listed below by fund type and fund classification. There are two fund types in the budget: 1) Governmental fund types which are defined as those funds that are used to account for tax supported activities; and 2) Proprietary fund types which focus on the determination of operating income, changes in net assets, financial position and cash flows. Within those two types are the classifications as shown below with the name of the budgeted funds within those classifications also noted. Following this chart is a summary by fund of budgeted expenses and estimated revenues for 2015 as approved.



TOTAL APPROVED CITY OF DULUTH 2015 BUDGET

DETAIL BY FUND	Estimated			
	Beg. Balance	Revenues	Expenditures	Balance
GENERAL FUND	9,000,000	77,668,000	77,668,000	9,000,000
SPECIAL REVENUE FUNDS:				
Lake Superior Zoo	(299,765)	1,733,300	1,822,800	(389,265)
Parks Fund	116,791	2,683,500	2,683,500	116,791
Special Projects	640,155	578,200	605,400	612,955
Police Grants	(3,908)	947,954	947,954	(3,908)
Capital Equipment	1,872,266	4,550,000	4,550,000	1,872,266
Economic Development	21,930	17,900	17,900	21,930
Community Investment Trust	17,526,543	110,000	110,000	17,526,543
Energy Management	249,068	90,000	204,200	134,868
Special City Excise and Sales Tax	676,050	9,555,000	9,465,600	765,450
Home Program	(27,500)	544,500	544,500	(27,500)
Community Development	(379,397)	3,519,000	3,519,000	(379,397)
Community Development Administration	0	641,200	641,200	0
Workforce Investment Act	267,093	2,105,800	2,105,800	267,093
Senior Programs	0	363,400	363,400	0
OPEB	41,793,686	11,846,780	8,967,400	44,673,066
DECC Revenue Fund	2,726,747	2,999,000	2,434,600	3,291,147
Street System Maintenance Utility	0	3,023,200	3,023,200	0
TOTAL SPECIAL REVENUE FUNDS:	65,179,759	45,308,734	42,006,454	68,482,039
DEBT SERVICE FUNDS:				
General Obligation Debt Service - Tax Levy	7,321,607	7,049,200	6,506,800	7,864,007
General Obligation Debt Service - Other Sources	2,618,564	4,402,900	4,097,800	2,923,664
Special Assessment Debt Service	1,715,255	675,200	1,031,000	1,359,455
Street Improvement Debt Service	4,977,689	1,982,300	2,832,900	4,127,089
TOTAL DEBT SERVICE FUNDS:	16,633,115	14,109,600	14,468,500	16,274,215
CAPITAL PROJECTS FUNDS:				
Special Assessment Capital Project	10,608	9,904	0	20,512
Permanent Improvements	270,045	7,705,000	7,705,000	270,045
Street Improvement Program	82,133	1,050,209	1,050,209	82,133
Capital Improvement Fund	5,022,826	1,800,000	1,800,000	5,022,826
TOTAL CAPITAL PROJECTS FUNDS:	5,385,612	10,565,113	10,555,209	5,395,516
INTERNAL SERVICE FUNDS:				
Self Insurance - Worker's Compensation	1,507,235	659,900	828,400	1,338,735
Self Insurance - Liability	1,280,419	612,100	666,000	1,226,519
Medical Health Fund	5,126,986	22,717,916	22,627,985	5,216,917
Dental Health Fund	206,473	887,364	835,887	257,950
Fleet Services	567,396	4,162,400	4,148,400	581,396
TOTAL INTERNAL SERVICE FUNDS:	8,688,509	29,039,680	29,106,672	8,621,517
ENTERPRISE FUNDS ESTIMATED INCOME AND EXPENSE				
		REVENUE	EXPENSE	INCOME/(LOSS)
Water Fund		15,058,900	12,071,800	2,987,100
Gas Fund		48,503,800	46,579,200	1,924,600
Sewer Fund		18,715,100	16,587,300	2,127,800
Clean Water Surcharge Fund		1,843,300	1,284,900	558,400
Stormwater Fund		4,724,400	4,745,700	(21,300)
Steam Fund		7,089,600	7,620,300	(530,700)
Golf Fund		1,893,800	2,059,300	(165,500)
Parking Fund		4,953,700	4,334,500	619,200
Street Lighting Utility		2,200,000	2,118,400	81,600
TOTAL ENTERPRISE FUNDS:		104,982,600	97,401,400	7,581,200
TOTAL ALL FUNDS	104,886,995	281,673,727	271,206,235	115,354,487

2015 HIGHLIGHTS BY FUND

General Fund

Revenue Assumptions - The final approved 2015 General Fund revenue budget of \$77,668,000 is \$1,260,100 more than the 2014 approved budget. Major revenue sources in the 2015 General Fund budget include local government aid, sales tax, property tax, transfers from other funds, and charges for services.

Due to the economic downturn, and the State's budget deficits, Duluth's **Local Government Aid (LGA)** had been reduced annually 2008 through 2011. Through a process called "unallotment" Duluth's 2008 Local Government Aid was reduced in mid-December by a total of \$1.74 million. Following through, LGA was once again reduced by \$1.67 million in 2009; \$5.2 million in 2010; and \$3.5 million in 2011. For 2012 and again in 2013, the State set LGA level with 2011 actuals. Due to economic improvements, in 2013 the State legislature revamped the LGA formula and increased the allocation while stabilizing future funding levels. For 2015 the City received an increase of \$161,000 in its Local Government Aid. The schedule below shows the changes in revenues by major type along with the assumptions used also noted.

Revenue Bridge Schedule	\$ Variance in Millions		Assumptions
2014 Revenue Budget		\$ 76.408	
General Operations Levy	\$ 0.115		New growth
City Sales Tax	\$ 0.260		Based on 2014 projected Sales
Licenses and Permits	\$ 0.098		Certified aid from State
Local Government Aid	\$ 0.161		
All Other Intergovernmental	\$ (0.309)		MSA and Fire Department Safer Grant
Fines and Forfeits	\$ (0.073)		Based on current projections
Payment in Lieu of Tax	\$ 1.059		2014 projected gas sales due to severe winter
Earnings on Investments	\$ (0.305)		Moved earnings to OPEB
All Other Revenues	\$.254		All other changes
Total revenue changes		\$ 1.260	
2015 Revenue Budget		\$ 77.668	

Expense Assumptions - As with revenues, the final approved 2015 General Fund budget is \$1,260,100 more than the 2014 budget. Primary changes include increase in salaries per contract settlements and a state mandated increase in employer contributions to the public employees retirement plan.

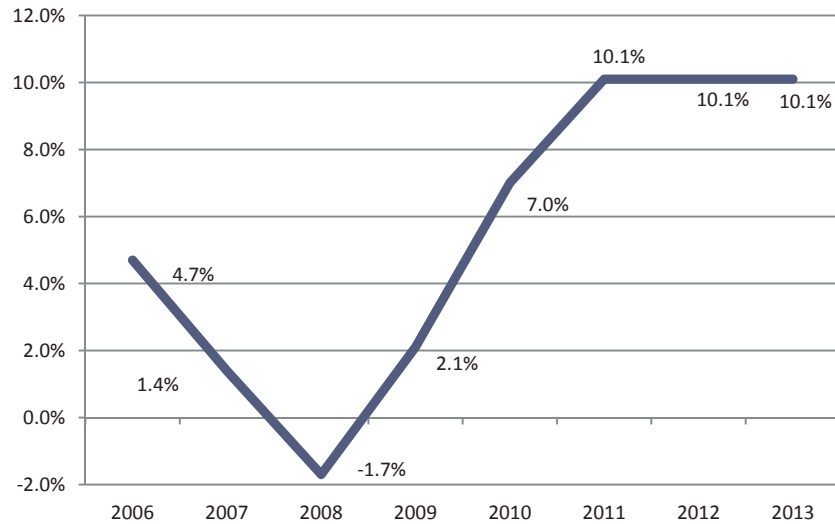
Expense Bridge Schedule	\$ Variance in Millions		Description
2014 Expense Budget		\$ 76.408	
Permanent Salaries	\$ 0.443		Per current contracts
Overtime	\$ 0.286		Accurately reflect usage
PERA, Payroll Taxes	\$ 0.356		Due to salary increases and state mandated increase of employer share of PERA
All Other Expenses	\$ 0.175		All other expenses
total expense changes		\$ 1.260	
2015 Expense Budget		\$ 77.668	

The number of positions for 2015 increased .72 FTE's over 2014, from 593.30 FTE's to 594.02 FTE's. The changes by department are as follows:

Position Bridge Schedule	Full Time Equivalent Variance	
2014 Fulltime Equivalents (FTE's)		593.3
Legislative & Executive	2.0	
Public Administration	(.25)	
Finance	(1.0)	
Planning & Construction Services	(.03)	
Business & Economic Development	(1.0)	
Fire Department	1.0	
Police Department	-	
Public Works	-	
Total Changes in FTE's		.72
2015 Fulltime Equivalents (FTE's)		594.02

General Fund Undesignated/Unreserved Fund Balance - The City has a fiscal policy of maintaining a minimum of five percent (5%) of General Fund expenditures as an **unreserved, undesignated fund balance**, a moderate scenario of seven percent (7%) and an optimum level of ten percent (10%). Based upon the 2015 General Fund budget of \$77.7 million, the minimum level (5%) would require a fund balance of \$3.88 million.

Fund balance was in the minimum range at year end 2006; followed by two years of consecutive decline with 2008 ending with a negative fund balance of \$1.35 million. As was the case nationally, Duluth saw record revenue deficits coupled with a late December cut in Local Government Aid from the state. Due to the timing of that reduction, the City was not able to put any recovery actions into place before year end.



Since then, much effort has been concentrated on fund balance restoration and growth through various practices and policies. The City has dedicated the sale of assets as one time revenues to fund balance. The City has been successful in its efforts to sell assets, with a large land sale, as well as a sale of property to a local electric utility. Other fund balance restoration efforts included using conservative revenue estimates when developing budgets; a hiring freeze with minimal strategic hiring; and other cost saving measures. Most importantly, the City has been addressing some of the structural budget deficits to realign resources to fund core services. Some examples of these would be the reallocation of PILOT funds to the general fund, the creation of a street light utility funded by user fees; changing the management of the City's Zoo to the Zoological Society; using the Community Investment Trust Fund to pay off debt from the Street Improvement Program moving it off the City's property tax levy; and consolidating all retirees onto one health care plan alleviating administrative expense and saving premium expense by requiring co-pays and deductibles for the first time.

As a result, fund balance has improved by \$10.3 million since 2008 with an estimated ending 2014 balance of \$9 million. Restoring fund balance continues to be included as an important and necessary part of the budget recovery strategy.

Special Revenue Funds

These funds account for special purpose functions and are restricted in their application. All of these funds have dedicated revenues and provide accounting for special purposes. They include the funds of Lake Superior Zoo, Parks Fund, Capital Equipment, Community Investment Trust, Economic Development, Special (Tourism) Sales Tax, Energy Management, DECC Revenue Fund, Community Development, Job Training, Job Service, Senior Employment, Senior Nutrition, and Community Resource Programs and Other Post-Employment Benefits - OPEB Fund.

The **OPEB fund** was created in 2007 for the purpose to accumulate resources to be deposited into an irrevocable trust fund for retiree health care costs. The 2007 revenues in the fund included a one-time contribution from the Community Investment Trust Fund in the amount of \$10 million, contributions from the enterprise funds and all grant funds which have employees. There was also a one-time transfer from the Group Health Fund in the amount of \$1 million - with \$500,000 of that returned to the Group Health Fund in 2008. Property taxes 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. For 2015, contributions will total \$9,231,780 for an estimated fund balance of \$44.7 million accumulated since inception in 2007.

The **Tourism Tax Fund** provides the accounting for the revenue generated by the different tourism taxes received from food and beverage and hotel/motel receipts. In 2015, .5% of food and beverage and .5% of hotel/motel tax were reinstated. West Duluth will receive \$1,450,000 to pay principal and interest on bonds to fund recreational and tourism-related activities in that part of the city lying west of 34th Avenue West. Including those taxes, revenue will increase 23% over 2014. Visit Duluth will receive a \$150,000 increase in funding, as approved in the latest contract between the City and the agency. The Great Lakes Aquarium will receive an operating subsidy from tourism taxes in the amount of \$360,000. Debt service payments totaling \$3,644,700 funded by the tourism tax fund go toward DECC improvements and Spirit Mountain. The transfer to the General Fund will remain flat for a total allocation of \$827,900. With the renewal of the Business Improvement District in the downtown area, the City will continue to be a funding partner by allocating \$200,000 of tourism taxes to that program.

Debt Service Funds

These funds account for the payment of long-term principal and interest on the City's bonded debt. The total estimated gross bonded debt carried by the City in 2014 is \$152,934,800. The property tax levy for debt service in 2015 is \$6,574,300. The property tax supported bond issues proposed for 2015 include capital equipment and improvements. Debt is discussed in greater detail in the Debt Service Section of the document.

Capital Project Funds

The Capital Project Funds account for the Special Assessment Capital, Permanent Improvement Projects, Street Improvements, and Capital Improvements. For 2015, a total of \$10.44 million in improvements are planned. Funding will come from intergovernmental contributions from the State of Minnesota and Federal grants; assessments; and bond proceeds.

The Street Improvement Fund accounts for the revenues and expenditures of the 25-year Street Rehabilitation Program. The fund was financed through interest on the Community Investment Fund (where proceeds from the Fond du Lac Casino Agreement are deposited), assessments against benefitting properties, and the increase in tax levy due to new construction. Beginning in 2009, funding was shifted to a direct transfer from the Community Investment Trust Fund's principal

and from assessments. In 2013, that funding plan was put on hold until the litigation with the Fond du Lac Tribe casino agreement is complete. The City is hopeful the case will be resolved this year. The Street Improvement Program budget includes \$1.05 million in improvements.

The balance of capital improvements scheduled for 2015 are funded in the Permanent Improvement Fund and the Capital Improvement Fund for a total \$9.33 million. All projects are detailed in the separate capital improvement plan found in this document.

Enterprise Funds

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

The **Golf Enterprise Fund** accounts for the expenses and revenues associated with municipal golf in the City. The golf fund continues without a subsidy from the General Fund in order to maintain the current level of operations. For 2015, the City will once again contract out the operation of the two municipal golf courses.

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

In 2008 a **Street Light Utility** was created by Council resolution as one of the City's budget recovery strategies. The operation had been part of the General Fund using property taxes and other revenues to fund the activity. The operation is now an enterprise fund using monthly user charges as the source of revenue. This action reduced spending in the General Fund by \$1.185 million, most of which was electricity expenses, followed by salaries and benefits. The customer service charges are designed to fully cover expenses of the utility.

Internal Service Funds

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

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

CITY PLANNING PROCESSES

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

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

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

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

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Duluth
Minnesota**

For the Fiscal Year Beginning

January 1, 2014

Executive Director

Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Duluth, Minnesota, for its annual budget for the fiscal year beginning January 1, 2014.

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 device.

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

FINANCIAL POLICIES

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

These policies cover the following areas:

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

Operating Budget Policy

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

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

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

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

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

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

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

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

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

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

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

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

Scope of Budget –

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

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

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

Revenue Policy

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

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

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

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

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

Enterprise Service Fees - The City will establish user charges and set fees for services for each of its enterprise funds: water, sewer, gas, parking, golf, street lighting and storm water, at a level that fully supports all direct and indirect operating, capital, reserve, working capital and debt

service costs of the activities. Overhead expenses and general government services provided to the enterprise activities shall be included as indirect costs. Rates will be set such that these enterprise funds are not in a cash deficit during the year. Cash flow requirements to adequately defray bond retirement and capital outlay will be a determinant in the development of user charges. Transfers from an enterprise fund to the General Fund may only be done as authorized through the annual budget process.

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

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

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

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

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

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

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

Capital Budget Policy

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

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

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

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

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

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

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

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

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

Debt Management Policy

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

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

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

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

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

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

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

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

Bond Specifics:

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

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

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

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

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

Conduit Debt Obligations - These obligations include industrial revenue bonds for which the City incurs no financial or moral obligation and are issued only if the associated development project

can be shown to be financially feasible and will contribute substantially to the welfare and/or economic development of the City and its inhabitants.

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

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

Reserve Policy

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

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

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

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

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

Use of Fund Balances – If at all feasible, available fund balances will not be used for ongoing operating expenditures, unless a determination has been made that available balances are in

excess of required guidelines and that plans have been established to address any future operating budget shortfalls. Emphasis shall be placed on one-time uses that achieve future operating cost reductions. Fund balance is the cumulative years' excess or deficit of all revenues and expense. In the case of proprietary funds, this is termed unrestricted net assets. For the purposes of the budget document, revenue and expense activity includes bond proceeds and debt service.

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

Investment Policy

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

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

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

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

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

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

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

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

Standard of Care - The "prudent person" standard shall be applied in the context of managing the overall investment portfolio. Investment officers, acting in accordance with fiduciary standards and written procedures, shall be relieved of personal responsibility for an individual

security's credit risk or market price changes, provided that deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments. Internal Controls and Safekeeping - The City Chief Financial Officer shall establish a written system of internal controls. To protect against potential fraud and embezzlement, assets of the City shall be secured through third party custody and other safekeeping procedures. The City shall authorize the custodian financial institution to utilize security lending to maximize return on investments. Bearer instruments shall be held only through third party institutions. Investment officials shall be bonded.

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

General –

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

Accounting Policy

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

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

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

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

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

funds are to be accounted for using the accrual basis of accounting, recognizing revenues when earned and expenses when incurred.

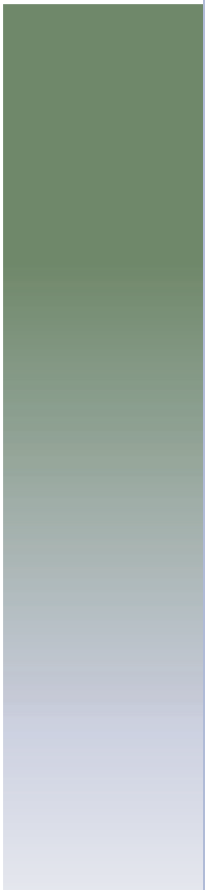
Disclosure and Monitoring - Full disclosure is provided in all financial statements and bond representations. Financial systems are maintained to monitor expenditures and revenues on a daily, monthly, and year end basis. A Comprehensive Annual Financial Report (CAFR) is published by the City within six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

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

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

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

APPROPRIATIONS



General Fund

City of Duluth Minnesota - 2015 Budget

General Fund

Departments

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

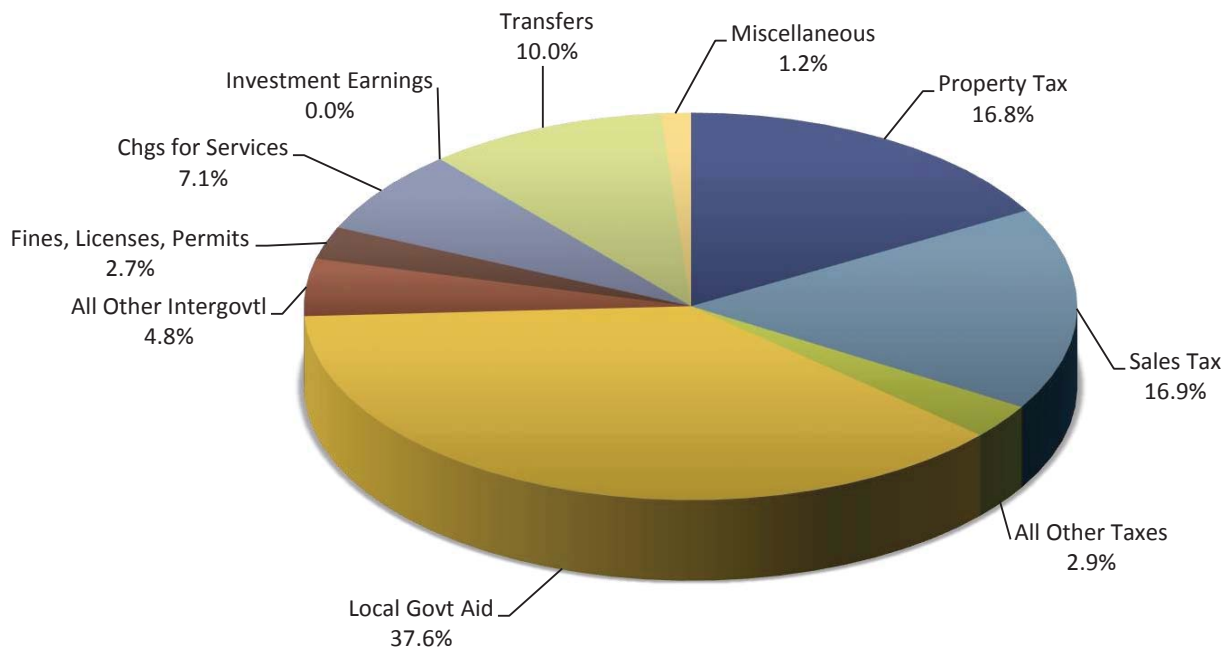
The General Fund provides general purpose government to the citizens of Duluth and accounts for all financial transactions not accounted for in another fund. This fund is used to finance activities such as general government, public safety, public works, libraries, recreation and business and economic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

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

	2012 Actual	2013 Actual	2014 Approved	2015 Approved
REVENUES				
Property Tax				
General Operations Levy	11,659,980	11,634,085	12,749,800	12,749,800
New Growth	78,900	106,300		114,700
Delinquent Property Taxes	303,380	283,960	150,000	150,000
City Sales Tax	12,444,742	12,743,825	12,900,000	13,160,000
All Other Taxes	2,107,326	2,090,882	2,087,200	2,236,000
Local Government Aid	27,449,555	27,437,478	29,042,600	29,203,600
All Other Intergovernmental	3,775,378	4,389,879	4,014,300	3,704,800
Licenses and Fines	2,633,058	2,390,993	2,091,600	2,116,000
Charges for Services	4,985,569	5,206,559	5,610,000	5,498,000
Earnings on Investments	(29,991)	(254,513)	309,600	-
Other Financing Sources	8,009,134	6,733,153	6,559,700	7,773,100
Miscellaneous	1,659,047	2,271,881	893,100	962,000
Total Revenues	75,076,078	75,034,482	76,407,900	77,668,000
EXPENDITURES				
Permanent Salaries	36,528,165	36,748,275	37,920,300	38,363,300
Premium Pay	2,145,524	1,982,896	1,207,600	1,493,800
Other Wages	576,111	399,142	494,100	486,700
Employee Benefits	13,486,327	14,731,849	15,313,700	15,771,700
Supplies	4,234,119	4,421,015	3,475,700	3,080,700
Other Services & Charges	8,764,046	8,414,504	9,228,600	9,628,900
Utilities	1,174,565	1,208,980	1,226,400	1,226,400
Retiree Insurance	7,641,560	6,595,445	7,225,000	7,225,000
Capital	602,352	374,060	316,500	391,500
Total Expenditures	75,152,769	74,876,166	76,407,900	77,668,000

City of Duluth Minnesota - 2015 Budget

GENERAL FUND APPROVED REVENUES Percent of Total by Major Category



Property Tax - Current & Delinquent	\$	13,014,500
City Sales Tax	\$	13,160,000
All Other Taxes	\$	2,236,000
Local Government Aid	\$	29,203,600
All Other Intergovernmental	\$	3,704,800
Licenses and Fines	\$	2,116,000
Charges for Services	\$	5,498,000
Earnings on Investments	\$	-
Transfers from Other Funds	\$	7,773,100
Miscellaneous	\$	962,000
TOTAL 2015 REVENUES	\$	77,668,000

This graph shows the major categories of revenues expressed as a percent of total General Fund revenues estimated for budget fiscal year 2015. The City's policy of maintaining a diverse revenue base is reflected in the categories of revenues listed above, with almost 200 separate budgeted sources of revenue detailed within the Revenue Source Summary that follows this graph. Although, the City does have a wide variety of revenues, the reader will note the City's relative dependence on Local Government Aid, which constitutes 37.6% of all General Fund revenues. For this reason, Local Government Aid is monitored closely at the State Legislature.

City of Duluth Minnesota - 2015 Budget

General Fund Revenues	2012 Actual	2013 Actual	2014 Budget	2015 Approved
CATEGORY 10 - TAXES				
4005 Current Property Tax	11,659,980	11,634,085	12,749,800	12,749,800
New Growth	78,900	106,300	-	114,700
4010 Delinquent Property Tax	303,380	283,960	150,000	150,000
4015 Mobile Home Tax	46,875	5,977	50,800	58,700
4040 City Sales Tax	12,444,742	12,743,825	12,900,000	13,160,000
4050 Charitable Gambling Tax	53,513	55,267	48,000	55,000
4070 MN Power Franchise Fee	1,100,000	1,100,000	1,100,000	1,100,000
4071 Cable Franchise Fee	821,201	850,184	856,400	926,700
4072 No. MN Utility Franchise Fee	6,948	8,114	7,000	8,100
4080 Forfeit Tax Sale	25,363	1,911	5,000	19,400
4090 Other Taxes	53,426	69,429	20,000	68,100
TOTAL TAXES	26,594,328	26,859,052	27,887,000	28,410,500
CATEGORY 20 - LICENSES AND PERMITS				
4101 Liquor License	430,885	467,583	405,000	455,000
4102 Beer License	11,452	14,054	14,000	14,000
4105 Hotel License	10,099	9,054	6,500	9,000
4106 Garbage Collection	15,904	17,520	14,000	14,000
4107 Horse & Carriage	682	566	700	700
4108 Emergency Wrecker License	6,800	7,928	5,000	6,000
4109 Gas Station License	8,383	8,686	8,500	8,500
4111 Pawnbroker License	1,107	1,137	1,300	1,100
4112 Peddler's License	1,110	3,796	500	500
4113 Precious Metal Dealer	2,214	1,895	1,200	1,200
4114 Pet Shop License	1,250	1,819	1,200	1,700
4117 Massage Parlor	10,095	12,812	5,000	8,000
4118 Cigarette License	13,872	14,000	15,000	13,000
4119 Motor Vehicle - Dealer	4,963	4,927	4,400	4,400
4119 Motor Vehicle - Rental	1,792	2,104	1,600	1,800
4120 Taxi Permit	14,522	11,797	5,300	17,000
4121 Coin Operating Device	265	10,355	9,000	10,000
4122 Pool & Bowling	1,525	2,360	2,000	600
4124 Tree Service Contractor	-	-	700	-
4150 Pet License	22,410	21,099	18,000	35,000
4151 Fill Permits	1,872	1,125	1,200	1,200
4152 Excavation Permits	21,720	19,070	20,000	20,000
4153 Multiple Dwell License-3 or more	220,600	97,520	100,000	250,000
4153 Multiple Dwell License-1 or 2 units	666,388	903,593	735,000	575,000
4154 Commercial Use/Occupancy	63,533	79,090	65,000	75,000
4155 Special Event Permit	-	3,498	3,000	3,000
4170 Misc. Perm. & Licenses	92,384	81,765	35,700	50,700
TOTAL LICENSE AND PERMITS	1,625,827	1,799,153	1,478,800	1,576,400

City of Duluth Minnesota - 2015 Budget

General Fund Revenues	2012 Actual	2013 Actual	2014 Budget	2015 Approved
CATEGORY 30 - INTERGOVERNMENTAL				
4209 Misc. Federal Grants (Safer Grant)	48,787	227,157	200,000	-
4220 State of Minnesota	19,194	186,366	-	-
4221 Local Government Aid	27,449,555	27,437,478	29,042,600	29,203,600
4222 State Property Tax Aid	6,284	63,109	-	-
4225 Ski Trail Reimbursement	-	11,000	5,000	11,000
4226 Snowmobile Trail Grants	26,348	6,963	18,000	13,000
4227 Police Training Reimbursement	46,160	51,263	50,000	50,000
4230 PERA Aid	124,428	124,428	124,400	124,400
4232 State Insurance Premium	1,574,915	1,738,318	1,600,000	1,600,000
4240 Municipal State Aid - Maintenance	1,487,672	1,533,448	1,533,400	1,400,000
4260 St. Louis County	165,605	148,311	148,300	157,300
4261 ISD 709	211,476	235,832	211,000	220,200
4262 Housing & Redevelopment Authority	-	-	60,900	62,700
4270 Other Grants	4,000	232	-	-
4300 HRA in Lieu of Taxes	44,423	47,366	47,300	50,200
4300 Ordean Foundation	16,086	16,086	16,000	16,000
TOTAL INTERGOVERNMENTAL	31,224,933	31,827,357	33,056,900	32,908,400
CATEGORY 40 - CHARGES FOR SERVICES				
4301 Zoning Appeals Fees	-	-	600	600
4303 Use Permit - Flood & Wetlands	1,508	2,194	1,000	1,000
4306 Building Appeals Fees	960	120	-	-
4307 Planning/Zoning Fees	102,925	113,875	75,000	75,000
4310 Assessment Cost Services	71,326	1,478	33,900	28,400
4311 Assessment Certification Fee	31,290	30,955	30,000	25,000
4312 Abatement Processing	2,245	-	-	-
4313 Assessment Handling Fee	9,056	3,520	10,000	-
4315 Stormwater Administrative Service	150,700	150,700	150,700	150,700
4315 Sewer Administrative Service	306,900	306,900	306,900	306,900
4315 Steam Administrative Service	49,500	49,500	49,500	49,500
4315 DECC Administrative Service	25,000	25,000	25,000	25,000
4315 DTA Administrative Service	10,300	10,300	10,300	10,300
4315 Grant Administration Services	89,500	74,187	77,500	87,200
4315 Airport Administrative Service	45,200	45,200	45,200	45,200
4315 DEDA Administrative Service	365,000	365,000	365,000	365,000
4315 Public Utility Admin Service	872,400	872,400	872,400	872,400
4315 Fleet Administrative Service	108,200	108,200	108,200	108,200
4315 Golf Administrative Service	66,800	66,800	66,800	66,800

City of Duluth Minnesota - 2015 Budget

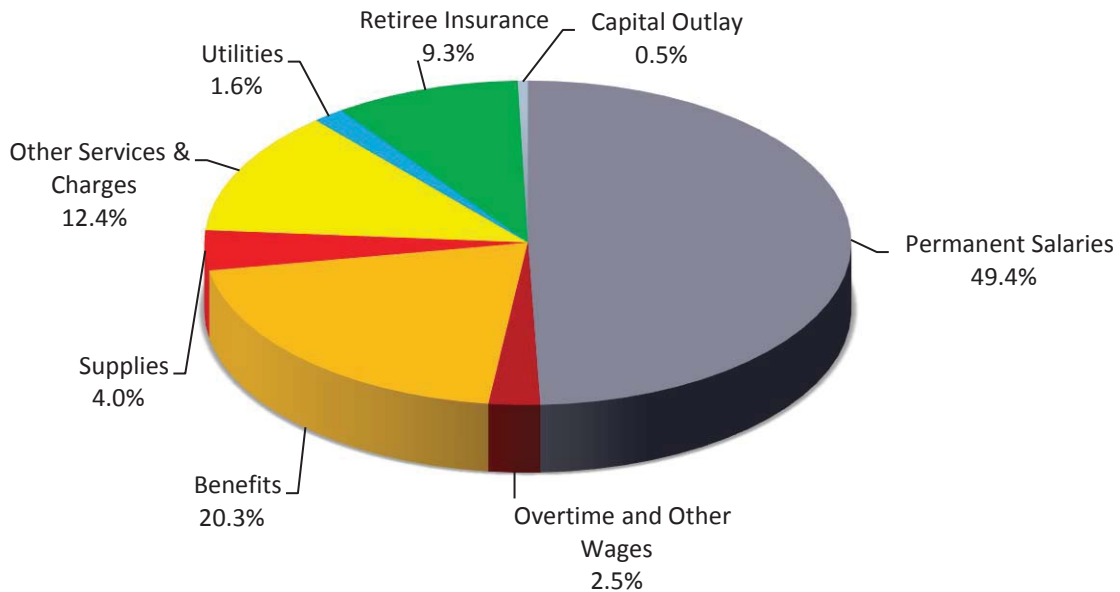
General Fund Revenues	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Category 40 - Charges for Services continued				
4315 Group Health Admin Service	255,000	255,000	255,000	255,000
4315 Self Insurance Admin Service	283,200	283,200	283,200	283,200
4315 Spirit Mt. Administrative Service	37,700	37,700	37,700	37,700
4315 Parking Administrative Service	23,300	23,300	23,300	23,300
4315 Street Lighting System Utility	59,000	59,000	59,000	59,000
4319 Attorney Fees	-	11,500	10,000	10,000
4320 MIS Services	4,232	1,801	5,200	5,200
4322 Animal Shelter Fees	13,828	17,694	20,000	20,000
4323 Garnishment Fees	225	60	100	-
4324 Miscellaneous Services	7,759	95	300	-
4325 Radio Services	6,500	6,500	6,500	-
4326 Criminal History Checks	706	521	2,000	2,000
4328 Pawnbroker Transaction Charge	69,634	76,893	50,000	75,000
4329 False Alarm Fees & Penalties	21,760	18,383	10,000	17,000
4340 Fire Protection Services	4,200	4,200	4,200	4,200
4341 Hydrant Maintenance Service	30,000	30,000	30,000	30,000
4350 Inspection Services	-	-	4,000	4,000
4351 Building Inspection Fees	1,099,302	1,324,238	1,460,000	1,503,800
4352 Plumbing Inspection Fees	179,062	178,011	180,000	185,400
4353 Electric Inspection Fees	178,589	181,924	190,000	195,700
4354 HVAC-R Inspection Fees	170,852	207,468	150,000	154,500
4355 Signs Inspection Fees	13,390	13,047	10,500	10,800
4356 House Moving Inspection Fees	10,002	12,684	5,000	10,000
4357 Mobile Home Inspection Fees	672	224	2,000	2,100
4359 CAF Administrative Fee	12,370	5,753	15,000	15,500
4360 Vacant Building Fee	6,480	9,320	5,000	5,000
4361 RZP Registration Fee	16,108	14,013	14,000	14,400
4370 Engineering Services	172,888	207,701	550,000	358,000
TOTAL CHARGES FOR SERVICES	4,985,569	5,206,559	5,610,000	5,498,000
CATEGORY 50 - FINES AND FORFEITS				
4470 License Penalties	6,095	5,924	18,000	8,000
4471 Library Fines	87,856	85,956	90,000	75,000
4472 Administrative Fines	377,141	30,673	22,700	54,600
4473 Court Fines	536,139	469,287	482,100	402,000
TOTAL FINES AND FORFEITS	1,007,231	591,840	612,800	539,600

City of Duluth Minnesota - 2015 Budget

General Fund Revenues	2012 Actual	2013 Actual	2014 Budget	2015 Approved
CATEGORY 60 - SPECIAL ASSESSMENTS				
4500 Assessments	61,022	37,014	107,200	80,000
4500 Assessments - Service Charge	320,122	326,024	300,000	300,000
4501 Assessments - Penalty & Interest	35,882	23,669	32,100	22,700
TOTAL SPECIAL ASSESSMENTS	417,026	386,707	439,300	402,700
CATEGORY 70 - MISCELLANEOUS				
4601 Earnings on Investments	(29,991)	(254,513)	305,000	-
4602 Interest on Temporary Loans			4,600	50,000
4620 Telecommunications Space Rental	-	9,957	10,000	-
4622 Rent of Buildings	90,714	78,098	76,600	115,700
4623 Rent of Land	6,692	7,215	5,900	6,300
4624 Rent of Equipment	-	-	300	300
4626 Indian Point Campground	35,735	-	-	-
4627 Concessions & Commissions	9,975	10,914	9,000	9,000
4631 Media Sales	28,411	34,341	28,000	31,000
4636 Sale of Materials	7,936	9,889	4,000	6,000
4639 Sale of Equipment	59,198	91,882	70,000	70,000
4640 Sale of Land	81,618	515,900	57,600	57,600
4644 Miscellaneous Sales	118,912	223,412	54,200	111,200
4650 Salary Reimbursement	19,183	25,411	20,000	20,000
4651 Extra Duty Employment Reimbursement	397,375	-	-	-
4654 Other Reimbursements	359,274	817,495	73,700	80,700
4660 Gifts & Donations	2,319	2,020	4,700	-
4680 Damages Recovered	17,736	54,806	15,000	-
4700 Other Sources	5,787	2,493	23,300	-
4701 2% Retention Surtax	1,156	1,341	1,500	1,500
TOTAL MISCELLANEOUS	1,212,030	1,630,661	763,400	559,300
CATEGORY 80 - OTHER FINANCING SOURCES				
4730 Transfer from Special Revenue	500,000	101,685	-	57,700
4730 Transfer from Tourism Tax Fund	767,659	860,806	827,900	827,900
4730 Transfer from Comm Invest Fund	1,095,136	368,452	145,000	110,000
4730 Transfer from Police Grant Funds	752,493	634,995	410,900	527,500
4730 Transfer from Public Utility Funds	777,426	680,773	947,200	962,200
4730 Transfer from Parking Fund	1,293,400	1,428,223	1,326,700	1,326,700
4730 Transfer from Permanent Improvement	8,423	-	30,000	30,000
4731 Gas Utility in Lieu of Taxes	2,889,700	2,375,793	2,726,000	3,778,400
4732 Steam Utility in Lieu of Taxes	140,389	152,719	146,000	152,700
4998 Prior Year Revenue	(215,492)	129,707	-	-
TOTAL OTHER FINANCING SOURCES	8,009,134	6,733,153	6,559,700	7,773,100
GENERAL FUND TOTAL	75,076,078	75,034,482	76,407,900	77,668,000

City of Duluth Minnesota - 2015 Budget

GENERAL FUND APPROVED EXPENSES Percent of Total by Major Category



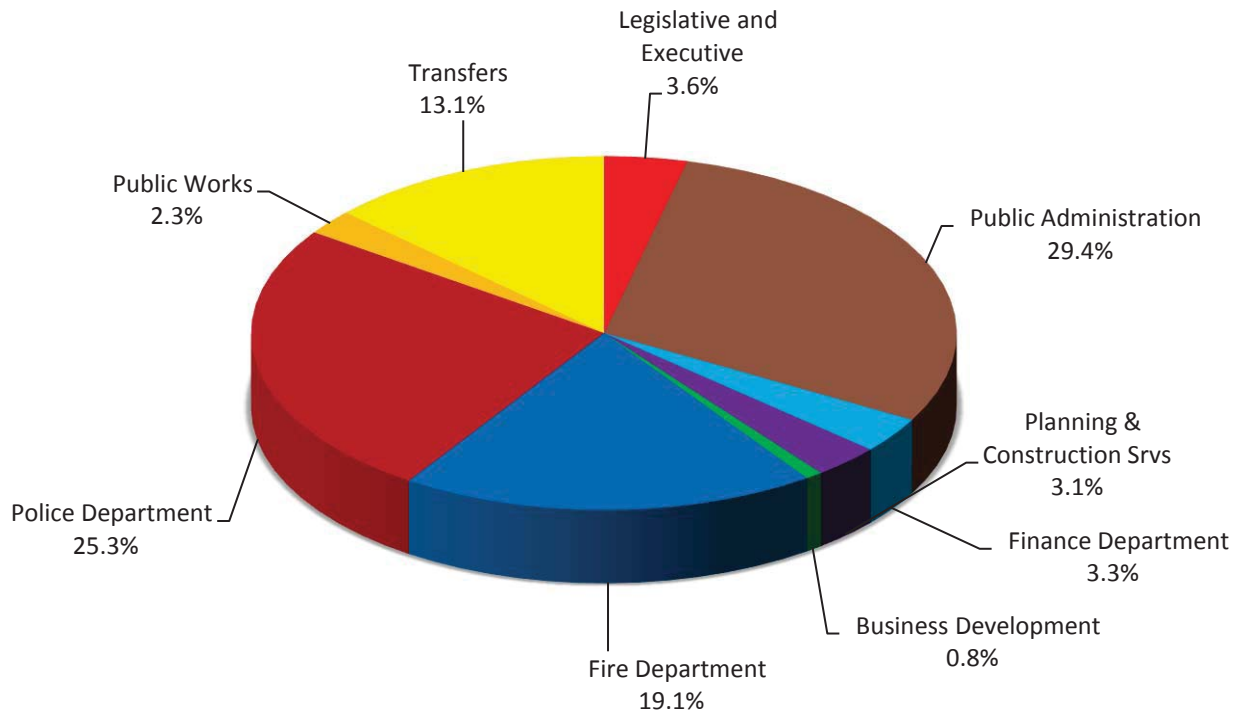
Permanent Salaries	\$	38,363,300
Overtime and Other Wages	\$	1,980,500
Benefits	\$	15,771,700
Supplies	\$	3,080,700
Other Services & Charges	\$	9,628,900
Utilities	\$	1,226,400
Retiree Insurance	\$	7,225,000
Capital Outlay	\$	391,500

TOTAL 2015 EXPENDITURES \$ 77,668,000

This graph shows the General Fund budget by expense category. The largest single category of expense is Permanent Salaries at 49.4% of all expenses. When the cost of benefits, overtime and other wages is added, the total is 72.2% of all budgeted expenses. Other Services and Charges comprises 12.4% of the total; followed by Retiree Insurance at 9.3%; Supplies at 4.0%; Utilities at 1.6%; and Capital Outlay in the General Fund at .5% of the total expenses.

City of Duluth Minnesota - 2015 Budget

GENERAL FUND APPROVED EXPENSES Percent of Total by Department



Legislative and Executive	\$ 2,943,800
Public Administration	\$ 22,805,400
Finance Department	\$ 2,527,900
Planning & Construction Svcs	\$ 2,386,600
Business Development	\$ 611,200
Fire Department	\$ 14,797,200
Police Department	\$ 19,662,300
Public Works	\$ 1,784,200
Transfers	\$ 10,149,400
TOTAL 2015 EXPENDITURES	\$ 77,668,000

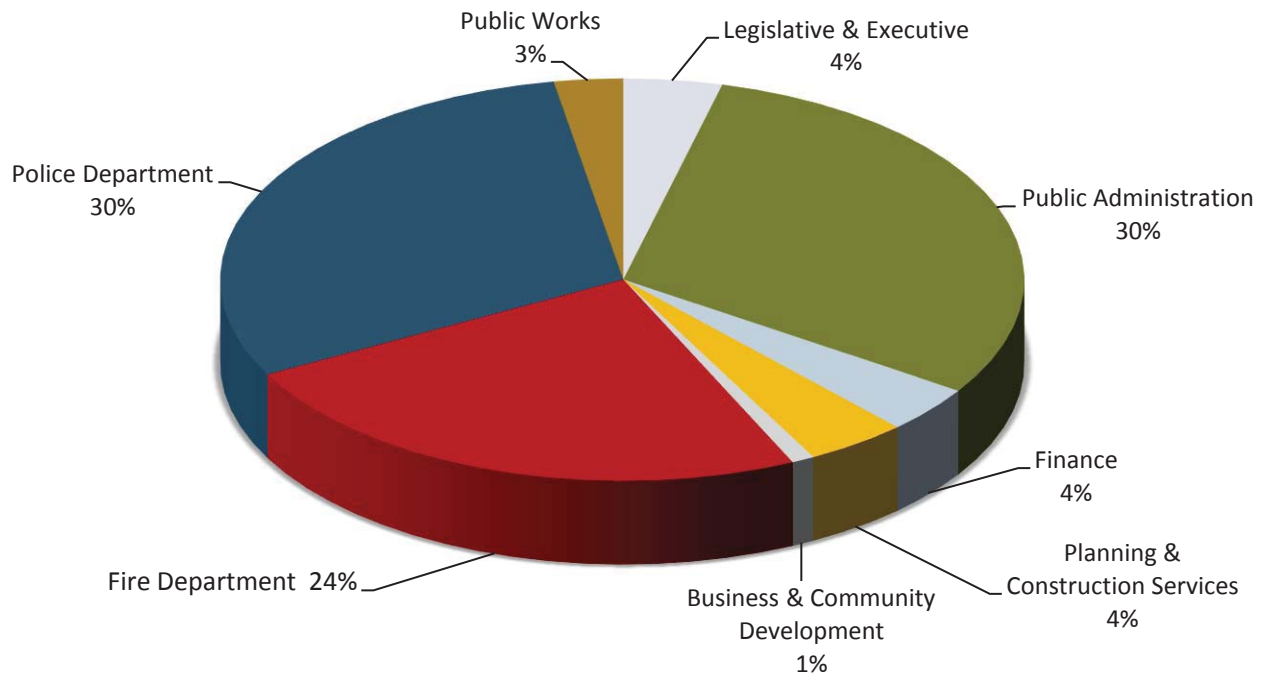
This graph shows the General Fund Departmental budgets as a percent of the total General Fund expenditures for budget fiscal year 2015. The largest category of expense is public safety with the Police and Fire Departments comprising 44.4% of the total; followed by the Public Administration Department which includes Maintenance Operations, City Clerk, Library, Human Resources, and the past department of Management Information Systems at 29.4%. The Transfers Department comprises 13.1% of the total. The remaining five departments totaled together are 13.1%, with no department exceeding 5%.

General Fund - 2015 Approved Expense Budget

General Fund Expenses	Permanent		Temporary		Other	Capital	TOTAL
	Salaries	Overtime	Salaries	Benefits	Expense	Outlay	
LEGISLATIVE AND EXECUTIVE							
City Council	0	0	90,000	7,000	82,200	0	179,200
Mayor's Office	282,100	0	0	100,400	14,600	0	397,100
Chief Administrative Officer	205,300	0	0	98,000	10,600	0	313,900
Attorney's Office	1,498,200	0	16,500	497,800	39,100	2,000	2,053,600
DEPARTMENT TOTAL	1,985,600	0	106,500	703,200	146,500	2,000	2,943,800
PUBLIC ADMINISTRATION							
Human Resources	758,900	0	15,000	291,900	83,500	0	1,149,300
Information Technology	1,379,400	20,000	0	483,300	858,200	0	2,740,900
City Clerk's	467,500	1,000	75,000	188,400	84,500	0	816,400
Maintenance Operations	3,624,600	167,000	53,700	1,622,500	4,337,300	0	9,805,100
Library Services	2,553,400	800	96,800	926,000	318,600	264,500	4,160,100
Facilities Management	1,376,200	25,000	10,000	534,400	2,188,000	0	4,133,600
DEPARTMENT TOTAL	10,160,000	213,800	250,500	4,046,500	7,870,100	264,500	22,805,400
FINANCE							
Budget Office	262,500	0	0	79,300	7,100	0	348,900
Auditor's Office	624,800	11,000	0	246,600	336,300	0	1,218,700
Purchasing	132,300	0	0	49,800	5,700	0	187,800
Treasurer's Office	527,300	0	0	196,200	49,000	0	772,500
DEPARTMENT TOTAL	1,546,900	11,000	0	571,900	398,100	0	2,527,900
PLANNING & CONST. SRVS.							
Physical Planning	518,800	0	0	167,700	48,400	0	734,900
Const. Svs & Inspection	1,016,300	9,000	0	441,600	184,800	0	1,651,700
DEPARTMENT TOTAL	1,535,100	9,000	0	609,300	233,200	0	2,386,600
BUSINESS DEVELOPMENT	407,500	0	0	155,300	48,400	0	611,200
FIRE DEPARTMENT							
Fire Administration	274,700	0	0	83,200	65,000	0	422,900
Fire Operations	8,576,000	600,000	0	3,701,800	469,000	0	13,346,800
Life Safety	631,800	10,000	0	302,000	83,700	0	1,027,500
DEPARTMENT TOTAL	9,482,500	610,000	0	4,087,000	617,700	0	14,797,200
POLICE DEPARTMENT							
Police Admin/Investigation	5,336,400	200,000	47,700	2,301,100	1,524,900	0	9,410,100
Patrol Division	6,810,100	375,000	75,000	2,856,100	136,000	0	10,252,200
DEPARTMENT TOTAL	12,146,500	575,000	122,700	5,157,200	1,660,900	0	19,662,300
PUBLIC WORKS							
Director's Office	39,900	0	0	9,600	900	0	50,400
Transportation Engineering	1,059,300	75,000	7,000	431,700	160,800	0	1,733,800
DEPARTMENT TOTAL	1,099,200	75,000	7,000	441,300	161,700	0	1,784,200
TRANSFERS	0	0	0	0	10,024,400	125,000	10,149,400
DEPARTMENT TOTAL	0	0	0	0	10,024,400	125,000	10,149,400
2015 Approved General Fund	38,363,300	1,493,800	486,700	15,771,700	21,161,000	391,500	77,668,000

City of Duluth Minnesota - 2015 Budget

General Fund Personnel Summary



Department	2014 Approved	2015 Approved
Legislative & Executive	21.50	23.50
Public Administration	180.65	180.40
Finance	23.50	22.50
Planning & Construction Services	24.20	24.17
Business & Community Development	6.50	5.50
Fire Department	142.00	143.00
Police Department	178.50	178.50
Public Works	16.45	16.45
TOTAL	593.30	594.02

City of Duluth Minnesota - 2015 Budget

General Fund Personnel Summary

	2014 Approved	2015 Approved	Difference	Narrative
LEGISLATIVE/EXECUTIVE				
City Council	0.00	0.00	0.00	
Mayor	3.00	4.00	1.00	Increased Community Relations Officer
Chief Administrative Officer	2.50	2.50	0.00	
City Attorney	16.00	17.00	1.00	Increased Assistant Attorney
Department Total	21.50	23.50	2.00	
PUBLIC ADMINISTRATION				
Human Resources	12.00	12.00	0.00	
Mgmt Information Systems	22.00	21.00	-1.00	Reduced Support Analyst
City Clerk	8.00	7.00	-1.00	Reduced Information Technician
Maintenance Operations	69.35	68.60	-0.75	Transferred Maintenance Worker to Facilities Management, add .25 Maintenance Worker from Parks
Library Services	49.00	46.50	-2.50	Reduced Librarian I and 1.5 Library Technicians
Facilities Management	20.30	25.30	5.00	Increased Property Services Supervisor, Property Services Specialist, Senior Clerical Technician and 2 janitors transferred from PW&U
Department Total	180.65	180.40	-0.25	
FINANCE				
Finance Administration	3.00	3.00	0.00	
Auditor	8.50	8.50	0.00	
Purchasing	2.00	2.00	0.00	
Treasurer	10.00	9.00	-1.00	Reduced Administrative Finance Specialist
Department Total	23.50	22.50	-1.00	
PLANNING & CONSTRUCTION SERVICES				
Physical Planning	7.2	7.17	-0.03	
Construction Svcs & Inspection	17	17	0.00	
Department Total	24.2	24.17	-0.03	
BUSINESS AND COMMUNITY DEVELOPMENT				
Business & Comm Develop.	6.50	5.50	-1.00	Transfer Contract Administrator to Facilities Management
Department Total	6.50	5.50	-1.00	
FIRE				
Fire Administration	4.00	3.00	-1.00	Reduced 1 Deputy Fire Chief
Firefighting Operations	127.00	130.00	3.00	Increase 3 Firefighters
Life Safety	11.00	10.00	-1.00	Reduced 1 Housing Inspector
Department Total	142.00	143.00	1.00	
POLICE				
Police Administration/Patrol	178.50	178.50	0.00	
Department Total	178.50	178.50	0.00	
PUBLIC WORKS				
Director's Office	0.40	0.40	0.00	
Engineering	16.05	16.05	0.00	
Department Total	16.45	16.45	0.00	
TOTAL GENERAL FUND FTE'S	593.30	594.02	0.72	

City of Duluth Minnesota - 2015 Budget

Legislative and Executive Department

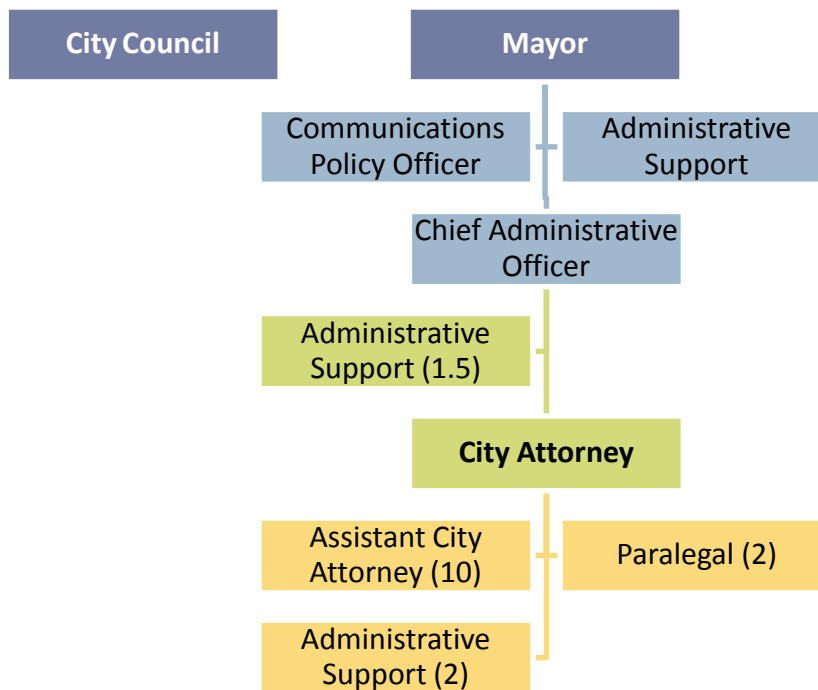
Mission and Vision

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

Structure

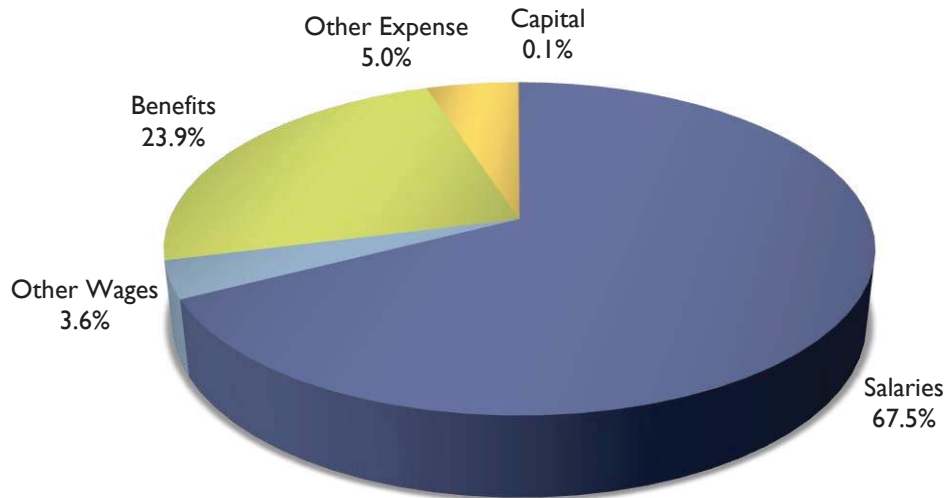
The divisions in this department are responsible for the legislative activity pursuant to City Charter; administration of the organization; enforcement and execution of City ordinances; and legal defense of the City.

Legislative & Executive Department Organization Chart



City of Duluth Minnesota - 2015 Budget

Legislative & Executive Department 2015 Approved Budget by Expense Category



Expenditures by Category	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Permanent Salaries	1,746,429	1,826,396	1,846,600	1,985,600	139,000
Overtime	768	2,631	-	-	-
Other Wages	90,364	89,431	90,000	106,500	16,500
Total Personal Services	1,837,561	1,918,458	1,936,600	2,092,100	155,500
Benefits	567,282	608,254	608,800	703,200	94,400
Other Expense	89,342	72,513	103,100	146,500	43,400
Capital Outlay	1,259	440	2,000	2,000	-
Department Total	2,495,444	2,599,665	2,650,500	2,943,800	293,300

Expenditures by Division	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
City Council	118,228	109,369	135,300	179,200	43,900
Mayor's Office	254,141	294,998	295,900	397,100	101,200
Chief Admin Officer	279,073	288,620	298,800	313,900	15,100
Attorney's Office	1,844,002	1,906,678	1,920,500	2,053,600	133,100
Department Total	2,495,444	2,599,665	2,650,500	2,943,800	293,300

Budgeted FTE's	2012	2013	2014	2015	Difference
	22.50	20.50	21.50	23.50	2.00

City of Duluth Minnesota - 2015 Budget

City Council

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

Budgeted FTE's	2012	2013	2014	2015	Difference
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There are no fulltime, permanent employees assigned to this division.

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	-	-	-	-	-
Overtime	-	-	-	-	-
Other Wages	90,364	89,431	90,000	90,000	-
Total Salaries	90,364	89,431	90,000	90,000	-
Benefits	6,522	6,458	6,500	7,000	500
Other Expense					
Materials & Supplies	656	298	2,800	2,800	-
Services	3,525	3,297	24,000	24,000	-
Utilities & Maintenance	3,924	941	800	44,200	43,400
Other	13,237	8,944	11,200	11,200	-
Total Other Expense	21,342	13,480	38,800	82,200	43,400
Division Total	118,228	109,369	135,300	179,200	43,900

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
City Council - 110-110-1101				
PERSONAL SERVICES				
5103 Other Wages	90,364	89,431	90,000	90,000
TOTAL	90,364	89,431	90,000	90,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	1,499	1,499	1,500	700
5122 FICA - Social Security	3,719	3,667	3,700	5,000
5123 FICA - Medicare	1,304	1,292	1,300	1,300
TOTAL	6,522	6,458	6,500	7,000
OTHER EXPENDITURES				
5200 Office Supplies	100	-	1,000	1,000
5201 Computer Supplies/Software	130	-	1,000	1,000
5202 Audiovisual & Photography	-	-	500	500
5219 Other Miscellaneous Supplies	426	298	300	300
5319 Other Professional Services	-	1,125	10,000	10,000
5331 Travel/Training	2,239	798	12,000	12,000
5355 Printing & Copying	1,286	1,374	2,000	2,000
5404 Equipment/Machinery Repair & Mtc	3,924	941	800	3,700
5414 Software Licenses & Mtce Agreements				40,500
5433 Dues & Subscription	1,175	376	1,000	1,000
5441 Other Services & Charges	2,807	1,956	8,000	8,000
5443 Board & Meeting Expenses	9,255	6,612	2,200	2,200
TOTAL	21,342	13,480	38,800	82,200
DIVISION TOTAL	118,228	109,369	135,300	179,200

City of Duluth Minnesota - 2015 Budget

Mayor's Office

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

Budgeted FTE's	2012	2013	2014	2015	Difference
Mayor	1.0	1.0	1.0	1.0	-
NREP Comm Relations Officer	1.0	1.0	1.0	2.0	1.0
129 Admin Info Specialist	1.0	1.0	1.0	1.0	-
Division Total	3.0	3.0	3.0	4.0	1.0

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	178,551	202,166	211,600	282,100	70,500
Overtime	86	-	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	178,637	202,166	211,600	282,100	70,500
Benefits	55,109	76,363	69,700	100,400	30,700
Other Expense					
Materials & Supplies	2,520	1,788	1,700	1,700	-
Services	10,894	6,600	5,100	5,100	-
Utilities & Maintenance	-	-	-	-	-
Other	6,981	8,081	7,800	7,800	-
Total Other Expense	20,395	16,469	14,600	14,600	-
Division Total	254,141	294,998	295,900	397,100	101,200

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Mayor's Office - 110-110-1102				
PERSONAL SERVICES				
5100 Permanent Salaries	178,551	202,166	211,600	282,100
5101 Premium Pay	86	-	-	-
5103 Other Wages	-	-	-	-
TOTAL	178,637	202,166	211,600	282,100
EMPLOYEE BENEFITS				
5121 PERA Retirement	10,110	11,721	14,600	20,100
5122 FICA - Social Security	11,056	12,501	13,100	17,500
5123 FICA - Medicare	2,586	2,924	3,100	4,100
5125 Dental Insurance	1,331	1,152	500	1,400
5126 Life Insurance	510	540	500	700
5127 Health Care Savings Plan (HCSP)	1,637	13,860	2,000	20,700
5130 Cafeteria Plan Benefits	27,879	33,665	35,900	35,900
TOTAL	55,109	76,363	69,700	100,400
OTHER EXPENDITURES				
5200 Office Supplies	1,063	989	1,000	1,000
5219 Other Miscellaneous Supplies	29	-	500	500
5241 Small Equip-Office/Operating	1,428	799	200	200
5321 Phone Service Cellular Phone	23	306	-	-
5320 Data Services	-	704	-	-
5322 Postage	10	-	100	100
5331 Travel/Training	4,367	5,155	3,000	3,000
5355 Printing & Copying	235	154	2,000	2,000
5356 Copier, Printer Lease & Supplies	6,259	281	-	-
5433 Dues & Subscription	381	236	300	300
5441 Other Services & Charges	278	1,339	1,500	1,500
5443 Board & Meeting Expenses	1,732	2,506	1,000	1,000
5444 Mayor's Contingent Account	4,590	4,000	5,000	5,000
TOTAL	20,395	16,469	14,600	14,600
DIVISION TOTAL: MAYOR'S OFFICE	254,141	294,998	295,900	397,100

City of Duluth Minnesota - 2015 Budget

Chief Administrative Officer

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

Budgeted FTE's	2012	2013	2014	2015	Difference
Res Chief Admin Officer	1.0	1.0	1.0	1.0	-
9 Executive Assistant	1.0	1.0	1.0	1.0	-
126 Information Technician	0.5	0.5	0.5	0.5	-
Division Total	2.5	2.5	2.5	2.5	0

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	193,153	211,361	206,300	205,300	(1,000)
Overtime	467	328	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	193,620	211,689	206,300	205,300	(1,000)
Benefits	74,781	69,776	81,900	98,000	16,100
Other Expense					
Materials & Supplies	2,303	2,722	2,000	2,000	-
Services	7,230	2,612	2,300	2,300	-
Utilities & Maintenance	-	-	300	300	-
Other	1,139	1,821	6,000	6,000	-
Total Other Expense	10,672	7,155	10,600	10,600	-
Division Total	279,073	288,620	298,800	313,900	15,100

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Chief Administrative Officer - 110-110-1103				
PERSONAL SERVICES				
5100 Permanent Salaries	193,153	211,361	206,300	205,300
5101 Premium Pay	467	328	-	-
5103 Other Wages	-	-	-	-
TOTAL	193,620	211,689	206,300	205,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	13,719	14,231	14,700	15,200
5122 FICA - Social Security	11,723	12,252	12,800	12,700
5123 FICA - Medicare	2,791	3,066	3,000	3,000
5125 Dental Insurance	1,440	960	400	900
5126 Life Insurance	450	450	500	500
5127 Health Care Savings Plan (HCSP)	13,851	13,691	13,300	28,300
5130 Cafeteria Plan Benefits	30,249	25,080	37,200	37,400
5133 Health or Fitness Program	558	46	-	-
TOTAL	74,781	69,776	81,900	98,000
OTHER EXPENDITURES				
5200 Office Supplies	700	1,922	1,000	1,000
5201 Computer Supplies/Software	1,603	-	500	500
5219 Other Miscellaneous Supplies	-	800	500	500
5321 Phone Service Cellular Phone	350	1,200	-	-
5331 Travel/Training	511	1,006	2,000	2,000
5356 Copier, Printer Leases & Supplies	6,281	406	-	-
5404 Equipment/Machinery Repair & Mtc	-	-	300	300
5418 Vehicle/Equip Lease (Long-term)	88	-	300	300
5433 Dues & Subscription	-	920	500	500
5435 Books & Pamphlets	-	-	500	500
5441 Other Services & Charges	13	78	4,000	4,000
5443 Board & Meeting Expenses	1,126	823	1,000	1,000
TOTAL	10,672	7,155	10,600	10,600
DIVISION TOTAL	279,073	288,620	298,800	313,900

City of Duluth Minnesota - 2015 Budget

City Attorney's Office

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

Budgeted FTE's	2012	2013	2014	2015	Difference
Res City Attorney	1.0	1.0	1.0	1.0	-
Assistant Attorney	10.0	10.0	10.0	11.0	1.0
10 Claims Adjuster	1.0	-	1.0	1.0	-
131 Paralegal	2.0	2.0	2.0	2.0	-
Res EEO Compliance Officer	1.0	-	-	-	-
6 Sr Secretarial Spec	1.0	1.0	1.0	1.0	-
129 Admin Legal Assistant	1.0	1.0	1.0	1.0	-
Division Total	17.0	15.0	16.0	17.0	1.0

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	1,374,725	1,412,869	1,428,700	1,498,200	69,500
Overtime	215	2,303	-	-	-
Other Wages	-	-	-	16,500	16,500
Total Salaries	1,374,940	1,415,172	1,428,700	1,514,700	86,000
Benefits	430,870	455,657	450,700	497,800	47,100
Other Expense					
Materials & Supplies	3,705	4,692	4,500	4,500	-
Services	11,560	17,507	12,100	12,100	-
Utilities & Maintenance	-	-	-	1,400	1,400
Other	21,668	13,210	22,500	21,100	(1,400)
Total Other Expense	36,933	35,409	39,100	39,100	-
Capital Outlay	1,259	440	2,000	2,000	-
Division Total	1,844,002	1,906,678	1,920,500	2,053,600	133,100

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail		2012	2013	2014	2015
		Actual	Actual	Budget	Approved
City Attorney's Office - 110-110-1104					
PERSONAL SERVICES					
5100	Permanent Salaries	1,374,725	1,412,869	1,428,700	1,498,200
5101	Premium Pay	215	2,303	-	-
5103	Other Wages	-	-	-	16,500
	TOTAL	1,374,940	1,415,172	1,428,700	1,514,700
EMPLOYEE BENEFITS					
5121	PERA Retirement	93,236	99,875	101,900	111,800
5122	FICA - Social Security	82,473	83,633	88,600	93,900
5123	FICA - Medicare	19,581	20,123	20,700	22,000
5125	Dental Insurance	6,912	6,128	2,500	6,100
5126	Life Insurance	3,015	2,880	2,900	3,100
5127	Health Care Savings Plan (HCSP)	50,832	36,218	13,500	31,700
5130	Cafeteria Plan Benefits	174,821	206,216	220,600	229,200
5133	Health or Fitness Program	-	584	-	-
	TOTAL	430,870	455,657	450,700	497,800
OTHER EXPENDITURES					
5200	Office Supplies	3,705	4,692	4,500	4,500
5304	Legal Services	364	8,530	3,000	3,000
5321	Phone Service Cellular Phone	-	1,650	2,200	2,200
5331	Travel/Training	5,436	5,371	5,400	5,400
5335	Local Mileage Reimbursement	1,108	946	1,500	1,500
5355	Printing & Copying	40	31	-	-
5356	Copier, Printer Lease & Supplies	4,612	979	-	-
5414	Software Licenses & Mtce Agreements	-	-	-	1,400
5433	Dues & Subscription	20,789	13,133	21,000	19,600
5441	Other Services & Charges	879	77	1,500	1,500
	TOTAL	36,933	35,409	39,100	39,100
CAPITAL OUTLAY					
	Library Materials	1,259	440	2,000	2,000
	TOTAL	1,259	440	2,000	2,000
DIVISION TOTAL		1,844,002	1,906,678	1,920,500	2,053,600

City of Duluth Minnesota - 2015 Budget

General Fund Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
City Attorney's Office - 110-110-1104				
REVENUE SOURCE				
4209 Miscellaneous Federal Grants	16,000	7,340	-	-
4319 Attorney Fees	-	11,500	10,000	10,000
4644 Miscellaneous Fees, Sales, Services	13,019	6,587	-	-
4654 Other Reimbursements	222	1,167	-	-
4730 Transfer from Special Revenue Fund				9,500
4730 Transfer from Police Grant Fund	67,830		-	-
DIVISION TOTAL	97,071	26,594	10,000	19,500

City of Duluth Minnesota - 2015 Budget

Public Administration Department

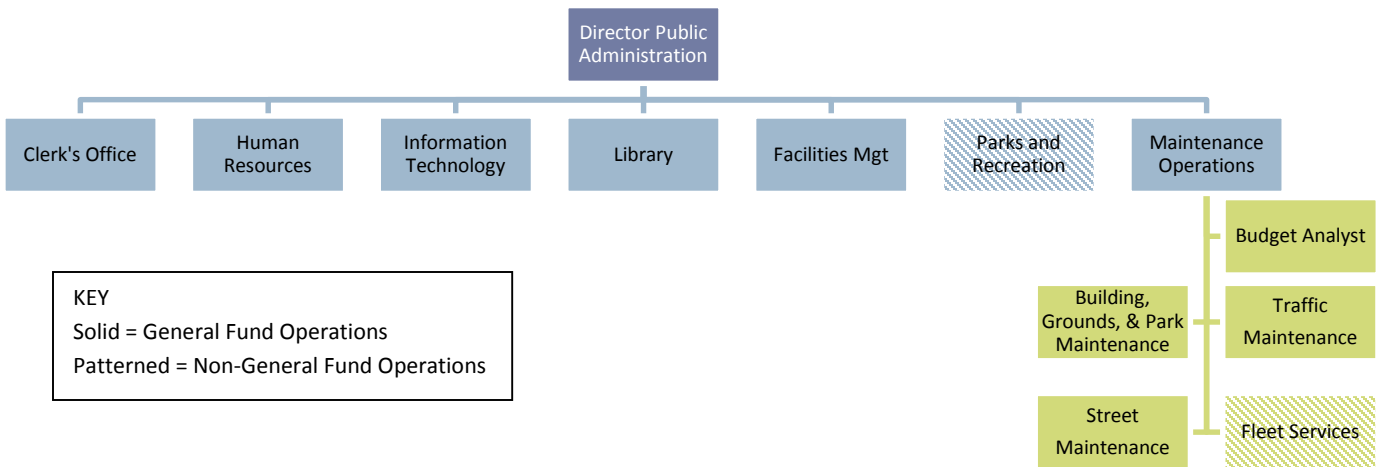
Mission and Vision

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

Structure

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

Public Administration Organization Chart



City of Duluth Minnesota - 2015 Budget

2015 Goals and Objectives

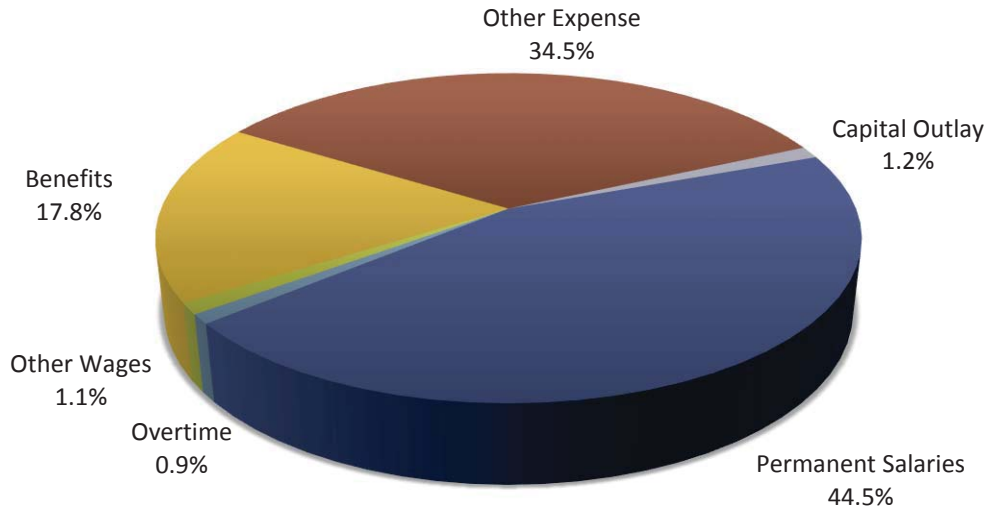
Listed below are a sample of the goals and objectives for the department.

Goal	Objective	Tactics	Measurement
Increase effectiveness and efficiency of City Clerk operations.	Implement and fully take advantage of automated IT solutions for City Clerk operations.	<ol style="list-style-type: none"> 1. Implement and optimize agenda management system for City Council, boards, and commissions. 2. Implement and optimize online self-service license and permit application and payment system. 3. Implement and optimize electronic election poll book system. 	<ol style="list-style-type: none"> 1. Reduced staff time to prepare Council, board, and commission documents. 2. Increase number of permits and reduce staff time to process them. 3. Improved efficiency with voter registration processing at the polls.
Provide quality employee benefits while controlling costs.	Bid out, award, and negotiate new benefits contracts for 2016.	<ol style="list-style-type: none"> 1. Develop and release RFP's for Health, Life, and EAP. 2. Evaluate and select vendors. 3. Negotiate professional services agreements for dental, FSA, and COBRA Administration. 	Smooth transition to new slate of quality, affordable benefits prior to 2016 open enrollment.
Achieve improved employee wellness.	Utilize new Wellness Coordinator to identify and implement evidence-based strategies for improving employee wellness.	<ol style="list-style-type: none"> 1. Hire effective new Wellness Coordinator. 2. Analyze City of Duluth employee wellness and evidence-based wellness practices nationally. Develop and implement wellness programs accordingly. 	Number of employees actively engaged in evidence-based wellness programs at year-end.
Complete basic plan for new main library that will provide superior library services.	Tighten up design and cost estimate, assess and recommend sites, identify needed branch enhancements, decide whether to build.	<ol style="list-style-type: none"> 1. Engage architect to refine design and cost estimate and conduct full site analysis. 2. Develop and carry out process for identifying enhancements to branch libraries 3. Develop and carry out process to decide whether to build and with what financing. 	Public decision about whether, what, where, when, at what cost, and with what financing to build a potential new main library.
Maintain capacity of library organization to fulfill mission with smaller 2015 workforce.	Align personnel skills, structures, assignments, and IT systems to deliver more effective and efficient mission fulfillment.	<ol style="list-style-type: none"> 1. Assess and adjust assignments and staffing levels. 2. Improve staff technology competencies 3. Prepare for upcoming retirements. 4. Decide whether and how to expand use of volunteers. 5. Expand self-service checkout.. 	Library provides same or improved scope and quality of service with smaller workforce.
Establish the St. Louis River Corridor as an environmental learning and outdoor recreation hub for residents and visitors.	Leverage grants and community support to deliver maximum community benefit for city financial investment.	<ol style="list-style-type: none"> 1. Meet or make progress toward individual project fundraising goals. 2. Design, bid, and successfully oversee projects that are ready for construction in 2015. 3. Engage community to develop high quality plans for 2016 projects. 	<ol style="list-style-type: none"> 1. City raises \$1 of new money for each \$1 from the 1/2 % tourism tax. 2. City commences construction on 4 projects. 3. City completes 10 new park and trail plans.
Improve effectiveness, efficiency, and customer service of	Provide easy, efficient, online park facility reservation, permit,	<ol style="list-style-type: none"> 1. Evaluate available IT solutions. 2. Prepare and release RFP. 	Park users satisfied with smooth transition to new system for 2016.

park facility reservation, permit, and payment system.	and payment system.	3. Choose vendor and implement service.	
Prolong the life of aging road systems.	Utilize new street maintenance fee proceeds to maximize impact on road conditions.	1. Establish maintenance and repair targets. 2. Provide street maintenance services that will hold streets together until long-term solution is identified.	Track miles of crack sealing and paving and the number of permanent patches.
Improve energy efficiency of city facilities.	Develop and secure funding for city-wide facility energy efficiency investment plan.	1. Establish complete list of facility energy investments with costs, projected return-on-investment, and timelines. 2. Secure project financing. 3. Prepare all projects for bid.	Facility energy efficiency plan ready to go out for bid in early 2016.
Improve effectiveness and efficiency of facility management systems.	Implement and fully utilize IT solutions for assessing and maintaining facility conditions.	1. Implement asset management system to benchmark all city owned buildings by age, condition, systems, and requirements. 2. Implement work order system to track and manage maintenance, repair, and renewal requests. 3. Improve capital and equipment planning with building/system data.	1. All buildings entered in asset management system 2. All city facility work requests go through work order system 3. 2015 capital planning informed by asset management system analyses
Implement system to manage electronic and paper documents	Improve onsite and offsite management of physical records, identify opportunities for workflow efficiencies and cost savings for streamlined access to information both internally and externally.	1. Choose and implement a vendor and solution. 2. Perform business process review to develop implementation plan. 3. Begin multi-year implementation.	1. Automated record retention process 2. Streamlined workflow and approval processes 3. Reduced duplicate data 4. Increased public access to information

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Public Administration Department 2015 Approved Budget by Expense Category



Expenditures by Category	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Permanent Salaries	9,098,018	9,369,242	10,014,500	10,160,000	145,500
Overtime	300,176	393,694	214,000	213,800	(200)
Other Wages	345,598	207,434	244,400	250,500	6,100
Total Personal Services	9,743,792	9,970,370	10,472,900	10,624,300	151,400
Benefits	3,401,705	3,805,560	4,080,800	4,046,500	(34,300)
Other Expense	8,513,107	8,577,099	7,750,100	7,866,100	116,000
Capital Outlay	329,311	357,734	264,500	264,500	-
Department Total	21,987,915	22,710,763	22,568,300	22,801,400	233,100

Expenditures by Division	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Human Resources	996,893	1,003,644	1,161,500	1,145,300	(16,200)
MIS	2,194,104	2,206,540	2,763,800	2,740,900	(22,900)
City Clerk	712,192	863,514	852,100	816,400	(35,700)
Maintenance Operations	10,688,376	10,883,611	9,795,000	9,805,100	10,100
Library Services	4,025,774	4,154,021	4,185,800	4,160,100	(25,700)
Facilities Management	3,370,576	3,599,433	3,810,100	4,133,600	323,500
Department Total	21,987,915	22,710,763	22,568,300	22,801,400	233,100

Budgeted FTE's	2012	2013	2014	2015	Difference
	177.10	178.50	180.65	180.40	(0.25)

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Human Resources

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

Budgeted FTE's	2012	2013	2014	2015	Difference
1140 Mgr, Human Resources	1.0	1.0	1.0	1.0	-
Res EEO Compliance Officer	-	1.0	1.0	1.0	-
127 HR Assistant	2.0	2.0	2.0	1.0	(1.0)
11 Sr HR Generalist	1.0	1.0	1.0	1.0	-
10A Employee Benefit Admin	1.0	1.0	1.0	1.0	-
10 HR Generalist	3.0	3.0	2.0	2.0	-
10 Employee Benefits Rep	1.0	1.0	1.0	1.0	-
9 HR Technician	2.0	2.0	3.0	3.0	-
7 Wellness Coordinator				1.0	1.0
Division Total	11.0	12.0	12.0	12.0	0.0

Expenditures	2012 Actual	2013 Actual Budget	2014	2015 Approved	Difference
Personal Services					
Permanent Salaries	692,570	680,744	780,000	758,900	(21,100)
Overtime	12,037	3,648	-	-	-
Other Wages	10,650	17,790	15,000	15,000	-
Total Salaries	715,257	702,182	795,000	773,900	(21,100)
Benefits	249,268	254,163	298,000	291,900	(6,100)
Other Expense					
Materials & Supplies	4,292	8,468	9,500	9,500	-
Services	20,387	34,704	46,000	44,000	(2,000)
Utilities & Maintenance	-	-	2,500	17,500	15,000
Other	7,689	4,127	10,500	8,500	(2,000)
Total Other Expense	32,368	47,299	68,500	79,500	11,000
Division Total	996,893	1,003,644	1,161,500	1,145,300	(16,200)

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General Fund Expense Detail	2012 Actual	2013 Actual Budget	2014	2015 Approved
Human Resources - 110-121-1106				
PERSONAL SERVICES				
5100 Permanent Salaries	692,570	680,744	780,000	758,900
5101 Premium Pay	12,037	3,648	-	-
5103 Other Wages	10,650	17,790	15,000	15,000
TOTAL	715,257	702,182	795,000	773,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	49,510	43,529	55,500	50,200
5122 FICA - Social Security	43,324	42,430	49,300	48,000
5123 FICA - Medicare	10,132	9,923	11,500	11,200
5125 Dental Insurance	6,023	4,064	1,900	4,200
5126 Life Insurance	1,940	1,905	2,200	2,100
5127 Health Care Savings Plan (HCSP)	12,426	18,342	19,500	19,200
5130 Cafeteria Plan Benefits	124,488	132,592	157,100	156,000
5133 Health or Fitness Program	1,425	1,378	1,000	1,000
TOTAL	249,268	254,163	298,000	291,900
OTHER EXPENDITURES				
5200 Office Supplies	3,572	3,655	6,000	6,000
5201 Computer Supplies/Software	325	375	2,000	2,000
5219 Other Miscellaneous Supplies	395	4,438	1,500	1,500
5319 Other Professional Services	8,214	9,733	15,000	13,000
5321 Phone Service	-	508	1,000	1,000
5331 Travel/Training	3,277	9,824	10,000	10,000
5355 Printing & Copying	167	5,288	11,000	11,000
5356 Copier, Printer Lease & Supplies	8,729	9,351	9,000	9,000
5404 Equipment/Machinery Repair & Mtc	-	-	2,500	2,500
5414 Software Licenses & Mtce Agreements	-	-	-	15,000
5433 Dues & Subscription	2,099	1,197	3,000	3,000
5435 Books & Pamphlets	-	484	2,500	2,500
5441 Other Services & Charges	5,590	2,446	5,000	3,000
5446 Tuition Reimbursement	-	-	-	-
TOTAL	32,368	47,299	68,500	79,500
DIVISION TOTAL	996,893	1,003,644	1,161,500	1,145,300

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Management Information Services

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

Budgeted FTE's	2012	2013	2014	2015	Difference
1135 Mgr, Appl Dev/Desktop	1.0	2.0	2.0	1.0	(1.0)
1125 Manager, IT	2.0	1.0	1.0	1.0	-
137 Sr Programmer Analyst	2.0	2.0	2.0	1.0	(1.0)
137 Various Administrators	6.0	4.0	6.0	8.0	2.0
136 Programmer Analyst	3.0	3.0	3.0	1.0	(2.0)
135 Lead Support Analyst	-	-	-	1.0	1.0
131 Graphics Coordinator	1.0	1.0	1.0	1.0	-
133 GIS Specialist	2.0	2.0	2.0	2.0	-
131 Support Analyst	4.0	3.0	3.0	3.0	-
129 Help Desk Technician	-	1.0	1.0	1.0	-
126 Information Technician	1.0	1.0	1.0	1.0	-
Division Total	22.0	20.0	22.0	21.0	-1.0

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	1,137,776	1,142,439	1,443,000	1,379,400	(63,600)
Overtime	36,962	20,273	20,000	20,000	-
Other Wages	14,478	10,074	23,400	-	(23,400)
Total Salaries	1,189,216	1,172,786	1,486,400	1,399,400	(87,000)
Benefits	387,609	443,118	564,200	483,300	(80,900)
Other Expense					
Materials & Supplies	343,749	347,381	350,200	37,000	(313,200)
Services	180,088	149,483	254,000	250,500	(3,500)
Utilities & Maintenance	80,717	84,841	100,000	562,700	462,700
Other	12,725	8,931	9,000	8,000	(1,000)
Total Other Expense	617,279	590,636	713,200	858,200	145,000
Division Total	2,194,104	2,206,540	2,763,800	2,740,900	(22,900)

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General Fund Expense Detail		2012 Actual	2013 Actual	2014 Budget	2015 Approved
Management Information Systems - 110-121-1107					
PERSONAL SERVICES					
5100	Permanent Salaries	1,137,776	1,142,439	1,443,000	1,379,400
5101	Premium Pay	36,962	20,273	20,000	20,000
5103	Other Wages	14,478	10,074	23,400	-
	TOTAL	1,189,216	1,172,786	1,486,400	1,399,400
EMPLOYEE BENEFITS					
5121	PERA Retirement	80,813	82,554	104,200	102,200
5122	FICA - Social Security	72,325	71,260	92,200	86,800
5123	FICA - Medicare	16,915	16,666	21,600	20,300
5125	Dental Insurance	6,752	6,753	3,400	7,400
5126	Life Insurance	3,163	3,165	4,000	3,700
5127	Health Care Savings Plan (HCSP)	20,993	35,167	13,800	13,000
5130	Cafeteria Plan Benefits	186,648	227,553	325,000	249,900
	TOTAL	387,609	443,118	564,200	483,300
OTHER EXPENDITURES					
5200	Office Supplies	2,571	2,193	2,500	2,500
5201	Computer Supplies/Software	336,347	343,075	343,200	32,000
5203	Paper/Stationery/Forms	1,978	1,168	2,000	-
5241	Small Equip-Office/Operating	2,853	945	2,500	2,500
5309	MIS Services	1,469	2,510	1,500	1,500
5319	Other Professional Services	97,007	49,608	56,000	54,000
5320	Data Services	48,124	70,921	162,000	160,500
5321	Phone Service	6,695	4,052	6,000	6,000
5331	Travel/Training	21,908	18,124	25,000	25,000
5335	Local Mileage Reimbursement	1,089	965	1,500	1,500
5355	Printing & Copying	3,796	3,303	2,000	2,000
5404	Equipment/Machinery Repair & Mtc	80,717	84,841	100,000	223,500
5414	Software Licenses & Mtce Agreements				339,200
5433	Dues & Subscription	12,725	8,931	9,000	8,000
	TOTAL	617,279	590,636	713,200	858,200
DIVISION TOTAL		2,194,104	2,206,540	2,763,800	2,740,900

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General Fund Revenue Detail	2012 Actual	2013 Actual Budget	2014	2015 Approved
Management Information Systems - 110-121-1107				
REVENUE SOURCE				
4310 Assessment Cost Services	-	89	-	600
4320 MIS Services	4,232	1,801	5,200	5,200
4730 Transfer in from Public Utility	-	-	86,600	86,600
DIVISION TOTAL	4,232	1,890	91,800	92,400

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City Clerk

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

Budgeted FTE's	2012	2013	2014	2015	Difference
Director, Public Admin	1.0	1.0	1.0	1.0	-
1100 City Clerk	1.0	1.0	1.0	1.0	-
1055 Assistant City Clerk	1.0	1.0	1.0	1.0	-
09 Executive Assistant	-	1.0	1.0	1.0	-
129 Admin Info Specialist	2.0	2.0	2.0	2.0	-
126 Information Tech	1.0	1.0	1.0	1.0	-
120 Clerical Technician	-	1.0	1.0	-	(1.0)
Division Total	6.0	8.0	8.0	7.0	-1.0

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	439,710	557,102	535,000	467,500	(67,500)
Overtime	1,371	925	1,000	1,000	-
Other Wages	65,600	45,876	60,000	75,000	15,000
Total Salaries	506,681	603,903	596,000	543,500	(52,500)
Benefits	163,782	208,996	212,600	188,400	(24,200)
Other Expense					
Materials & Supplies	4,618	2,882	4,600	2,600	(2,000)
Services	8,513	39,795	18,000	52,600	-
Utilities & Maintenance	15,526	-	10,500	13,000	2,500
Other	13,072	7,938	10,400	16,300	5,900
Total Other Expense	41,729	50,615	43,500	84,500	6,400
Division Total	712,192	863,514	852,100	816,400	(70,300)

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General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
City Clerk - 110-121-1211				
PERSONAL SERVICES				
5100 Permanent Salaries	439,710	557,102	535,000	467,500
5101 Premium Pay	1,371	925	1,000	1,000
5103 Other Wages	65,600	45,876	60,000	75,000
TOTAL	506,681	603,903	596,000	543,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	31,036	37,690	38,200	34,600
5122 FICA - Social Security	27,252	34,342	37,000	33,400
5123 FICA - Medicare	6,373	8,031	8,600	7,800
5125 Dental Insurance	2,564	3,126	1,200	2,500
5126 Life Insurance	1,200	1,470	1,400	1,300
5127 Health Care Savings Plan (HCSP)	9,946	9,995	5,000	4,400
5130 Cafeteria Plan Benefits	85,411	113,775	121,200	104,400
5133 Health or Fitness Program	-	567		
TOTAL	163,782	208,996	212,600	188,400
OTHER EXPENDITURES				
5200 Office Supplies	4,243	2,651	2,100	1,100
5201 Computer Supplies/Software	375	65	500	500
5219 Other Miscellaneous Supplies	-	166	2,000	1,000
5321 Phone Service Cellular Phone	281	626	-	600
5331 Travel/Training	3,769	7,039	6,000	6,000
5335 Local Mileage Reimbursement	1,061	1,102	-	1,000
5355 Printing & Copying	1,243	30,543	10,000	45,000
5356 Copier, Printer Lease & Supplies	2,159	485	2,000	-
5404 Equipment/Machinery Repair & Mtc	15,526	-	10,500	13,000
5412 Building Rental	900	900	1,000	1,000
5414 Software Licenses & Mtce Agreements				2,500
5433 Dues & Subscription	590	250	400	400
5441 Other Services & Charges	11,582	6,788	9,000	12,400
TOTAL	41,729	50,615	43,500	84,500
DIVISION TOTAL	712,192	863,514	852,100	816,400

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General Fund Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
City Clerk - 110-121-1211				
REVENUE SOURCE				
4101 Liquor License	430,885	467,583	405,000	455,000
4102 Beer License	11,452	14,054	14,000	14,000
4105 Hotel License	10,099	9,054	6,500	9,000
4106 Garbage Collection	15,904	17,520	14,000	14,000
4107 Horse & Carriage	682	566	700	700
4108 Emergency Wrecker License	6,800	7,928	5,000	6,000
4109 Gas Station License	8,383	8,686	8,500	8,500
4111 Pawnbroker License	1,107	1,137	1,300	1,100
4112 Peddler's License	1,110	3,796	500	500
4113 Precious Metal Dealer	2,214	1,895	1,200	1,200
4114 Pet Shop License	562	574	500	600
4115 Dog & Cat Hospitals License	323	823	300	700
4116 Dog Kennels License	365	422	400	400
4117 Massage Parlor	10,095	12,812	5,000	8,000
4118 Cigarette License	13,872	14,000	15,000	13,000
4119 Motor Vehicle - Dealer	4,963	4,927	4,400	4,400
4119 Motor Vehicle - Rental	1,792	2,104	1,600	1,800
4120 Taxi Permit	14,522	11,797	5,300	17,000
4121 Coin Operating Device	265	10,355	9,000	10,000
4122 Pool & Bowling	1,525	2,360	2,000	600
4124 Tree Service Contractor License	-		700	
4150 Pet License	22,410	21,099	18,000	35,000
4155 Special Event Permit	-	3,498	3,000	3,000
4170 Misc. Permits & Licenses	6,760	11,825	700	700
4307 Planning/Zoning Fees	-	1,600	-	-
4470 License Penalties	6,095	5,664	8,000	6,000
4644 Miscellaneous Sales	12,679	108,668	17,000	75,000
4654 Other Reimbursements	79	54	-	-
4700 Other Sources	-	-	23,300	-
DIVISION TOTAL	584,943	744,801	570,900	686,200

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Maintenance Operations

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

Budgeted FTE's	2012	2013	2014	2015	Difference
1135 Mgr, Fleet/Mtce Ops	0.60	0.75	0.75	0.75	-
1080 St Mtce Supervisor	2.00	2.00	2.00	2.00	-
1075 Spvsr FacOptn/Traf/Bldgs	3.00	3.00	2.00	2.00	-
32 Mtc Optns Leadwkr	1.00	1.00	2.00	5.00	3.0
27 Heavy Equip Operator	27.00	27.00	33.00	28.00	(5.0)
27 Park Mtceworker	12.00	12.00	15.00	14.00	(1.0)
27 Traffic Mtceperson	3.00	3.00	3.00	3.00	-
22 Maintenanceworker	20.00	21.00	11.00	13.25	2.3
25 Janitorial Supervisor	2.00	-	-	-	-
133 Budget Analyst	0.60	0.75	0.60	0.60	-
21/122 Janitor I and II	5.00	-	-	-	-
Division Total	76.20	70.50	69.35	68.60	(0.75)

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	3,619,275	3,459,940	3,576,000	3,624,600	48,600
Overtime	212,126	342,911	167,000	167,000	-
Other Wages	184,456	62,742	60,000	53,700	(6,300)
Total Salaries	4,015,857	3,865,593	3,803,000	3,845,300	42,300
Benefits	1,508,916	1,585,833	1,634,100	1,622,500	(11,600)
Other Expense					
Materials & Supplies	2,435,965	2,896,182	1,876,100	1,850,500	(25,600)
Services	143,794	122,085	106,700	106,700	-
Utilities & Maintenance	1,759,605	1,604,302	1,600,400	1,600,400	-
Other	809,430	788,960	774,700	779,700	5,000
Total Other Expense	5,148,794	5,411,529	4,357,900	4,337,300	(20,600)
Capital Outlay	14,809	20,656	-	-	-
Division Total	10,688,376	10,883,611	9,795,000	9,805,100	10,100

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General Fund Expense Detail		2012 Actual	2013 Actual	2014 Budget	2015 Approved
Maintenance Operations - 110-121-1217					
PERSONAL SERVICES					
5100	Permanent Salaries	3,619,275	3,459,940	3,576,000	3,624,600
5101	Premium Pay	212,126	342,911	167,000	167,000
5103	Other Wages	184,456	62,742	60,000	53,700
	TOTAL	4,015,857	3,865,593	3,803,000	3,845,300
EMPLOYEE BENEFITS					
5121	PERA Retirement	266,296	268,089	264,000	276,100
5122	FICA - Social Security	245,368	235,640	235,800	239,300
5123	FICA - Medicare	57,385	55,109	55,200	56,000
5125	Dental Insurance	28,956	26,369	10,800	24,700
5126	Life Insurance	13,575	12,360	12,500	12,400
5127	Health Care Savings Plan (HCSP)	64,688	72,241	63,600	58,100
5130	Cafeteria Plan Benefits	832,648	916,025	992,200	955,900
	TOTAL	1,508,916	1,585,833	1,634,100	1,622,500
OTHER EXPENDITURES					
5200	Office Supplies	3,991	2,352	3,500	3,500
5201	Computer Supplies/Software	683	7,020	9,800	4,800
5202	Audiovisual & Photography	1,873	-	500	500
5205	Safety & Training Materials	11,470	9,399	9,300	9,300
5210	Plant/Operating Supplies	7,875	5,373	4,500	4,500
5211	Cleaning/Janitorial Supplies	65,826	32,178	33,300	33,300
5212	Motor Fuels	488,274	591,296	410,000	410,000
5218	Uniforms	19,854	16,562	18,200	18,200
5219	Other Miscellaneous Supplies	34,972	27,728	24,900	24,900
5220	Repair & Maintenance Supplies	9,966	13,496	11,900	11,900
5222	Blacktop	613,433	649,131	297,100	272,000
5223	Salt & Sand	738,609	1,190,902	791,600	816,700
5224	Gravel & Other Mtce Materials	237,728	222,075	123,700	123,700
5225	Park/Landscape Materials	88,591	39,555	44,200	23,600
5226	Sign & Signal Materials	73,318	66,883	74,100	74,100
5228	Painting Supplies	7,353	3,053	4,100	4,100
5240	Small Tools	22,653	10,286	8,400	8,400
5241	Small Equip-Office/Operating	9,496	8,893	7,000	7,000
5305	Medical Svcs/Testing Fees	-	199	1,300	1,300
5310	Contract Services	83,995	79,409	52,000	52,000
5320	Data Services	9,380	1,898	2,900	2,900
5321	Phone Service	5,768	3,684	4,200	4,200

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail		2012 Actual	2013 Actual	2014 Budget	2015 Approved
Maintenance Operations - 110-120-1217 continued					
5331	Travel/Training	4,603	3,955	9,500	9,500
5335	Local Mileage Reimbursement	31,600	25,739	31,000	31,000
5355	Printing & Copying	40	197	800	800
5356	Copier, Printer Lease & Supplies	8,408	7,004	5,000	5,000
5384	Refuse Disposal	39,436	45,417	51,500	51,500
5404	Equipment/Machinery Repair & Mtc	428	551	4,000	4,000
5409	Fleet Services Charges	1,719,741	1,558,334	1,544,900	1,544,900
5412	Building Rental	245,905	219,103	225,300	225,300
5414	Software Licenses & Mtce Agreements				56,400
5415	Vehicle/Equip Rent (Short-term)	14,570	21,106	29,000	29,000
5418	Vehicle/Equip Lease (Long-term)	416,570	414,730	376,200	376,200
5419	Other Rentals	29,827	46,633	29,500	29,500
5433	Dues & Subscription	340	170	1,000	1,000
5435	Books & Pamphlets	-	-	200	200
5438	Licenses	367	1,395	700	700
5441	Other Services & Charges	85,849	74,921	70,800	32,500
5454	Contract Tree Services	16,002	10,902	42,000	28,900
	TOTAL	5,148,794	5,411,529	4,357,900	4,337,300
CAPITAL OUTLAY					
5580	Capital Equipment	14,809	20,656	-	-
	TOTAL	14,809	20,656	-	-
DIVISION TOTAL		10,688,376	10,883,611	9,795,000	9,805,100

City of Duluth Minnesota - 2015 Budget

General Fund Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Maintenance Operations - 110-121-1217				
REVENUE SOURCE				
4225 Ski Trails Grant		11,000	5,000	11,000
4226 Snowmobile Trails Grant	26,348	6,963	18,000	13,000
4240 Municipal State Aid - Maintenance	1,487,672	1,533,448	1,533,400	1,400,000
4260 St. Louis County	131,017	131,017	131,000	140,000
4261 ISD 709	476	24,832		5,000
4636 Sale of Scrap	7,936	9,889	4,000	6,000
4654 Other Reimbursements	31,449	54,534	31,000	31,000
4680 Damages Recovered	2,290	12,572	-	-
4730 Transfer from Special Revenue	1,012,200	479,685	300,000	300,000
4730 Transfer from Permanent Improvement	8,423	-	30,000	30,000
4730 Transfer from Public Utilities	777,426	680,773	860,600	755,000
DIVISION TOTAL	3,485,237	2,944,713	2,913,000	2,691,000

City of Duluth Minnesota - 2015 Budget

Library Services

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

Budgeted FTE's	2012	2013	2014	2015	Difference
1105 Mgr, Library Services	1.0	1.0	1.0	1.0	-
1075 Library Supervisor	3.0	3.0	3.0	3.0	-
136 Librarian III	2.0	1.0	1.0	1.0	-
133 Librarian II	4.0	5.0	4.0	4.0	-
131 Volunteer Coordinator	-	0.5	0.5	0.5	-
131 Librarian I	13.0	13.5	14.5	13.5	(1.0)
128 Sr. Library Tech	6.0	4.0	4.0	4.0	-
124 Library Technician	19.5	21.0	21.0	19.5	(1.5)
Division Total	48.5	49.0	49.0	46.5	-2.5

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	2,471,799	2,525,509	2,587,200	2,553,400	(33,800)
Overtime	1,975	1,575	1,000	800	(200)
Other Wages	68,326	70,952	76,000	96,800	20,800
Total Salaries	2,542,100	2,598,036	2,664,200	2,651,000	(13,200)
Benefits	833,640	917,425	932,500	926,000	(6,500)
Other Expense					
Materials & Supplies	41,727	36,824	36,600	31,300	(5,300)
Services	36,289	37,158	31,700	19,700	(12,000)
Utilities & Maintenance	47,188	44,106	46,500	49,500	3,000
Other	210,328	208,970	209,800	218,100	8,300
Total Other Expense	335,532	327,058	324,600	318,600	(6,000)
Capital Outlay	314,502	311,502	264,500	264,500	-
Division Total	4,025,774	4,154,021	4,185,800	4,160,100	(25,700)

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Library Services - 110-121-1218				
PERSONAL SERVICES				
5100 Permanent Salaries	2,471,799	2,525,509	2,587,200	2,553,400
5101 Premium Pay	1,975	1,575	1,000	800
5103 Other Wages	68,326	70,952	76,000	96,800
TOTAL	2,542,100	2,598,036	2,664,200	2,651,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	165,874	174,136	179,500	189,000
5122 FICA - Social Security	155,944	159,410	165,200	164,400
5123 FICA - Medicare	36,471	37,281	38,600	38,400
5125 Dental Insurance	17,712	18,560	7,600	16,800
5126 Life Insurance	8,413	8,790	8,800	8,500
5127 Health Care Savings Plan (HCSP)	69,131	48,637	29,100	22,900
5130 Cafeteria Plan Benefits	380,095	470,611	503,700	486,000
TOTAL	833,640	917,425	932,500	926,000
OTHER EXPENDITURES				
5200 Office Supplies	6,105	6,325	4,500	7,000
5201 Computer Supplies/Software	1,937	1,279	500	500
5211 Cleaning/Janitorial Supplies	4,476	4,802	5,800	-
5212 Motor Fuels	1,961	1,815	1,500	1,500
5219 Other Miscellaneous Supplies	23,891	17,530	17,000	17,000
5220 Repair & Maintenance Supplies	2,193	4,540	6,000	4,000
5241 Small Equip-Office/Operating	1,164	533	1,300	1,300
5319 Other Professional Services	8,852	11,156	8,000	9,200
5321 Phone Service	12,038	11,311	11,000	-
5322 Postage	5,191	5,072	4,000	4,000
5355 Printing & Copying	1,677	2,062	500	300
5356 Copier, Printer Lease & Supplies	5,331	4,497	5,000	2,600
5384 Refuse Disposal	3,200	3,060	3,200	3,600
5404 Equipment/Machinery Repair & Mtc	44,237	43,682	45,500	5,500
5409 Fleet Services Charges	2,951	424	1,000	1,000
5412 Building Rental	140,327	135,198	140,000	145,000
5413 Library Materials/Svcs Rental	64,136	67,498	67,000	68,000
5414 Software Licenses & Mtce Agreements				43,000
5433 Dues & Subscription	100	100	100	100
5441 Other Services & Charges	5,765	6,174	2,700	5,000
TOTAL	335,532	327,058	324,600	318,600
CAPITAL OUTLAY				
5590 Library Materials	314,502	311,502	264,500	264,500
TOTAL	314,502	311,502	264,500	264,500
DIVISION TOTAL	4,025,774	4,154,021	4,185,800	4,160,100

City of Duluth Minnesota - 2015 Budget

General Fund Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Library Services - 110-121-1218				
REVENUE SOURCE				
4220 State of Minnesota Operating	4,672	-	-	-
4471 Library Fines	87,856	57,478	90,000	75,000
4622 Rent of Buildings	3,820	1,210	2,100	500
4631 Media Sales	16,362	14,358	16,100	19,100
4644 Miscellaneous Sales	3,257	2,229	3,000	3,000
4654 Other Reimbursements	47,546	42,939	-	-
4730 Transfer from Special Revenue	778	-	-	-
DIVISION TOTAL	164,291	118,214	111,200	97,600

City of Duluth Minnesota - 2015 Budget

Facilities Management

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

Budgeted FTE's	2012	2013	2014	2015	Difference
1135 Mgr, Fleet/Mtce Ops	0.2	-	-	-	-
1115 Facility Manager	-	-	1.0	1.0	-
1105 Architect	-	-	1.0	1.0	-
1075 Spvsr Facilities Operations	1.0	1.0	1.0	1.0	-
1055 Property Svcs Mgr				1.0	1.0
133 Budget Analyst	0.2	-	0.3	0.3	-
33 Facilities Project Specialist	1.0	1.0	-		
33 Construction Project Coord				1.0	1.0
32 Property Srv Specialist				1.0	1.0
31 Master Plumber/Elect	1.0	1.0	1.0	2.0	1.0
29 Trades Positions	5.0	5.0	5.0	3.0	(2.0)
28 Building Mtceperson	1.0	1.0	1.0	1.0	-
27 Senior FM Worker				1.0	1.0
33 Elec Tech Leadworker	1.0	-	-	-	-
31 Electronics Technician	1.0	-	-	-	-
25 Janitorial Supervisor	-	1.0	1.0	1.0	-
22 Maintenanceworker	1.0	3.0	3.0	2.0	(1.0)
121/22 Janitor I and II	-	5.0	5.0	7.0	2.0
24 Senior Clerical Specialist				1.0	1.0
7 Admin Sec Specialist	1.0	1.0	1.0	1.0	-
Division Total	13.4	19.0	20.3	25.3	5.0

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	736,888	1,003,508	1,093,300	1,376,200	282,900
Overtime	35,705	24,362	25,000	25,000	-
Other Wages	2,088	-	10,000	10,000	-
Total Salaries	774,681	1,027,870	1,128,300	1,411,200	282,900
Benefits	258,490	396,025	439,400	534,400	95,000
Other Expense					
Materials & Supplies	614,045	360,367	386,300	351,000	(35,300)
Services	284,342	307,346	311,600	226,500	(85,100)
Utilities & Maintenance	1,196,195	1,233,562	1,248,400	1,248,400	-
Other	242,823	248,687	296,100	362,100	66,000
Total Other Expense	2,337,405	2,149,962	2,242,400	2,188,000	(54,400)
Capital Outlay	-	25,576	-	-	-
Division Total	3,370,576	3,599,433	3,810,100	4,133,600	323,500

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail		2012 Actual	2013 Actual	2014 Budget	2015 Approved
Facilities Management - 110-121-1222					
PERSONAL SERVICES					
5100	Permanent Salaries	736,888	1,003,508	1,093,300	1,376,200
5101	Premium Pay	35,705	24,362	25,000	25,000
5103	Other Wages	2,088	-	10,000	10,000
	TOTAL	774,681	1,027,870	1,128,300	1,411,200
EMPLOYEE BENEFITS					
5121	PERA Retirement	52,345	70,093	78,200	101,300
5122	FICA - Social Security	47,535	63,144	70,000	87,700
5123	FICA - Medicare	11,117	14,767	16,400	20,500
5125	Dental Insurance	5,120	7,488	3,200	9,100
5126	Life Insurance	2,277	3,510	3,700	4,600
5127	Health Care Savings Plan (HCSP)	15,367	20,699	22,200	12,800
5130	Cafeteria Plan Benefits	124,729	215,897	245,700	298,400
5133	Health or Fitness Program		427		
	TOTAL	258,490	396,025	439,400	534,400
OTHER EXPENDITURES					
5200	Office Supplies	3,330	2,626	5,000	4,000
5201	Computer Supplies/Software	1,378	1,113	3,000	2,000
5202	Audiovisual & Photography	1,650	1,744	7,500	7,500
5205	Safety & Training Materials	-	11,804	8,000	8,000
5211	Cleaning/Janitorial Supplies	1,817	39,484	31,500	37,500
5212	Motor Fuels	18,497	19,771	20,000	20,000
5215	Shop Materials	25,244	16,616	25,000	25,000
5218	Uniforms	3,071	3,064	7,500	7,500
5219	Other Miscellaneous Supplies	13,718	18,440	20,000	20,000
5220	Repair & Maintenance Supplies	472,196	212,198	187,200	187,200
5228	Painting Supplies	40,815	8,233	44,600	5,300
5240	Small Tools	23,121	4,886	12,000	12,000
5241	Small Equip-Office/Operating	9,208	20,388	15,000	15,000
5310	Contract Services	81,373	70,017	81,600	81,600
5319	Other Professional Services	46,823	95,230	83,000	9,900
5321	Phone Service	138,466	126,290	135,000	112,000
5331	Travel/Training	5,371	8,628	6,000	15,000

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail		2012 Actual	2013 Actual	2014 Budget	2015 Approved
Facilities Management - 110-121-1222 continued					
5335	Local Mileage Reimbursement	6,625	4,721	5,000	5,000
5355	Printing & Copying	817	1,956	1,000	1,000
5356	Copier, Printer Lease & Supplies	4,867	504	-	2,000
5381	Electricity	520,502	540,098	533,400	533,400
5382	Water, Gas & Sewer	476,097	474,162	485,000	485,000
5384	Refuse Disposal	21,630	24,582	22,000	22,000
5385	Oil	10,917	7,572	8,000	8,000
5386	Steam	167,049	187,148	200,000	200,000
5399	Skywalk Expenses	13,638	135,704	30,000	30,000
5401	Bldg/Structure Repair & Mtc	139,876	66,151	150,000	150,000
5404	Equipment/Machinery Repair & Mtc	-	263	10,000	10,000
5409	Fleet Services Charges	63,739	21,852	55,100	55,100
5411	Land Rental/Easements	2,149	-	-	-
5414	Software Licenses & Mtce Agreements				81,000
5415	Vehicle/Equip Rent (Short-term)	1,890	805	5,000	5,000
5418	Vehicle/Equip Lease (Long-term)	-	-	10,000	10,000
5433	Dues & Subscription	814	5,555	1,500	1,500
5435	Books & Pamphlets	332	114	300	300
5438	Licenses	2,200	2,473	5,000	5,000
5441	Other Services & Charges	16,739	12,947	25,800	10,800
5450	Laundry	1,446	2,823	3,400	3,400
	TOTAL	2,337,405	2,149,962	2,242,400	2,188,000
CAPITAL OUTLAY					
5580	Capital Equipment	-	25,576	-	-
	TOTAL	-	25,576	-	-
DIVISION TOTAL		3,370,576	3,599,433	3,810,100	4,133,600

City of Duluth Minnesota - 2015 Budget

General Fund Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Facilities Management - 110-121-1222				
REVENUE SOURCE				
4620 Telecommunication Rental Fees	8,220	9,957	10,000	-
4622 Rent of Buildings	73,622	75,034	74,500	115,200
4623 Rent of Land	6,692	7,215	5,900	6,300
4627 Concessions & Commissions	9,424	10,914	9,000	9,000
4640 Sale of Land				57,600
4644 Miscellaneous Sales	1,081	4,938	2,700	2,700
4654 Other Reimbursements	38,477	173,574	40,000	40,000
4730 Transfer from Special Revenue	50,000	50,000	50,000	50,000
4730 Transfer from Public Utility				120,600
DIVISION TOTAL	187,516	331,632	192,100	401,400

City of Duluth Minnesota - 2015 Budget

Finance Department

Mission and Vision

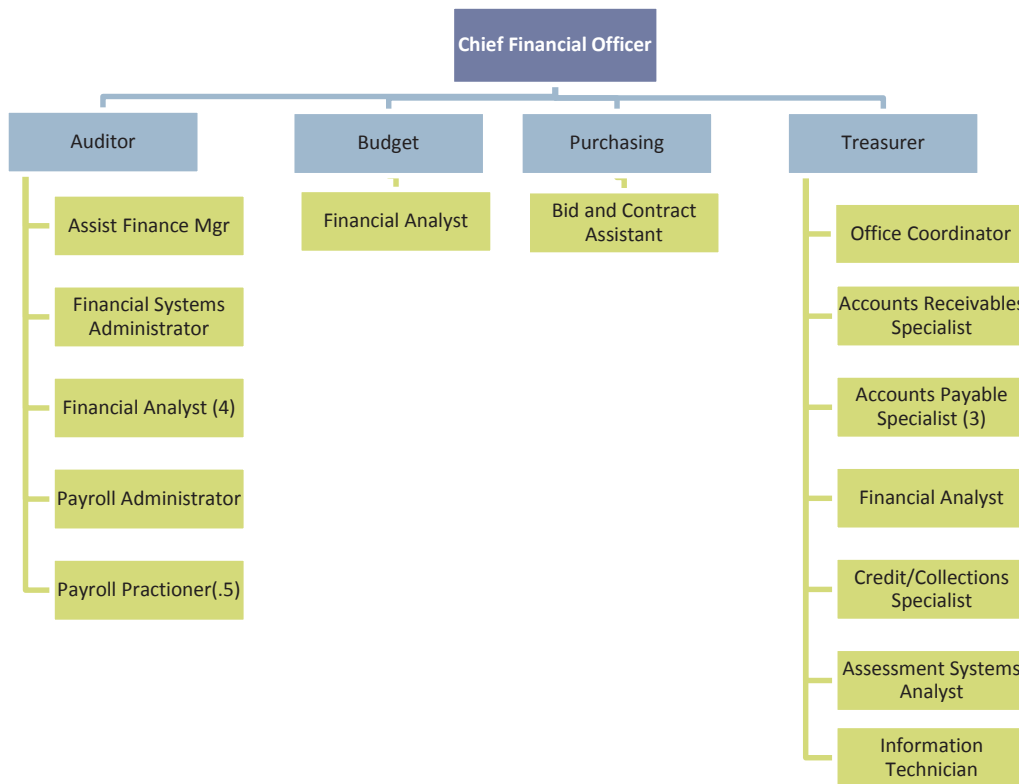
It is the Finance Department’s mission to support the City of Duluth’s citizens, elected officials and employees by professionally fulfilling its duties of reporting, accounting, buying, billing, safeguarding and disseminating City financial assets and information in a cost effective manner. We accomplish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

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

Structure

Four budgeted divisions comprise the Finance Department. A manager leads each area, supported by at least one other staff member. The Finance Department receives its funding from the General Fund, with the exception of one grant accountant funded by the Community Development division.

Finance Department Organization Chart



City of Duluth Minnesota - 2015 Budget

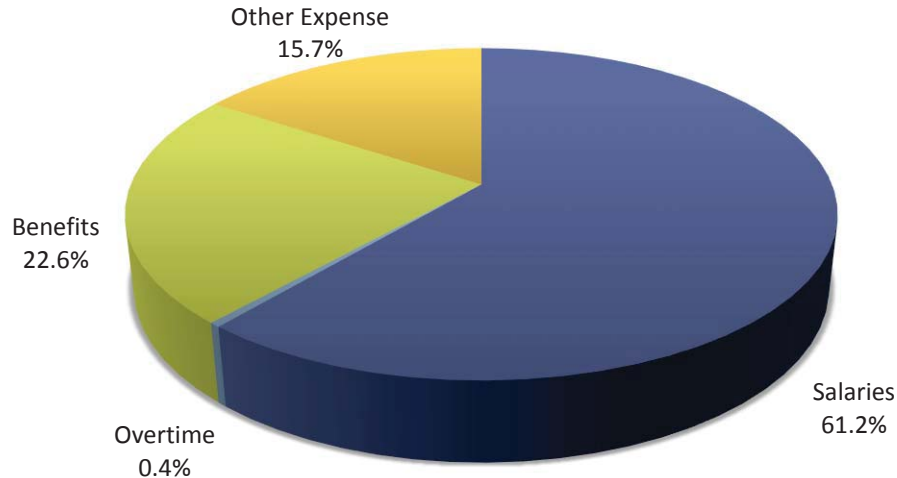
2015 Goals and Objectives

Goal	Objective	Tactics	Measurement
Complete a cost allocation study	To allocate costs to user departments and outside agencies	<ol style="list-style-type: none"> 1. Work with departments to identify methods for allocating departmental costs. 2. Complete allocation calculations based upon 2015 budget. 3. Allocate costs back to user departments for the 2016 budget cycle. 	Departmental costs are recovered based upon charges to user departments.
Continue to administer the FEMA reimbursement process	To fully secure reimbursement of eligible expenses related to the 2012 flood.	<ol style="list-style-type: none"> 1. Working with departments, ensure that all project worksheets are submitted in a timely and accurate fashion to FEMA. 2. Once submitted and accepted, follow through with reimbursement requests as appropriate. 3. Provide timely reports as requested. 	Flood recovery activities are fully funded. Accounting methods and reporting produce clean audits.
Implement and improve financial systems.	Implement the new time and attendance application that will increase efficiencies and reporting capabilities; and improve data.	<ol style="list-style-type: none"> 1. Working with the Fire Department initially, implement FIRES system. 2. Implement POSS system for the Police Department. 3. Implement TIMES for the remaining departments and employees. 	<p>Was project completed?</p> <p>Did it produce expected results? i.e efficiency, data retrieval, reporting capabilities.</p>

City of Duluth Minnesota - 2015 Budget

Finance Department

2015 Approved Budget by Expense Category



Expenditures by Category	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Permanent Salaries	2,134,225	1,615,445	1,608,100	1,546,900	(61,200)
Overtime	13,236	14,035	11,000	11,000	-
Other Wages	18,225	-	9,000	-	(9,000)
Total Personal Services	2,165,686	1,629,480	1,628,100	1,557,900	(70,200)
Benefits	720,222	597,204	593,600	571,900	(21,700)
Other Expense	340,955	672,395	375,300	398,100	22,800
Capital Outlay	-	-	-	-	-
Department Total	3,226,863	2,899,079	2,597,000	2,527,900	(69,100)

Expenditures by Division	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Budget Office	427,210	289,780	352,000	348,900	(3,100)
Assessor's Office	862,284	443,817	-	-	-
Auditor's Office	1,370,670	1,203,695	1,172,700	1,218,700	46,000
Purchasing	183,385	188,302	210,100	187,800	(22,300)
Treasurer's Office	383,314	773,485	862,200	772,500	(89,700)
Department Total	3,226,863	2,899,079	2,597,000	2,527,900	(69,100)

Budgeted FTE's	2012	2013	2014	2015	Difference
	34.0	25.75	23.50	22.50	(1.00)

City of Duluth Minnesota - 2015 Budget

Budget Office

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

Budgeted FTE's	2012	2013	2014	2015	Difference
Chief Financial Officer	1.0	1.0	1.0	1.0	-
1115 Manager, Fiscal Analysis	1.0	1.0	1.0	1.0	-
136 Financial Analyst	1.0	1.0	1.0	1.0	-
135 Contract Administrator	1.0	0.3	-	-	-
135 Credit/Collections Admin	1.0	-	-	-	-
129 Admin Info Specialist	1.0	-	-	-	-
Division Total	6.0	3.3	3.0	3.0	0.0

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	320,552	222,461	266,300	262,500	(3,800)
Overtime	98	-	-	-	-
Other Wages	11,745	-	-	-	-
Total Salaries	332,395	222,461	266,300	262,500	(3,800)
Benefits	90,275	65,390	78,600	79,300	700
Other Expense					
Materials & Supplies	86	491	2,000	2,000	-
Services	5,424	50	3,600	3,600	-
Utilities & Maintenance	-	-	-	-	-
Other	(970)	1,388	1,500	1,500	-
Total Other Expense	4,540	1,929	7,100	7,100	-
Division Total	427,210	289,780	352,000	348,900	(3,100)

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Budget Office - 110-125-1212				
PERSONAL SERVICES				
5100 Permanent Salaries	320,552	222,461	266,300	262,500
5101 Premium Pay	98	-	-	-
5103 Other Wages	11,745	-	-	-
TOTAL	332,395	222,461	266,300	262,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	21,825	15,536	18,800	19,200
5122 FICA - Social Security	20,401	13,752	16,500	16,300
5123 FICA - Medicare	4,771	3,216	3,900	3,800
5125 Dental Insurance	1,568	928	500	1,100
5126 Life Insurance	735	435	500	500
5127 Health Care Savings Plan (HCSP)	9,649	9,400	2,400	2,500
5130 Cafeteria Plan Benefits	31,326	22,123	36,000	35,900
TOTAL	90,275	65,390	78,600	79,300
OTHER EXPENDITURES				
5200 Office Supplies	86	204	1,500	1,500
5201 Computer Supplies/Software	-	287	500	500
5306 Collection Services	4,396	-	-	-
5331 Travel/Training	1,028	50	3,000	3,000
5355 Printing & Copying	-	-	600	600
5433 Dues & Subscription	(1,520)	790	500	500
5434 Grants & Awards	550	550	600	600
5435 Books & Pamphlets	-	48	200	200
5441 Other Services & Charges	-	-	200	200
TOTAL	4,540	1,929	7,100	7,100
DIVISION TOTAL	427,210	289,780	352,000	348,900

City of Duluth Minnesota - 2015 Budget

City Assessor's Office

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

Budgeted FTE's	2012	2013	2014	2015	Difference
1135 City Assessor	1.0	1.0			
129 Assessment Sys Analyst	1.0	1.0			
134 Appraiser Specialist	5.0	7.0			
132 Office Coordinator	1.0	-			
126 Information Technician	1.0	1.0			
Division Total	9.0	10.0			

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	590,863	52,525			
Overtime	2,164	-			
Other Wages	6,480	-			
Total Salaries	599,507	52,525			
Benefits	218,797	15,453			
Other Expense					
Materials & Supplies	2,543	-			
Services	16,414	-			
Utilities & Maintenance	9,472	608			
Other	15,551	375,231			
Total Other Expense	43,980	375,839			
Division Total	862,284	443,817			

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
City Assessor's Office - 110-125-1213				
PERSONAL SERVICES				
5100 Permanent Salaries	590,863	52,525		
5101 Premium Pay	2,164	-		
5103 Other Wages	6,480	-		
TOTAL	599,507	52,525		
EMPLOYEE BENEFITS				
5121 PERA Retirement	39,698	1,533		
5122 FICA - Social Security	35,611	3,086		
5123 FICA - Medicare	8,328	722		
5125 Dental Insurance	3,680	224		
5126 Life Insurance	1,719	105		
5127 Health Care Savings Plan (HCSP)	29,728	203		
5130 Cafeteria Plan Benefits	100,033	9,580		
TOTAL	218,797	15,453		
OTHER EXPENDITURES				
5200 Office Supplies	293	-		
5202 Audiovisual & Photography	108	-		
5212 Motor Fuels	2,142	-		
5331 Travel/Training	4,478	-		
5335 Local Mileage Reimbursement	938	-		
5355 Printing & Copying	4,427	-		
5356 Copier, Printer Lease & Supplies	6,571	-		
5409 Fleet Services Charges	9,472	608		
5433 Dues & Subscription	540	231		
5438 Licenses	275	-		
5441 Other Services & Charges	14,736	375,000		
TOTAL	43,980	375,839		
DIVISION TOTAL	862,284	443,817		

City of Duluth Minnesota - 2015 Budget

General Fund Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
City Assessor's Office - 110-125-1213				
REVENUE SOURCE				
4310 Assessment Cost Services	20,657	-		
4312 Abatement Processing Fees	2,245	-		
4324 Miscellaneous Services	7,759	96		
DIVISION TOTAL	30,661	96		

City of Duluth Minnesota - 2015 Budget

City Auditor

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

Budgeted FTE's	2012	2013	2014	2015	Difference
1115 City Auditor	1.0	1.0	1.0	1.0	-
1085 Financial Systems Admin	1.0	1.0	1.0	1.0	-
1085 Asst City Treasurer	-	1.0	1.0	1.0	-
10 Payroll Administrator	1.0	1.0	1.0	1.0	-
136 Financial Analyst	4.0	3.0	4.0	4.0	-
129 Financial Specialist	4.0	-	-	-	-
129 Admin Specialist	1.0	0.5	0.5	0.5	-
Division Total	12.0	7.5	8.5	8.5	0.0

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	811,383	663,163	607,400	624,800	17,400
Overtime	10,909	13,856	11,000	11,000	-
Other Wages	-	-	-	-	-
Total Salaries	822,292	677,019	618,400	635,800	17,400
Benefits	293,594	268,116	240,800	246,600	5,800
Other Expense					
Materials & Supplies	8,644	6,053	8,000	8,000	-
Services	238,899	250,692	302,900	152,500	(150,400)
Utilities & Maintenance	-	-	300	173,500	173,200
Other	7,241	1,815	2,300	2,300	-
Total Other Expense	254,784	258,560	313,500	336,300	22,800
Division Total	1,370,670	1,203,695	1,172,700	1,218,700	46,000

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
City Auditor's Office - 110-125-1214				
PERSONAL SERVICES				
5100 Permanent Salaries	811,383	663,163	607,400	624,800
5101 Premium Pay	10,909	13,856	11,000	11,000
5103 Other Wages	-	-	-	-
TOTAL	822,292	677,019	618,400	635,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	59,661	47,809	44,200	47,000
5122 FICA - Social Security	49,240	40,667	38,300	39,400
5123 FICA - Medicare	11,516	9,511	9,000	9,200
5125 Dental Insurance	5,324	3,616	1,300	3,100
5126 Life Insurance	2,359	1,695	1,500	1,500
5127 Health Care Savings Plan (HCSP)	14,218	26,354	6,100	6,000
5130 Cafeteria Plan Benefits	151,276	138,464	140,400	140,400
TOTAL	293,594	268,116	240,800	246,600
OTHER EXPENDITURES				
5200 Office Supplies	4,562	5,059	5,000	5,000
5203 Paper/Stationery/Forms	4,082	994	3,000	3,000
5301 Auditing Services	111,966	112,789	125,000	125,000
5309 MIS Services	110,445	123,206	150,400	-
5331 Travel/Training	5,237	12,671	25,000	25,000
5355 Printing & Copying	1,207	959	2,500	2,500
5356 Copier, Printer Lease & Supplies	10,044	1,067		
5404 Equipment/Machinery Repair & Mtc	-	-	300	300
5414 Software Licenses & Mtce Agreements	-	-		173,200
5433 Dues & Subscription	945	1,310	1,300	1,300
5435 Books & Pamphlets	732	275	500	500
5441 Other Services & Charges	5,564	230	500	500
TOTAL	254,784	258,560	313,500	336,300
DIVISION TOTAL	1,370,670	1,203,695	1,172,700	1,218,700

City of Duluth Minnesota - 2015 Budget

General Fund Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
City Auditor's Office - 110-125-1214				
REVENUE SOURCE				
4005 Current Property Tax	11,738,880	11,740,385	12,749,800	12,864,500
4010 Delinquent Property Tax	287,934	283,960	150,000	150,000
4015 Mobile Home Tax	46,875	5,977	50,800	58,700
4070 MN Power Franchise Fee	1,100,000	1,100,000	1,100,000	1,100,000
4071 Cable Franchise Fee	821,201	850,184	856,400	926,700
4072 No. MN Utility Franchise Fee	6,948	8,114	7,000	8,100
4080 Forfeit Tax Sale	25,363	1,911	5,000	19,400
4090 Other Taxes	53,426	69,429	20,000	68,100
4220 State of MN Perf Measurement Reimb	12,000	-		
4221 Local Government Aid	27,437,555	27,437,478	29,042,600	29,203,600
4222 State Property Tax Aid	6,284	63,109	-	-
4230 PERA Aid	124,428	124,428	124,400	124,400
4300 HRA in Lieu of Taxes	44,423	47,366	47,300	50,200
4300 Ordean Foundation	16,086	16,086	16,000	16,000
4310 Assessment Cost Services	14,248	296	8,900	2,800
4315 Stormwater Administrative Service	150,700	150,700	150,700	150,700
4315 Sewer Administrative Service	306,900	306,900	306,900	306,900
4315 Steam Administrative Service	49,500	49,500	49,500	49,500
4315 DECC Administrative Service	25,000	25,000	25,000	25,000
4315 DTA Administrative Service	10,300	10,300	10,300	10,300
4315 Grant Administration Services	89,500	74,187	77,500	87,200
4315 Airport Administrative Service	45,200	45,200	45,200	45,200
4315 DEDA Administrative Service	365,000	365,000	365,000	365,000
4315 Public Utility Admin Service	872,400	872,400	872,400	872,400
4315 Fleet Administrative Service	108,200	108,200	108,200	108,200
4315 Golf Administrative Service	66,800	66,800	66,800	66,800
4315 Group Health Admin Service	255,000	255,000	255,000	255,000
4315 Self Insurance Admin Service	283,200	283,200	283,200	283,200
4315 Spirit Mt. Administrative Service	37,700	37,700	37,700	37,700
4315 Parking Administrative Service	23,300	23,300	23,300	23,300
4315 Street Lighting System Utility	59,000	59,000	59,000	59,000
4472 Administrative Fines	377,141	30,673	22,700	54,600
4473 Court Fines	536,139	469,287	482,100	402,000
4500 Assessments	50,925	23,837	51,000	23,800
4501 Assessments - Penalty & Interest	32,128	22,708	32,100	22,700
4602 Interest on Temporary Loans	38,516	80,710	4,600	50,000
4700 Other Sources	3,452	2,538	-	-
4730 Transfer from Parking Fund	1,293,400	1,428,223	1,326,700	1,326,700
4731 Gas Utility in Lieu of Taxes	2,889,700	2,375,793	2,726,000	3,778,400
4732 Steam Utility in Lieu of Taxes	140,389	152,719	146,000	152,700
4998 Prior Year Revenue	(215,492)	129,707		
DIVISION TOTAL	49,629,649	49,197,305	51,705,100	53,148,800

City of Duluth Minnesota - 2015 Budget

City Purchasing

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

Budgeted FTE's	2012	2013	2014	2015	Difference
1100 Purchasing Agent	1.0	1.0	1.0	1.0	-
129 Bid & Contract Assistant	1.0	1.0	1.0	-	(1.0)
129 Financial Specialist				1.0	1.0
Division Total	2.0	2.0	2.0	2.0	0.0

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	124,761	129,262	134,300	132,300	(2,000)
Overtime	20	106	-	-	-
Other Wages	-	-	9,000	-	(9,000)
Total Salaries	124,781	129,368	143,300	132,300	(11,000)
Benefits	52,401	57,411	61,100	49,800	(11,300)
Other Expense					
Materials & Supplies	573	760	2,300	2,300	-
Services	2,744	274	1,400	1,400	-
Utilities & Maintenance	-	-	-	-	-
Other	2,886	489	2,000	2,000	-
Total Other Expense	6,203	1,523	5,700	5,700	-
Division Total	183,385	188,302	210,100	187,800	(22,300)

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
City Purchasing Office - 110-125-1215				
PERSONAL SERVICES				
5100 Permanent Salaries	124,761	129,262	134,300	132,300
5101 Premium Pay	20	106	-	-
5103 Other Wages	-	-	9,000	-
TOTAL	124,781	129,368	143,300	132,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	9,170	9,351	9,700	9,700
5122 FICA - Social Security	7,624	7,843	8,900	8,200
5123 FICA - Medicare	1,783	1,834	2,100	1,900
5125 Dental Insurance	774	768	300	700
5126 Life Insurance	360	360	400	400
5127 Health Care Savings Plan (HCSP)	1,246	1,269	1,300	1,300
5130 Cafeteria Plan Benefits	31,444	35,986	38,400	27,600
TOTAL	52,401	57,411	61,100	49,800
OTHER EXPENDITURES				
5200 Office Supplies	573	760	2,000	2,000
5201 Computer Supplies/Software	-	-	300	300
5340 Advertising & Promotion	339	274	900	900
5355 Printing & Copying	2,405	-	500	500
5433 Dues & Subscription	226	237	1,000	1,000
5441 Other Services & Charges	255	252	1,000	1,000
TOTAL	3,798	1,523	5,700	5,700
DIVISION TOTAL	180,980	188,302	210,100	187,800

City of Duluth Minnesota - 2015 Budget

City Treasurer

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

Budgeted FTE's	2012	2013	2014	2015	Difference
1100 City Treasurer	1.0	1.0	1.0	1.0	-
1085 Asst City Treasurer	1.0	-	-	-	-
10 Claims Adjuster	-	1.0	-	-	-
136 Financial Analyst	-	1.0	1.0	1.0	-
135 Credit/Collections Admin	-	1.0	1.0	1.0	-
133 Finance Office Coor.	-	-	1.0	1.0	-
129 Assessment Sys Analyst	-	1.0	1.0	-	(1.0)
129 Admin Financial Spec.	2.0	6.0	4.0	3.0	(1.0)
126 Information Technician	-	1.0	1.0	-	(1.0)
121 Clerical Support Tech				2.0	2.0
Division Total	4.0	12.0	10.0	9.0	(1.0)

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	286,666	548,034	600,100	527,300	(72,800)
Overtime	45	73	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	286,711	548,107	600,100	527,300	(72,800)
Benefits	65,155	190,834	213,100	196,200	(16,900)
Other Expense					
Materials & Supplies	373	327	1,500	1,500	-
Services	1,778	2,957	13,500	13,500	-
Utilities & Maintenance	151	-	500	500	-
Other	29,146	31,260	33,500	33,500	-
Total Other Expense	31,448	34,544	49,000	49,000	-
Division Total	383,314	773,485	862,200	772,500	(89,700)

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
City Treasurer's Office - 110-125-1216				
PERSONAL SERVICES				
5100 Permanent Salaries	286,666	548,034	600,100	527,300
5101 Premium Pay	45	73	-	-
5103 Other Wages	-	-	-	-
TOTAL	286,711	548,107	600,100	527,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	15,477	38,558	42,100	38,300
5122 FICA - Social Security	17,754	33,532	37,200	32,700
5123 FICA - Medicare	4,152	7,842	8,700	7,600
5125 Dental Insurance	1,216	3,616	1,600	3,200
5126 Life Insurance	570	1,680	1,800	1,600
5127 Health Care Savings Plan (HCSP)	5,225	13,062	5,500	5,000
5130 Cafeteria Plan Benefits	20,761	92,544	116,200	107,800
TOTAL	65,155	190,834	213,100	196,200
OTHER EXPENDITURES				
5200 Office Supplies	373	327	1,500	1,500
5306 Collection Services	-	2,559	7,500	7,500
5331 Travel/Training	450	398	2,000	2,000
5355 Printing & Copying	1,328	-	4,000	4,000
5404 Equipment/Machinery Repair & Mtc	151	-	500	500
5430 Bank Charges	28,969	31,062	32,500	32,500
5433 Dues & Subscription	117	122	500	500
5441 Other Services & Charges	60	76	500	500
TOTAL	31,448	34,544	49,000	49,000
DIVISION TOTAL	383,314	773,485	862,200	772,500

City of Duluth Minnesota - 2015 Budget

General Fund Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
City Treasurer's Office - 110-125-1216				
REVENUE SOURCE				
4040 City Sales Tax	12,444,742	12,743,825	12,900,000	13,160,000
4050 Charitable Gambling Tax	53,513	55,267	48,000	55,000
4310 Assessment Cost Services	32,056	1,094	25,000	25,000
4311 Assessment Certificate Fee	31,290	30,955	30,000	25,000
4313 Assessment Handling Fee	9,056	3,520	10,000	
4323 Garnishment Fees	-	15	100	
4601 Earning on Investments	(29,991)	(254,513)	305,000	
4644 Miscellaneous Fees	46,290	41,639	1,000	1,000
4730 Transfer from Tourism Taxes	96,837	420,203	94,000	103,800
DIVISION TOTAL	12,683,793	13,042,005	13,413,100	13,369,800

City of Duluth Minnesota - 2015 Budget

Planning & Construction Services Department

Mission and Vision

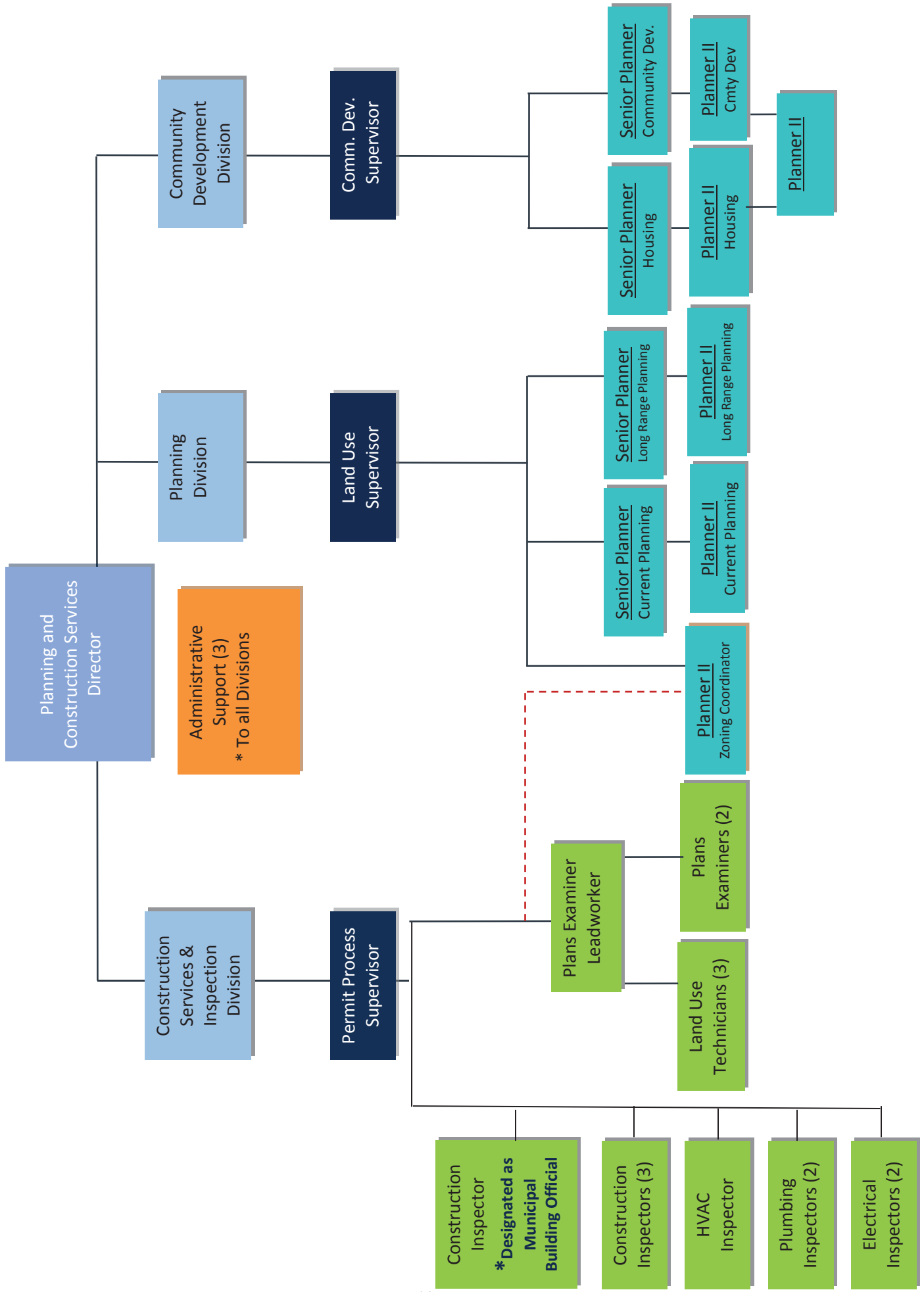
The Planning and Construction Services Department consists of the Planning Division, the Construction Services Division, and the Community Development Division all working together to make the City of Duluth a desirable and safe place to live by developing and implementing community development plans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

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

Structure

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

Planning and Construction Services Organization Chart



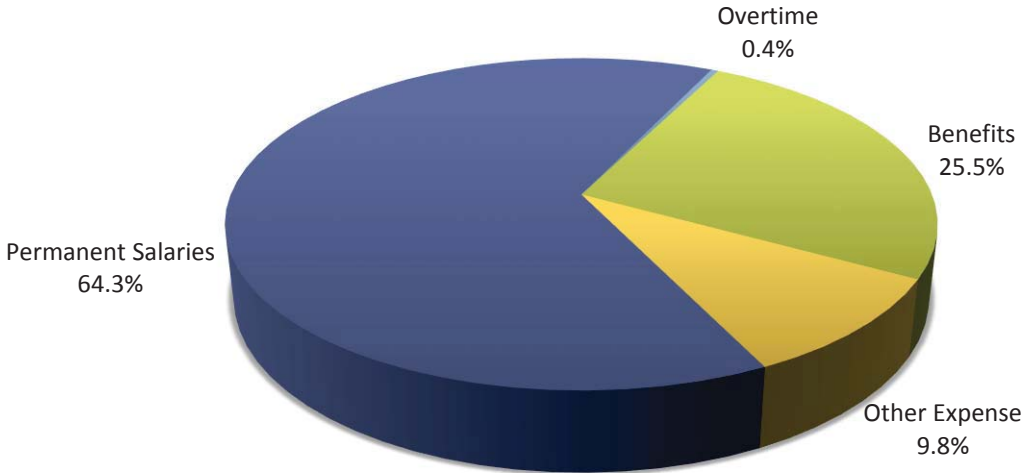
City of Duluth Minnesota - 2015 Budget

2015 Goals and Objectives

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

City of Duluth Minnesota - 2015 Budget

Planning & Construction Services Department 2015 Approved Budget by Expense Category



Expenditures by Category	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Permanent Salaries	1,373,392	1,441,609	1,502,000	1,535,100	33,100
Overtime	20,136	6,745	9,000	9,000	-
Other Wages	7,522	1,175	-	-	-
Total Personal Services	1,401,050	1,449,529	1,511,000	1,544,100	33,100
Benefits	487,650	549,602	592,300	609,300	17,000
Other Expense	244,176	308,642	233,200	233,200	-
Capital Outlay	-	-	-	-	-
Department Total	2,132,876	2,307,773	2,336,500	2,386,600	50,100

Expenditures by Division	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Planning	701,998	775,221	734,700	734,900	200
Construction Srv&Inspect	1,430,878	1,532,552	1,601,800	1,651,700	49,900
Department Total	2,132,876	2,307,773	2,336,500	2,386,600	50,100

Budgeted FTE's	2012	2013	2014	2015	Difference
	25.0	24.2	24.2	24.2	0.0

City of Duluth Minnesota - 2015 Budget

Planning

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

Budgeted FTE's	2012	2013	2014	2015	Difference
Dir, Plng & Develop.	-	0.7	0.7	0.7	-
1135 Mgr, Physical Planning	1.0	-	-	-	-
1080 Land Use Supervisor	-	1.0	1.0	1.0	-
136 Senior Planner	2.0	2.0	2.0	2.0	-
133 Planner II	3.0	3.0	3.0	3.0	-
129 Admin Info Specialist	1.0	0.5	0.5	0.5	-
Division Total	7.0	7.2	7.2	7.2	0.0

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	413,844	475,006	499,200	518,800	19,600
Overtime	920	621	-	-	-
Other Wages	675	1,025	-	-	-
Total Salaries	415,439	476,652	499,200	518,800	19,600
Benefits	145,458	174,454	187,100	167,700	(19,400)
Other Expense					
Materials & Supplies	2,302	2,290	4,500	4,500	-
Services	111,438	106,348	38,600	27,600	(11,000)
Utilities & Maintenance	10,702	-	-	11,000	11,000
Other	16,659	15,477	5,300	5,300	-
Total Other Expense	141,101	124,115	48,400	48,400	-
Division Total	701,998	775,221	734,700	734,900	200

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Planning - 110-132-1301				
PERSONAL SERVICES				
5100 Permanent Salaries	413,844	475,006	499,200	518,800
5101 Premium Pay	920	621	-	-
5103 Other Wages	675	1,025	-	-
TOTAL	415,439	476,652	499,200	518,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	27,597	33,446	35,400	37,600
5122 FICA - Social Security	25,149	28,558	31,000	32,200
5123 FICA - Medicare	5,881	6,679	7,200	7,500
5125 Dental Insurance	2,527	2,849	1,100	2,600
5126 Life Insurance	1,181	1,501	1,300	1,300
5127 Health Care Savings Plan (HCSP)	12,212	6,648	16,700	4,800
5130 Cafeteria Plan Benefits	70,911	94,773	94,400	81,700
TOTAL	145,458	174,454	187,100	167,700
OTHER EXPENDITURES				
5200 Office Supplies	1,998	2,290	3,200	3,200
5201 Computer Supplies/Software	304	-	1,000	1,000
5241 Small Equip-Office/Operating	-	-	300	300
5309 Technology Services	-	-	11,000	-
5310 Contract Services	56,922	74,452	-	-
5319 Other Professional Services	49,201	21,250	20,000	20,000
5321 Phone Service	200	800	600	600
5322 Postage	-	-	1,000	1,000
5331 Travel/Training	2,975	4,325	4,000	4,000
5335 Local Mileage Reimbursement	-	-	500	500
5355 Printing & Copying	2,140	5,521	1,500	1,500
5414 Software Licenses & Mtce Agreements	-	-	-	11,000
5418 Vehicle/Equip Lease (Long-term)	10,702	-	-	-
5433 Dues & Subscription	1,220	2,540	3,000	3,000
5435 Books & Pamphlets	25	73	200	200
5441 Other Services & Charges	14,920	12,076	1,500	1,500
5443 Board & Meeting Expenses	494	788	600	600
TOTAL	141,101	124,115	48,400	48,400
DIVISION TOTAL	701,998	775,221	734,700	734,900

City of Duluth Minnesota - 2015 Budget

General Fund Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Planning - 110-132-1301				
REVENUE SOURCE				
4220 State of Minnesota		5,000		
4307 Planning/Zoning Fees	102,925	85,460	75,000	75,000
4631 Media Sales	480	48	200	200
4654 Other Reimbursements	56,819	37,440		
DIVISION TOTAL	160,224	127,948	75,200	75,200

City of Duluth Minnesota - 2015 Budget

Construction Services & Inspection

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

Budgeted FTE's	2012	2013	2014	2015	Difference
1085 Permit Process Supervisor	-	1.0	1.0	1.0	-
36 Lead Construction Insp	-	1.0	1.0	1.0	-
31 Electrical Inspector	2.0	2.0	2.0	2.0	-
31 Plumbing Inspector	2.0	2.0	2.0	2.0	-
31 Construction Inspector	4.0	3.0	3.0	3.0	-
31 HVAC Inspector	1.0	1.0	1.0	1.0	-
32 Plans Exam Leadworker	1.0	1.0	-	-	-
29 Plans Examiner	3.0	2.0	3.0	3.0	-
28 Land Use Technician	2.0	2.0	3.0	3.0	-
129 Admin Information Spec	1.0	1.0	-	-	-
126 Information Technician	2.0	1.0	1.0	1.0	-
Division Total	18.0	17.0	17.0	17.0	0.0

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	959,548	966,603	1,002,800	1,016,300	13,500
Overtime	19,216	6,124	9,000	9,000	-
Other Wages	6,847	150	-	-	-
Total Salaries	985,611	972,877	1,011,800	1,025,300	13,500
Benefits	342,192	375,148	405,200	441,600	36,400
Other Expense					
Materials & Supplies	22,561	21,107	30,700	30,700	-
Services	29,011	38,010	61,000	41,000	(20,000)
Utilities & Maintenance	16,354	27,576	11,600	31,600	20,000
Other	35,149	43,716	21,500	21,500	-
Building Demolition	-	54,118	60,000	60,000	-
Total Other Expense	103,075	184,527	184,800	184,800	-
Division Total	1,430,878	1,532,552	1,601,800	1,651,700	49,900

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Construction Services & Inspection - 110-132-1304				
PERSONAL SERVICES				
5100 Permanent Salaries	959,548	966,603	1,002,800	1,016,300
5101 Premium Pay	19,216	6,124	9,000	9,000
5103 Other Wages	6,847	150	-	-
TOTAL	985,611	972,877	1,011,800	1,025,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	68,132	68,267	71,500	75,400
5122 FICA - Social Security	60,224	59,256	62,700	63,600
5123 FICA - Medicare	14,085	13,858	14,700	14,900
5125 Dental Insurance	6,528	6,480	2,700	6,200
5126 Life Insurance	3,061	3,030	3,100	3,100
5127 Health Care Savings Plan (HCSP)	17,209	14,185	21,500	27,700
5130 Cafeteria Plan Benefits	172,953	210,072	229,000	250,700
TOTAL	342,192	375,148	405,200	441,600
OTHER EXPENDITURES				
5200 Office Supplies	5,834	3,575	3,300	3,300
5202 Audiovisual & Photography	391	-	-	-
5205 Safety & Training Materials	867	-	900	900
5212 Motor Fuels	14,001	15,581	25,000	25,000
5219 Other Miscellaneous Supplies	1,132	430	900	900
5241 Small Equip-Office/Operating	336	1,521	600	600
5309 Technology Services	-	-	20,000	-
5321 Phone Service	3,596	4,789	4,500	4,500
5331 Travel/Training	17,926	18,026	14,000	14,000
5335 Local Mileage Reimbursement	165	966	1,500	1,500
5355 Printing & Copying	7,324	6,568	12,500	12,500
5356 Copier, Printer Lease & Supplies	6,020	7,661	8,500	8,500
5404 Equipment/Machinery Repair & Mtc	1,461	1,204	1,600	1,600
5409 Fleet Services Charges	14,893	26,372	10,000	10,000
5414 Software Licenses & Mtce Agreements	-	-	-	20,000
5418 Vehicle/Equip Lease (Long-term)	1,284	10,000	-	-
5427 Credit Card Commissions	11,800	18,360	9,500	9,500
5433 Dues & Subscription	1,332	1,208	1,500	1,500
5435 Books & Pamphlets	3,619	1,549	5,500	5,500
5441 Other Services & Charges	17,114	12,599	5,000	5,000
5453 Building Demolition	-	54,118	60,000	60,000
TOTAL	109,095	184,527	184,800	184,800
DIVISION TOTAL	1,436,898	1,532,552	1,601,800	1,651,700

City of Duluth Minnesota - 2015 Budget

General Fund Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Construction Services & Inspection - 110-132-1304				
REVENUE SOURCE				
4151 Fill Permits	1,872	1,125	1,200	1,200
4301 Zoning Appeals Fees	-	-	600	600
4303 Use Permit - Flood & Wetlands	1,508	2,194	1,000	1,000
4350 Inspection Services	-	-	4,000	4,000
4351 Building Inspection Fees	1,099,302	1,324,238	1,460,000	1,503,800
4352 Plumbing Inspection Fees	179,062	178,011	180,000	185,400
4353 Electric Inspection Fees	178,589	181,924	190,000	195,700
4354 HVAC-R Inspection Fees	170,852	207,468	150,000	154,500
4355 Signs Inspection Fees	13,390	13,047	10,500	10,800
4356 House Moving Inspection Fee	10,002	12,684	5,000	10,000
4357 Mobile Home Inspection Fees	672	224	2,000	2,100
4359 CAF Administrative Fee	12,370	5,753	15,000	15,500
4361 RZP Registration Fee	16,108	14,013	14,000	14,400
4500 Assessments	10,097	13,176	56,200	56,200
4501 Assessments - Penalty & Interest	1,696	612	-	-
4631 Media Sales	1,153	2,037	3,700	3,700
4644 Miscellaneous Sales	173	17	500	500
4680 Damage or Losses Recovered		42,234		
4701 2% Retention Surtax	1,156	1,341	1,500	1,500
DIVISION TOTAL	1,698,002	2,000,098	2,095,200	2,160,900

City of Duluth Minnesota - 2015 Budget

Business & Economic Development

Mission and Vision

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

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

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

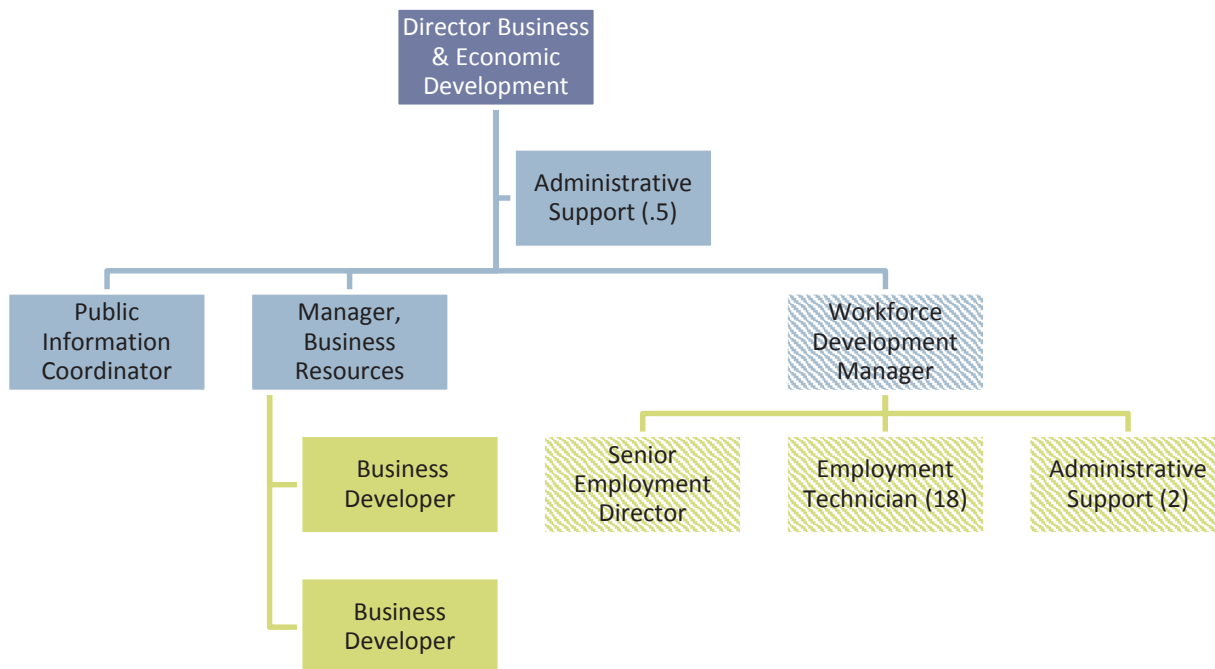
In order to accomplish our Mission, we:

- Encourage business growth and job creation by facilitating access to City services and investing in private development.
- Support tax base growth
- Invest in infrastructure development and the redevelopment of challenged sites by attracting appropriate State and Federal investment to our community.
- Manage City and Economic Development Authority assets, land and buildings.
- Advocate for progressive development policies at Local, State and Federal levels.

Structure

The Business & Economic Development Department is comprised of two divisions – one in the General Fund which is Business Development; and one in the Special Revenue Fund which is Workforce Development. The Department Director also serves as the Executive Director of the Duluth Economic and Development Authority or DEDA.

Business & Economic Development Organization Chart



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

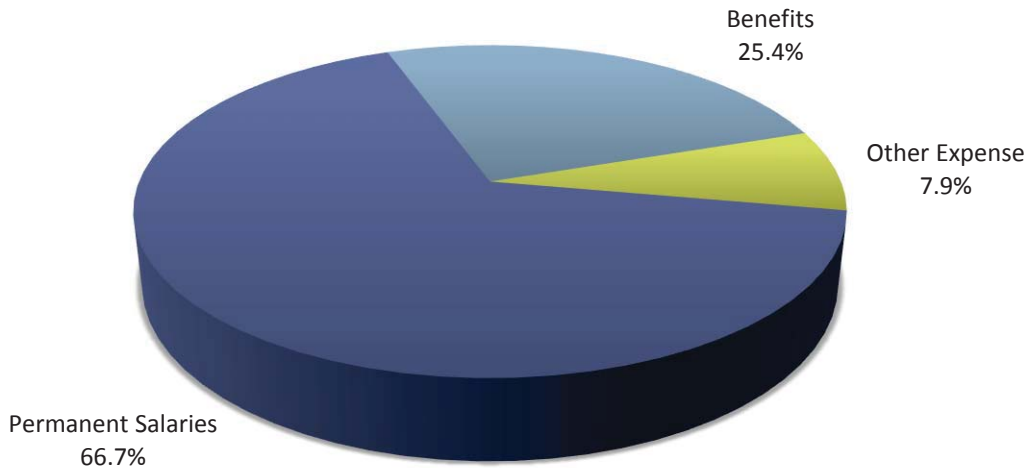
City of Duluth Minnesota - 2015 Budget

2015 Goals and Objectives

Goal	Outcome and Results	Output	Measurement
Promote and facilitate new development and redevelopment opportunities within the industrial, commercial and housing sectors.	<p>Leverage other public and private funding sources.</p> <p>Professional talent recruitment.</p> <p>Increase workforce housing options.</p> <p>Increase property tax base.</p>	<p>Apply for no less than 5 grants. No less than 3 funded.</p> <p>10 companies assisted.</p> <p>Add over 100 new market rate housing units.</p>	<p>Identify appropriate grant funding sources.</p> <p>Apply for 5 grants annually, and receive funding for at least 3.</p> <p>Identify and assist up to 10 companies annually with expansion activities.</p>

City of Duluth Minnesota - 2015 Budget

Business & Economic Development Department 2015 Approved Budget by Expense Category



Expenditures by Category	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Permanent Salaries	403,994	358,915	486,800	407,500	(79,300)
Overtime	715	1,235	-	-	-
Other Wages	19,634	-	-	-	-
Total Personal Services	424,343	360,150	486,800	407,500	(79,300)
Benefits	117,588	124,660	171,200	155,300	(15,900)
Other Expense	15,723	80,400	75,600	48,400	(27,200)
Capital Outlay	-	-	-	-	-
Department Total	557,654	565,210	733,600	611,200	(122,400)

Budgeted FTE's	2012	2013	2014	2015	Difference
	6.5	7.25	6.50	5.50	(1.00)

City of Duluth Minnesota - 2015 Budget

Business and Economic Development

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

Budgeted FTE's	2012	2013	2014	2015	Difference
Dir., Business & ED	1.0	1.0	1.0	1.0	-
1125 Business Dev Manager	1.0	1.0	1.0	1.0	-
1135 Property Manager	1.0	-	-	-	-
1080 Supervisor, Real Property	1.0	-	-	-	-
138 Sr Business Developer	-	2.0	1.0	-	(1.0)
136 Financial Analyst	1.0	-	-	-	-
135 Business Developer	-	1.0	1.0	2.0	1.0
135 Contract Administrator	-	0.75	1.0	-	(1.00)
135 Public Info Coordinator	1.0	1.0	1.0	1.0	-
126 Information Tech	0.5	0.5	0.5	0.5	-
Division Total	6.5	7.25	6.50	5.50	(1.00)

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	403,994	358,915	486,800	407,500	(79,300)
Overtime	715	1,235	-	-	-
Other Wages	19,634	0	-	-	-
Total Salaries	424,343	360,150	486,800	407,500	(79,300)
Benefits	117,588	124,660	171,200	155,300	(15,900)
Other Expense					
Materials & Supplies	1,268	983	3,500	3,500	-
Services	7,982	75,301	65,000	37,800	(27,200)
Utilities & Maintenance	-	-	-	-	-
Other	6,473	4,116	7,100	7,100	-
Total Other Expense	15,723	80,400	75,600	48,400	(27,200)
Division Total	557,654	565,210	733,600	611,200	(122,400)

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Business & Economic Development - 110-135-1310				
PERSONAL SERVICES				
5100 Permanent Salaries	403,994	358,915	486,800	407,500
5101 Premium Pay	715	1,235	-	-
5103 Other Wages	19,634	-	-	-
TOTAL	424,343	360,150	486,800	407,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	27,580	25,014	34,700	30,100
5122 FICA - Social Security	25,180	21,651	30,200	25,300
5123 FICA - Medicare	6,073	5,064	7,100	5,900
5125 Dental Insurance	1,821	1,888	1,000	2,000
5126 Life Insurance	855	885	1,200	1,000
5127 Health Care Savings Plan (HCSP)	3,678	6,471	4,700	7,000
5130 Cafeteria Plan Benefits	52,401	63,687	92,300	84,000
TOTAL	117,588	124,660	171,200	155,300
OTHER EXPENDITURES				
5200 Office Supplies	1,268	983	3,500	3,500
5319 Other Professional Service	244	62,735	47,200	20,000
5321 Phone Service	877	1,295	3,000	3,000
5331 Travel/Training	4,228	9,827	8,000	8,000
5335 Local Mileage Reimbursement	2,139	1,318	2,900	2,900
5355 Printing & Copying	494	126	3,900	3,900
5418 Vehicle/Equip Lease (Long-term)	1,290	-	-	-
5433 Dues & Subscription	2,311	1,450	1,700	1,700
5441 Other Services & Charges	1,244	586	3,000	3,000
5443 Board & Meeting Expenses	1,628	2,080	2,400	2,400
TOTAL	15,723	80,400	75,600	48,400
DIVISION TOTAL	557,654	565,210	733,600	611,200

City of Duluth Minnesota - 2015 Budget

General Fund Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Business & Economic Development - 110-135-1310				
REVENUE SOURCE				
4644 Miscellaneous Sales	31,628	41,368	24,000	24,000
DIVISION TOTAL	31,628	41,368	24,000	24,000

City of Duluth Minnesota - 2015 Budget

Fire Department

Mission and Vision

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

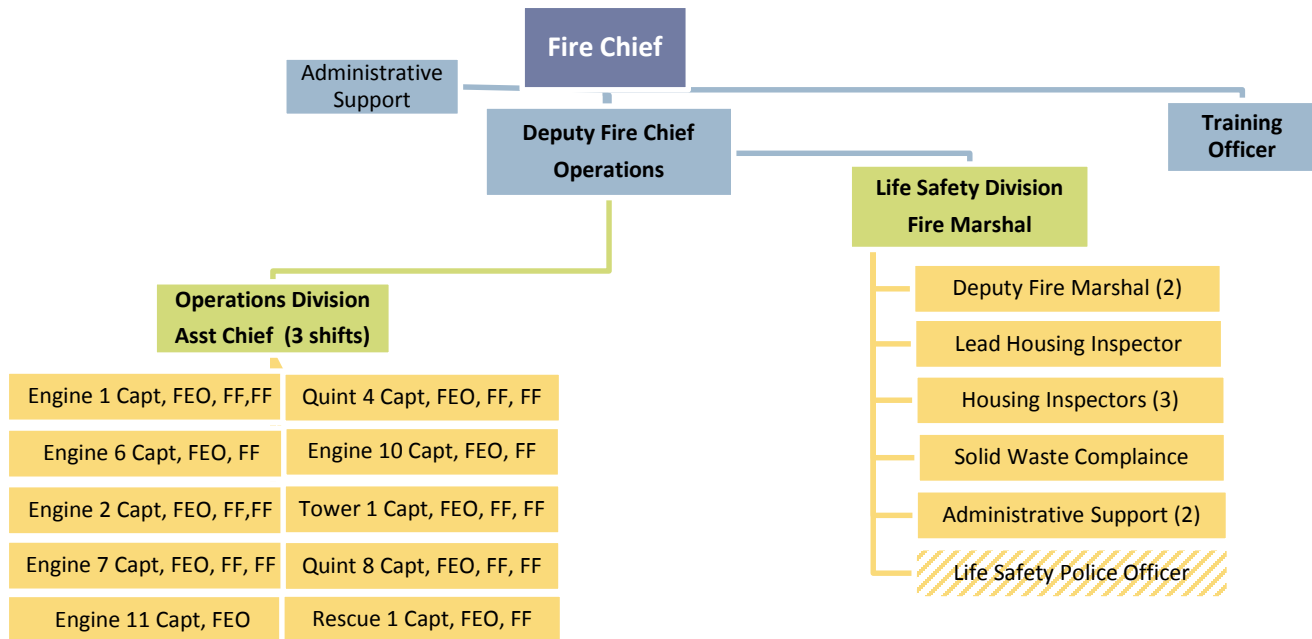
For over 140 years, the Duluth Fire Department has been responding to meet the public safety needs of our community. We provide this service through a well-trained staff, up-to-date and well-maintained equipment, and our ability to adapt to the changing emergency response expectations of our citizens. While our mission to save life and property has remained consistent over the department's history, how we carry out our mission and what type services we provide have significantly changed. There has been an increase in demand for services such as EMS, Hazmat, specialized rescue, code enforcement, emergency management, and quality of life services. Utilization of services has steadily increased, with a noted jump of 300% in emergency calls in the last two decades. The trend of increased dependency on emergency services and the utilization of programs are major drivers of the services provided and how resources are allocated.

Structure

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

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

Fire Department Organization Chart



City of Duluth Minnesota - 2015 Budget

2015 Goals and Objectives

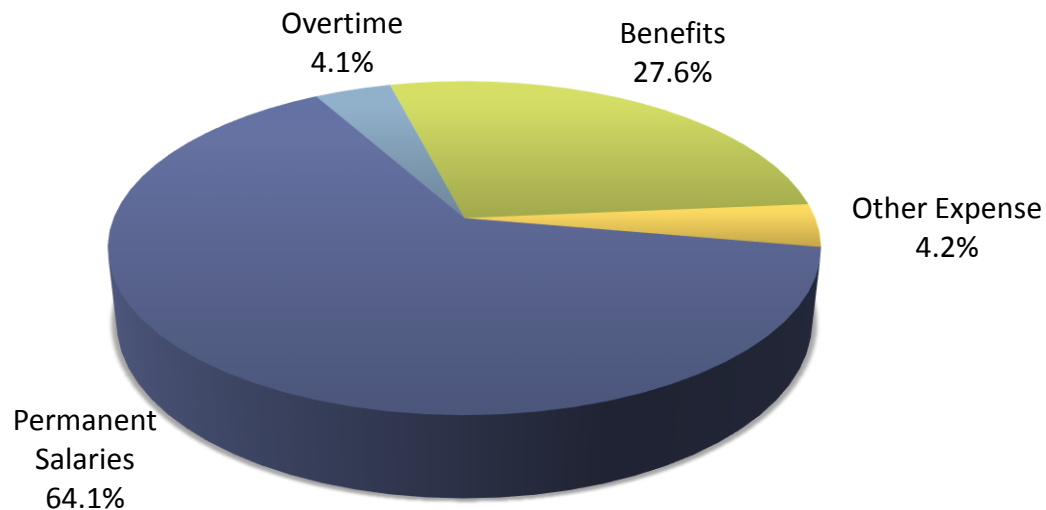
Goal	Objective	Tactics	Measure
Improve risk management	Reduce firefighter injuries Prevent vehicle accidents and reduce property loss	* Review all fire fighter and vehicle accidents * Make recommendations and implement strategies to improve safety	* # of firefighter injuries * # of firefighters that receive an annual health review * # of Fire Department vehicle accidents/type/cause * # of workdays lost to injury
Strengthen the workforce	Recruit and retain a diverse workforce	* Review procedures for fire fighter recruiting and testing to be used for future hiring * Work with HR to increase under represented population candidate pool	* % of applicants for Fire Fighter that are women * % of applicants that are from under represented population * % of workforce that are women * % of workforce that are from represented population

Succession planning	Prepare employees for leadership positions	<ul style="list-style-type: none"> * Encourage officers to attend college courses until they complete a four-year fire-related degree. Examine funding possibilities 	<ul style="list-style-type: none"> * % of workforce that continue their education * % of workforce who receive an annual performance review
Upgrade technology	Improve software applications for fire operations and life safety management	<ul style="list-style-type: none"> * Complete Trakit software upgrade in life safety * Transition to New World Fire application software for operations * Implement field electronic reporting 	<ul style="list-style-type: none"> * % records manually converted to new database * # and quality of reports available to assist with decision making * monitor time spent on data entry
Provide good value to the taxpayers	<p>Capture revenue from sources outside the General Fund</p> <p>Costs Savings in employee back to work program</p>	<ul style="list-style-type: none"> * Apply for all available grant funds to hire and train personnel as well as purchase new equipment * Consider purchasing From fire consortium * Work with medical provider to have fire fighters return to work as soon as possible 	<ul style="list-style-type: none"> * Value of grants obtained vs. the annual budget. * Amount of Savings through group purchasing * Numbers of days employees are off due to injuries/illnesses
Improve fire ground operational efficiency	Implement recently published, scientifically based tactics on the fire scene	<ul style="list-style-type: none"> * Review literature/videos regarding new tactics Structure of the department * Develop an implementation strategy with operations staff * Provide effective/interactive training * Publish policies 	<ul style="list-style-type: none"> * Evaluate success through fire critiques, employee feedback * Analysis of fire loss data.

City of Duluth Minnesota - 2015 Budget

Fire Department

2015 Approved Budget by Expense Category



Expenditures by Category	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Permanent Salaries	9,031,402	9,201,362	9,408,000	9,482,500	74,500
Overtime	714,670	835,036	505,000	610,000	105,000
Other Wages	4,828	-	-	-	-
Total Personal Services	9,750,900	10,036,398	9,913,000	10,092,500	179,500
Benefits	3,422,274	3,878,992	3,950,600	4,087,000	136,400
Other Expense	752,422	740,612	628,900	617,700	(11,200)
Capital Outlay	-	-	-	-	-
Department Total	13,925,596	14,656,002	14,492,500	14,797,200	304,700

Expenditures by Division	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Fire Administration	425,098	472,976	555,900	422,900	(133,000)
Fire Operations	12,421,462	13,157,326	12,873,800	13,346,800	473,000
Life Safety	1,079,036	1,025,700	1,062,800	1,027,500	(35,300)
Department Total	13,925,596	14,656,002	14,492,500	14,797,200	304,700

Budgeted FTE's	2012	2013	2014	2015	Difference
	138.0	138.0	142.0	143.0	1.0

City of Duluth Minnesota - 2015 Budget

Fire Administration

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

Budgeted FTE's	2012	2013	2014	2015	Difference
Fire Chief	1.0	1.0	1.0	1.0	-
1130 Deputy Fire Chief	1.0	1.0	2.0	1.0	(1.0)
129 Admin Info Specialist	1.0	1.0	1.0	1.0	-
Division Total	3.0	3.0	4.0	3.0	-1.0

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	278,844	311,452	369,600	274,700	(94,900)
Overtime	3,129	161	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	281,973	311,613	369,600	274,700	(94,900)
Benefits	74,096	101,427	116,900	83,200	(33,700)
Other Expense					
Materials & Supplies	17,978	17,555	20,100	20,100	-
Services	18,665	13,703	16,200	11,800	(4,400)
Utilities & Maintenance	1,477	2,259	4,000	4,000	-
Other	30,909	26,419	29,100	29,100	-
Total Other Expense	69,029	59,936	69,400	65,000	(4,400)
Division Total	425,098	472,976	555,900	422,900	(133,000)

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Fire Administration - 110-150-1501				
PERSONAL SERVICES				
5100 Permanent Salaries	278,844	311,452	369,600	274,700
5101 Premium Pay	3,129	161	-	-
5103 Other Wages	-	-	-	-
TOTAL	281,973	311,613	369,600	274,700
EMPLOYEE BENEFITS				
5121 PERA Retirement	33,456	40,999	51,300	38,500
5122 FICA - Social Security	3,688	3,420	3,500	3,800
5123 FICA - Medicare	863	1,935	2,200	900
5125 Dental Insurance	1,168	1,341	600	1,100
5126 Life Insurance	540	630	700	500
5127 Health Care Savings Plan (HCSP)	10,264	8,023	3,400	2,500
5130 Cafeteria Plan Benefits	24,117	45,079	55,200	35,900
TOTAL	74,096	101,427	116,900	83,200
5200 Office Supplies	2,531	2,315	2,500	2,500
5202 Audiovisual & Photography	-	-	200	200
5210 Plant/Operating Supplies	2,346	1,404	2,000	2,000
5211 Cleaning/Janitorial Supplies	6,985	7,527	7,500	7,500
5212 Motor Fuels	2,799	-	-	-
5219 Other Miscellaneous Supplies	1,774	2,071	3,000	3,000
5220 Repair & Maintenance Supplies	256	930	1,100	1,100
5228 Painting Supplies	413	678	700	700
5229 Ground Mtc Supplies	163	164	200	200
5240 Small Tools	-	233	400	400
5241 Small Equip-Office/Operating	711	2,233	2,500	2,500
5321 Phone Service	9,337	3,559	7,000	3,600
5322 Postage	604	272	500	500
5331 Travel/Training	4,785	7,018	5,000	5,000
5355 Printing & Copying	849	898	1,200	1,200
5356 Copier, Printer Lease & Supplies	3,090	1,956	2,500	1,500
5400 Misc Repair & Mtc Service	1,477	1,041	2,000	2,000
5401 Bldg/Structure Repair & Mtc	-	1,218	2,000	2,000
5433 Dues & Subscription	2,497	2,560	2,500	2,500
5440 Emergency Management	24,770	20,791	25,000	25,000
5441 Other Services & Charges	1,142	420	1,500	1,500
5443 Board & Meeting Expenses	-	148	100	100
5490 Donations to Civic Organizations	2,500	2,500	-	-
TOTAL	69,029	59,936	69,400	65,000
DIVISION TOTAL	425,098	472,976	555,900	422,900

City of Duluth Minnesota - 2015 Budget

General Fund Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Fire Administration - 110-150-1501				
REVENUE SOURCE				
4209 Misc. Federal Grants (Safer Grant)	-	-	200,000	-
4232 State Insurance Premium	460,930	478,992	425,000	425,000
4340 Fire Protection Services	4,200	4,200	4,200	4,200
4341 Hydrant Maintenance Services	30,000	30,000	30,000	30,000
4624 Rent of Equipment	-	-	300	300
4644 Miscellaneous Sales	6,890	4,950	6,000	5,000
4654 Other Reimbursements	2,049	25,181	2,500	2,500
4660 Gifts and Donations	2,219	150	4,700	-
4730 Transfer from Special Revenue	-	198,259	10,000	10,000
DIVISION TOTAL	506,288	741,732	682,700	477,000

City of Duluth Minnesota - 2015 Budget

Fire Operations

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

Budgeted FTE's	2012	2013	2014	2015	Difference
233 Assistant Chief	3.0	3.0	3.0	3.0	-
231 Training Officer	1.0	1.0	1.0	1.0	-
228 Captain	36.0	36.0	33.0	30.0	(3.0)
227 Equipment Operator	39.0	39.0	33.0	33.0	-
226 Firefighter	45.0	45.0	57.0	63.0	6.0
Division Total	124.0	124.0	127.0	130.0	3.0

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	8,096,211	8,236,756	8,372,600	8,576,000	203,400
Overtime	699,613	825,072	495,000	600,000	105,000
Other Wages	-	-	-	-	-
Total Salaries	8,795,824	9,061,828	8,867,600	9,176,000	308,400
Benefits	3,093,506	3,487,212	3,540,400	3,701,800	161,400
Other Expense					
Materials & Supplies	179,375	185,146	181,000	178,000	(3,000)
Services	49,083	43,208	57,800	57,800	-
Utilities & Maintenance	273,999	347,500	193,000	200,000	7,000
Other	29,675	32,432	34,000	33,200	(800)
Total Other Expense	532,132	608,286	465,800	469,000	3,200
Division Total	12,421,462	13,157,326	12,873,800	13,346,800	473,000

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Fire Operations - 110-150-1502				
PERSONAL SERVICES				
5100 Permanent Salaries	8,096,211	8,236,756	8,372,600	8,576,000
5101 Premium Pay	699,613	825,072	495,000	600,000
5103 Other Wages	-	-	-	-
TOTAL	8,795,824	9,061,828	8,867,600	9,176,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	1,224,201	1,269,749	1,336,100	1,460,700
5122 FICA - Social Security	-	-	-	-
5123 FICA - Medicare	113,554	117,717	128,600	133,100
5125 Dental Insurance	47,314	48,274	19,800	46,800
5126 Life Insurance	21,991	22,500	22,900	23,400
5127 Health Care Savings Plan (HCSP)	220,142	256,484	113,800	164,500
5130 Cafeteria Plan Benefits	1,465,714	1,758,396	1,919,200	1,873,300
5133 Health or Fitness Program	590	14,092	-	-
TOTAL	3,093,506	3,487,212	3,540,400	3,701,800
OTHER EXPENDITURES				
5205 Safety & Training Materials	7,352	4,800	7,500	7,500
5210 Plant/Operating Supplies	1,550	2,095	3,500	3,500
5212 Motor Fuels	74,819	84,441	68,000	68,000
5218 Uniforms	10,832	13,117	13,000	10,000
5219 Other Miscellaneous Supplies	26,631	30,871	25,000	25,000
5220 Repair & Maintenance Supplies	946	2,688	3,000	3,000
5241 Small Equip-Office/Operating	57,245	47,134	61,000	61,000
5305 Medical Svcs/Testing Fees	-	157	5,000	5,000
5319 Other Professional Services	24,210	16,584	22,500	22,500
5320 Data Services	15,222	17,001	18,000	18,000
5321 Phone Service	6,068	5,515	7,000	7,000
5322 Postage	-	260	300	300
5384 Refuse Disposal	3,583	3,691	5,000	5,000
5409 Fleet Services Charges	273,999	347,500	193,000	200,000
5441 Other Services & Charges	9,895	5,227	7,000	6,200
5446 Tuition Reimbursement	608	5,853	10,000	10,000
5450 Laundry	19,172	21,352	17,000	17,000
TOTAL	532,132	608,286	465,800	469,000
DIVISION TOTAL	12,421,462	13,157,326	12,873,800	13,346,800

City of Duluth Minnesota - 2015 Budget

Life Safety

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

Budgeted FTE's	2012	2013	2014	2015	Difference
233 Fire Marshal	1.0	1.0	1.0	1.0	-
230 Deputy Fire Marshal	2.0	2.0	2.0	2.0	-
32 Lead Housing Inspector	1.0	1.0	1.0	1.0	-
29 Housing Inspector	4.0	4.0	4.0	3.0	(1.0)
28 Solid Waste Compliance	1.0	1.0	1.0	1.0	-
129 Admin Information Spec	1.0	1.0	1.0	1.0	-
126 Information Specialist	1.0	1.0	1.0	1.0	-
Division Total	11.0	11.0	11.0	10.0	-1.0

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	656,347	653,154	665,800	631,800	(34,000)
Overtime	11,928	9,803	10,000	10,000	-
Other Wages	4,828	-	-	-	-
Total Salaries	673,103	662,957	675,800	641,800	(34,000)
Benefits	254,672	290,353	293,300	302,000	8,700
Other Expense					
Materials & Supplies	12,515	13,235	17,100	17,100	-
Services	28,483	30,731	32,000	32,000	-
Utilities & Maintenance	13,239	12,156	11,300	11,300	-
Other	97,024	16,268	33,300	23,300	(10,000)
Total Other Expense	151,261	72,390	93,700	83,700	(10,000)
Division Total	1,079,036	1,025,700	1,062,800	1,027,500	(35,300)

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Life Safety - 110-150-1503				
PERSONAL SERVICES				
5100 Permanent Salaries	656,347	653,154	665,800	631,800
5101 Premium Pay	11,928	9,803	10,000	10,000
5103 Other Wages	4,828	-	-	-
TOTAL	673,103	662,957	675,800	641,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	63,047	66,805	67,500	70,500
5122 FICA - Social Security	25,712	24,971	27,200	23,700
5123 FICA - Medicare	8,373	8,122	9,800	9,300
5125 Dental Insurance	4,094	4,224	1,700	3,600
5126 Life Insurance	1,933	1,980	2,000	1,800
5127 Health Care Savings Plan (HCSP)	15,419	16,729	6,300	11,800
5130 Cafeteria Plan Benefits	135,914	167,162	178,800	181,300
5133 Health or Fitness Program	180	360	-	-
TOTAL	254,672	290,353	293,300	302,000
OTHER EXPENDITURES				
5200 Office Supplies	2,308	1,410	3,000	3,000
5202 Audiovisual & Photography	22	1,040	1,000	1,000
5205 Safety & Training Materials	14	1,059	1,000	1,000
5212 Motor Fuels	8,294	7,589	9,000	9,000
5219 Other Miscellaneous Supplies	1,393	950	1,500	1,500
5241 Small Equipment-Office Operating	484	1,187	1,600	1,600
5321 Phone Service	2,930	3,696	2,600	2,600
5331 Travel/Training	12,472	12,118	15,000	15,000
5335 Local Mileage Reimbursement	3,660	4,064	4,000	4,000
5355 Printing & Copying	2,559	3,253	5,000	5,000
5356 Copier, Printer Lease & Supplies	6,862	7,600	5,400	5,400
5400 Misc Repair & Mtc Service	-	-	300	300
5409 Fleet Services Charges	13,239	12,156	11,000	11,000
5433 Dues and Subscriptions	460	125	500	500
5435 Books & Pamphlets	2,369	843	2,500	2,500
5441 Other Services and Charges	3,558	12,265	30,000	20,000
5443 Board & Meeting Expenses	-	171	300	300
5453 Building Demolition	87,751	-	-	-
5459 Fire Safety Education Account	2,886	2,864	-	-
TOTAL	151,261	72,390	93,700	83,700
DIVISION TOTAL	1,079,036	1,025,700	1,062,800	1,027,500

City of Duluth Minnesota - 2015 Budget

General Fund Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Life Safety - 110-150-1503				
REVENUE SOURCE				
4153 Multiple Dwelling License	886,988	1,001,113	835,000	825,000
4154 Commercial Use/Occupancy Permit	63,533	79,090	65,000	75,000
4306 Building Appeals Fees	960	120	-	-
4360 Vacant Building Fee	6,480	9,320	5,000	5,000
4470 License Penalties	-	260	10,000	2,000
4660 Gifts and Donations		1,870		
4680 Damages or Losses Recovered	15,446	-	15,000	-
DIVISION TOTAL	973,407	1,091,773	930,000	907,000

City of Duluth Minnesota – 2015 Budget

Police Department

Mission

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

Vision

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

Values

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

Structure

The department consists of approximately 152 sworn police officers and a support staff of about 50 full, part-time and seasonal employees. Crime prevention, detection and investigation are the primary duties of the department. The department is divided into two divisions, each managed by a Deputy Chief.

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

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

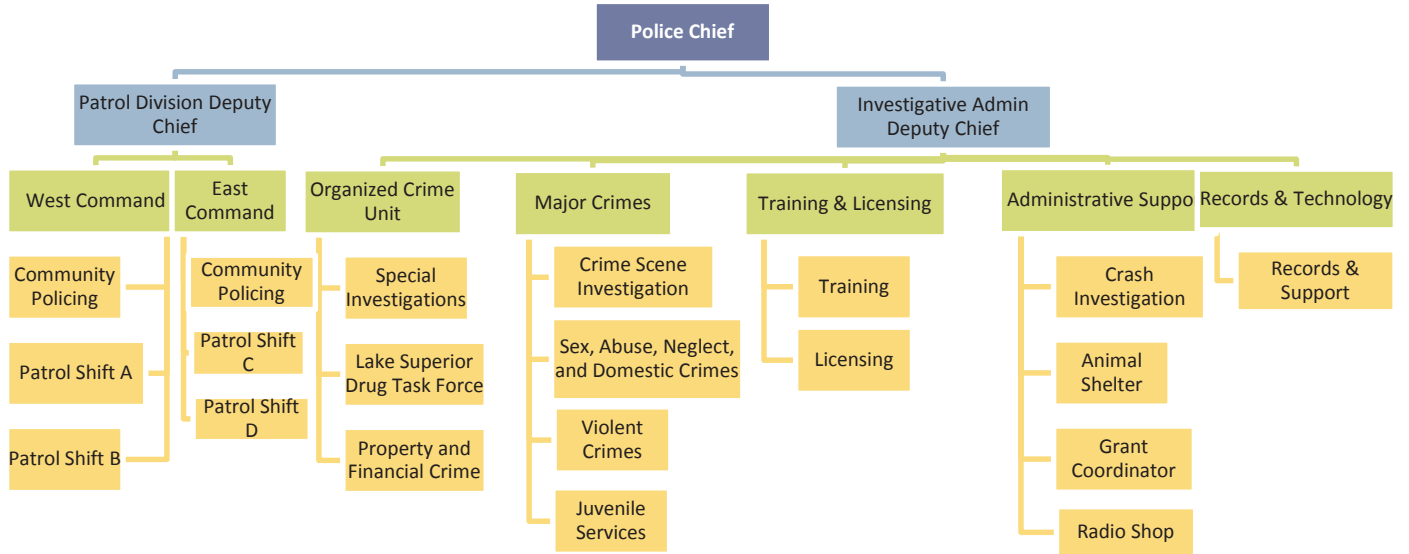
The **Patrol Division** is divided into two geographic patrol areas. Each area is under the command of a lieutenant. The Patrol Division consists of the following units:

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

City of Duluth Minnesota - 2015 Budget

2015 Goals and Objectives

Police Department Organization

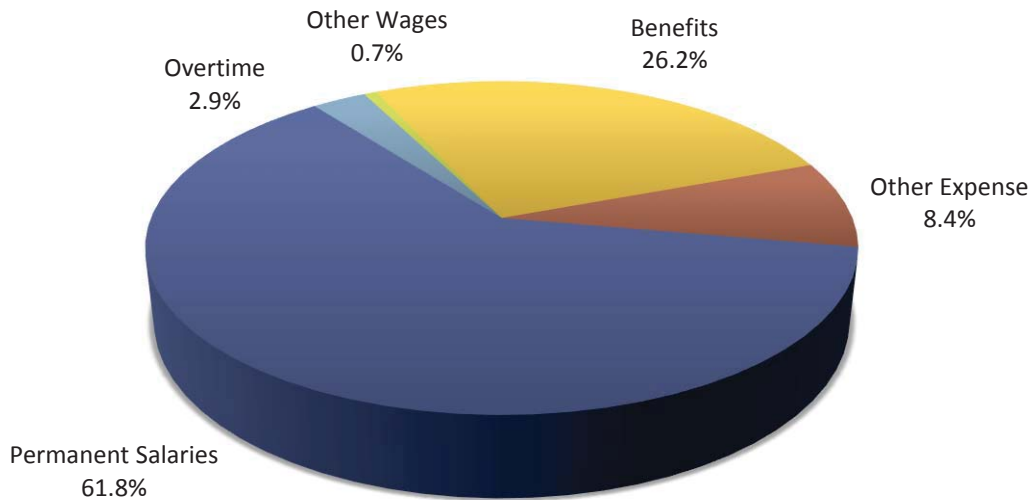


Goal	Objective	Tactics	Measurement
Improve or replace current records management system (RMS)	To improve usability and functionality of our RMS system	Implement CJIN field based reporting to eliminate duplication of efforts.	Duplication issues, system responsiveness, functionality and usability improved to meet the needs of a progressive, busy urban police department.
Increase the Perception of Safety Downtown	Ensure people feel safe while working or enjoying Downtown	Increase visibility with mounted, foot, and bike patrol. Communicate effectively that Downtown statistically is safe. Collaborate with partners (GDC, Chamber, CHUM, etc.)	Citizen survey, feedback from community partners, businesses, and elected officials.
Exceed citizen expectations in providing service	Continue to provide exceptional policing services to our community	Proper training, clear expectations of staff and supervisory oversight	Yearly Citizen's Survey and other community feedback
Reduce key crimes by 5%	Focus on burglary, robbery, auto theft and car prowling reduction	Compstat tenants and review, supervisory oversight	Yearend statistics
Complete and implement five year strategic plan	Build a roadmap for the next five years	Involve employees, department survey, utilize statistics, solicit citizen feedback at community meetings and on-line	Completion and implementation of five year strategic plan
Staffing study	Determine appropriate staffing levels	Utilize common staffing study methods to determine appropriate staffing needs of the department	Completion of study by summer of 2015

City of Duluth Minnesota - 2015 Budget

Police Department

2015 Proposed Budget by Expense Category



Expenditures by Category	2012 Actual	2013 Actual	2014 Budget	2015 Proposed	Difference
Permanent Salaries	11,706,175	11,879,318	11,999,000	12,147,000	148,000
Overtime	1,044,185	634,505	388,600	575,000	186,400
Other Wages	70,150	89,135	132,700	132,700	-
Total Personal Services	12,820,510	12,602,958	12,520,300	12,854,700	334,400
Benefits	4,386,538	4,736,069	4,889,800	5,146,700	256,900
Other Expense	1,612,839	1,588,249	1,660,900	1,660,900	-
Capital Outlay	-	-	-	-	-
Department Total	18,819,887	18,927,276	19,071,000	19,662,300	591,300

Expenditures by Division	2012 Actual	2013 Actual	2014 Budget	2015 Proposed	Difference
Admin & Investigation	8,931,854	8,864,453	9,089,000	9,410,100	321,100
Patrol	9,888,033	10,062,823	9,982,000	10,252,200	270,200
Department Total	18,819,887	18,927,276	19,071,000	19,662,300	591,300

Budgeted FTE's	2012	2013	2014	2015	Difference
	185.0	178.5	178.5	178.5	-

City of Duluth Minnesota - 2015 Budget

Police Administration and Investigation

This division is responsible for administrative functions of the department including training and development, clerical and records support, fleet, technology and facilities management. In addition, the division is responsible for investigating crime in the areas of violent crime, financial property crimes, family crimes, crime scene investigation, and drug and gang related activities.

Budgeted FTE's	2012	2013	2014	2015	Difference
Chief of Police	1.0	1.0	1.0	1.0	-
1130 Deputy Chief	2.0	2.0	2.0	2.0	-
1100 Lieutenant	4.0	4.0	4.0	4.0	-
328 Sergeant	11.0	11.0	11.0	11.0	-
327 Police Investigator	35.0	35.0	34.0	34.0	-
1090 Police Records & Tech Mgr	-	1.0	1.0	1.0	-
133 Budget Analyst	1.0	1.0	1.0	1.0	-
133 Sr Police Records Tech	-	2.0	2.0	2.0	-
131 Grant Writer	1.0	1.0	1.0	1.0	-
132 Police Records Coor.	1.0	-	-	-	-
129 Admin Info Specialist	3.0	2.0	2.0	1.0	(1.0)
128 Police Records Tech II	-	5.0	5.0	5.0	-
126 Information Technician	12.0	5.0	3.0	3.0	-
124 Police Records Tech I	-	1.0	3.0	3.0	-
121 Clerical Support Tech	3.5	-	-	-	-
33 Elec Tech Leadworker	-	1.0	1.0	1.0	-
31 Electronics Technician	-	1.0	1.0	1.0	-
30 Animal Shelter Leadwrkr	1.0	1.0	1.0	1.0	-
24 Animal Shelter Tech	1.5	1.5	1.5	1.5	-
131 Criminal Intell Analyst	2.0	2.0	2.0	2.0	-
22 Evidence Technician	2.0	2.0	2.0	3.0	1.0
18 Parking Monitor	5.0	-	-	-	-
Division Total	86.0	79.5	78.5	78.5	-

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Proposed	Difference
Personal Services					
Permanent Salaries	5,069,119	5,049,057	5,256,800	5,336,900	80,100
Overtime	427,746	257,118	110,000	200,000	90,000
Other Wages	70,150	60,075	57,700	57,700	-
Total Salaries	5,567,015	5,366,250	5,424,500	5,594,600	170,100
Benefits	1,868,879	2,020,853	2,139,600	2,290,600	151,000
Other Expense					
Materials & Supplies	385,397	378,484	360,000	360,000	-
Services	166,342	133,955	125,500	125,500	-
Utilities & Maintenance	515,332	487,950	560,100	405,000	(155,100)
Other	428,889	476,961	479,300	634,400	155,100
Total Other Expense	1,495,960	1,477,350	1,524,900	1,524,900	-
Division Total	8,931,854	8,864,453	9,089,000	9,410,100	321,100

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail		2012 Actual	2013 Actual	2014 Budget	2015 Proposed
Police Admin & Investigations - 110-160-1610					
PERSONAL SERVICES					
5100	Permanent Salaries	5,069,119	5,049,057	5,256,800	5,336,900
5101	Premium Pay	289,305	256,904	110,000	200,000
5102	Extra Duty Employment	138,441	214	-	-
5103	Other Wages	70,150	60,075	57,700	57,700
	TOTAL	5,567,015	5,366,250	5,424,500	5,594,600
EMPLOYEE BENEFITS					
5121	PERA Retirement	678,157	653,776	701,800	773,400
5122	FICA - Social Security	81,743	85,554	87,700	84,200
5123	FICA - Medicare	77,919	75,269	78,700	81,100
5125	Dental Insurance	29,315	29,027	12,200	28,400
5126	Life Insurance	13,797	13,608	14,100	14,200
5127	Health Care Savings Plan (HCSP)	89,546	99,138	52,800	95,300
5130	Cafeteria Plan Benefits	898,111	1,064,481	1,192,300	1,214,000
5133	Health or Fitness Program	291	-	-	-
	TOTAL	1,868,879	2,020,853	2,139,600	2,290,600
OTHER EXPENDITURES					
5200	Office Supplies	22,052	22,405	24,000	24,000
5201	Computer Supplies/Software	3,888	4,396	2,000	2,000
5202	Audiovisual & Photography	494	754	2,000	2,000
5211	Cleaning/Janitorial Supplies	-	-	500	500
5212	Motor Fuels	304,618	306,766	301,200	301,200
5214	Food for Animals	531	3,088	4,000	4,000
5218	Uniforms	22,962	24,485	9,100	9,100
5219	Other Miscellaneous Supplies	14,739	9,412	5,200	5,200
5220	Repair & Maintenance Supplies	13,384	7,071	9,000	9,000
5241	Small Equip-Office/Operating	2,729	107	3,000	3,000
5305	Medical Svcs/Testing Fees	262	684	1,000	1,000
5319	Other Professional Services	21,273	25,050	30,000	30,000
5320	Data Services	13,441	2,670	4,500	4,500
5321	Phone Service	98,880	92,094	71,000	71,000
5322	Postage	383	901	1,000	1,000
5331	Travel/Training	4,946	3,880	5,000	5,000
5355	Printing & Copying	3,729	2,192	3,000	3,000
5356	Copier, Printer Lease & Supplies	21,864	4,489	4,000	4,000
5384	Refuse Disposal	1,564	1,995	6,000	6,000
5401	Bldg/Structure Repair & Mtc	16,078	8,750	11,700	11,700

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Proposed
Police Admin & Investigations - 110-160-1610 continued				
5404 Equipment/Machinery Repair & Mtc	142,450	151,899	155,100	-
5409 Fleet Services Charges	356,804	327,301	393,300	393,300
5411 Land Rental/Easements	1,000	1,000	1,000	1,000
5412 Building Rental	4,599	-	-	-
5414 Software Licenses & Mtce Agreements				155,100
5433 Dues & Subscription	4,900	3,205	4,000	4,000
5435 Books & Pamphlets	508	2,516	-	-
5437 Automated Pawn System	26,177	36,010	22,500	22,500
5438 Licenses	5,925	4,150	5,500	5,500
5441 Other Services & Charges	41,510	27,121	28,000	28,000
5443 Board & Meeting Expenses	509	738	800	800
5448 Police Training	46,397	63,973	65,000	65,000
5460 New Police Station Expenses	294,864	335,748	350,000	350,000
5490 Donations to Civic Organizations	2,500	2,500	2,500	2,500
TOTAL	1,495,960	1,477,350	1,524,900	1,524,900
DIVISION TOTAL	8,931,854	8,864,453	9,089,000	9,410,100

City of Duluth Minnesota - 2015 Budget

General Fund Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Proposed
Police Admin & Investigations - 110-160-1610				
REVENUE SOURCE				
4209 Federal Grant	48,855	21,558	-	-
4220 State of Minnesota	14,522	84,145	-	-
4227 Police Training Reimbursement	46,160	51,263	50,000	50,000
4232 State Insurance Premium	1,113,986	1,259,326	1,175,000	1,175,000
4260 St. Louis County	34,588	17,294	17,300	17,300
4261 ISD 709	211,000	211,000	211,000	215,200
4262 Housing & Redevelopment Authority	-	-	60,900	62,700
4270 Other Grants	4,000	-	-	-
4322 Animal Shelter Fees	13,828	17,694	20,000	20,000
4325 Radio Services	6,500	6,500	6,500	-
4326 Criminal History Checks	706	521	2,000	2,000
4328 Pawnbroker Transaction Surcharge	69,634	76,893	50,000	75,000
4329 False Alarm Fees & Penalties	21,760	18,384	10,000	17,000
4631 Media Sales	3,261	3,001	5,000	5,000
4650 Salaries Reimbursement	19,183	25,411	20,000	20,000
4651 Extra Duty Employment Reimbursement	397,375	-	-	-
4654 Other Reimbursements	73,333	19,287	-	7,000
4700 Other Sources	2,335	-	-	-
4730 Transfer from Tourism Taxes	232,200	273,900	316,900	307,100
4730 Transfer from Police Grant Fund	615,229	491,220	370,900	471,200
4730 Transfer from Police Grant Fund - OT	69,435	143,775	40,000	56,300
DIVISION TOTAL	2,997,890	2,721,172	2,355,500	2,500,800

City of Duluth Minnesota - 2015 Budget

Police Patrol

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

Budgeted FTE's	2012	2013	2014	2015	Difference
1100 Lieutenant	6.0	6.0	6.0	6.0	-
328 Sergeant	10.0	10.0	10.0	10.0	-
327 Police Investigator	19.0	19.0	19.0	19.0	-
326 Police Officer	64.0	64.0	65.0	65.0	-
Division Total	99.0	99.0	100.0	100.0	0.0

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	6,637,056	6,830,261	6,742,200	6,810,100	67,900
Overtime	616,439	377,387	278,600	375,000	96,400
Other Wages	-	29,060	75,000	75,000	-
Total Salaries	7,253,495	7,236,708	7,095,800	7,260,100	164,300
Benefits	2,517,659	2,715,216	2,750,200	2,856,100	105,900
Other Expense					
Materials & Supplies	98,680	74,478	105,000	105,000	-
Services	-	-	-	-	-
Utilities & Maintenance	-	-	-	-	-
Other	18,199	36,421	31,000	31,000	-
Total Other Expense	116,879	110,899	136,000	136,000	-
Division Total	9,888,033	10,062,823	9,982,000	10,252,200	270,200

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail		2012 Actual	2013 Actual	2014 Budget	2015 Approved
Police Patrol - 110-160-1620					
PERSONAL SERVICES					
5100	Permanent Salaries	6,637,056	6,830,261	6,742,200	6,810,100
5101	Premium Pay	438,260	377,122	278,600	375,000
5102	Extra Duty Employment	178,179	265	-	-
5103	Other Wages	-	29,060	75,000	75,000
	TOTAL	7,253,495	7,236,708	7,095,800	7,260,100
EMPLOYEE BENEFITS					
5121	PERA Retirement	1,015,568	1,022,871	1,051,700	1,143,700
5122	FICA - Social Security	-	1,802	4,700	4,700
5123	FICA - Medicare	99,421	99,906	102,900	105,300
5125	Dental Insurance	37,506	38,809	15,300	35,300
5126	Life Insurance	17,568	18,189	17,600	17,600
5127	Health Care Savings Plan (HCSP)	246,982	206,329	238,100	142,800
5130	Cafeteria Plan Benefits	1,099,459	1,326,620	1,318,700	1,405,500
5133	Health or Fitness Program	1,155	690	1,200	1,200
	TOTAL	2,517,659	2,715,216	2,750,200	2,856,100
OTHER EXPENDITURES					
5205	Safety & Training Materials	1,116	3,371	1,500	1,500
5211	Cleaning/Janitorial Supplies	13,785	5,657	15,000	15,000
5217	Ammunition	36,703	32,947	40,000	40,000
5218	Uniforms	30,452	22,776	30,000	30,000
5219	Other Miscellaneous Supplies	16,333	8,829	16,000	16,000
5241	Small Equip-Office/Operating	291	898	2,500	2,500
5441	Other Services & Charges	5,025	12,058	6,000	6,000
5448	Police Training	13,174	24,363	25,000	25,000
	TOTAL	116,879	110,899	136,000	136,000
DIVISION TOTAL		9,888,033	10,062,823	9,982,000	10,252,200

City of Duluth Minnesota - 2015 Budget

Public Works & Utilities Department – General Fund

Mission and Vision

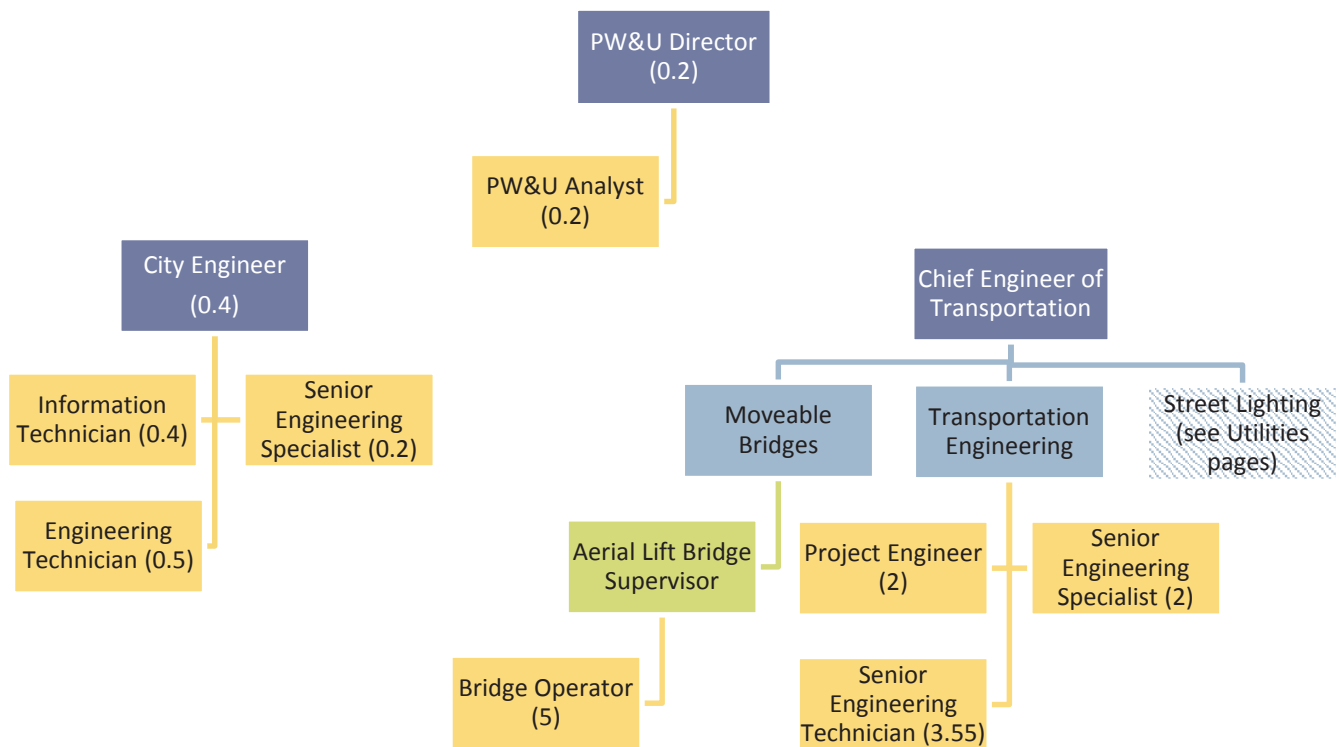
The mission of the Public Works and Utilities Department is to provide: professional engineering services, and water, natural gas, sanitary sewer, storm water, and street lighting utilities to Duluth’s businesses and residents in a safe, cost-effective and environmentally sound manner through skilled,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

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

Structure

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

Public Works & Utilities Department – General Fund Organization Chart

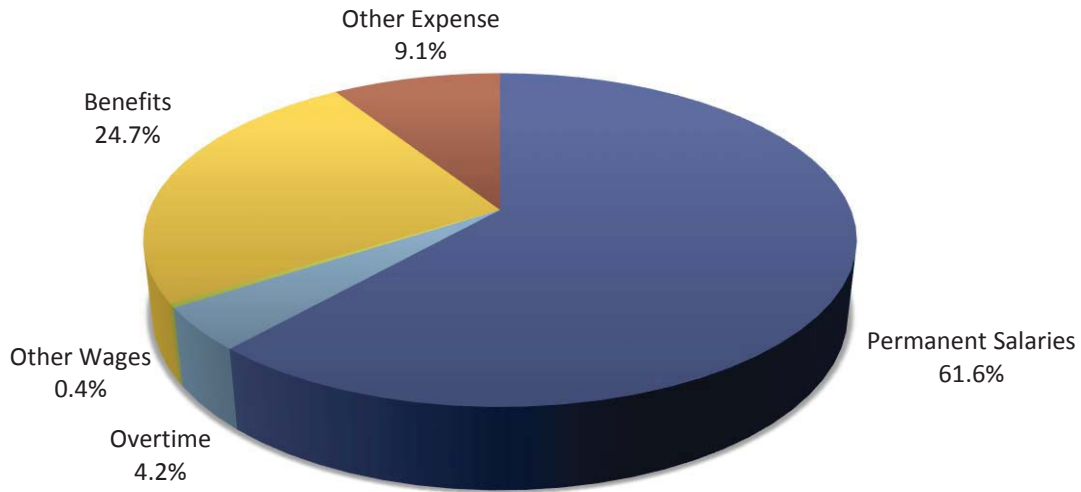


Key
 Solid = General Fund
 Pattern = Enterprise Fund

City of Duluth Minnesota - 2015 Budget

Public Works & Utilities - General Operations

2015 Approved Budget by Expense Category



Expenditures by Category	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Permanent Salaries	1,034,530	1,055,988	1,055,300	1,099,200	43,900
Overtime	51,638	94,929	80,000	75,000	-
Other Wages	19,790	11,967	18,000	7,000	-
Total Personal Services	1,105,958	1,162,884	1,153,300	1,181,200	27,900
Benefits	383,068	431,508	426,600	441,300	14,700
Other Expense	144,678	118,363	152,100	161,700	9,600
Capital Outlay	-	-	-	-	-
Department Total	1,633,704	1,712,755	1,732,000	1,784,200	52,200

Expenditures by Division	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Director's Office	47,012	46,859	48,800	50,400	1,600
Engineering	1,586,692	1,665,896	1,683,200	1,733,800	50,600
Department Total	1,633,704	1,712,755	1,732,000	1,784,200	52,200

Budgeted FTE's	2012	2013	2014	2015	Difference
	17.0	16.6	16.5	16.5	-

City of Duluth Minnesota - 2015 Budget

Director's Office

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

Budgeted FTE's	2012	2013	2014	2015	Difference
Director	0.2	0.2	0.2	0.2	-
33 PW&U Analyst	0.2	0.2	0.2	0.2	-
Division Total	0.4	0.4	0.4	0.4	0

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	37,151	36,085	38,700	39,900	1,200
Overtime	418	439	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	37,569	36,524	38,700	39,900	1,200
Benefits	9,222	10,063	9,300	9,600	300
Other Expense					
Materials & Supplies	91	88	200	300	-
Services	130	184	400	300	-
Utilities & Maintenance	-	-	-	-	-
Other	-	-	200	300	-
Total Other Expense	221	272	800	900	
Division Total	47,012	46,859	48,800	50,400	1,500

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Public Works Director - 110-500-1900				
PERSONAL SERVICES				
5100 Permanent Salaries	37,151	36,085	38,700	39,900
5101 Premium Pay	418	439	-	-
5103 Other Wages	-	-	-	-
TOTAL	37,569	36,524	38,700	39,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	2,569	2,618	2,400	2,600
5122 FICA - Social Security	2,232	2,204	2,400	2,500
5123 FICA - Medicare	531	532	600	600
5125 Dental Insurance	154	154	100	100
5126 Life Insurance	72	72	100	100
5127 Health Care Savings Plan (HCSP)	1,041	1,387	400	400
5130 Cafeteria Plan Benefits	2,623	3,096	3,300	3,300
TOTAL	9,222	10,063	9,300	9,600
OTHER EXPENDITURES				
5200 Office Supplies	91	88	100	100
5241 Small Equip-Office/Operating	-	-	100	200
5321 Phone Service	130	120	100	100
5331 Travel/Training	-	64	300	200
5335 Local Mileage Reimbursement	-	-	-	100
5433 Dues & Subscription	-	-	200	200
TOTAL	221	272	800	900
DIVISION TOTAL	47,012	46,859	48,800	50,400

City of Duluth Minnesota - 2015 Budget

Engineering

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

Budgeted FTE's	2012	2013	2014	2015	Difference
1140 City Engineer	0.4	0.4	0.4	0.4	-
1130 Chief Eng Transportation	1.0	1.0	1.0	1.0	-
1075 Lift Bridge Supervisor	1.0	1.0	1.0	1.0	-
27 Bridge Operator	5.0	5.0	5.0	5.0	-
129 Admin Info Specialist	0.6	0.4	0.4	-	(0.4)
126 Information Technician	0.4	-	-	0.4	0.4
39 Senior Project Engineer	-	-	-	1.0	1.0
36 Project Engineer	2.0	2.0	2.0	1.0	(1.0)
34 Sr. Engineering Spec.	2.0	2.2	2.2	2.2	-
31 Sr. Engineering Tech.	3.2	3.2	3.6	3.6	-
28 Engineering Technician	1.0	1.0	0.5	0.5	-
Division Total	16.6	16.2	16.1	16.1	-

Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Personal Services					
Permanent Salaries	997,379	1,019,903	1,016,600	1,059,300	42,700
Overtime	51,220	94,490	80,000	75,000	(5,000)
Other Wages	19,790	11,967	18,000	7,000	(11,000)
Total Salaries	1,068,389	1,126,360	1,114,600	1,141,300	26,700
Benefits	373,846	421,445	417,300	431,700	14,400
Other Expense					
Materials & Supplies	48,153	58,414	65,500	54,800	(10,700)
Services	30,918	26,986	40,200	50,500	10,300
Utilities & Maintenance	17,121	21,871	34,100	43,600	9,500
Other	48,265	10,820	11,500	11,900	400
Total Other Expense	144,457	118,091	151,300	160,800	9,500
Division Total	1,586,692	1,665,896	1,683,200	1,733,800	50,600

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Engineering - 110-500-1930				
PERSONAL SERVICES				
5100 Permanent Salaries	997,379	1,019,903	1,016,600	1,059,300
5101 Premium Pay	51,220	94,490	80,000	75,000
5103 Other Wages	19,790	11,967	18,000	7,000
TOTAL	1,068,389	1,126,360	1,114,600	1,141,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	74,199	79,393	78,100	83,400
5122 FICA - Social Security	64,755	68,536	69,100	70,700
5123 FICA - Medicare	15,145	16,029	16,200	16,600
5125 Dental Insurance	6,106	6,176	2,500	5,800
5126 Life Insurance	2,862	2,898	2,900	2,900
5127 Health Care Savings Plan (HCSP)	22,107	20,546	9,600	13,400
5130 Cafeteria Plan Benefits	188,672	227,867	238,900	238,900
TOTAL	373,846	421,445	417,300	431,700
OTHER EXPENDITURES				
5200 Office Supplies	5,159	2,082	3,400	3,600
5201 Computer Supplies/Software	9,827	15,607	27,500	7,500
5203 Paper/Stationery/Forms	602	494	400	400
5205 Safety & Training Materials	282	763	1,200	1,200
5211 Cleaning/Janitorial Supplies	247	86	300	300
5212 Motor Fuels	9,937	10,169	12,600	12,600
5219 Other Miscellaneous Supplies	3,302	617	300	600
5220 Repair & Maintenance Supplies	7,817	15,928	8,500	14,000
5240 Small Tools	947	1,577	1,200	3,500
5241 Small Equip-Office/Operating	6,068	6,778	4,200	4,700
5242 Survey Equipment and Supplies	3,965	4,313	5,900	6,400
5303 Engineering Services	3,352	4,302	12,000	22,000
5319 Other Professional Services	858	300	500	500
5320 Data Services	-	237	800	1,400
5321 Phone Service	8,134	5,633	5,200	5,600
5322 Postage	31	84	300	300
5331 Travel/Training	8,472	9,461	12,600	12,100

City of Duluth Minnesota - 2015 Budget

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Engineering - 110-500-1930 continued				
5335 Local Mileage Reimbursement	732	778	1,500	1,500
5355 Printing & Copying	3,005	2,546	800	800
5356 Copier, Printer Lease & Supplies	6,100	3,335	6,100	5,900
5384 Refuse Disposal	234	310	400	400
5404 Equipment/Machinery Repair & Mtc	2,445	9,452	19,500	18,200
5409 Fleet Services Charges	14,676	12,419	14,600	10,300
5414 Software Licenses & Mtce Agreements		-		15,100
5433 Dues & Subscription	2,023	784	2,100	2,100
5435 Books & Pamphlets	657	1,256	700	700
5438 Licenses	-	-	700	-
5441 Other Services & Charges	8,573	8,479	7,400	8,500
5450 Laundry	283	301	600	600
5455 Pedestrian Bridge Operations	36,729	-	-	-
TOTAL	144,457	118,091	151,300	160,800
DIVISION TOTAL	1,586,692	1,665,896	1,683,200	1,733,800

City of Duluth Minnesota - 2015 Budget

General Fund Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
Engineering - 110-500-1930				
REVENUE SOURCE				
4152 Excavation Permits	21,720	19,070	20,000	20,000
4170 Miscellaneous Permits	43,464	69,940	35,000	50,000
4324 Miscellaneous Services	-	-	300	-
4370 Engineering Services	172,888	207,701	550,000	358,000
4631 Media Sales	7,059	12,162	3,000	3,000
4654 Other Reimbursements	259	127	200	200
4730 Transfer from Tourism Taxes	105,000	57,000	57,000	57,000
DIVISION TOTAL	350,390	366,000	665,500	488,200

City of Duluth Minnesota - 2015 Budget

Transfers and Other Functions

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

General Fund Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
EXPENDITURES				
Citywide Dues & Lobbying	94,700	136,100	128,000	160,000
Citywide Communications	202,583	219,564	245,700	245,700
Miscellaneous	130,186	15,154	155,000	198,700
Civic Events and Awards	11,092	21,008	85,000	65,500
Business Improvement Dist.	322,180	325,752	300,000	300,000
Public Access Television	162,000	182,000	182,000	182,000
Sales Tax Administration	133,370	108,379	125,000	120,000
Capital Program - CIP	138,502	-	-	-
Facility Maintenance Program	114,069	-	-	-
Capital Program - CEP	19,211	15,886	50,000	125,000
Community Inv Trust Projects	180,750	174,750	295,800	-
Unemployment Compensation	22,652	21,221	50,000	27,500
Benefits Administration	96,360	182,298	235,000	100,000
Retiree Insurance	7,641,560	6,595,445	7,225,000	7,225,000
Accruals	-	-	500,000	500,000
Self Insurance Contribution	1,100,000	500,000	650,000	900,000
Department Total	10,369,215	8,497,557	10,226,500	10,149,400

City of Duluth Minnesota - 2015 Budget

General Fund Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Proposed
Transfers and Other Functions				
REVENUE SOURCE				
4010 Delinquent Property Tax	15,446	-	-	-
4500 Assessments - Service Charge	322,180	326,372	300,000	300,000
4639 Sale of Equipment	59,198	91,882	70,000	70,000
4640 Sale of Land	81,618	515,900	57,600	-
4654 Other Reimbursements	90,489	13,004	-	-
4730 Transfer from Special Revenue	500,821	400,000	-	-
4730 Transfer from CIT Fund	345,136	368,452	145,000	145,000
DEPARTMENT TOTAL	1,414,888	1,715,610	572,600	515,000

Special Revenue Funds

City of Duluth Minnesota - 2015 Budget

Special Revenue Funds

Funds

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

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

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	60,016,260	59,340,065	61,624,113	65,179,759
REVENUES				
Taxes	10,981,135	10,221,503	10,338,400	12,155,000
Intergovernmental	11,675,273	10,156,173	7,981,700	8,151,854
Miscellaneous	21,295,357	23,307,559	22,956,600	25,001,880
TOTAL REVENUES	<u>43,951,765</u>	<u>43,685,235</u>	<u>41,276,700</u>	<u>45,308,734</u>
EXPENSES				
Personal Services	13,355,883	12,221,244	12,870,700	12,750,800
Other Services and Charges	5,061,574	4,865,933	3,815,000	4,330,800
Transfers	12,870,792	10,747,704	8,549,800	11,663,454
Miscellaneous	13,339,711	13,566,306	12,535,354	13,261,400
TOTAL EXPENSES	<u>44,627,960</u>	<u>41,401,187</u>	<u>37,770,854</u>	<u>42,006,454</u>
FUND BALANCE - DECEMBER 31	59,340,065	61,624,113	65,179,759	68,482,039

City of Duluth Minnesota - 2015 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.

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	(106,500)	(99,689)	(299,765)	(299,765)
REVENUES				
Intergovernmental, State of MN	350,882	169,118	160,000	160,000
Admissions	570,507	731,361	696,000	807,600
Concessions & Commissions, Misc	152,686	200,314	208,000	182,700
Gifts and Donations	20,528	22,479	2,500	50,000
Other Sources	40,538	2,591	60,000	23,000
Transfer from Tourism Tax	520,000	510,000	510,000	510,000
TOTAL REVENUES	1,655,141	1,635,863	1,636,500	1,733,300
EXPENSES				
Contract Services	-	1,041	1,600	4,600
Contract Services, Zoo Personnel	857,532	1,083,832	921,200	999,900
Contract Services, Op Expenses	703,624	731,975	703,200	807,200
Capital Outlay	84,382	9,118	-	-
Bank Charges	2,792	9,973	10,500	11,100
TOTAL EXPENSES	1,648,330	1,835,939	1,636,500	1,822,800
FUND BALANCE - DECEMBER 31	(99,689)	(299,765)	(299,765)	(389,265)

City of Duluth Minnesota - 2015 Budget

Parks Fund

205

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

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	-	455,846	561,645	116,791
REVENUES				
Property Tax Levy	2,536,938	2,576,740	2,600,000	2,600,000
Licenses and Permits	-	52,973	34,000	34,000
Miscellaneous	7,000	142,198	49,500	49,500
TOTAL REVENUES	2,543,938	2,771,911	2,683,500	2,683,500
EXPENSES				
Personal Services	1,061,420	1,071,747	1,170,400	1,205,700
Other Services and Charges	389,087	479,081	588,900	413,300
Supplies	146,658	257,046	259,200	269,500
Miscellaneous	54,076	145,880	100,000	100,000
Capital Outlay	436,851	712,358	1,009,854	695,000
TOTAL EXPENSES	2,088,092	2,666,112	3,128,354	2,683,500
FUND BALANCE - DECEMBER 31	455,846	561,645	116,791	116,791
BUDGETED FTE'S				
1130 Manager, Parks & Recreation	1	1	1	1
1070 Operations Coordinator	1	1	1	1
135 Public Information Coordinator	1	1	1	0
131 Volunteer Coordinator	0.5	0.5	0.5	0.5
129 Special Events Coordinator	1.5	1.5	1.5	1.5
129 Admin Information Specialist	1	1	1	1
124 Senior Center Coordinator	1	1	1	1
32 Project Coordinator - Parks & Trails				1
28 Trails Coordinator	1	1	1	1
26 Recreation Specialist	1	1	1	1
22 Maintenance Worker	-	1	1	0.75
Division Total	9	10	10	9.75

City of Duluth Minnesota - 2015 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.

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	457,699	625,237	640,155	640,155
REVENUES				
Intergovernmental	1,028,616	898,759	210,300	-
Miscellaneous	271,184	701,954	747,900	578,200
Transfers In	-	-	190,000	-
TOTAL REVENUES	1,299,800	1,600,713	1,148,200	578,200
EXPENSES				
Personal Services	7,763	-	218,700	3,500
Personal Services - Police Extra Duty Pay	-	474,719	533,600	236,800
Other Services and Charges	204,600	188,100	305,700	96,900
Transfers Out	1,599	203,780	-	135,000
Miscellaneous	345,808	114,366	90,200	110,600
Capital Equipment	572,492	604,830	-	22,600
TOTAL EXPENSES	1,132,262	1,585,795	1,148,200	605,400
FUND BALANCE - DECEMBER 31	625,237	640,155	640,155	612,955

BUDGETED FTE'S	2012	2013	2014	2015
226 Firefighter	-	-	3	-
Division Total	-	-	3	-

City of Duluth Minnesota - 2015 Budget

Police Special Grants

215

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

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	42,858	(8,660)	(3,908)	(3,908)
REVENUES				
Intergovernmental	1,856,433	1,083,947	741,100	817,954
Felony Forfeitures	20,142	91,214	130,000	130,000
TOTAL REVENUES	<u>1,876,575</u>	<u>1,175,161</u>	<u>871,100</u>	<u>947,954</u>
EXPENSES				
Other Services and Charges	262,074	307,127	188,400	252,400
Transfer to General Fund	752,494	634,995	471,700	509,554
Miscellaneous	138,568	203,722	193,500	186,000
Capital Equipment	774,957	24,565	17,500	0
TOTAL EXPENSES	<u>1,928,093</u>	<u>1,170,409</u>	<u>871,100</u>	<u>947,954</u>
FUND BALANCE - DECEMBER 31	(8,660)	(3,908)	(3,908)	(3,908)

City of Duluth Minnesota - 2015 Budget

Capital Equipment

250

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

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	1,572,493	1,883,209	1,872,266	1,872,266
REVENUES				
Earnings on Investments	9,027.00	(12,311)		
Bond Proceeds	3,510,499	3,957,365	3,938,500	4,550,000
TOTAL REVENUES	<u>3,519,526</u>	<u>3,945,054</u>	<u>3,938,500</u>	<u>4,550,000</u>
EXPENSES				
Bond Issuance Costs	40,537	48,523	50,000	134,000
Capital Equipment - Parking			1,075,500	965,000
Capital Equipment - Nonrolling	1,396,067	1,064,837	1,129,000	1,300,000
Capital Equipment - Rolling	1,772,206	2,842,637	1,684,000	2,151,000
TOTAL EXPENSES	<u>3,208,810</u>	<u>3,955,997</u>	<u>3,938,500</u>	<u>4,550,000</u>
FUND BALANCE - DECEMBER 31	1,883,209	1,872,266	1,872,266	1,872,266

City of Duluth Minnesota - 2015 Budget

Economic Development

255

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

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	(27,220)	(8,727)	21,930	21,930
REVENUES				
Intergovernmental Revenues	1,127,911	528,291	-	-
Other Reimbursements	15,111	-	-	-
Other Miscellaneous	16,919	16,935	17,900	17,900
TOTAL REVENUES	<u>1,159,941</u>	<u>545,226</u>	<u>17,900</u>	<u>17,900</u>
EXPENSES				
Economic Development	<u>1,141,448</u>	<u>514,569</u>	<u>17,900</u>	<u>17,900</u>
TOTAL EXPENSES	<u>1,141,448</u>	<u>514,569</u>	<u>17,900</u>	<u>17,900</u>
FUND BALANCE - DECEMBER 31	(8,727)	21,930	21,930	21,930

City of Duluth Minnesota - 2015 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.

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	25,201,315	21,351,493	17,526,543	17,526,543
REVENUES				
Other Reimbursements	-	52,796	-	-
Investment Earnings	217,051	(1,248,269)	145,000	110,000
TOTAL REVENUES	<u>217,051</u>	<u>(1,195,473)</u>	<u>145,000</u>	<u>110,000</u>
EXPENSES				
Legal Services	58,555	37,534	-	-
Transfer to Debt Service	2,913,182	2,223,491	-	-
Transfer to General Fund (annual)	1,095,136	368,452	145,000	110,000
TOTAL EXPENSES	<u>4,066,873</u>	<u>2,629,477</u>	<u>145,000</u>	<u>110,000</u>
FUND BALANCE - DECEMBER 31	21,351,493	17,526,543	17,526,543	17,526,543

City of Duluth Minnesota - 2015 Budget

Energy Management

257

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

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	242,803	289,461	256,668	249,068
REVENUES				
Intergovernmental Revenues	41,159	-	-	-
Transfer From Enterprise Funds	-	-	26,200	-
Other Reimbursements	9,505	-	-	15,000
Miscellaneous	36,468	6,293	-	-
From Public Utility	75,000	81,843	95,000	75,000
TOTAL REVENUES	162,132	88,136	121,200	90,000
EXPENSES				
Personal Services	80,691	83,472	86,400	92,500
Other Services & Charges	11,300	987	2,200	1,700
Miscellaneous	23,483	36,470	40,200	110,000
TOTAL EXPENSES	115,474	120,929	128,800	204,200
FUND BALANCE - DECEMBER 31	289,461	256,668	249,068	134,868

BUDGETED FTE'S	2012	2013	2014	2015
33 Energy Coordinator	1	1	1	1

City of Duluth Minnesota - 2015 Budget

Special City Excise and Sales Tax (Tourism Taxes) 258

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

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	2,104,158	1,120,558	591,350	676,050
REVENUES				
Hotel Motel 3%	1,936,744	2,038,122	2,075,600	2,150,000
Hotel Motel 1%	645,581	679,374	691,900	715,000
Add'l. 2.0% Hotel Motel Tax	1,177,009	1,273,226	1,291,500	1,340,000
Add'l. .5% Hotel Motel Tax	294,252	-	-	335,000
Food & Beverage Tax 1.0%	1,951,383	2,088,023	2,102,500	2,228,600
Food & Beverage Tax .75%	1,463,537	1,566,018	1,576,900	1,671,400
Food & Beverage Tax .5%	975,691	-	-	1,115,000
Change in Fair Value		(7,616)		
TOTAL REVENUES	8,444,197	7,637,147	7,738,400	9,555,000
EXPENSES				
Duluth Entertainment & Convention Center	50,000	86,441	88,000	98,000
Advertising & Publicity	1,675,000	1,670,250	1,834,000	1,916,400
Business Improvement District	200,000	200,000	200,000	200,000
Great Lakes Aquarium	429,241	460,000	350,000	360,000
Lake Superior Zoological Gardens	520,000	510,000	510,000	510,000
St. Louis County Heritage & Arts Center	151,800	176,800	176,800	176,800
Public Arts	30,000	50,000	50,000	40,000
Duluth Sister Cities International	20,000	30,000	30,000	40,000
Lake Superior & Mississippi Railroad	20,000	20,000	20,000	20,000
Rail Alliance	30,875	12,500	12,500	12,500
Glensheen	-	-	-	50,000
Transfer to General Fund	746,237	860,806	827,900	827,900
Transfer to Capital Projects	200,000	705,000	100,000	119,300
Transfer for Debt Service				
- DECC	4,169,298	2,824,558	2,858,600	2,999,000
- Lake Superior Center	763,778	-	-	-
- Spirit Mountain	421,568	560,000	645,700	645,700
- West Duluth				1,450,000
TOTAL EXPENSES	9,427,797	8,166,355	7,703,500	9,465,600
Increase Undesignated Fund Balance	-	-	49,800	89,400
FUND BALANCE - DECEMBER 31	1,120,558	591,350	676,050	765,450

City of Duluth Minnesota - 2015 Budget

Home Program

260

Special Revenue fund established to account for monies received from the U.S. Department of Housing and Urban Development under the Home Investment Partnership (HOME) Program. These costs include single family rehabilitation and administration of the program, as well as funds targeted to affordable housing development by special community housing organizations (CHDO's). The 2015 budget figures represent preliminary estimates only.

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	(49,987)	(129,888)	(27,500)	(27,500)
REVENUES				
Home Grant	548,356	538,696	505,800	544,500
TOTAL REVENUES	<u>548,356</u>	<u>538,696</u>	<u>505,800</u>	<u>544,500</u>
EXPENSES				
Tenant Based Rental Assistance	109,533	117,811	85,000	125,000
Community Housing Devel Program	368,805	143,165	200,000	225,000
Home Ownership Program	111,217	-	-	-
Rehabilitation	-	132,590	170,200	140,000
Administration	38,702	42,742	50,600	54,500
TOTAL EXPENSES	<u>628,257</u>	<u>436,308</u>	<u>505,800</u>	<u>544,500</u>
FUND BALANCE - DECEMBER 31	(129,888)	(27,500)	(27,500)	(27,500)

City of Duluth Minnesota - 2015 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 2015 budget figures represent preliminary estimates only, awaiting the allocation of HUD funds.

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	9,509	(211,882)	(379,397)	(379,397)
REVENUES				
State of Minnesota	646,432	14,875	-	-
Community Development Block Grant	2,131,330	2,891,932	2,263,100	2,224,700
Emergency Shelter Grant	100,355	183,278	156,000	183,900
CDBG-R (ARRA)	80,182	-	-	-
Homeless Prevention & Rehousing	37,004	-	-	-
Neighborhood Stabilization	-	-	2,000	5,000
EPA Showcase Grant	218,957	218,936	130,400	-
Lead Remediation Grant	173,242	340,903	817,000	1,105,400
State Legacy Grant	168,525	-	-	-
Miscellaneous reimbursements	-	(1,810)	-	-
TOTAL REVENUES	3,556,027	3,648,114	3,368,500	3,519,000
EXPENSES				
Economic Development	320,992	259,260	339,500	336,000
Housing	2,150,999	2,030,303	1,676,700	1,858,300
Physical Improvements	409,424	669,482	452,600	400,000
Public Service Projects	353,239	315,169	339,500	338,700
Program Administration	542,764	541,415	560,200	586,000
TOTAL EXPENSES	3,777,418	3,815,629	3,368,500	3,519,000
FUND BALANCE - DECEMBER 31	(211,882)	(379,397)	(379,397)	(379,397)

City of Duluth Minnesota - 2015 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.

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	-	-	-	-
REVENUES				
Community Development				
Block Grant	446,453	465,556	531,500	553,000
Home Grant	25,517	28,126	50,600	54,400
CDBG-R (ARRA)	11,698	-	-	-
Homeless Prevention & Rehousing	1,933	222	-	-
Neighborhood Stabilization	11,345	8,327	2,000	5,000
Lead Paint Abatement Grant	3,360	11,319	15,000	15,000
Emergency Shelter Grant	6,854	7,059	11,700	13,800
TOTAL REVENUES	507,160	520,609	610,800	641,200
EXPENSES				
Personal Services	448,218	477,756	502,100	529,500
OPEB	9,200	5,076	9,200	9,200
Other Services and Charges	49,742	37,777	99,500	102,500
TOTAL EXPENSES	507,160	520,609	610,800	641,200
FUND BALANCE - DECEMBER 31	-	-	-	-

BUDGETED FTE'S	2012	2013	2014	2015
1150 Director, Planning & Const Services	-	0.33	0.33	0.33
1085 Manager, CD/Housing	1	1	1	1
136 Senior Planner	2	2	2	2
133 Planner II	3	3	3	3
126 Information Technician	1	0.5	0.5	0.5
Division Total	7	6.83	6.83	6.83

City of Duluth Minnesota - 2015 Budget

Workforce Investment Act

268

Special Revenue fund which accounts for monies received through the Minnesota Department's of Economic Security and Trade, Economic Development, and Human Services to provide workforce development services for unemployed and underemployed persons. The 2015 budget figures represent preliminary estimates only and are subject to change as grants are appropriated by the State and Approved by the City Council.

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	466,175	260,307	267,093	267,093
REVENUES				
Miscellaneous	6,699	11,578	5,000	
Building Rent	95,413	214,689	216,000	216,000
MN Family Investment Program	965,266	877,358	895,500	890,000
Federal Grant	821,392	931,294	576,200	703,000
State Grant	294,543	399,055	246,300	296,800
TOTAL REVENUES	2,183,313	2,433,974	1,939,000	2,105,800
EXPENSES				
Personal Services	1,667,328	1,582,319	1,200,000	1,333,000
OPEB	34,500	20,304	34,500	22,000
Other Services and Charges	687,353	824,565	704,500	750,800
TOTAL EXPENSES	2,389,181	2,427,188	1,939,000	2,105,800
FUND BALANCE - DECEMBER 31	260,307	267,093	267,093	267,093
BUDGETED FTE'S				
1085 Mgr, Employment & Training	1	1	1	1
134 Sr Comm Service Emp Dir	1	1	1	1
131 Employment Technician	18	18	18	15
126 Information Technician	2	2	2	2
Division Total	22	22	22	19

City of Duluth Minnesota - 2015 Budget

Senior Programs

270

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

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	(72,079)	687	0	0
REVENUES				
Senior Employment Program - State	198,684	101,648	300,000	130,100
Senior Aides Program - Federal	283,431	242,785	125,000	233,300
TOTAL REVENUES	<u>482,115</u>	<u>344,433</u>	<u>425,000</u>	<u>363,400</u>
EXPENSES				
Personal Services	400,350	332,103	425,000	363,400
Other Services and Charges	8,999	13,017	-	-
TOTAL EXPENSES	<u>409,349</u>	<u>345,120</u>	<u>425,000</u>	<u>363,400</u>
FUND BALANCE - DECEMBER 31	687	0	0	0

City of Duluth Minnesota - 2015 Budget

Other Post Employment Benefits - OPEB

280

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

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	28,819,295	31,743,134	38,347,986	41,793,686
REVENUES				
Investment Earnings	881,208	839,057	900,000	1,115,000
Change in Fair Value	2,501,714	5,574,480	2,000,000	1,500,000
Trsf from Special Rev Funds (Grants)	-	-	43,700	25,380
Contributions- Employer	9,699,313	8,772,788	9,205,000	9,206,400
TOTAL REVENUES	<u>13,082,235</u>	<u>15,186,325</u>	<u>12,148,700</u>	<u>11,846,780</u>
EXPENSES				
Administrative Expenses	2,783	2,649	3,000	3,000
Benefits	9,655,613	8,178,824	8,700,000	8,964,400
Other Expenses	500,000	400,000	-	-
TOTAL EXPENSES	<u>10,158,396</u>	<u>8,581,473</u>	<u>8,703,000</u>	<u>8,967,400</u>
FUND BALANCE - DECEMBER 31	31,743,134	38,347,986	41,793,686	44,673,066

City of Duluth Minnesota - 2015 Budget

DECC Revenue Fund

281

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

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	1,355,741	2,068,979	2,249,047	2,726,747
REVENUES				
Investment Earnings Change in Fair Value	-	(15,213)	-	-
Transfer from Special Revenue Funds (Tourism)	2,714,258	2,824,559	2,858,600	2,999,000
TOTAL REVENUES	<u>2,714,258</u>	<u>2,809,346</u>	<u>2,858,600</u>	<u>2,999,000</u>
EXPENSES				
Miscellaneous	252,075	300,190	-	-
Transfer to Debt Service	1,748,945	2,329,088	2,380,900	2,434,600
TOTAL EXPENSES	<u>2,001,020</u>	<u>2,629,278</u>	<u>2,380,900</u>	<u>2,434,600</u>
FUND BALANCE - DECEMBER 31	2,068,979	2,249,047	2,726,747	3,291,147

City of Duluth Minnesota - 2015 Budget

Street System Maintenance Utility

290

Special Revenue fund used to account for monies received for street system maintenance utility fees from residential, commercial, and industrial properties, used to fund existing street improvement debt, enhanced maintenance, and street reconstruction. The fee is an alternate source of revenue, used to replace lost revenues from the casino agreement that was used for the street system, until casino litigation is resolved.

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1			0	0
REVENUES				
Payment in Lieu of Tax				248,700
Street System Mtce Utility Fee			1,120,000	2,774,500
TOTAL REVENUES			<u>1,120,000</u>	<u>3,023,200</u>
EXPENSES				
Other Services and Charges				548,600
To Public Utilities - Cost Allocation			17,600	42,200
Transfer to Capital Project			-	800,000
Transfer to Debt Service			1,102,400	1,632,400
TOTAL EXPENSES			<u>1,120,000</u>	<u>3,023,200</u>
FUND BALANCE - DECEMBER 31			0	0

Debt Service Funds

City of Duluth Minnesota - 2015 Budget

Debt Service Funds

Funds

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

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

	2012 Actual	2013 Actual	2014 Budget	2015 Proposed
FUND BALANCE - JANUARY 1	17,274,179	15,673,111	17,553,715	16,633,115
REVENUES				
Taxes	6,514,783	7,042,313	6,261,200	6,574,300
Intergovernmental	3,402	-	-	-
Special Assessments	1,601,910	1,450,406	1,264,300	1,023,000
Miscellaneous	277,044	138,332	239,700	240,900
Other Financing Sources	23,543,754	9,603,671	5,864,500	6,271,400
TOTAL REVENUES	31,940,893	18,234,722	13,629,700	14,109,600
EXPENSES				
Debt Service Payments	32,692,811	16,176,490	14,538,400	14,455,200
Miscellaneous	849,150	177,628	11,900	13,300
TOTAL EXPENSES	33,541,961	16,354,118	14,550,300	14,468,500
FUND BALANCE - DECEMBER 31	15,673,111	17,553,715	16,633,115	16,274,215

City of Duluth Minnesota - 2015 Budget

Debt Service Funds Narrative

2014 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, 2014 as it pertains to the City of Duluth is estimated as follows:

Total Gross Bonded Debt		\$152,934,800
Less:		
City - general obligation bonds paid by parking revenues	\$ 10,475,000	
City - general obligation bonds paid by other revenues	55,950,000	
Tax Abatement Bonds	6,915,000	
Utility bonds paid from Enterprise Funds	22,190,000	
Special assessment bonds	17,094,400	
Net Direct Bonded Debt		<u>\$40,310,400</u>

The City's debt is shown in the following table as a share of market value and per capita. The general obligation debt is limited by State Statute to 2.0 percent of market value, or \$104 million.

<u>Year</u>	<u>Amount (in Thousands)</u>	<u>Percent of Market Value</u>	<u>Dollars Per Capita</u>
2015	\$40,310	0.8	\$467
2014	\$41,281	0.8	\$479
2013	\$40,540	0.8	\$470
2012	\$41,874	0.7	\$485
2011	\$40,949	0.7	\$471
2010	\$41,410	0.7	\$476
2009	\$22,420	0.4	\$258
2008	\$28,986	0.5	\$333
2007	\$29,284	0.6	\$337
2006	\$26,802	0.6	\$308
2005	\$19,208	0.5	\$221

The preceding table used an estimated taxable market value of \$5,214,206,000 and a population of 86,265, as reported in the 2010 census.

City of Duluth Minnesota - 2015 Budget

Debt Service Funds Narrative

During 2014, the City of Duluth issued \$26,962,617 in bonds and retired \$19,167,296 in bond principal. The 2015 issues consist of a \$4,550,000 bond for capital equipment purchases, \$1,800,000 for capital improvements, \$250,000 for trail improvements, and \$2,200,000 for the Duluth Airport Lake Superior College project.

The following table provides more detailed information concerning the changes in debt which occurred during 2014, and also the anticipated 2015 issues.

	2014 ISSUED	2014 RETIRED	ANTICIPATED ISSUE
General Obligation	\$8,055,000	\$6,768,138	\$8,800,000
Special Assessment	865,000	4,951,862	
Revenue	11,678,243	495,000	
Revenue & General Obligation	<u>6,364,374</u>	<u>6,952,296</u>	
 Total Issued/Retired in 2014 and anticipated Issues for 2015	 <u>\$26,962,617</u>	 <u>\$19,167,296</u>	 <u>\$8,800,000</u>

Bonds funded by Other Financing Sources:

<u>General Fund Debt Requirements</u>	Issue Date	Outstanding 12/31/2014	Debt Requirements
SIP-1999 Project Year (refunding)	12/09/08	433,700	442,400
SIP-2000 Project Year (refunding)	12/19/06	800,000	356,200
SIP-2003-2005 Project Year (refunding)	11/27/12	4,929,300	892,200
SIP-2006 Project Year	9/07/06	1,630,000	236,700
SIP-2007 Project Year	12/13/07	1,215,000	161,500
SIP-2008 Project Year	8/07/08	1,250,000	157,200
Funded by Community Investment Fund			<u>\$2,246,200</u>

Transfer from Special Revenue Funds

Duluth Entertainment Center	8/21/08	39,525,000	2,434,600
Spirit Mountain	2/23/12	6,705,000	500,000
Wade Stadium	10/30/14	2,330,000	\$56,400
Spirit Mountain	10/30/14	2,150,000	45,400
Funded by Tourism Taxes			<u>\$3,036,400</u>

Funded by Others

Seaway Port - Airpark	9/01/04	455,000	89,300
Airport - Cirrus	2/01/02	955,000	398,200
Airport	5/24/12	7,215,000	625,300
Airport	12/18/13	3,400,000	339,000
Funded by Others			<u>1,451,800</u>

City of Duluth Minnesota - 2015 Budget

Debt Service Funds Narrative

The following tables provide specific information relative to the 2014 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 12/31/2014</u>	<u>2015 Levy Requirements</u>
Aerial Lift Bridge	8/07/08	945,000	182,000
DEDA - Cirrus	4/20/07	0	15,600
Police Station	12/17/09	16,935,000	1,416,800
Lakewalk & Cross City	12/18/13	1,460,000	127,700
Equipment	11/23/10	935,000	477,300
Equipment	11/29/11	1,900,000	660,600
Equipment	11/27/12	2,670,000	720,900
Equipment	12/18/13	3,835,000	812,100
Equipment	2014	3,542,800	752,800
Capital Improvement Projects	9/07/06	225,000	119,600
Capital Improvement Projects	12/13/07	465,000	167,600
Capital Improvement Projects	12/07/08	785,000	214,500
Capital Improvement Projects	11/23/10	1,585,000	255,200
Capital Improvement Projects	11/29/11	1,545,000	221,100
Capital Improvement Projects	12/18/13	1,795,000	210,900
Capital Improvement Projects	2014	1,097,000	131,400
TOTAL DEBT SERVICE			6,486,100
5% Additional required by law (1)			324,300
			6,810,400
Less: Transfer from Enterprise Fund			(236,100)
NET DEBT LEVY - Total required by taxation			6,574,300

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

City of Duluth Minnesota - 2015 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.

	2012 Actual	2013 Actual	2014 Budget	2015 Proposed
FUND BALANCE - JANUARY 1	4,964,098	5,855,638	6,958,507	7,321,607
REVENUES				
Current Property Taxes	6,383,295	7,042,313	6,261,200	6,574,300
Delinquent Property Taxes	130,643	-	-	-
State Property Tax Aid	3,402	-	-	-
Earnings on Investments	-	(59,182)	-	-
Other Sources	273,799	265,351	238,800	238,800
Transfer from Debt Service	151,383	-	-	-
Transfer from Enterprise Fund	-	-	-	236,100
Transfer from Capital Project	27,421	9,403	-	-
TOTAL REVENUES	<u>6,969,943</u>	<u>7,257,885</u>	<u>6,500,000</u>	<u>7,049,200</u>
EXPENSES				
Debt Service Payments:				
Bond Principal	4,014,052	4,568,265	4,873,100	5,205,600
Bond Interest	1,382,140	1,409,123	1,258,400	1,294,100
Other Expenditures:				
Transfer to Enterprise Fund	662,185	177,628	-	-
Bond Fees	20,026	-	5,400	7,100
TOTAL EXPENSES	<u>6,078,403</u>	<u>6,155,016</u>	<u>6,136,900</u>	<u>6,506,800</u>
FUND BALANCE - DECEMBER 31	5,855,638	6,958,507	7,321,607	7,864,007

City of Duluth Minnesota - 2015 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.

	2012 Actual	2013 Actual	2014 Budget	2015 Proposed
FUND BALANCE - JANUARY 1	2,002,078	1,611,310	2,559,864	2,618,564
REVENUES				
Sale of Bonds	7,650,000	3,400,000	-	-
Bond Premium	22,104	-	-	-
Earnings on Investments	-	(22,118)	-	-
Transfer from Special Revenue -				
Lake Superior Center	763,778	-	-	-
DECC Expansion and Parking	1,455,040	-	-	-
DECC Improvement	1,748,945	2,329,088	2,380,900	2,434,600
Spirit Mountain	201,546	500,000	500,000	500,000
Transfer from Capital Projects -				
DECC Improvement	4,704	-	-	-
Transfer from Debt Service -				
Lakewalk Homes	46,964	56,763	-	-
Funded by Others -				
Airport	621,981	618,300	624,400	964,300
Spirit Mountain	-	15,919	-	16,500
Seaway Port - Airpark	86,781	84,378	87,000	89,300
Airport - Cirrus	383,651	388,447	393,300	398,200
TOTAL REVENUES	12,985,494	7,370,777	3,985,600	4,402,900
EXPENSES				
Bond Principal	3,545,000	795,000	1,635,000	1,730,000
Bond Interest	2,274,946	2,368,257	2,289,400	2,364,900
Bond Discount/Issuance	55,425	58,966	-	-
Payment to Other Gov't Agency	7,490,075	3,200,000	-	-
Fiscal Agents	10,816	-	2,500	2,900
TOTAL EXPENSES	13,376,262	6,422,223	3,926,900	4,097,800
FUND BALANCE - DECEMBER 31	1,611,310	2,559,864	2,618,564	2,923,664

City of Duluth Minnesota - 2015 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.

	2012 Actual	2013 Actual	2014 Budget	2015 Proposed
FUND BALANCE - JANUARY 1	2,295,525	2,221,429	2,016,655	1,715,255
REVENUES				
Construction Assessments	1,017,865	906,507	807,500	674,900
Earnings on Investments	1,034	(16,914)	300	300
TOTAL REVENUES	<u>1,018,899</u>	<u>889,593</u>	<u>807,800</u>	<u>675,200</u>
EXPENSES				
Bond Principal	890,948	916,735	956,900	905,400
Bond Interest	202,047	177,632	150,900	124,400
Fiscal Agents	-	-	1,400	1,200
TOTAL EXPENSES	<u>1,092,995</u>	<u>1,094,367</u>	<u>1,109,200</u>	<u>1,031,000</u>
FUND BALANCE - DECEMBER 31	2,221,429	2,016,655	1,715,255	1,359,455

City of Duluth Minnesota - 2015 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.

	2012 Actual	2013 Actual	2014 Budget	2015 Proposed
FUND BALANCE - JANUARY 1	7,861,940	5,984,734	6,018,689	4,977,689
REVENUES				
Construction Assessments	584,045	543,899	456,800	348,100
Earnings on Investments	2,211	(50,923)	600	1,800
Sale of Bonds	6,905,000	-	-	-
Bond Premium	561,274	-	-	-
Transfer from Special Revenue	2,913,182	2,223,491	1,878,900	1,632,400
TOTAL REVENUES	10,965,712	2,716,467	2,336,300	1,982,300
EXPENSES				
Fiscal Agent Fees	4,740	-	2,600	2,100
Bond Principal	4,380,000	2,150,000	2,875,000	2,420,000
Bond Interest	1,007,169	532,512	499,700	410,800
Payment to Escrow	7,363,043	-	-	-
Bond Discount/Issuance	87,966	-	-	-
TOTAL EXPENSES	12,842,918	2,682,512	3,377,300	2,832,900
FUND BALANCE - DECEMBER 31	5,984,734	6,018,689	4,977,689	4,127,089

City of Duluth Minnesota - 2015 Budget

Transit Bond

345

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

	2012 Actual	2013 Actual	2014 Budget	2015 Proposed
FUND BALANCE - JANUARY 1	150,538			
REVENUES				
Current Property Taxes	845			
TOTAL REVENUES	845			
EXPENSES				
Transfer to GO Debt Service	151,383			
TOTAL EXPENSES	151,383			
FUND BALANCE - DECEMBER 31	0			

Capital Project Funds

City of Duluth Minnesota - 2015 Budget

Capital Project Funds

Funds

Special Assessment Capital
 Permanent Improvements
 Street Improvement Program
 Capital Improvement

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

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	13,582,414	5,699,339	5,867,408	5,385,612
REVENUES				
Taxes	148,466	208,421	280,000	280,000
Intergovernmental	1,162,978	2,922,041	2,390,000	3,920,000
Miscellaneous	3,986,897	3,511,385	4,081,993	3,560,113
Other Financing Sources	357,308	4,506,920	4,368,726	2,805,000
TOTAL REVENUES	<u>5,655,649</u>	<u>11,148,767</u>	<u>11,120,719</u>	<u>10,565,113</u>
EXPENSES				
Current	27,421	0	50,000	116,000
Capital Outlay	13,511,303	10,980,698	11,552,515	10,439,209
TOTAL EXPENSES	<u>13,538,724</u>	<u>10,980,698</u>	<u>11,602,515</u>	<u>10,555,209</u>
FUND BALANCE - DECEMBER 31	5,699,339	5,867,408	5,385,612	5,395,516

City of Duluth Minnesota - 2015 Budget

Special Assessment Capital Project

410

Capital Project fund established to account for improvements which are financed by special assessments. The 2015 budget figures represent preliminary estimates only.

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	23,719	32,102	13,516	10,608
REVENUES				
Assessment Collections	8,365	13,662	7,092	9,904
Earnings on Investments	18	(318)	-	-
Transfer from Debt Service	-	-	-	-
TOTAL REVENUES	<u>8,383</u>	<u>13,344</u>	<u>7,092</u>	<u>9,904</u>
EXPENSES				
Improvements Other Than Buildings	-	31,930	10,000	-
TOTAL EXPENSES	<u>-</u>	<u>31,930</u>	<u>10,000</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	32,102	13,516	10,608	20,512

City of Duluth Minnesota - 2015 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.

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	3,107,938	369,110	300,045	270,045
REVENUES				
Current Property Taxes	138,344	207,351	280,000	280,000
Delinquent Property Taxes	10,122	1,070	-	-
Miscellaneous Federal Grants	497,911	830,476	2,390,000	920,000
State of Minnesota	626,871	198,167	-	3,000,000
Municipal State Aid	3,062,041	2,939,252	3,500,000	3,300,000
Other Share of Improvements	1,750	(2,222)	-	-
Public Utility Funds	-	-	1,454,500	205,000
TOTAL REVENUES	4,337,039	4,174,094	7,624,500	7,705,000
EXPENSES				
Improvements Other Than				
Buildings	7,067,444	3,843,159	7,594,500	7,645,000
Transfer to General Fund	8,423	-	60,000	60,000
Transfer to Special Assessment	-	400,000	-	-
TOTAL EXPENSES	7,075,867	4,243,159	7,654,500	7,705,000
FUND BALANCE - DECEMBER 31	369,110	300,045	270,045	270,045

City of Duluth Minnesota - 2015 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.

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	2,397,541	1,643,346	531,021	82,133
REVENUES				
Investment Earnings	885	(7,634)	-	-
Transfer from Special Revenue	29,250	-	1,180,226	800,000
Assessment Collections	857,295	481,472	574,901	250,209
TOTAL REVENUES	<u>887,430</u>	<u>473,838</u>	<u>1,755,127</u>	<u>1,050,209</u>
EXPENSES				
Improvements Other than Buildings	<u>1,641,625</u>	<u>1,586,163</u>	<u>2,204,015</u>	<u>1,050,209</u>
TOTAL EXPENSES	<u>1,641,625</u>	<u>1,586,163</u>	<u>2,204,015</u>	<u>1,050,209</u>
FUND BALANCE - DECEMBER 31	1,643,346	531,021	82,133	82,133

City of Duluth Minnesota - 2015 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.

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	8,053,216	3,654,781	5,022,826	5,022,826
REVENUES				
Federal Grant	38,196	1,470,115	-	-
State of Minnesota		423,283		
Gifts and Donations	-	105,000	-	-
Earnings on Investments	58,293	(20,049)	-	-
Transfer from General Fund	126,308	-	-	-
Transfer from Permanent Imp		400,000		
Transfer from Special Revenue	200,000	705,000	-	-
Bond Proceeds	-	3,255,000	1,734,000	1,800,000
Premium on bonds	-	149,142	-	-
TOTAL REVENUES	<u>422,797</u>	<u>6,487,491</u>	<u>1,734,000</u>	<u>1,800,000</u>
CAPITAL OUTLAY EXPENDITURES				
Transfer to Debt Service	27,421	-	-	-
Bond Issuance Costs	-	-	50,000	116,000
Capital Improvements	4,793,811	5,119,446	1,684,000	1,684,000
TOTAL EXPENSES	<u>4,821,232</u>	<u>5,119,446</u>	<u>1,734,000</u>	<u>1,800,000</u>
FUND BALANCE - DECEMBER 31	3,654,781	5,022,826	5,022,826	5,022,826

Enterprise Funds

City of Duluth Minnesota - 2015 Budget

Golf Fund

503

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

Estimated Revenues/Expenses	2012 Actual	2013 Actual	2014 Budget	2015 Approved
REVENUE				
Operating	1,926,394	1,730,410	2,015,000	1,893,800
Non-Operating	540	8,570	-	-
	1,926,934	1,738,980	2,015,000	1,893,800
EXPENSES				
Personal Services	86			
Supplies	72,433	66,966	65,000	66,000
Other Services and Charges	1,536,615	1,431,548	1,443,700	1,443,100
Utilities	40,130	39,403	38,500	40,500
Depreciation and Amortization	223,935	220,569	219,000	218,600
Cost of Sales	298,249	289,905	307,500	290,000
Debt Service - Interest	21,111	11,282	4,200	1,100
	2,192,559	2,059,673	2,077,900	2,059,300
ESTIMATED OPERATING INCOME / (LOSS)	(265,625)	(320,693)	(62,900)	(165,500)

City of Duluth Minnesota - 2015 Budget

Golf Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2014 Budget	2015 Approved
ESTIMATED UNRESTRICTED CASH	<u>(1,349,240)</u>	<u>(1,193,095)</u>
Estimated Net Income (Loss)	(62,900)	(165,500)
<u>Other Sources</u>		
Depreciation	<u>219,000</u>	<u>218,600</u>
Total Other Sources	<u>156,100</u>	<u>53,100</u>
<u>Other Uses</u>		
Capital Lease Payments	(115,538)	(120,567)
Bond Principal Payments	<u>-</u>	<u>-</u>
Total Other Uses	<u>(115,538)</u>	<u>(120,567)</u>
ESTIMATED BUDGETARY YEAR END CASH BALANCE	(1,308,678)	(1,260,562)

City of Duluth Minnesota - 2015 Budget

Lester Golf Course

Revenue Detail		2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING REVENUES:					
4440	Daily Admission	255,891	209,889	275,000	250,000
4441	Unlimited Season - Golf	46,200	43,520	205,000	200,000
4441	Family Season	29,050	26,200	-	-
4441	Restricted Season	72,850	70,560	-	-
4441	Junior Unlimited	15,077	10,966	-	-
4441	College Season	13,953	9,525	-	-
4441	Patron Card	17,020	14,630	-	-
4442	Motor Cart	145,199	135,345	150,000	140,000
4443	Driving Range Fees	25,159	20,981	26,000	24,000
4443	Other Rentals	9,298	8,605	9,500	8,500
4627	Concessions & Commissions	239,527	221,976	245,000	235,000
TOTAL OPERATING REVENUES		869,224	772,197	910,500	857,500
NON-OPERATING REVENUES					
4601	Earnings on Investments	3	-	-	-
4639	Loss on Sale of Equipment	-	-	-	-
4644	Misc Fees, Sales & Service	267	4,285	-	-
TOTAL NON-OPERATING REVENUES		270	4,285	-	-
TOTAL REVENUE - LESTER		869,494	776,482	910,500	857,500

City of Duluth Minnesota - 2015 Budget

Enger Golf Course

Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING REVENUES:				
4440 Daily Admission	312,083	277,552	345,000	315,000
4441 Unlimited Season - Golf	86,460	60,970	255,000	245,000
4441 Family Season	27,450	20,350	-	-
4441 Restricted Season	75,193	78,240	-	-
4441 Junior Unlimited	16,325	12,650	-	-
4441 College Season	22,493	18,219	-	-
4441 Patron Card	24,596	20,330	-	-
4442 Motor Cart	176,150	168,366	180,000	170,000
4443 Driving Range Fees	44,533	38,394	45,000	40,000
4443 Other Rentals	4,450	3,526	4,500	4,300
4622 Rent of Buildings	-	-	-	-
4627 Concessions & Commissions	267,437	259,616	275,000	262,000
TOTAL OPERATING REVENUES	1,057,170	958,213	1,104,500	1,036,300
NON-OPERATING REVENUES				
4601 Earnings on Investments	3	-	-	-
4639 Loss on Sale of Equipment	-	-	-	-
4644 Misc. Fees, Sales & Services, Donation	267	4,285	-	-
TOTAL NON-OPERATING REVENUES	270	4,285	-	-
TOTAL REVENUE - ENGER	1,057,440	962,498	1,104,500	1,036,300

City of Duluth Minnesota - 2015 Budget

Lester Golf Course

Operating Expense Detail		2012 Actual	2013 Actual	2014 Budget	2015 Approved
OTHER EXPENDITURES					
5133	Life Insurance	43	-	-	-
5212	Motor Fuels	36,701	32,282	30,000	32,000
5285	Food & Beverage for Resale	65,777	54,338	65,000	60,000
5286	Golf Merchandise for Resale	97,308	90,155	95,000	90,000
5310	Contract Services			640,000	640,000
5310	Contract Services	208,080	208,080		
5310-01	Contract Services-Clubhouse P/R	119,532	110,820		
5310-02	Contract Services- Maintenance P/R	126,900	108,564		
5310-03	Contract Services-Supplies	15,148	12,825		
5310-04	Contract Services-Maintenance Supplie	68,793	59,500		
5310-05	Contract Services-Fertilizer	31,208	32,903		
5310-06	Contract Services-Other Services/Charg	134,168	103,375		
5321	Telephone	869	872	900	900
5381	Electricity	11,397	12,080	11,000	12,000
5385	Oil	7,498	8,157	7,500	7,500
5415	Equipment Rental	35,562	40,849	35,600	36,000
5420	Depreciation	103,855	104,128	104,000	103,900
5427	Credit Card Commissions	8,992	6,591	9,500	8,500
5441	Other Services & Charges	1,046	291	1,500	1,500
5493	Cost Allocation Charges	33,400	33,400	33,400	33,400
5611	Bond Interest	2,525	-	-	-
5614	Capital Lease Interest	7,709	5,263	2,000	500
5622	Bond Cost Amortization	2,682	-	-	-
TOTAL - LESTER		1,119,193	1,024,473	1,035,400	1,026,200

City of Duluth Minnesota - 2015 Budget

Enger Golf Course

Operating Expense Detail		2012	2013	2014	2015
		Actual	Actual	Budget	Approved
OTHER EXPENDITURES					
5133	Life Insurance	43	-	-	-
5212	Motor Fuels	35,732	34,684	35,000	34,000
5284	Liquor Purchases	8,543	11,438	12,500	12,000
5285	Food & Beverage for Resale	77,570	71,186	85,000	78,000
5286	Golf Merchandise for Resale	49,051	62,788	50,000	50,000
5310	Contract Services			640,000	640,000
5310	Contract Services	208,080	208,080		
5310-01	Contract Services-Clubhouse P/R	119,159	111,826		
5310-02	Contract Services- Maintenance P/R	138,006	115,100		
5310-03	Contract Services-Supplies	17,609	16,447		
5310-04	Contract Services-Maintenance Supplie	68,957	57,726		
5310-05	Contract Services-Fertilizer	31,208	32,903		
5310-06	Contract Services-Other Services/Char	86,497	84,844		
5321	Telephone	869	872	800	900
5381	Electricity	21,235	19,166	20,000	21,000
5415	Equipment Rental	35,562	40,849	35,600	36,000
5420	Depreciation	114,716	116,441	115,000	114,700
5427	Credit Card Commissions	10,385	11,196	11,000	11,000
5441	Other Services & Charges	3,185	235	2,000	1,500
5493	Cost Allocation Charges	33,400	33,400	33,400	33,400
5611	Bond Interest	2,526	-	-	-
5614	Capital Lease Interest	8,351	6,019	2,200	600
5622	Bond Cost Amortization	2,682	-	-	-
TOTAL - ENGER		1,073,366	1,035,200	1,042,500	1,033,100

City of Duluth Minnesota - 2015 Budget

Parking Fund

505

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

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

Estimated Income and Expense	2012 Actual	2013 Actual	2014 Budget	2015 Approved
REVENUES				
Operating Revenue	2,660,838	2,860,831	3,259,400	3,059,700
Non-Operating	1,698,087	1,583,435	1,601,000	1,894,000
	<u>4,358,925</u>	<u>4,444,266</u>	<u>4,860,400</u>	<u>4,953,700</u>
EXPENSES				
Personal Services	495,092	446,750	515,900	523,600
Supplies	61,528	29,153	127,000	107,000
Other Services and Charges	651,693	1,199,055	1,117,800	1,185,600
Utilities	149,575	167,380	165,000	199,800
Depreciation and Amortization	499,807	483,300	534,600	475,900
Improvements - Non-Capital	493,311	243,488	411,700	325,000
Debt Service - Interest	572,737	332,492	261,800	190,900
Transfers Out	1,323,050	1,461,032	1,328,600	1,328,600
	<u>4,246,793</u>	<u>4,362,650</u>	<u>4,462,400</u>	<u>4,336,400</u>
ESTIMATED OPERATING INCOME (LOSS)	112,132	81,616	398,000	617,300
BUDGETED FTE'S				
1100 Parking Manager	-	1	1	1
131 Parking Operations Specialist	-	-	-	1
121 Clerical Support Technician	-	1	1	1
24 Parking Ramp Leadworker	1	1	1	-
18 Parking Monitors	-	5	5	5
22 Maintenance Worker	1	-	-	-
15 Parking Ramp Attendant	1	-	-	-
Division Total	3	8	8	8

City of Duluth Minnesota - 2015 Budget

Parking Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2014 Projected	2015 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	3,731,958	3,760,058
Estimated Operating Income (Loss)	620,400	617,300
<u>Other Sources</u>		
Depreciation	<u>478,800</u>	<u>475,900</u>
Total Other Sources	478,800	475,900
<u>Other Uses</u>		
Bond Principal Payments	1,045,000	1,130,000
Capital Equipment	<u>26,100</u>	<u>1,165,000</u>
Total Other Uses	1,071,100	2,295,000
ESTIMATED BUDGETARY YEAR END CASH BALANCE	<u><u>3,760,058</u></u>	<u><u>2,558,258</u></u>

City of Duluth Minnesota - 2015 Budget

Parking Fund

505

Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING REVENUES:				
4371 Parking Meter Revenues	822,811	799,528	1,100,000	800,000
4373 Transient Parking	940,569	947,116	998,500	976,300
4374 Contract Parking	897,458	1,114,187	1,160,900	1,283,400
TOTAL OPERATING REVENUE	2,660,838	2,860,831	3,259,400	3,059,700
NON-OPERATING REVENUES:				
4170 Miscellaneous Permits	1,025	1,225	-	-
4472 Administrative Parking Fines	523,289	915,704	1,102,200	1,394,000
4601 Earnings on Investments	31,053	828	-	-
4622 Rent of Buildings	-	-	-	100,000
4654 Other Reimbursements	-	5	-	-
4680 Damage or Losses Recovered		1,621		
4730 Transfer in from DEDA	480,535	486,424	498,800	400,000
4730 Transfer in from Debt Service	662,185	177,628	-	-
TOTAL NON-OPERATING REVENUES	1,698,087	1,583,435	1,601,000	1,894,000
TOTAL REVENUE	4,358,925	4,444,266	4,860,400	4,953,700

City of Duluth Minnesota - 2015 Budget

Parking Administration

505-015-1479

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	131,970	126,199	134,300	132,200
5101 Permanent Employees - Overtime	412	15	-	-
5103 Temporary Employees - Regular	12,738	-	-	-
TOTAL	<u>145,120</u>	<u>126,214</u>	<u>134,300</u>	<u>132,200</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	8,325	8,936	9,500	9,700
5122 F.I.C.A. Social Security	8,735	7,494	8,300	8,200
5123 F.I.C.A. Medicare	2,043	1,753	1,900	1,900
5125 Dental Insurance	768	768	300	700
5126 Life Insurance	420	360	400	400
5127 Health Care Savings Plan	1,075	2,561	1,300	1,300
5130 Cafeteria Plan Benefits	22,404	25,733	27,600	27,600
TOTAL	<u>43,770</u>	<u>47,605</u>	<u>49,300</u>	<u>49,800</u>
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	376	694	2,000	2,000
5307 Admin/Management Fees	-	-	39,300	40,000
5321 Phone Service	120	240	700	700
5331 Travel/Training	-	-	-	6,000
5335 Mileage Reimbursement	57	238	900	900
5441 Other Services and Charges	41	5,576	9,000	4,000
5700 Transfer to Special Revenue	-	-	1,900	1,900
TOTAL	<u>594</u>	<u>6,748</u>	<u>53,800</u>	<u>55,500</u>
2512 TOTAL - ADMINISTRATION	189,484	180,567	237,400	237,500

City of Duluth Minnesota - 2015 Budget

Technology Center Parking Ramp

505-015-1480-2510

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	223	-	-	-
5220 Repair & Maintenance Supplies	190	-	-	-
5310 Contract Services	105,807	236,368	225,000	242,200
5319 Other Professional Service	208	208	-	-
5320 Data Services	375	-	-	-
5321 Phone Service	290	-	-	-
5335 Mileage Reimbursement	68	-	-	-
5381 Electricity	44,066	49,723	50,000	50,000
5382 Water, Gas & Sewer	2,355	2,919	2,000	2,200
5384 Refuse Disposal	585	634	100	1,000
5386 Steam	8,618	11,388	8,000	12,000
5404 Equipment Maintenance/Repair	-	860	1,100	1,000
5405 Parking Lot Maintenance	1,627	545	101,700	10,000
5420 Depreciation	173,256	173,297	206,700	171,700
5427 Credit Card commissions	1,302	-	-	-
5441 Other Services and Charges	5,691	9,031	-	-
5450 Laundry	2,030	4,081	-	-
5493 Cost Allocation	4,700	4,700	4,700	4,700
5580 Capital Equipment	-	-	-	-
5611 Bond Interest	32,066	21,191	9,600	700
5620 Fiscal Agents Fees	263	175	-	-
5622 Bond Amortization	8,444	-	8,400	-
5700 Transfer to General Fund	-	130,433	-	-
TOTAL	392,164	645,553	617,300	495,500
2510 TOTAL - TECHNOLOGY CENTER RAMP	392,164	645,553	617,300	495,500

City of Duluth Minnesota - 2015 Budget

East Superior Street Parking Ramp

505-015-1480-2511

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING EXPENSES				
5220 Repair & Maintenance Supplies	28,248	678	-	-
5307 Admin/Management Fees	61,667	-	-	-
5310 Contract Services	144,259	306,218	290,800	300,000
5319 Professional Services	2,250	-	-	-
5381 Electricity	12,872	12,978	15,000	14,000
5382 Water, Gas & Sewer	2,233	2,182	2,000	2,100
5405 Parking Lot Maintenance	45,931	149,417	260,000	260,000
5420 Depreciation	39,766	39,766	39,800	39,800
5441 Other Services and Charges	1,254	-	-	-
5493 Cost Allocation	4,700	4,700	4,700	4,700
5580 Capital Equipment	-	-	-	200,000
5611 Bond Interest	2,639	1,730	800	100
5620 Fiscal Agent Fees	175	175	-	-
5622 Bond Amortization	665	-	700	-
5700 Transfer to General Fund	335,183	137,351	-	-
TOTAL	681,842	655,195	613,800	820,700
2511 TOTAL - E SUPERIOR ST PARKING RAMP	681,842	655,195	613,800	820,700

City of Duluth Minnesota - 2015 Budget

Medical District Parking Ramp

505-015-1480-2512

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	188	-	-	-
5310 Contract Services	97,355	196,274	211,300	212,700
5319 Other Professional Service	208	208	-	-
5320 Data Services	375	-	-	-
5335 Mileage Reimbursement	71	-	-	-
5381 Electricity	51,135	54,798	45,000	52,000
5382 Water, Gas & Sewer	21,060	26,360	35,000	60,000
5404 Equipment Maintenance/Repair	100	3,376	2,000	1,500
5405 Parking Lot Maintenance	2,086	3,126	25,000	30,000
5420 Depreciation	227,016	227,016	227,000	227,000
5427 Credit Card commissions	1,102	-	-	-
5441 Other Services and Charges	8,822	5,593	-	-
5481 Property Taxes	3,699	3,898	3,500	3,500
5493 Cost Allocation	4,700	4,700	4,700	4,700
5580 Capital Equipment				200,000
5611 Bond Interst	533,313	259,189	251,400	190,100
5613 Interest From Bond Discout	4,719	50,382	-	-
5620 Fiscal Agents Fees	903	350	-	-
5622 Bond Amortization	683	-	7,300	-
5700 Transfer to General Fund	408,381	166,829	-	-
TOTAL	1,365,916	1,002,099	812,200	981,500
2512 TOTAL - MEDICAL DISTRICT PARKING RAMF	1,365,916	1,002,099	812,200	981,500

City of Duluth Minnesota - 2015 Budget

Municipal Parking Ramps

505-015-1480-2513

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING EXPENSES				
5310 Contract Services	38,556	218,886	137,600	164,600
5381 Electricity	7,236	7,032	8,000	7,500
5405 Parking Lot Maintenance	443,667	90,400	25,000	25,000
5420 Depreciation	32,161	32,161	32,200	32,200
5493 Cost Allocation	4,600	4,600	4,600	4,600
5580 Capital Equipment				15,000
TOTAL	526,220	353,079	207,400	248,900
2513 TOTAL - MUNICIPAL PARKING RAMPS	526,220	353,079	207,400	248,900

City of Duluth Minnesota - 2015 Budget

On Street Parking and Enforcement

505-015-1481

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	207,977	182,152	221,000	223,100
5101 Permanent Employees - Overtime	-	1,925	-	-
TOTAL	207,977	184,077	221,000	223,100
EMPLOYEE BENEFITS				
5121 P.E.R.A.	13,669	11,791	15,000	15,600
5122 F.I.C.A. Social Security	12,783	11,287	13,700	13,800
5123 F.I.C.A. Medicare	2,989	2,640	3,200	3,200
5125 Dental Insurance	2,204	1,864	900	2,200
5126 Life Insurance	1,031	907	1,100	1,100
5127 Health Care Savings Plan	1,811	1,514	8,000	2,400
5130 Cafeteria Plan Benefits	63,411	58,851	69,400	80,200
5141 Unemployment Compensation	327	-	-	-
TOTAL	98,225	88,854	111,300	118,500
OPERATING EXPENSES				
5212 Motor Fuels	1,271	-	10,000	10,000
5218 Uniforms	-	4,377	5,000	5,000
5219 Other Miscellaneous Supplies	6,663	5,621	5,000	5,000
5241 Small Equipment	24,369	17,783	105,000	85,000
5306 Collection Services	13,334	30,340	-	-
5310 Contract Services	126,071	124,591	150,000	160,000
5355 Printing & Copying Services	-	-	-	500
5356 Copier, Printer Lease & Supplies	54	462	-	500
5409 Fleet Service Charges	1,890	21,234	12,000	12,000
5420 Depreciation	17,816	11,060	12,500	5,200
5427 Credit Card Commissions	2,220	2,799	-	-
5441 Other Services and Charges	7,191	3,940	11,200	11,200
5493 Cost Allocation	4,600	4,600	4,600	4,600
5580 Capital Equipment	-	-	-	550,000
5730 Transfer to General Fund	579,486	1,026,419	1,326,700	1,326,700
TOTAL	784,965	1,253,226	1,642,000	2,175,700
2512 TOTAL - ON STREET PARKING AND ENFORCEMENT	1,091,167	1,526,157	1,974,300	2,517,300

City of Duluth Minnesota - 2015 Budget

Public Works & Utilities Department – Utilities

Mission and Vision

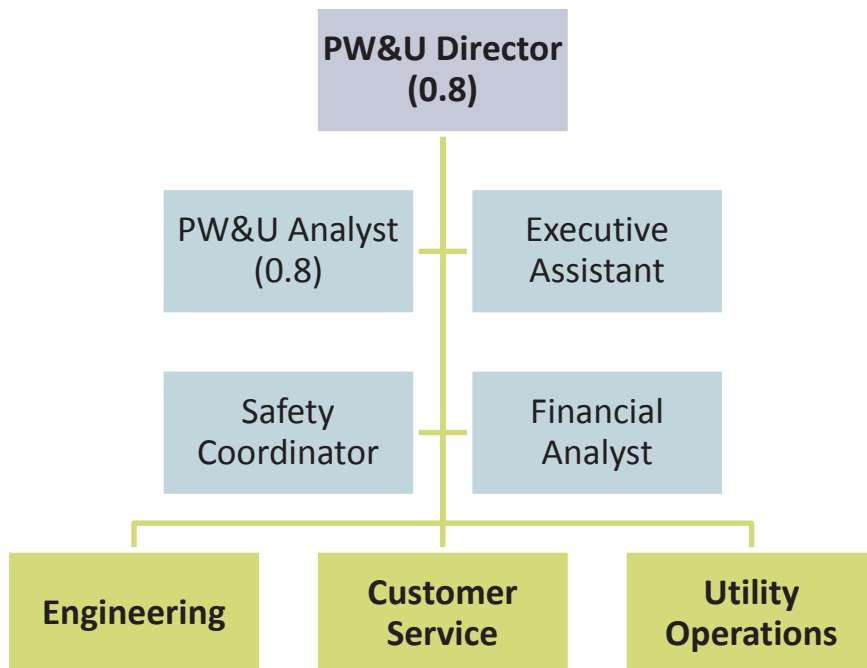
The mission of the Public Works and Utilities Department is to provide: professional engineering services, and water, natural gas, sanitary sewer, storm water, and street lighting utilities to Duluth’s businesses and residents in a safe, cost effective and environmentally sound manner through skilled,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

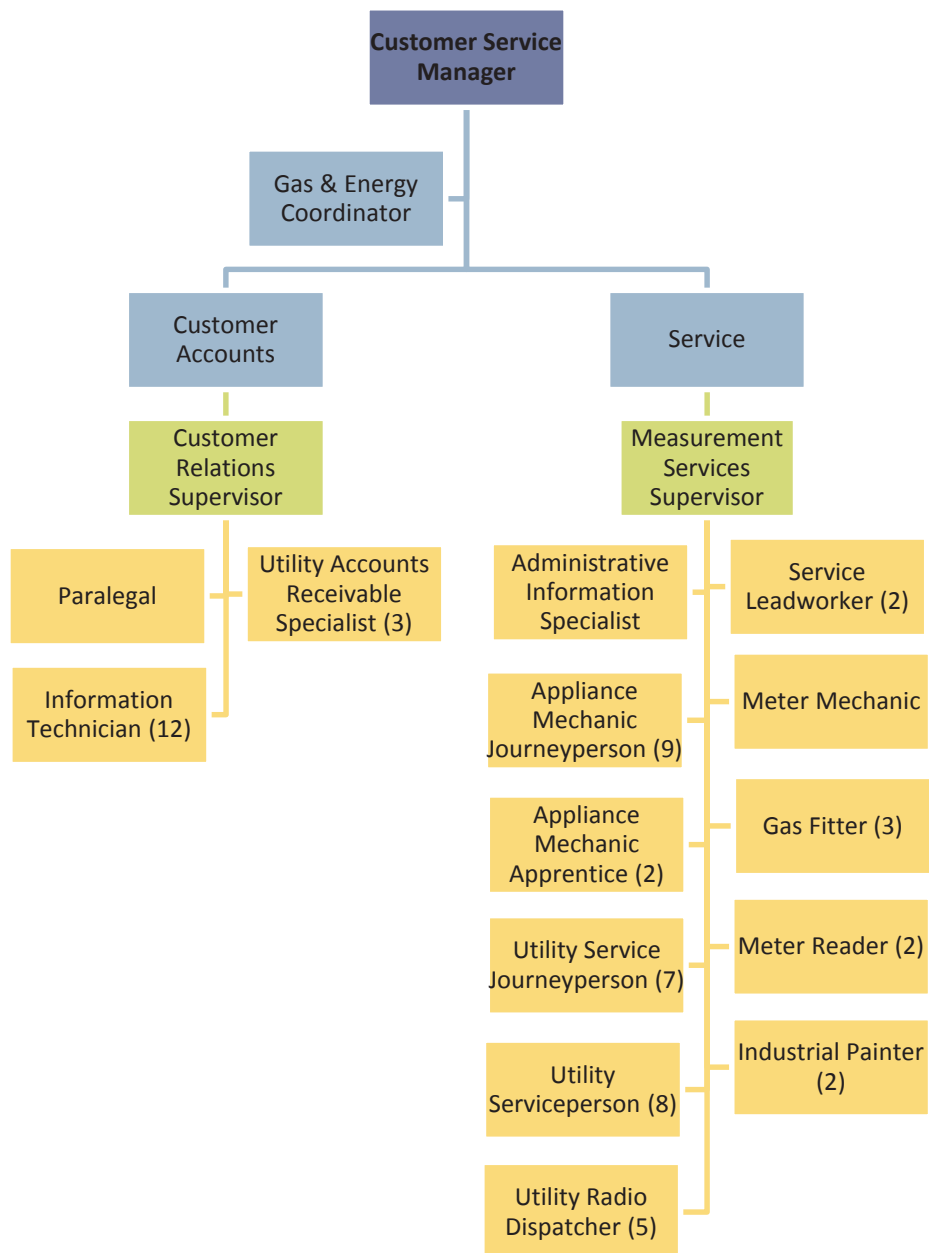
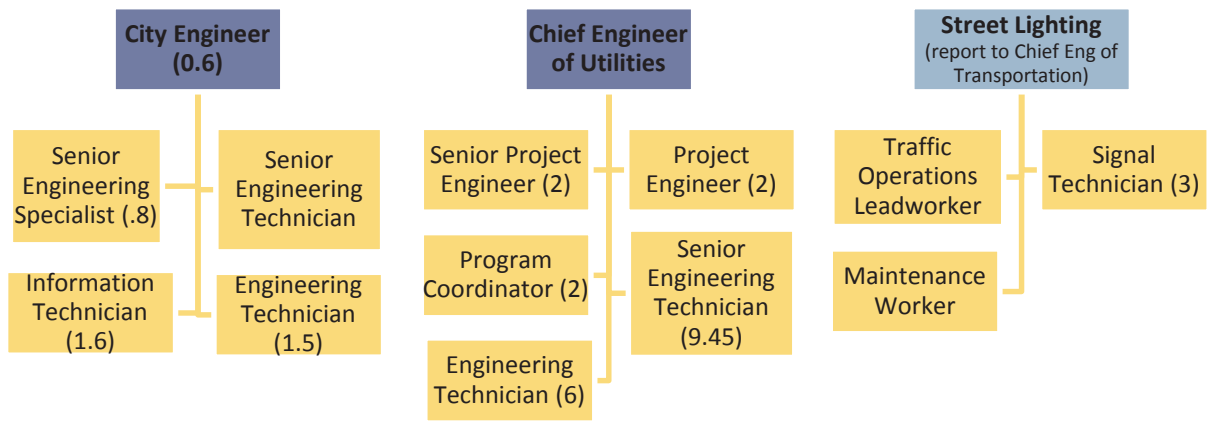
The Department’s vision is to become a functionally integrated organization operating at optimum efficiencies and providing cost-effective and reliable service for all Duluthians.

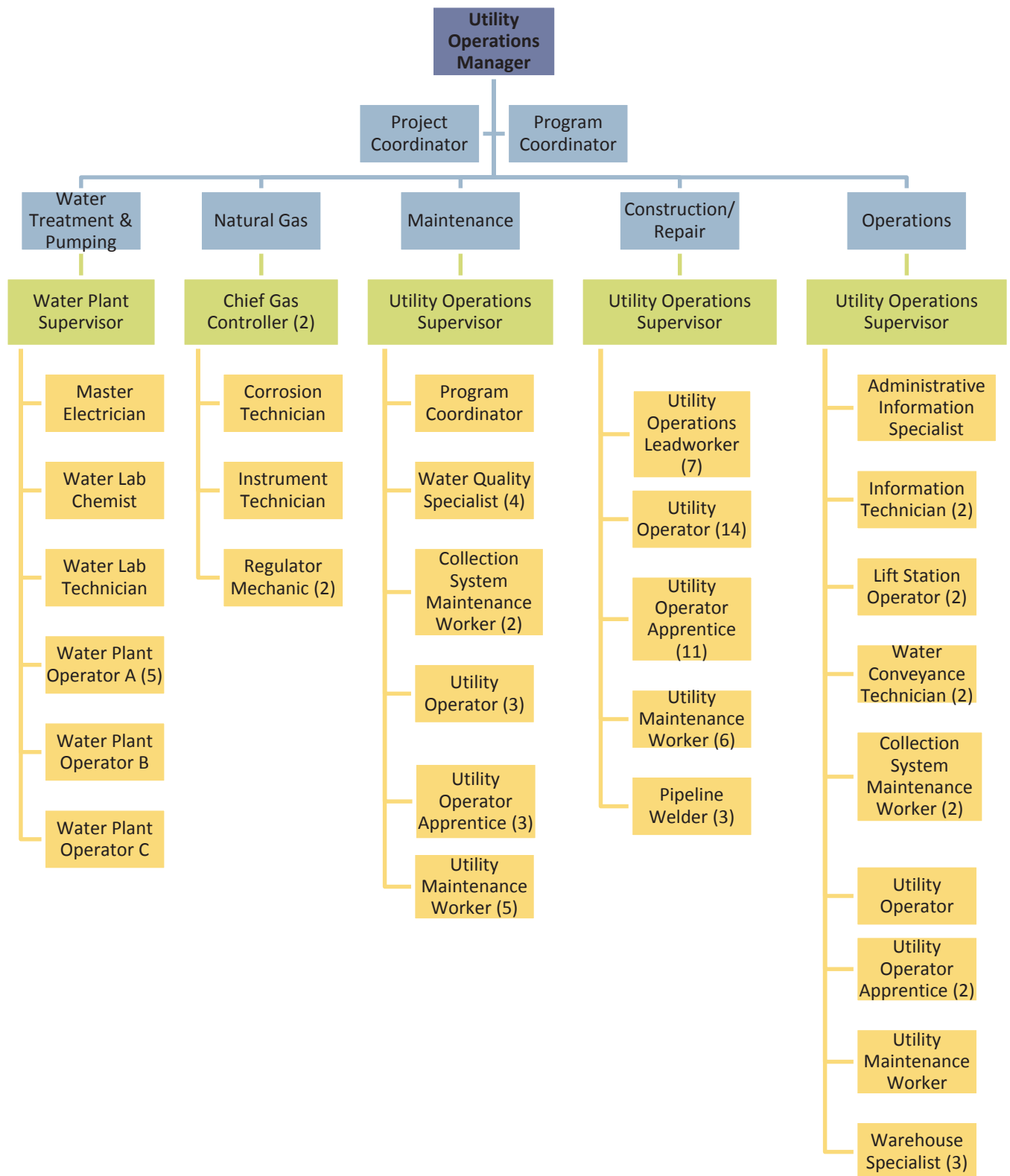
Structure

The utilities portion of the Public Works and Utilities Department is broken into three separate divisions that span across five different utility funds: Water, Gas, Sewer, Stormwater and Street Lighting. The street lighting utility is managed by the transportation section of the Engineering Division.

Public Works & Utilities Department – Utilities Organization Charts







City of Duluth Minnesota - 2015 Budget

Five-Year Goals & Objectives

- **Expansion of an Enterprise Asset Management (EAM) program:** EAM is fully functional in Utility Operations. It has given the department the ability to more accurately track internal work orders, track citizen work requests, conduct preventive and predictive maintenance, and fully modernize warehouse operations. The EAM program has been used on remote construction sites by wireless computers. The Department has begun to implement the EAM program in the Customer Service Division and the Engineering Division.
- **Decrease the Number of Water Main Breaks:** The Duluth Public Utilities Commission has approved a long range capital improvement plan that will expand the amount of water main replacements, targeting the worst areas first. The goal is to show continued improvement each year and reach a manageable number of breaks.
- **Infrastructure Repair/Replacement:** The Public Works and Utilities Department has a fairly aggressive infrastructure replacement and repair plan for all utilities. The plan is ongoing and typically involves projects such as water reservoir rehabilitation, water booster station upgrades, water line replacement, sanitary sewer replacement or lining, and bridge reconstruction. Natural gas customers continue to be added to the system as the costs for other fuel sources continues to grow. Outdated portions of the gas system are replaced on an annual basis.
- **Downtown Superior Street Reconstruction:** The City is currently in the public input gathering phase for the reconstruction of downtown Superior Street. The Engineering Division will soon begin the design phase using the public input as their guide. Construction will begin in the following years that will consist of new utilities and new roadway surface.
- **Utility Customer Service Electronic Billing:** The Customer Service Division has begun the process of implementing an online billing and payment option to its customers. This will be an option to the current paper and mail billing system. This new option will also let customers view their historical data, make new applications, and make other changes online.

City of Duluth Minnesota - 2015 Budget

Divisions

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

Public Works & Utilities - Utilities

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

Mission and Core Services

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

	2012	2013	2014	2015	Difference
Budgeted FTE's	196.15	199.15	197.45	192.45	(5.00)
Expenditures	2012 Actual	2013 Actual	2014 Budget	2015 Approved	Difference
Salaries and Benefits	18,127,206	17,796,497	18,726,200	18,554,400	(171,800)
Supplies	22,244,132	27,216,706	25,718,800	33,729,100	8,010,300
Other Services & Charges	16,302,477	16,734,005	17,303,500	18,596,300	1,292,800
Utilities	1,378,759	1,379,152	1,443,600	1,433,000	(10,600)
Depreciation/Amortization	4,672,743	5,041,995	5,627,500	5,817,800	190,300
Grants & Awards	2,499,994	2,378,658	2,048,000	1,588,000	(460,000)
Improvements -Non-Capital	109,704	462,219	627,500	490,000	(137,500)
Debt Service - Interest	1,052,372	910,050	963,600	837,100	(126,500)
Debt Service - Other	33,059	(11,567)	42,500	(11,600)	(54,100)
Capital Lease Interest	298,367	277,964	256,700	234,800	(21,900)
Total Operating	66,718,813	72,185,679	72,757,900	81,268,900	8,511,000
Non-Operating	11,564,867	10,161,764	9,825,000	11,909,100	2,084,100
Total Appropriation Budget	78,283,680	82,347,443	82,582,900	93,178,000	10,595,100

City of Duluth Minnesota - 2015 Budget

Utilities - Personnel Summary

		2012 Budget	2013 Budget	2014 Budget	2015 Approved
1165	Director of Public Works & Utilities	0.80	0.80	0.80	0.80
1140	City Engineer	0.60	0.60	0.60	0.60
1130	Chief Engineer - Utilities	1.00	1.00	1.00	1.00
1115-1130	Manager, Customer Service	1.00	1.00	1.00	1.00
1115-1130	Manager, Utility Operations	1.00	1.00	1.00	1.00
1115-1130	Operations Mgr, W&G Supply	1.00	1.00	-	-
1080-1095	Utility Operations Supervisor	3.00	3.00	3.00	3.00
1045-1055	Customer Relations Supervisor	1.00	1.00	1.00	1.00
1090	Measurement Services Supervisor	1.00	1.00	1.00	1.00
1075	Chief Gas Controller	1.00	1.00	2.00	2.00
1075	Water Plant Supervisor	1.00	1.00	1.00	1.00
136	Financial Analyst	-	1.00	1.00	1.00
135	Safety & Training Specialist	0.75	0.75	-	-
133	Safety Coordinator	-	-	1.00	1.00
132	Utility Accounts Receivable Specialist	3.00	3.00	3.00	3.00
131	Paralegal	1.00	1.00	1.00	1.00
129	Administrative Information Specialist	1.40	1.40	2.00	2.00
126	Information Technician	16.60	16.60	16.50	16.50
121	Clerical Support Technician	2.00	2.00	1.00	-
121	Janitor I	2.00	2.00	2.00	-
39	Senior Project Engineer	-	-	2.00	2.00
36	Project Engineer	5.00	5.00	2.00	2.00
33	Program Coordinator	-	-	3.00	4.00
32	Corrosion Technician II	1.00	2.00	2.00	-
32	Gas & Energy Coordinator	1.00	1.00	1.00	1.00
32	Project Coordinator	2.80	2.80	0.80	1.00
32	Utility Operations Leadworker	7.00	7.00	7.00	7.00
32	W & G Service Leadworker	2.00	2.00	2.00	2.00
32	Water Lab Chemist	1.00	1.00	1.00	1.00
31	Pipeline Welder	3.00	3.00	3.00	3.00
31	Senior Engineering Technician	12.20	12.20	11.45	10.45
31	Water Plant Operator A	5.00	5.00	5.00	5.00
31	Water Quality Specialist	6.00	5.00	4.00	4.00
30	Appliance Mechanic Apprentice	-	-	3.00	2.00
30	Appliance Mechanic Journeyperson	15.00	15.00	10.00	9.00
30	Instrument Technician	-	-	1.00	1.00
30	Senior Gas Control Operator	1.00	1.00	-	-
30	Warehouse Specialist	3.00	3.00	3.00	3.00
29	Gas Fitter	2.00	2.00	2.00	3.00
29	Lift Station Operator	2.00	2.00	2.00	2.00
29	Meter Mechanic	1.00	1.00	1.00	1.00
29	Painter	2.00	2.00	2.00	2.00
29	Regulator Mechanic	3.00	3.00	2.00	2.00

City of Duluth Minnesota - 2015 Budget

Utilities - Personnel Summary - continued

		2012 Budget	2013 Budget	2014 Budget	2015 Approved
29	Water Conveyance Technician	-	-	2.00	2.00
28	Collection System Maintenance Worker	9.00	9.00	5.00	4.00
28	Gas Control Operator II	1.00	1.00	-	-
28	Utility Operator	17.00	17.00	24.00	18.00
28	Utility Operator Apprentice	12.00	12.00	6.00	16.00
28	Utility Service Journeyperson	11.00	11.00	6.00	6.00
28	Utility Serviceperson	-	-	8.00	9.00
28	W & G Maintenance Journey Person	6.00	6.00	2.00	-
28	Water Plant Operator B	-	-	1.00	1.00
27	Water Lab Technician	1.00	1.00	1.00	1.00
26	Gas Control Operator I	1.00	1.00	-	-
26	Utility Service Dispatcher	6.00	5.00	5.00	5.00
23	Utility Maintenance Worker	9.00	9.00	14.00	12.00
22	Meter Reader	3.00	3.00	2.00	2.00
34	Senior Engineering Specialist	0.80	0.80	0.80	0.80
33	Public Works and Utilities Analyst	-	-	-	0.80
32	FOG Project Coordinator	-	1.00	1.00	-
31	Master Electrician	1.00	1.00	1.00	1.00
29	Corrosion Technician I	-	-	-	1.00
28	EAM Coordinator	1.00	1.00	1.00	-
28	Engineering Technician	2.20	3.20	6.50	7.50
24	Water Plant Operator C	1.00	2.00	1.00	1.00
	DEPARTMENT TOTAL	196.15	199.15	197.45	192.45

City of Duluth Minnesota - 2015 Budget

Water Fund

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The Water Fund is a self-supporting enterprise fund which accounts for the collection, treatment, and distribution of water to the citizens of Duluth. The major funding sources for this fund include Metered Water Sales, Water for Resale, and Fixed Rate Charges, which in total represent 98% of operating revenues for 2015. Significant categories of expense include Personnel and Benefits at 46% of the 2015 total, as well as the combined categories of Supplies, Utilities, and Other Services and Charges representing 32% of the 2015 proposed expenses.

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

Estimated Income and Expense	2012 Actual	2013 Actual	2014 Budget	2015 Approved
REVENUE				
Operating	13,920,473	14,878,379	14,906,500	15,017,700
Non-Operating	57,242	102,527	40,400	41,200
	13,977,715	14,980,906	14,946,900	15,058,900
EXPENSES				
Personal Services	5,442,646	5,416,847	5,771,700	5,609,900
Supplies	1,156,032	1,427,435	1,305,600	1,375,600
Other Services & Charges	1,105,708	1,244,330	1,170,500	1,266,700
Utilities	1,216,858	1,198,239	1,259,000	1,249,900
Depreciation/Amortization	1,487,132	1,576,417	1,689,800	1,781,400
Improvements -Non-Capital	29,726	109,058	25,000	62,500
Debt Service - Interest	190,209	175,594	230,500	198,600
Debt Service - Other	5,759	(1,455)	5,700	(1,500)
Capital Lease Interest	107,412	100,067	92,400	84,500
Transfers	246,395	417,470	435,500	444,200
	10,987,877	11,664,002	11,985,700	12,071,800
ESTIMATED OPERATING INCOME (LOSS)	2,989,838	3,316,904	2,961,200	2,987,100
Other Sources of Cash	2,141,869	2,118,375	1,844,800	1,929,200
Other Uses of Cash	(4,331,520)	(5,213,526)	(4,681,200)	(3,888,200)
Increase (Decrease) in Cash	800,187	221,753	124,800	1,028,100

City of Duluth Minnesota - 2015 Budget

Water Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2014 Budget	2014 Projected	2015 Approved
ESTIMATED OPERATING INCOME (LOSS)	2,961,200	2,542,700	2,987,100
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,689,800	1,661,800	1,781,400
Bond Amortization	5,700	(1,500)	(1,500)
Due from Other Funds	-	2,700	-
Special Assessment Principal	149,300	149,300	149,300
Total Other Sources of Cash	<u>1,844,800</u>	<u>1,812,300</u>	<u>1,929,200</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	-	113,100	-
Capital Improvements from Current Revenues	-	229,900	1,835,000
Infrastructure Improvements	2,964,000	2,587,000	-
Capital Equipment Purchases	295,800	422,400	292,900
Bond Principal Payments	1,217,600	1,373,000	1,548,700
AMR Lease Principal Payments	203,800	203,800	211,600
Total Other Uses of Cash	<u>4,681,200</u>	<u>4,929,200</u>	<u>3,888,200</u>
INCREASE (DECREASE) IN CASH	124,800	(574,200)	1,028,100
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH- BEGINNING	<u>1,560,987</u>	<u>1,021,940</u>	<u>447,740</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH- ENDING	<u><u>1,685,787</u></u>	<u><u>447,740</u></u>	<u><u>1,475,840</u></u>

City of Duluth Minnesota - 2015 Budget

Water Fund

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Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING REVENUES:				
4636 Sale of Scrap	13,478	15,938	12,000	12,000
4680 Damage or Losses Recovered	678	-	-	-
4800 Meter Repair	17,440	15,553	14,000	25,000
4801 Off/On Charge	20,115	32,658	25,000	25,000
4802 Interest - Customer Accounts	44,478	48,045	44,000	45,000
4805 Reimbursements	22,422	36,429	6,000	5,000
4807 Water Tower Lease	139,661	117,648	110,000	135,000
4809 Miscellaneous Operating	8,835	15,592	10,000	14,000
4810 Metered Water Sales	10,195,823	10,992,766	11,020,000	11,048,300
4811 Water for Resale	1,120,054	1,206,067	1,302,000	1,308,300
4831 Fixed Rate Charges	2,328,633	2,385,961	2,353,500	2,395,100
4851 Interest Income	8,856	11,722	10,000	5,000
TOTAL OPERATING REVENUES	13,920,473	14,878,379	14,906,500	15,017,700
NON-OPERATING REVENUES:				
4220 State of Minnesota Operating	-	5,252	-	-
4230 Pera Aid	16,919	16,919	16,900	16,900
4601 Change in Fair Value Investments	-	(9,300)	-	-
4601 GASB #31 Adjustment	7,637	22,826	-	-
4806 Connection Fees	17,926	5,737	8,000	7,000
4850 Earnings on Investments	401	384	800	600
4853 Gain on Sale of Assets	1,273	-	1,000	1,000
4854 Utility Assessment	2,426	50,049	3,000	5,000
4730 Tranfers from Enterprise Funds	10,660	10,660	10,700	10,700
TOTAL NON-OPERATING REVENUES	57,242	102,527	40,400	41,200
TOTAL REVENUE	13,977,715	14,980,906	14,946,900	15,058,900

City of Duluth Minnesota - 2015 Budget

Director's Office

510-500-1900

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

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	55,163	49,120	64,400	66,300
5101 Permanent Employees - Overtime	654	697	500	500
TOTAL	55,817	49,817	64,900	66,800
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,791	6,160	4,500	4,800
5122 F.I.C.A. Social Security	3,316	3,030	4,000	4,100
5123 F.I.C.A. Medicare	784	725	900	1,000
5125 Dental Insurance	306	261	100	300
5126 Life Insurance	143	121	200	200
5127 Health Care Savings	2,707	1,499	600	600
5130 Cafeteria Plan Benefits	6,546	5,370	7,100	9,800
TOTAL	17,593	17,166	17,400	20,800
OPERATING EXPENSES				
5200 Office Supplies	77	163	100	100
5241 Small Equipment	194	156	300	300
5321 Telephone	155	120	100	100
5331 Training Expense	50	-	500	300
5335 Mileage Reimbursement - Local	-	75	100	100
5356 Copier, Printer Lease & Supplies	72	-	100	-
5438 Licenses	101	-	-	-
5441 Other Services and Charges	-	144	-	-
TOTAL	649	658	1,200	900
1900 TOTAL - DIRECTOR'S OFFICE	74,059	67,641	83,500	88,500

City of Duluth Minnesota - 2015 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	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING EXPENSES				
5420 Depreciation	1,487,132	1,576,417	1,689,800	1,781,400
5535 Improvements (Non-Capital)	29,726	109,058	25,000	62,500
5540 Equipment (Non-Capital)	-	-	-	10,000
5611 Bond Interest	190,209	175,594	230,500	198,600
5613 Interest from Bond Amortization	(1,459)	(1,455)	(1,500)	(1,500)
5614 Capital Lease Interest	107,412	100,067	92,400	84,500
5620 Fiscal Agents Fee	613	481	400	600
5622 Bond Amortization	7,218	-	7,200	-
TOTAL	1,820,851	1,960,162	2,043,800	2,136,100
NON-OPERATING EXPENSES				
5532 Capital Improvements - Bonds	417,555	53,952	-	-
5533 Capital Improvements - Revenue Financing	1,169,974	1,365,157	-	1,835,000
5536 Utility Infrastructure Replacmt Proj	986,331	1,892,555	2,964,000	-
5580 Capital Equipment	56,347	227,462	295,800	292,900
TOTAL	2,630,207	3,539,126	3,259,800	2,127,900
1905 TOTAL - CAPITAL	4,451,058	5,499,288	5,303,600	4,264,000

City of Duluth Minnesota - 2015 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	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	39,319	35,985	50,500	12,200
5101 Permanent Employees - Overtime	655	1,834	-	-
TOTAL	39,974	37,819	50,500	12,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	2,776	2,545	3,500	900
5122 F.I.C.A. Social Security	2,401	2,313	3,100	800
5123 F.I.C.A. Medicare	561	541	700	200
5125 Dental Insurance	321	291	200	100
5126 Life Insurance	4,189	4,444	200	100
5127 Health Care Savings	350	370	500	100
5130 Cafeteria Plan Benefits	5,473	6,988	11,400	3,900
5133 Health or Fitness Program	-	57	-	-
5134 Other Post Retirement Benefits	149,837	12,251	-	-
5135 Retiree Health Insurance	600,220	524,435	587,200	550,600
5151 Worker's Compensation	99,800	61,400	40,800	38,300
TOTAL	865,928	615,635	647,600	595,000
OPERATING EXPENSES				
5200 Office Supplies	73	504	500	500
5201 Computer Supplies/Software	27,494	28,956	29,800	-
5205 Safety & Training	365	2,029	1,000	900
5211 Cleaning & Janitorial Supplies	1,859	1,054	3,200	2,500
5241 Small Equipment	3,088	2,481	700	700
5301 Auditing Services	1,258	1,063	1,600	1,400
5305 Medical Services/Testing Fees	2,008	2,534	1,400	2,500
5310 Contract Services	2,229	15,582	-	-
5320 Data Services	10,396	10,834	14,200	15,000
5321 Telephone	10,793	10,022	11,000	8,900
5331 Training Expense	4,495	542	1,600	3,100
5335 Mileage Reimbursement - Local	-	-	100	100
5356 Copier, Printer Lease & Supplies	4,691	6,057	5,900	5,000
5360 Insurance	192,700	131,100	74,900	113,800
5381 Electricity	16,502	16,792	12,000	13,000
5382 Water, Gas & Sewer	14,672	18,605	21,000	21,000
5384 Refuse Disposal	2,687	3,082	3,500	3,600
5401 Building Repair & Maintenance	8,951	4,980	9,100	9,200
5404 Equipment Repair & Maintenance	475	13	-	5,000
5414 Software Lic & Mtc Agreements	-	-	-	29,300
5441 Other Services & Charges	26,398	20,317	17,000	17,500
5450 Laundry	2,638	2,405	2,200	2,200
5457 Hydrant Maintenance	30,000	30,000	30,000	30,000
5493 Cost Allocation	383,200	383,200	383,200	385,300
5700 Transfer to General Fund	7,637	22,826	21,700	60,200
5700 Transfer to Special Revenue Funds	-	-	13,800	-
5700 Transfer to Internal Service Funds	-	148,000	120,000	104,000
TOTAL	754,609	862,978	779,400	834,700
1915 TOTAL - GENERAL EXPENSE	1,660,511	1,516,432	1,477,500	1,441,900

City of Duluth Minnesota - 2015 Budget

Engineering

510-500-1930

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

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	297,329	294,021	338,200	346,000
5101 Permanent Employees - Overtime	17,347	21,299	20,000	25,000
5103 Temporary Wages	1,668	2,905	18,700	5,300
5118 Meal Allowance	-	250	-	-
TOTAL	316,344	318,475	376,900	376,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	22,045	22,499	24,100	25,500
5122 F.I.C.A. Social Security	19,142	19,139	23,400	23,300
5123 F.I.C.A. Medicare	4,477	4,476	5,500	5,500
5125 Dental Insurance	1,878	1,868	800	1,900
5126 Life Insurance	881	877	1,000	900
5127 Health Care Savings	4,123	5,861	4,700	6,000
5130 Cafeteria Plan Benefits	53,481	64,801	81,400	84,000
TOTAL	106,027	119,521	140,900	147,100
OPERATING EXPENSES				
5200 Office Supplies	181	625	300	300
5201 Computer Supplies	7,773	7,071	13,500	-
5203 Paper, Stationery and Forms	516	417	300	400
5205 Safety and Training Materials	160	189	200	500
5212 Motor Fuel	5,923	4,030	6,500	6,500
5219 Other Miscellaneous Supplies	62	280	-	-
5240 Small Tools	421	793	600	800
5241 Small Equipment	2,860	1,224	5,000	2,700
5242 Survey Equipment and Supplies	6,665	3,135	5,100	5,600
5320 Data Services	-	49	800	1,000
5321 Telephone	1,772	1,651	1,100	1,100
5322 Postage	13	-	100	100
5331 Training Expenses	2,819	2,449	3,300	3,300
5335 Mileage Reimbursement	114	158	300	300
5355 Printing and Copying	369	2,728	600	600
5356 Copier, Printer Lease & Supplies	3,408	4,313	4,000	4,500
5404 Equipment Maintenance Repair	416	393	600	600
5409 Fleet Services	8,939	3,642	5,500	3,000
5414 Software Lic & Mtc Agreements	-	-	-	7,300
5433 Dues and Subscriptions	451	300	600	600
5435 Books and Pamphlets	-	86	200	200
5438 Licenses	-	-	100	-
5441 Other Services and Charges	1,500	2,430	10,300	11,000
5486 One Call System	2,953	2,968	3,000	3,000
TOTAL	47,315	38,931	62,000	53,400
1930 TOTAL - ENGINEERING	469,686	476,927	579,800	576,800

City of Duluth Minnesota - 2015 Budget

Customer Services

510-500-1940

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

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	770,576	778,093	801,700	839,300
5101 Permanent Employees - Overtime	35,349	39,602	41,500	40,500
5103 Temporary Wages	35	-	-	-
5118 Meal Allowance	152	208	-	-
TOTAL	806,112	817,903	843,200	879,800
EMPLOYEE BENEFITS				
5121 P.E.R.A.	55,744	57,634	56,700	61,300
5122 F.I.C.A. Social Security	49,275	49,769	52,300	54,600
5123 F.I.C.A. Medicare	11,524	11,640	12,300	12,800
5125 Dental Insurance	5,579	5,599	2,300	5,500
5126 Life Insurance	2,648	2,625	2,700	2,800
5127 Health Care Savings	18,248	16,617	8,100	9,400
5130 Cafeteria Plan Benefits	153,260	182,426	211,000	209,900
TOTAL	296,278	326,310	345,400	356,300
OPERATING EXPENSES				
5200 Office Supplies	3,408	2,591	3,300	3,300
5201 Computer Supplies	257	251	400	400
5203 Paper/Stationery	1,561	436	2,300	2,300
5212 Motor Fuel	14,849	17,131	23,100	20,800
5218 Uniforms	2,488	2,855	2,500	2,500
5219 Other Miscellaneous Supplies	1,233	324	-	-
5220 Repair & Maintenance Supplies	27,839	40,220	44,000	44,000
5227 Utility System	48,663	67,969	65,400	110,800
5228 Painting Supplies	1,960	746	3,000	3,000
5240 Small Tools	2,610	1,410	1,500	2,500
5241 Small Equipment	3,261	2,378	5,100	4,200
5310 Contract Services	32,802	38,232	37,200	37,200
5320 Data Services	43	588	-	-
5321 Telephone	2,912	2,492	3,200	3,200
5322 Postage	40,320	42,220	48,900	51,500
5331 Training Expenses	485	1,001	2,200	7,800
5339 Armored Pickup	1,295	1,107	1,200	1,200
5355 Printing & Copying	905	27	700	700
5356 Copier, Printer Lease & Supplies	844	195	500	500
5401 Building Repair & Maintenance	37	195	-	-
5404 Equipment Maintenance & Repair	2,785	3,253	3,500	1,100
5409 Fleet Services	16,614	15,691	16,800	17,600
5414 Software Lic & Mtc Agreements	-	-	-	2,200
5427 Credit Card Commission	10,234	14,389	9,100	15,200
5432 Uncollectible Accounts	(107,274)	9,786	15,000	15,000
5441 Other Services & Charges	2,620	796	2,400	2,400
TOTAL	112,751	266,283	291,300	349,400
1940 TOTAL - CUSTOMER SERVICE	1,215,141	1,410,496	1,479,900	1,585,500

City of Duluth Minnesota - 2015 Budget

Utility Operations

510-500-1945

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

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,385,656	1,404,451	1,454,000	1,343,800
5101 Permanent Employees - Overtime	219,472	243,893	275,000	260,000
5118 Meal Allowance	5,190	4,876	3,000	4,000
TOTAL	1,610,318	1,653,220	1,732,000	1,607,800
EMPLOYEE BENEFITS				
5121 P.E.R.A.	110,820	114,873	102,200	98,100
5122 F.I.C.A. Social Security	97,910	100,452	107,200	99,400
5123 F.I.C.A. Medicare	22,982	23,609	25,100	23,300
5125 Dental Insurance	9,458	9,367	4,100	8,700
5126 Life Insurance	4,396	4,396	4,700	4,300
5127 Health Care Savings	15,699	26,050	26,500	12,600
5130 Cafeteria Plan Benefits	253,104	287,697	335,500	325,700
5141 Unemployment Compensation	-	967	-	-
TOTAL	514,369	567,411	605,300	572,100
OPERATING EXPENSES				
5200 Office Supplies	1,553	1,776	2,000	2,500
5201 Computer Supplies/Software	246	-	4,200	4,000
5205 Safety & Training Materials	9,052	9,741	3,000	5,300
5210 Plant/Operating Supplies	13,811	24,621	11,000	16,000
5212 Motor Fuel	80,183	92,447	75,000	80,000
5215 Shop Materials	1,932	4,329	2,500	2,700
5218 Uniforms	1,701	3,135	4,000	5,700
5219 Other Miscellaneous Supplies	-	38	-	2,000
5220 Repair & Maintenance Supplies	7,831	16,820	3,500	4,700
5222 Paving Materials	6,533	17,498	20,000	20,000
5224 Gravel & Other Maintenance Mtls	39,867	59,194	60,000	60,000
5227 Utility Maintenance Supply	265,930	412,424	262,000	310,000
5228 Painting Supplies	368	224	300	300
5240 Small Tools	9,997	23,976	8,000	9,000
5241 Small Equipment	2,783	22,873	12,000	10,000
5310 Contract Services	32,714	38,029	23,000	28,000
5321 Telephone	2,196	1,832	2,500	2,700
5331 Training Expenses	11,803	3,225	9,000	9,000
5335 Mileage Reimbursement	4,712	2,915	5,000	4,000
5355 Printing and Copying	212	-	500	200
5356 Copier, Printer Lease & Supplies	-	467	1,000	500
5382 Water/Sewer/Gas	3,673	5,504	6,000	6,000
5384 Refuse Disposal	5,151	6,673	8,500	7,500
5404 Equipment Maintenance/Repair	1,233	6,314	2,700	3,000
5409 Fleet Service Charges	130,865	171,423	110,000	145,000
5414 Software Lic & Mtc Agreements	-	-	-	700
5415 Vehicle/Equipment Rental	13,884	3,135	10,000	12,000
5419 Other Rentals	3,410	7,409	-	-
5438 License	437	183	500	500
5441 Other Services & Charges	13,082	12,383	3,000	3,000
5450 Laundry	9,481	10,405	9,700	12,200
5700 Transfer to General Fund	238,758	246,644	280,000	280,000
TOTAL	913,398	1,205,637	938,900	1,046,500
1945 TOTAL - UTILITY OPERATIONS	3,038,085	3,426,268	3,276,200	3,226,400

City of Duluth Minnesota - 2015 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	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	573,638	616,094	642,900	657,200
5101 Permanent Employees - Overtime	31,683	23,788	20,000	25,000
TOTAL	605,321	639,882	662,900	682,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	42,281	45,290	45,700	48,600
5122 F.I.C.A. Social Security	36,415	38,719	41,100	42,300
5123 F.I.C.A. Medicare	8,516	9,055	9,600	9,900
5125 Dental Insurance	3,799	4,179	1,700	4,000
5126 Life Insurance	1,774	1,962	2,000	2,000
5127 Health Care Savings	5,255	5,929	19,300	12,300
5130 Cafeteria Plan Benefits	110,525	148,554	165,300	174,400
TOTAL	208,565	253,688	284,700	293,500
OPERATING EXPENSES				
5200 Office Supplies	1,945	1,428	1,200	1,500
5210 Plant/Operating Supplies	5,479	16,111	12,000	9,000
5211 Cleaning/Janitorial Supplies	-	-	-	2,000
5212 Motor Fuel	4,730	6,371	4,500	5,000
5216 Treatment Chemicals	459,677	396,067	513,000	495,800
5218 Uniforms	2,308	2,381	2,800	2,800
5219 Other Miscellaneous Supplies	13,328	10,005	12,000	12,000
5220 Repair & Maintenance Supplies	42,592	104,147	63,000	76,000
5228 Painting Supplies	1,100	2,247	1,500	1,500
5240 Small Tools	1,073	298	1,500	6,000
5241 Small Equipment	16,173	9,866	8,900	16,200
5310 Contract Services	19,283	16,553	20,000	35,000
5319 Other Professional Services	1,721	19,647	15,000	5,000
5320 Data Services	594	727	5,400	700
5321 Telephone	2,403	1,155	2,700	1,200
5322 Postage	224	220	300	500
5331 Training Expenses	5,000	4,773	7,000	7,000
5335 Local Mileage Reimbursement	6,475	5,313	6,000	6,000
5355 Printing and Copying	694	548	1,000	800
5356 Copier, Printer Lease & Supplies	100	149	1,700	500
5381 Electricity	1,118,063	1,083,830	1,140,000	1,115,000
5382 Water & Sewer	63,948	73,508	80,000	94,900
5401 Building Repair & Maintenance	2,969	23,296	35,100	16,200
5404 Equipment Maintenance/Repair	48,868	58,575	80,000	55,000
5409 Fleet Services	3,482	5,137	5,000	5,000
5433 Dues and Subscriptions	72	5,430	5,000	5,500
5438 Licenses	145	55	300	300
5441 Other Services & Charges	68,217	61,093	65,500	60,500
5450 Laundry	4,995	3,576	5,000	2,000
5483 Water Testing Fees	-	-	2,000	2,000
TOTAL	1,895,658	1,912,506	2,097,400	2,040,900
1955 TOTAL-WATER TRMT & PUMPING	2,709,544	2,806,076	3,045,000	3,016,600

City of Duluth Minnesota - 2015 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 gas to the citizens of Duluth. Other services provided are the inspection, maintenance, and servicing of customer gas utilization equipment.

The major funding source for this fund is metered gas sales which represents 97% of total revenues for 2015. The major category of expense is purchased gas, representing 66% of all expenses Approved.

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

Estimated Income and Expense	2012 Actual	2013 Actual	2014 Budget	2015 Approved
REVENUE				
Operating Revenues	1,529,310	1,399,481	1,452,800	1,512,600
Gas Sales	32,412,219	39,061,884	37,844,800	46,895,300
Non-Operating Revenues	149,241	114,132	98,100	95,900
	<u>34,090,770</u>	<u>40,575,497</u>	<u>39,395,700</u>	<u>48,503,800</u>
EXPENSES				
Personal Services	7,199,041	7,188,488	7,252,500	7,243,400
Supplies	991,033	1,004,138	796,500	991,200
Other Services & Charges	1,400,467	1,471,737	1,521,400	1,697,100
Natural Gas Purchases	19,376,845	24,132,568	22,986,200	30,737,100
Utilities	34,903	39,938	41,100	36,400
Depreciation/Amortization	1,272,122	1,313,680	1,435,400	1,500,300
Improvements -Non-Capital	4,450	54,102	242,500	57,500
Debt Service - Interest	197,328	176,414	161,800	136,100
Debt Service - Other	(7,890)	(21,507)	(7,900)	(21,500)
Capital Lease Interest	98,461	91,728	84,700	77,500
Transfers	2,971,329	2,611,361	2,887,200	4,124,100
	<u>33,538,089</u>	<u>38,062,647</u>	<u>37,401,400</u>	<u>46,579,200</u>
ESTIMATED OPERATING INCOME (LOSS)	552,681	2,512,850	1,994,300	1,924,600
Other Sources of Cash	3,890,899	1,594,465	1,607,900	1,659,200
Other Uses of Cash	(2,470,413)	(4,266,172)	(4,323,200)	(7,038,600)
Increase (Decrease) in Cash	<u>1,973,167</u>	<u>(158,857)</u>	<u>(721,000)</u>	<u>(3,454,800)</u>

City of Duluth Minnesota - 2015 Budget

Gas Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2014 Budget	2014 Projected	2015 Approved
ESTIMATED OPERATING INCOME (LOSS)	1,994,300	4,586,400	1,924,600
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,435,400	1,380,300	1,500,300
Bond Amortization	(7,900)	(21,500)	(21,500)
Due from Other Funds	-	10,500	-
Energy Fund Loan Repayment	150,000	150,000	150,000
Special Assessment Principal	30,400	30,400	30,400
Total Other Sources of Cash	<u>1,607,900</u>	<u>1,549,700</u>	<u>1,659,200</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	-	29,000	-
Capital Improvements from Current Revenues	2,923,000	3,258,000	5,600,000
Capital Equipment Purchases	317,400	477,900	321,700
Bond Principal Payments	896,000	896,000	923,000
AMR Lease Principal Payment	186,800	186,800	193,900
Total Other Uses of Cash	<u>4,323,200</u>	<u>4,847,700</u>	<u>7,038,600</u>
INCREASE (DECREASE) IN CASH	(721,000)	1,288,400	(3,454,800)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>3,206,555</u>	<u>3,597,280</u>	<u>4,885,680</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>2,485,555</u></u>	<u><u>4,885,680</u></u>	<u><u>1,430,880</u></u>

City of Duluth Minnesota - 2015 Budget

Gas Fund

520

Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING REVENUES:				
4636 Sale of Scrap	437	1,803	1,000	1,000
4801 Off/On Charge	20,115	32,658	25,000	25,000
4802 Interest Earned on Customer Accts	107,130	115,757	130,000	145,000
4805 Reimbursements	408,231	107,973	225,000	220,000
4809 Miscellaneous Operating Revenue	97,738	85,865	80,000	65,000
4818 Servicing Appliances	299,645	369,251	285,000	300,000
4819 Comfort Policy	395,357	402,316	385,000	390,000
4820 Residential Firm	18,253,747	22,399,635	21,306,500	27,021,700
4822 Comm/Industrial Firm Large	7,748,214	9,805,774	9,044,000	12,499,200
4824 Comm/Industrial Interruptible Large	3,165,778	3,432,563	3,695,200	3,521,600
4827 Gas-Interruptible Transport	199,024	282,205	320,000	363,000
4831 Fixed Rate Charges	3,244,480	3,423,912	3,799,100	3,852,800
4851 Interest Income - Other Sources	1,633	1,653	1,800	3,600
TOTAL OPERATING REVENUES	33,941,529	40,461,365	39,297,600	48,407,900
NON-OPERATING REVENUES:				
4230 Pera Aid	23,365	23,365	23,400	23,400
4601 Change in Fair Value Investments	-	(44,934)	-	-
4601 GASB #31 Adjustment	71,500	73,362	-	-
4829 Two Tier Rate	30,827	49,604	48,000	48,000
4850 Earnings on Investments	3,759	1,775	3,700	4,500
4853 Gain on Sale of Assets	3,349	(4,983)	2,000	2,000
4854 Utility Special Assessments	451	(47)	5,000	2,000
4730 Transfers In from Enterprise Funds	15,990	15,990	16,000	16,000
TOTAL NON-OPERATING REVENUES	149,241	114,132	98,100	95,900
TOTAL REVENUE	34,090,770	40,575,497	39,395,700	48,503,800

City of Duluth Minnesota - 2015 Budget

Director's Office

520-500-1900

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

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	63,159	57,760	73,200	75,800
5101 Permanent Employees - Overtime	740	844	500	500
TOTAL	63,899	58,604	73,700	76,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	4,312	13,107	5,100	5,500
5122 F.I.C.A. Social Security	3,817	3,578	4,600	4,700
5123 F.I.C.A. Medicare	902	853	1,100	1,100
5125 Dental Insurance	382	338	200	400
5126 Life Insurance	179	157	200	200
5127 Health Care Savings	3,978	1,576	700	700
5130 Cafeteria Plan Benefits	7,857	6,918	8,700	11,500
TOTAL	21,427	26,527	20,600	24,100
OPERATING EXPENSES				
5200 Office Supplies	62	75	100	100
5241 Small Equipment	194	156	300	300
5321 Telephone	155	120	100	100
5331 Training/Travel	390	611	500	400
5335 Mileage Reimbursement Local	27	83	100	100
5356 Copier, Printer Lease & Supplies	63	-	100	-
5433 Dues & Subscription	-	202	-	-
5438 Licenses	101	-	-	-
5441 Other Services & Charges	-	144	-	-
TOTAL	992	1,391	1,200	1,000
1900 TOTAL - DIRECTOR'S OFFICE	86,318	86,522	95,500	101,400

City of Duluth Minnesota - 2015 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	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING EXPENSES				
5420 Depreciation	1,272,122	1,313,680	1,435,400	1,500,300
5535 Improvements (Non-Capital)	4,450	54,102	242,500	57,500
5540 Equipment (Non-Capital)	870	-	-	15,000
5611 Bond Interest	197,328	176,414	161,800	136,100
5613 Interest - Bond Amortization	(21,579)	(21,507)	(21,500)	(21,500)
5614 Capital Lease Interest	98,461	91,728	84,700	77,500
5620 Fiscal Agents Fee	321	613	600	600
5622 Bond Amortization	13,689	-	13,600	-
TOTAL	1,565,662	1,615,030	1,917,100	1,765,500
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue Financing	1,603,761	2,306,600	2,923,000	5,600,000
5580 Capital Equipment	170,921	222,825	317,400	321,700
TOTAL	1,774,682	2,529,425	3,240,400	5,921,700
1905 TOTAL - CAPITAL	3,340,344	4,144,455	5,157,500	7,687,200

City of Duluth Minnesota - 2015 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	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	36,342	41,954	59,700	30,600
5101 Permanent Employees - Overtime	475	1,537	-	-
TOTAL	36,817	43,491	59,700	30,600
EMPLOYEE BENEFITS				
5121 P.E.R.A.	2,577	3,021	4,200	2,300
5122 F.I.C.A. Social Security	2,196	2,642	3,700	1,900
5123 F.I.C.A. Medicare	514	618	900	400
5125 Dental Insurance	293	309	200	100
5126 Life Insurance	4,393	4,612	200	100
5127 Health Care Savings	327	417	600	300
5130 Cafeteria Plan Benefits	5,353	9,892	15,500	9,600
5133 Health or Fitness Program	-	255	-	-
5134 Other Post Retirement Benefits	137,882	42,870	-	-
5135 Retiree Health Insurance	938,548	816,970	898,500	912,100
5151 Worker's Compensation	132,500	81,100	51,100	48,600
TOTAL	1,224,583	962,706	974,900	975,400
OPERATING EXPENSES				
5200 Office Supplies	3,066	122	2,000	1,000
5201 Computer Supplies/Software	41,360	44,021	45,200	-
5205 Safety & Training	3,814	1,712	1,300	1,100
5211 Cleaning & Janitorial Supplies	11,266	7,287	2,700	2,500
5241 Small Equipment	3,510	2,470	700	700
5301 Auditing Services	1,258	1,063	1,600	1,400
5305 Medical Services/Testing Fees	4,708	3,454	4,000	2,500
5310 Contract Services	47,935	15,298	-	-
5320 Data Services	16,464	16,447	18,000	44,200
5321 Telephone	14,797	12,197	22,700	14,000
5331 Training Expense	29,929	18,329	21,600	22,300
5335 Mileage Reimbursement	795	-	200	100
5356 Copier, Printer Lease & Supplies	4,222	4,097	4,700	3,700
5360 Insurance	62,000	62,000	62,000	62,500
5381 Electricity	14,428	14,805	15,100	13,000
5382 Water, Gas & Sewer	12,437	16,141	16,500	13,900
5384 Refuse Disposal	1,351	1,469	2,300	2,000
5401 Building Repair & Maintenance	9,601	3,176	8,000	7,100
5404 Equipment/Machinery Repair	1,760	13	-	12,500
5414 Software Lic & Mtc Agreements	-	-	-	44,300
5433 Dues and Subscriptions	6,676	9,386	6,600	6,800
5438 Licenses	-	-	100	100
5441 Other Services & Charges	60,752	52,598	49,600	48,500
5450 Laundry	2,638	2,405	2,200	2,200
5452 Pipe Line Safety	8,677	12,236	12,000	12,000
5493 Cost Allocation	489,200	489,200	489,200	491,300
5711 Payment in Lieu of Taxes	2,889,700	2,375,793	2,726,000	4,027,100
5700 Transfer to General Fund	71,500	73,362	21,700	49,000
5700 Transfer to Special Revenue Fund	-	-	16,500	-
5700 Transfer to Internal Service Funds	-	137,700	103,000	38,000
TOTAL	3,813,844	3,376,781	3,655,500	4,923,800
1915 TOTAL - GENERAL EXPENSE	5,075,244	4,382,978	4,690,100	5,929,800

City of Duluth Minnesota - 2015 Budget

Engineering

520-500-1930

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

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	589,079	651,015	583,400	619,000
5101 Permanent Employees - Overtime	38,987	46,192	45,000	45,000
5103 Temporary Wages	1,687	3,017	4,500	5,300
5118 Meal Allowance	-	550	-	-
TOTAL	629,753	700,774	632,900	669,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	43,868	49,541	41,500	45,700
5122 F.I.C.A. Social Security	38,192	42,432	39,200	41,500
5123 F.I.C.A. Medicare	8,932	9,924	9,200	9,700
5125 Dental Insurance	3,494	3,990	1,500	3,400
5126 Life Insurance	1,646	1,873	1,700	1,700
5127 Health Care Savings	6,630	10,647	7,000	8,600
5130 Cafeteria Plan Benefits	97,547	140,800	137,900	148,200
TOTAL	200,309	259,207	238,000	258,800
OPERATING EXPENSES				
5200 Office Supplies	283	687	300	300
5201 Computer Supplies	7,973	8,345	13,600	-
5203 Paper, Stationery and Forms	583	448	300	300
5205 Safety & Training Materials	111	586	500	500
5212 Motor Fuel	10,533	7,968	9,000	9,000
5219 Other Miscellaneous Supplies	240	280	-	-
5240 Small Tools	405	893	600	800
5241 Small Equipment	4,368	1,405	10,800	10,000
5242 Survey Equipment and Supplies	6,965	6,075	5,100	5,600
5303 Engineering Services	5,879	19,914	40,000	10,000
5320 Data Services	-	-	800	1,400
5321 Telephone	3,991	4,488	3,800	3,800
5322 Postage	13	-	100	100
5331 Training Expenses	2,674	2,698	11,300	14,300
5335 Mileage Reimbursement	127	47	300	300
5355 Printing and Copying	369	420	500	200
5356 Copier, Printer Lease & Supplies	3,353	4,313	4,100	4,700
5404 Equipment Maintenance Repair	767	862	600	600
5409 Fleet Services	14,360	9,740	9,000	7,000
5414 Software Lic & Mtc Agreements	-	-	-	11,600
5433 Dues and Subscriptions	451	300	600	600
5435 Books and Pamphlets	123	86	200	200
5438 Licenses	-	-	100	-
5441 Other Services and Charges	2,098	2,695	12,500	13,100
5486 One Call System	2,979	2,893	2,900	2,900
TOTAL	68,645	75,143	127,000	97,300
1930 TOTAL - ENGINEERING	898,707	1,035,124	997,900	1,025,400

City of Duluth Minnesota - 2015 Budget

Customer Services

520-500-1940

Customer Service provides installation, inspection, repair and replacement of meters , and checks the integrity of customer utility connections. Servicing Appliances provides hookup, inspection, cleaning and repair of gas appliances as well as an annual home service contract for natural gas furnaces. Customer Accounts provides meter reading, billing, payment collection , and account services for utility customers. 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		2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	2,112,656	2,159,596	2,222,800	2,252,900
5101	Permanent Employees - Overtime	107,533	114,931	133,500	119,500
5103	Temporary Wages	17,257	15,913	20,100	20,100
5118	Meal Allowance	386	488	-	-
	TOTAL	2,237,832	2,290,928	2,376,400	2,392,500
EMPLOYEE BENEFITS					
5121	P.E.R.A.	153,871	160,103	157,300	164,900
5122	F.I.C.A. Social Security	136,933	139,818	147,300	148,300
5123	F.I.C.A. Medicare	32,025	32,699	34,500	34,800
5125	Dental Insurance	14,747	14,945	6,300	14,400
5126	Life Insurance	6,980	7,011	7,300	7,200
5127	Health Care Savings	43,344	52,937	26,200	23,400
5130	Cafeteria Plan Benefits	409,380	493,291	563,300	555,800
	TOTAL	797,280	900,804	942,200	948,800
OPERATING EXPENSES					
5200	Office Supplies	4,114	2,978	3,900	3,900
5201	Computer Supplies/Software	528	430	600	600
5203	Paper/Stationery	2,099	-	3,500	3,500
5210	Plant/Operating Supplies	3,935	6,775	7,500	17,000
5212	Motor Fuel	56,438	58,074	62,400	63,600
5215	Shop Materials	8,199	19,609	7,000	15,500
5218	Uniforms	6,186	7,309	5,800	5,800
5219	Other Miscellaneous Supplies	67,909	113,860	86,000	111,000
5220	Repair & Maintenance Supplies	69,983	36,582	22,000	22,000
5227	Utility System Maintenance Supply	53,067	140,745	118,600	282,800
5228	Painting Supplies	8,242	8,846	7,500	7,500
5240	Small Tools	15,338	15,466	8,000	17,500
5241	Small Equipment	14,127	1,555	23,200	21,100
5310	Contract Services	49,001	57,348	55,800	59,800
5320	Data Services	171	2,352	-	-
5321	Telephone	9,878	8,848	7,600	7,600
5322	Postage	59,105	63,371	73,500	77,500
5331	Training / Travel	2,940	5,245	9,700	23,500
5339	Armored Pickup	1,895	1,661	1,800	1,800
5340	Advertising and Promotion	120,156	125,932	134,700	134,700
5355	Printing & Copying	1,129	27	1,400	1,400
5356	Copier, Printer Lease & Supplies	1,304	249	700	700
5404	Equipment Repair & Maintenance	4,268	4,962	5,100	1,600
5409	Fleet Services	57,415	49,418	46,600	47,700
5414	Software Lic & Mtc Agreements	-	-	-	3,300
5427	Credit Card Commissions	35,982	36,395	30,800	38,400
5432	Uncollectible Accounts	(20,758)	45,475	65,000	65,000
5433	Dues and Subscriptions	505	485	800	800
5438	Licenses	-	-	100	100
5441	Other Services & Charges	4,783	3,321	3,700	3,700
5487	Conservation Improvement	28,103	120,479	60,000	176,900
5615	Customer Deposit Refund Interest	1,393	2,982	-	-
5700	Transfer to Special Revenue Funds	-	6,843	-	-
	TOTAL	667,435	947,622	853,300	1,216,300
1940	TOTAL - CUSTOMER SERVICES	3,702,547	4,139,354	4,171,900	4,557,600

City of Duluth Minnesota - 2015 Budget

Utility Operations

520-500-1945

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

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,012,252	1,014,924	947,500	969,300
5101 Permanent Employees - Overtime	116,529	129,573	175,000	155,000
5118 Meal Allowance	3,222	3,089	2,400	3,000
TOTAL	1,132,003	1,147,586	1,124,900	1,127,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	77,380	78,923	66,500	70,400
5122 F.I.C.A. Social Security	69,080	70,252	69,600	69,700
5123 F.I.C.A. Medicare	16,240	16,469	16,300	16,300
5125 Dental Insurance	6,768	6,579	2,600	6,000
5126 Life Insurance	3,139	3,092	3,000	3,000
5127 Health Care Savings	11,558	22,934	17,800	9,100
5130 Cafeteria Plan Benefits	167,008	193,520	203,000	205,700
5141 Unemployment Compensation	-	967	-	-
TOTAL	351,173	392,736	378,800	380,200
OPERATING EXPENSES				
5200 Office Supplies	3,251	4,701	2,000	3,000
5201 Computer Supplies/Software	106	-	4,200	4,000
5205 Safety & Training Materials	48,209	40,133	3,800	4,000
5210 Plant Operations Supplies	33,097	37,988	8,400	11,500
5212 Motor Fuel	64,637	59,854	70,000	70,000
5215 Shop Materials	13,240	16,894	6,000	9,300
5218 Uniforms	7,590	9,206	5,700	4,700
5219 Other Miscellaneous Supplies	1,078	505	-	2,000
5220 Repair and Maintenance Supplies	28,514	18,607	4,000	6,500
5222 Paving Materials	14,620	20,417	10,000	15,000
5224 Gravel & Other Maintenance Supplies	61,234	58,571	22,000	25,000
5227 Utility Maintenance Supply	205,082	108,679	135,500	156,300
5228 Painting Supplies	-	529	500	500
5240 Small Tools	22,732	18,158	8,600	9,000
5241 Small Equipment	9,327	824	7,000	8,700
5310 Contract Services	1,916	5,182	7,600	9,100
5321 Telephone	3,007	2,140	3,000	3,000
5331 Training Expense	192	2,344	4,600	4,600
5335 Mileage Reimbursement	3,587	2,088	4,000	3,500
5355 Printing and Copying	212	-	500	500
5356 Copier, Printer Lease & Supplies	1,570	744	1,000	700
5384 Refuse Disposal	7,374	5,653	5,000	5,500
5404 Equipment Repair & Maintenance	2,258	2,066	1,000	1,500
5409 Fleet Service Charges	122,784	101,272	90,000	95,000
5414 Software Lic & Mtc Agreements	-	-	-	700
5415 Vehicle/Equipment Rental	2,496	1,026	3,000	4,500
5419 Other Rentals	921	1,577	-	-
5441 Other Services & Charges	11,605	3,854	1,500	2,500
5450 Laundry	5,619	6,166	6,700	7,400
5700 Transfer to General Fund	10,129	17,663	20,000	10,000
TOTAL	686,387	546,841	435,600	478,000
1945 TOTAL - UTILITY OPERATIONS	2,169,563	2,087,163	1,939,300	1,985,500

City of Duluth Minnesota - 2015 Budget

Natural Gas

520-500-1960

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

Expense Detail		2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	378,884	295,222	300,000	255,800
5101	Permanent Employees - Overtime	3,029	6,752	5,000	7,000
5118	Meal Allowance	10	80	-	-
	TOTAL	381,923	302,054	305,000	262,800
EMPLOYEE BENEFITS					
5121	P.E.R.A. Contribution	27,189	20,107	21,500	18,900
5122	F.I.C.A. Social Security	23,363	18,423	18,900	16,300
5123	F.I.C.A. Medicare	5,464	4,309	4,400	3,800
5125	Dental Insurance	2,217	1,579	700	1,300
5126	Life Insurance	1,027	743	800	600
5127	Health Care Savings	8,505	7,747	7,600	2,400
5130	Cafeteria Plan Benefits	54,277	50,163	71,500	54,000
	TOTAL	122,042	103,071	125,400	97,300
OPERATING EXPENSES					
5200	Office Supplies	293	568	500	500
5201	Computer Supplies/Software	17	11,898	-	-
5210	Plant Operations Supplies	15,361	25,415	19,200	20,700
5212	Motor Fuel	5,828	7,554	6,500	7,000
5218	Uniforms	1,282	163	900	900
5219	Other Miscellaneous Supplies	527	3,772	1,000	1,000
5220	Repair & Maintenance Supplies	45,954	62,024	27,400	23,500
5228	Painting Supplies	-	-	500	300
5241	Small Equipment	4,156	2,919	4,300	3,800
5280	Natural Gas Purchases	19,376,845	24,132,568	22,986,200	30,737,100
5319	Other Professional Services	1,345	2,241	10,000	3,000
5320	Data Services	29,246	28,283	31,600	1,900
5321	Telephone	3,643	2,005	4,200	2,700
5331	Training Expense	5,345	12,382	14,000	14,000
5335	Local Mileage Reimbursement	1,082	716	2,000	1,000
5355	Printing and Copying	-	17	400	400
5356	Copier, Printer Lease & Supplies	-	-	1,000	500
5381	Electricity	6,998	7,886	7,500	8,000
5382	Water/Sewer/Gas	1,040	1,106	2,000	1,500
5400	Miscellaneous Repair & Maint	-	1,233	2,000	-
5404	Equipment Maintenance Repair	24,137	-	25,500	5,000
5409	Fleet Services Charges	5,738	2,347	5,000	5,000
5414	Software Lic & Mtc Agreements	-	-	-	500
5433	Dues and Subscriptions	4,480	5,241	4,500	6,600
5441	Other Services & Charges	2,766	1,013	3,000	9,000
	TOTAL	19,536,083	24,311,351	23,159,200	30,853,900
1960	TOTAL - NATURAL GAS	20,040,048	24,716,476	23,589,600	31,214,000

City of Duluth Minnesota - 2015 Budget

Sewer Fund

530

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

The major expense category is for contractual services and charges paid to the Western Lake Superior Sanitary District (WLSSD), constituting 52% of total approved expenses. Presented below is a tabular summary of the major categories of revenues and expenses over a four year period.

Estimated Income and Expense	2012 Actual	2013 Actual	2014 Budget	2015 Approved
REVENUE				
Operating Revenue	18,524,986	18,736,960	19,004,800	18,682,200
Non-Operating Revenue	464,755	572,454	32,700	32,900
	<u>18,989,741</u>	<u>19,309,414</u>	<u>19,037,500</u>	<u>18,715,100</u>
EXPENSES				
Personal Services	3,494,359	3,199,182	3,524,600	3,380,600
Supplies	394,291	368,596	374,900	345,000
Other Services & Charges	973,770	1,129,057	1,083,300	1,081,000
WLSSD Treatment	8,504,062	8,610,904	8,656,300	8,609,500
Utilities	109,062	120,282	120,400	120,500
Depreciation/ Amortization	1,278,670	1,292,942	1,401,800	1,409,300
Sanitary Sewer -Grants	1,213,307	1,010,228	1,248,000	1,088,000
Improvements -Non-Capital	38,715	156,510	62,500	112,500
Debt Service - Interest	427,177	308,007	316,800	277,000
Debt Service - Other	30,933	12,140	40,100	12,100
Capital Lease Interest	92,494	86,169	79,600	72,800
Transfers	39,134	161,820	241,500	79,000
	<u>16,595,974</u>	<u>16,455,837</u>	<u>17,149,800</u>	<u>16,587,300</u>
ESTIMATED OPERATING				
INCOME (LOSS)	2,393,767	2,853,577	1,887,700	2,127,800
Other Sources of Cash	1,626,572	1,785,218	1,579,100	1,558,600
Other Uses of Cash	(3,642,799)	(3,518,718)	(3,868,100)	(4,722,800)
Increase (Decrease) in Cash	<u>377,540</u>	<u>1,120,077</u>	<u>(401,300)</u>	<u>(1,036,400)</u>

City of Duluth Minnesota - 2015 Budget

Sewer Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2014 Budget	2014 Projected	2015 Approved
ESTIMATED OPERATING INCOME (LOSS)	1,887,700	2,474,100	2,127,800
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,401,800	1,330,500	1,409,300
Bond Amortization	40,100	12,200	12,100
Due from Other Funds	-	77,900	-
Special Assessment Principal	137,200	137,200	137,200
Total Other Sources of Cash	<u>1,579,100</u>	<u>1,557,800</u>	<u>1,558,600</u>
<u>Other Uses of Cash</u>			
Capital Grants	-	-	-
Due to Other Funds	-	52,900	-
Infrastructure System Replacement Fund	51,500	51,500	51,500
Capital Improvements from Current Revenues	-	75,000	2,290,000
Infrastructure Improvements	1,742,000	1,237,400	-
Capital Equipment Purchases	180,300	220,400	329,800
Bond Principal Payments	1,718,800	1,718,800	1,869,300
AMR Lease Principal Payment	175,500	175,500	182,200
Total Other Uses of Cash	<u>3,868,100</u>	<u>3,531,500</u>	<u>4,722,800</u>
INCREASE (DECREASE) IN CASH	(401,300)	500,400	(1,036,400)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>2,405,216</u>	<u>2,319,393</u>	<u>2,819,793</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>2,003,916</u></u>	<u><u>2,819,793</u></u>	<u><u>1,783,393</u></u>

City of Duluth Minnesota - 2015 Budget

Sewer Fund

530

Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING REVENUES:				
4636 Sale of Materials	2,017	2,091	1,500	1,200
4802 Interest Earned on Customer Accounts	65,726	53,409	56,000	56,000
4805 Reimbursements	30,066	64,531	28,700	27,500
4809 Misc. Operating Revenue	631	2,720	1,000	1,500
4831 Fixed Rate Charges	1,920,833	1,921,805	1,921,400	1,922,300
4833 Sewer Revenues	16,408,556	16,577,074	16,911,200	16,584,200
4834 Fond du Lac Grinder Pump Surcharge	11,694	11,510	12,000	11,500
4839 Point of Sale Inspection Fee	77,629	95,741	70,000	75,000
4851 Interest Income - Other Sources	7,834	8,079	3,000	3,000
TOTAL OPERATING REVENUES	18,524,986	18,736,960	19,004,800	18,682,200
NON-OPERATING REVENUES:				
4220 Minnesota Grants - Capital	388,727	449,282	-	-
4230 Pera Aid	8,283	8,283	8,300	8,300
4601 Change in Fair Value Investments	-	(20,447)	-	-
4601 GASB #31 Adjustment	9,387	11,076	-	-
4806 Connection Fees	11,970	-	4,500	4,500
4850 Earnings on Investments	493	321	500	700
4853 Gain on Sale of Assets	1,001	-	-	-
4854 Utility Special Assessments	35,464	114,509	10,000	10,000
4730 Transfer from Enterprise Funds	9,430	9,430	9,400	9,400
TOTAL NON-OPERATING REVENUES	464,755	572,454	32,700	32,900
TOTAL REVENUE	18,989,741	19,309,414	19,037,500	18,715,100

City of Duluth Minnesota - 2015 Budget

Director's Office

530-500-1900

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

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	51,226	44,950	62,300	63,900
5101 Permanent Employees - Overtime	612	623	500	500
TOTAL	51,838	45,573	62,800	64,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,531	6,970	4,400	4,700
5122 F.I.C.A. Social Security	3,069	2,766	3,900	4,000
5123 F.I.C.A. Medicare	727	663	900	900
5125 Dental Insurance	267	223	100	300
5126 Life Insurance	125	103	100	100
5127 Health Care Savings	2,072	1,461	600	600
5130 Cafeteria Plan Benefits	5,891	4,597	6,700	9,400
TOTAL	15,682	16,783	16,700	20,000
OPERATING EXPENSES				
5200 Office Supplies	95	-	100	-
5241 Small Equipment	194	156	300	300
5321 Telephone	155	120	100	100
5331 Training Expense	525	-	500	500
5335 Mileage Reimbursement	47	71	100	100
5356 Copier, Printer Lease & Supplies	85	91	100	100
5438 Licenses	101	-	-	-
TOTAL	1,202	438	1,200	1,100
1900 TOTAL - DIRECTOR'S OFFICE	68,722	62,794	80,700	85,500

City of Duluth Minnesota - 2015 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	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING EXPENSES				
5420 Depreciation	1,278,670	1,292,942	1,401,800	1,409,300
5535 Improvements (Non-Capital)	38,715	156,510	62,500	112,500
5540 Equipment (Non-Capital)	-	3,541	15,000	25,000
5611 Bond Interest	427,177	308,007	316,800	277,000
5613 Interest - from Amortization	8,344	12,140	12,200	12,100
5614 Capital Lease Interest	92,494	86,169	79,600	72,800
5620 Fiscal Agents Fee	2,594	2,144	2,400	2,400
5622 Bond Amortization	22,589	-	27,900	-
TOTAL	<u>1,870,583</u>	<u>1,861,453</u>	<u>1,918,200</u>	<u>1,911,100</u>
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue	443,190	418,298	-	2,290,000
5536 Utility Infrastructure Replace. Proj.	600,595	456,941	1,742,000	-
5580 Capital Equipment	78,619	264,503	180,300	329,800
TOTAL	<u>1,122,404</u>	<u>1,139,742</u>	<u>1,922,300</u>	<u>2,619,800</u>
1905 TOTAL - CAPITAL	2,992,987	3,001,195	3,840,500	4,530,900

City of Duluth Minnesota - 2015 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	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	26,404	26,800	39,600	9,200
5101 Permanent Employees - Overtime	373	995	-	-
TOTAL	26,777	27,795	39,600	9,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	1,845	1,856	2,700	700
5122 F.I.C.A. Social Security	1,582	1,692	2,500	600
5123 F.I.C.A. Medicare	370	396	600	100
5125 Dental Insurance	216	208	100	-
5126 Life Insurance	1,203	1,161	200	-
5127 Health Care Savings	235	262	400	100
5130 Cafeteria Plan Benefits	3,734	5,140	8,700	2,800
5133 Health or Fitness Program	-	57	-	-
5134 Other Post Retirement Benefits	186,865	(19,547)	-	-
5135 Retiree Health Insurance	213,439	165,505	182,900	198,700
5151 Worker's Compensation	8,900	27,700	31,000	20,000
TOTAL	418,389	184,430	229,100	223,000
OPERATING EXPENSES				
5200 Office Supplies	-	120	500	500
5201 Computer Supplies/Software	28,685	29,956	30,600	-
5205 Safety & Training	445	542	800	700
5211 Cleaning & Janitorial Supplies	999	909	2,700	2,500
5241 Small Equipment	3,183	2,065	700	700
5301 Auditing Services	1,258	1,063	1,600	1,400
5305 Medical Services/Testing Fees	1,415	2,534	2,000	3,100
5310 Contract Services	772	59,221	1,500	1,500
5320 Data Services	11,433	13,782	10,300	15,500
5321 Telephone	15,711	7,649	14,000	7,400
5331 Training / Travel	12,436	354	1,600	2,800
5335 Mileage Reimbursement - Local	-	-	100	100
5356 Copier, Printer Lease & Supplies	3,832	4,091	4,700	3,700
5360 Insurance	36,500	75,700	88,000	23,100
5381 Electricity	15,659	15,963	14,600	13,000
5382 Water, Gas & Sewer	9,183	12,997	16,800	14,500
5384 Refuse Disposal	1,231	1,130	2,200	2,000
5401 Building Repair & Maintenance	6,491	3,186	7,800	7,000
5404 Equipment/Machinery Repair & Mtc	75	13	-	7,500
5414 Software Lic & Mtc Agreements	-	-	-	30,300
5433 Dues & Subscriptions	1,790	1,790	-	-
5441 Other Services & Charges	12,296	13,467	10,500	12,500
5450 Laundry	2,638	2,405	2,200	2,200
5493 Cost Allocation	306,900	306,900	306,900	308,000
5700 Transfer to General Fund	9,387	11,076	21,600	49,000
5700 Transfer to Special Revenue Funds	-	-	8,900	-
5700 Transfer to Internal Service Funds	-	147,700	161,000	-
TOTAL	482,319	714,613	711,600	509,000
1915 TOTAL - UTILITY GENERAL	927,485	926,838	980,300	741,200

City of Duluth Minnesota - 2015 Budget

Engineering

530-500-1930

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

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	319,229	314,695	344,700	363,600
5101 Permanent Employees - Overtime	15,446	23,367	15,000	20,000
5103 Temporary Wages	1,668	2,905	4,500	5,200
5118 Meal Allowance	-	204	-	-
TOTAL	336,343	341,171	364,200	388,800
EMPLOYEE BENEFITS				
5121 P.E.R.A.	23,356	23,972	24,600	26,700
5122 F.I.C.A. Social Security	20,338	20,506	22,600	24,100
5123 F.I.C.A. Medicare	4,757	4,796	5,300	5,600
5125 Dental Insurance	1,995	1,930	900	1,900
5126 Life Insurance	935	905	1,000	1,000
5127 Health Care Savings	4,304	5,597	4,700	5,800
5130 Cafeteria Plan Benefits	56,923	67,041	81,400	78,400
TOTAL	112,608	124,747	140,500	143,500
OPERATING EXPENSES				
5200 Office Supplies	126	584	300	300
5201 Computer Supplies	8,327	7,481	14,000	-
5203 Paper, Stationary & Forms	516	417	300	300
5205 Safety & Training Materials	181	25	500	500
5212 Motor Fuels	2,565	4,094	2,800	2,800
5219 Other Miscellaneous Supplies	52	280	-	-
5240 Small Tools	357	743	600	800
5241 Small Equipment	2,353	730	4,200	2,900
5242 Survey Equipment and Supplies	5,132	3,050	5,100	5,600
5310 Contract Services	-	55	-	-
5320 Data Services	-	-	800	1,000
5321 Telephone	1,548	1,531	1,000	1,000
5322 Postage	13	-	100	100
5331 Training Expenses	2,448	1,868	7,200	7,200
5335 Mileage Reimbursement - Local	114	215	200	2,000
5355 Printing and Copying	428	1,437	700	500
5356 Copier, Printer Lease & Supplies	2,934	4,313	4,000	4,600
5404 Equipment Maintenance/Repair	652	393	600	600
5409 Fleet Services Charges	3,359	3,837	3,000	3,000
5414 Software Lic & Mtc Agreements	-	-	-	7,900
5433 Dues & Subscriptions	562	300	800	800
5435 Books & Pamphlets	-	86	200	200
5438 Licenses	-	-	300	-
5441 Other Services and Charges	3,047	2,772	12,800	13,200
5486 One Call System	2,953	2,968	2,900	2,900
TOTAL	37,667	37,179	62,400	58,200
1930 TOTAL - ENGINEERING	486,618	503,097	567,100	590,500

City of Duluth Minnesota - 2015 Budget

Customer Services

530-500-1940

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

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	236,596	236,094	240,900	248,000
5101 Permanent Employees - Overtime	3,374	4,893	2,500	2,500
5118 Meal Allowance	34	55	-	-
TOTAL	240,004	241,042	243,400	250,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	16,371	16,737	16,900	17,900
5122 F.I.C.A. Social Security	14,679	14,674	15,100	15,500
5123 F.I.C.A. Medicare	3,433	3,432	3,500	3,600
5125 Dental Insurance	1,828	1,791	700	1,700
5126 Life Insurance	857	841	800	900
5127 Health Care Savings	8,036	3,454	2,200	3,700
5130 Cafeteria Plan Benefits	45,258	53,226	63,300	54,700
TOTAL	90,462	94,155	102,500	98,000
OPERATING EXPENSES				
5200 Office Supplies	1,408	795	1,200	1,200
5201 Computer Supplies	79	-	300	300
5203 Paper/Stationery	1,238	-	2,100	2,100
5212 Motor Fuel	677	1,412	700	1,400
5241 Small Equipment	1,074	238	1,000	700
5310 Contract Services	33,227	33,752	32,900	32,900
5321 Telephone	186	198	400	400
5322 Postage	38,577	37,373	43,300	45,700
5331 Training Expense	407	885	1,100	1,600
5339 Armored Pickup	1,157	979	1,100	1,100
5355 Printing & Copying	681	-	200	200
5356 Copier, Printer Lease & Supplies	469	110	400	400
5401 Building Repair & Maintenance	63	238	-	-
5404 Equipment Repair & Maintenance	1,983	2,057	2,800	700
5409 Fleet Services	866	2,082	600	1,200
5414 Software Lic & Mtc Agreements	-	-	-	1,900
5427 Credit Card Commission	14,951	19,308	12,300	20,800
5432 Uncollectible Accounts	(71,174)	(16,337)	25,000	25,000
5441 Other Services & Charges	647	12,662	800	800
TOTAL	26,516	95,752	126,200	138,400
1940 TOTAL-CUSTOMER SERVICES	356,982	430,949	472,100	486,900

City of Duluth Minnesota - 2015 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	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,049,134	903,435	978,500	960,200
5101 Permanent Employees - Overtime	100,756	111,959	130,000	120,000
5103 Temporary Wages	503	-	-	-
5118 Meal Allowance	2,461	2,531	2,000	2,500
TOTAL	1,152,854	1,017,925	1,110,500	1,082,700
EMPLOYEE BENEFITS				
5121 P.E.R.A.	80,187	73,030	69,900	70,900
5122 F.I.C.A. Social Security	70,082	61,840	68,700	67,000
5123 F.I.C.A. Medicare	16,474	14,463	16,100	15,700
5125 Dental Insurance	7,645	7,092	3,000	6,400
5126 Life Insurance	3,561	3,288	3,400	3,200
5127 Health Care Savings	18,897	22,564	22,500	12,200
5130 Cafeteria Plan Benefits	244,863	258,465	310,200	290,200
5141 Unemployment Compensation	-	483	-	-
TOTAL	441,709	441,225	493,800	465,600
OPERATING EXPENSES				
5200 Office Supplies	6,800	6,111	2,000	2,500
5201 Computer Supplies	2,316	1,397	6,900	5,000
5205 Safety & Training Materials	3,695	5,590	4,000	5,400
5210 Plant Operations Supplies	4,404	18,604	22,900	25,600
5212 Motor Fuel	66,821	65,193	60,000	60,000
5215 Shop Materials	1,432	-	1,000	1,000
5218 Uniforms	4,109	2,186	5,700	7,100
5219 Other Miscellaneous Supplies	1,501	1,520	-	2,000
5220 Repair and Maintenance Supplies	22,756	31,406	12,800	16,200
5222 Paving Materials	6,534	20,604	17,000	17,500
5224 Gravel and other Mtc Materials	49,884	50,577	45,000	45,500
5227 Utility Maintenance Supply	126,939	74,911	67,000	76,500
5240 Small Tools	3,551	7,768	5,500	7,000
5241 Small Equipment	26,943	7,559	22,600	18,900
5310 Contract Services	36,356	56,149	19,000	19,000
5320 Data Services	8,217	8,460	6,800	-
5321 Telephone	1,435	1,380	2,100	1,100
5331 Training Expense	14,703	20,847	15,700	15,800
5333 Freight/Delivery Charges	176	-	500	500
5335 Mileage Reimbursement	19,361	15,215	8,000	8,000
5355 Printing and Copying	8,147	1,181	2,000	1,500
5356 Copier, Printer Lease & Supplies	464	94	2,000	500
5381 Electricity	73,974	79,986	75,000	78,000
5382 Water, Gas & Sewer	10,246	11,336	14,000	15,000
5384 Refuse Disposal	23,199	13,254	14,400	13,200
5404 Equipment Maintenance/Repair	11,747	2,821	11,500	4,700
5409 Fleet Service Charges	109,079	127,948	100,000	100,000
5410 Fond Du Lac Grinder Pump	2,669	2,728	3,000	3,000
5414 Software Lic & Mtc Agreements	-	-	-	2,400
5415 Vehicle/Equipment Rental	731	1,198	3,000	3,000
5433 Dues and Subscriptions	122	445	500	500
5438 Licenses	477	297	500	500
5441 Other Services & Charges	28,210	16,959	8,500	10,500
5450 Laundry	11,237	12,332	6,700	8,900
5700 Transfer to General Fund	29,747	3,044	50,000	30,000
TOTAL	717,982	669,100	615,600	606,300
1945 TOTAL - UTILITY OPERATIONS	2,312,545	2,128,250	2,219,900	2,154,600

City of Duluth Minnesota - 2015 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	2012 Actual	2013 Actual	2014 Budget	2015 Approved
5484 Western Lake Superior Sanitary District Srv Charge	8,504,062	8,610,904	8,656,300	8,609,500
5485 Western Lake Superior Sanitary District Testing	221,620	218,818	218,800	218,800
1965 TOTAL- SEWER TREATMENT	8,725,682	8,829,722	8,875,100	8,828,300

City of Duluth Minnesota - 2015 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		2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	430,127	479,192	508,600	453,200
5101	Permanent Employees - Overtime	25,692	26,051	35,000	30,000
5103	Temporary Wages	476	-	-	-
5118	Meal Allowance	280	185	300	300
	TOTAL	456,575	505,428	543,900	483,500
EMPLOYEE BENEFITS					
5121	P.E.R.A.	30,651	35,848	35,600	32,600
5122	F.I.C.A. Social Security	28,917	30,780	33,700	30,000
5123	F.I.C.A. Medicare	6,765	7,199	7,900	7,000
5125	Dental Insurance	2,785	2,899	1,400	2,700
5126	Life Insurance	1,486	1,410	1,500	1,400
5127	Health Care Savings	3,701	4,395	4,700	4,100
5130	Cafeteria Plan Benefits	76,813	76,377	92,800	73,600
	TOTAL	151,118	158,908	177,600	151,400
OPERATING EXPENSES					
5200	Office Supplies	-	94	500	500
5201	Computer Supplies	-	32	500	500
5205	Safety & Training	-	-	400	200
5212	Motor Fuels	6,184	4,147	6,000	5,000
5218	Uniforms	213	281	1,500	1,100
5220	Repair & Maintenance Supplies	-	-	500	500
5227	Utility System Maintenance Supplies	-	-	1,600	1,000
5240	Small Tools	-	-	300	400
5241	Small Equipment	2,523	17,019	22,400	22,000
5320	Data Services	-	-	1,700	-
5321	Telephone	2,283	1,986	2,500	2,200
5322	Postage	717	-	500	500
5331	Training Expense	3,452	783	4,700	4,700
5335	Mileage Reimbursement	-	6,325	10,000	13,000
5355	Printing & Copying	951	-	1,000	1,000
5356	Copier, Printer Lease & Supplies	-	-	500	500
5404	Equipment Maintenance Repair	-	-	2,300	2,300
5409	Fleet Services	8,010	5,500	6,000	6,000
5441	Other Services and Charges	-	-	1,500	1,500
5450	Laundry	2,024	2,003	2,500	3,400
5482	Private Property Sewer Grants	1,213,307	1,010,228	1,248,000	1,088,000
	TOTAL	1,239,664	1,048,398	1,314,900	1,154,300
1970	TOTAL INFLOW & INFILTRATION	1,847,357	1,712,734	2,036,400	1,789,200

City of Duluth Minnesota - 2015 Budget

Clean Water Surcharge Fund

532

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

Estimated Income and Expense	2012 Actual	2013 Actual	2014 Budget	2015 Approved
REVENUE				
Operating Revenue	1,833,354	1,806,789	1,839,000	1,843,000
Non-Operating Revenue	2,407,451	1,641,354	400	300
	<u>4,240,805</u>	<u>3,448,143</u>	<u>1,839,400</u>	<u>1,843,300</u>
EXPENSES				
Other Services & Charges	10,793	5,542	10,400	10,400
Depreciation/ Amortization	156,849	372,249	564,400	598,800
Grants & Awards	1,286,687	1,368,431	800,000	500,000
Improvements - Non-Capital	875	2,516	-	-
Debt Service - Interest	171,809	190,247	198,400	175,700
Debt Service - Other	1,816	-	2,100	-
Transfers	17,880	9,607	-	-
	<u>1,646,709</u>	<u>1,948,592</u>	<u>1,575,300</u>	<u>1,284,900</u>
ESTIMATED OPERATING INCOME (LOSS)	2,594,096	1,499,551	264,100	558,400
Other Sources of Cash	158,665	372,249	566,500	598,800
Other Uses of Cash	(3,709,674)	(2,840,919)	(1,154,200)	(1,122,200)
Increase (Decrease) in Cash	<u>(956,913)</u>	<u>(969,119)</u>	<u>(323,600)</u>	<u>35,000</u>

City of Duluth Minnesota - 2015 Budget

Clean Water Fund Estimated Unrestricted Cash Balance

<u>OPERATING FUND</u>	<u>2014 Budget</u>	<u>2014 Projected</u>	<u>2015 Approved</u>
ESTIMATED OPERATING INCOME (LOSS)	264,100	391,700	558,400
<u>Other Sources of Cash</u>			
Depreciation and Amortization	564,400	567,700	598,800
Bond Amortization	2,100	-	-
Total Other Sources of Cash	<u>566,500</u>	<u>567,700</u>	<u>598,800</u>
<u>Other Uses of Cash</u>			
Capital Grants	-	106,600	-
Budget Carry-Over for Encumbrances	-	-	-
Capital Improvements from Current Revenues	-	-	-
Infrastructure Replacement	-	-	-
Bond Principal Payments	1,154,200	1,109,000	1,122,200
Total Other Uses of Cash	<u>1,154,200</u>	<u>1,215,600</u>	<u>1,122,200</u>
INCREASE (DECREASE) IN CASH	(323,600)	(256,200)	35,000
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>984,533</u>	<u>369,715</u>	<u>113,515</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>660,933</u></u>	<u><u>113,515</u></u>	<u><u>148,515</u></u>

City of Duluth Minnesota - 2015 Budget

Clean Water Surcharge Fund

532

Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING REVENUES				
4836 I & I Surcharge	14,290	(14,781)	14,000	15,000
4837 Clean Water Surcharge	1,819,064	1,821,570	1,825,000	1,828,000
TOTAL	<u>1,833,354</u>	<u>1,806,789</u>	<u>1,839,000</u>	<u>1,843,000</u>
NON-OPERATING REVENUES				
4209 Federal Grants - Capital	1,050,680	-	-	-
4220 Minnesota Grants - Capital	1,337,951	1,634,690	-	-
4601 Change in Fair Value Investments	-	(3,193)	-	-
4601 GASB #31 Adjustment	17,880	9,607	-	-
4850 Earnings on Investments	940	250	400	300
TOTAL	<u>2,407,451</u>	<u>1,641,354</u>	<u>400</u>	<u>300</u>
TOTAL REVENUE	4,240,805	3,448,143	1,839,400	1,843,300

City of Duluth Minnesota - 2015 Budget

Clean Water Surcharge Fund

532

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING EXPENSES				
5301 Auditing Services	4,499	3,509	3,000	3,000
5420 Depreciation	156,849	372,249	564,400	598,800
5427 Credit Card Commissions	2,514	2,033	2,400	2,400
5432 Uncollectible Accounts	3,780	-	5,000	5,000
5434 Grants & Awards	1,286,687	1,368,431	800,000	500,000
5535 Non-Capital Improvements	875	2,516	-	-
5611 Bond Interest	171,809	190,247	198,400	175,700
5622 Bond Amortization	1,816	-	2,100	-
5700 Transfers to General Fund	17,880	9,607	-	-
TOTAL	<u>1,646,709</u>	<u>1,948,592</u>	<u>1,575,300</u>	<u>1,284,900</u>
NON-OPERATING EXPENSES				
5532 Capital Improvements-Bond	5,066,655	2,267,656	-	-
5533 Capital Improvements-Revenue	102,040	36,083	-	-
5536 Utility Infrastructure Replacement	2,188	4,109	-	-
TOTAL	<u>5,170,883</u>	<u>2,307,848</u>	<u>-</u>	<u>-</u>
TOTAL EXPENSES	6,817,592	4,256,440	1,575,300	1,284,900

City of Duluth Minnesota - 2015 Budget

Stormwater Fund

535

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

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

Estimated Income and Expense	2012 Actual	2013 Actual	2014 Budget	2015 Approved
REVENUE				
Stormwater Sewer Service	4,777,794	4,704,073	4,690,000	4,700,000
Miscellaneous Revenue	21,015	49,810	18,800	18,500
Non-Operating	89,339	38,752	5,500	5,900
	<u>4,888,148</u>	<u>4,792,635</u>	<u>4,714,300</u>	<u>4,724,400</u>
EXPENSES				
Personal Services	1,991,160	1,991,979	2,177,400	2,320,500
Supplies	325,930	283,969	255,600	280,200
Other Services and Charges	513,417	503,923	651,000	700,300
Utilities	17,936	20,693	23,100	26,200
Depreciation and Amortization	477,970	486,707	536,100	528,000
Improvements - Non-Capital	35,938	140,033	297,500	257,500
Debt Service - Interest	65,849	59,788	56,100	49,700
Bond Amortization	2,441	(745)	2,500	(700)
Transfers Out	519,522	568,252	646,400	584,000
	<u>3,950,163</u>	<u>4,054,599</u>	<u>4,645,700</u>	<u>4,745,700</u>
ESTIMATED OPERATING INCOME (LOSS)	937,985	738,036	68,600	(21,300)
Other Sources of Cash	1,007,354	481,313	539,200	527,900
Other Uses of Cash	(1,215,150)	(1,074,025)	(1,612,900)	(1,458,500)
Increase (Decrease) in Cash	<u>730,189</u>	<u>145,324</u>	<u>(1,005,100)</u>	<u>(951,900)</u>

City of Duluth Minnesota - 2015 Budget

Stormwater Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2014 Budget	2014 Projected	2015 Approved
ESTIMATED OPERATING INCOME (LOSS)	68,600	308,300	(21,300)
<u>Other Sources of Cash</u>			
Depreciation and Amortization	536,100	465,800	528,000
Bond Amortization	2,500	(700)	(700)
Due from Other Funds	-	171,200	-
Special Assessment Principal	600	600	600
Total Other Sources of Cash	539,200	636,900	527,900
<u>Other Uses of Cash</u>			
Due to Other Funds	-	31,000	-
Capital Improvements from Current Revenues	1,108,000	1,088,000	940,000
Capital Equipment Purchases	294,500	202,000	299,700
Bond Principal Payments	210,400	210,400	218,800
Total Other Uses of Cash	1,612,900	1,531,400	1,458,500
INCREASE (DECREASE) IN CASH	(1,005,100)	(586,200)	(951,900)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	2,548,026	2,524,850	1,938,650
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	1,542,926	1,938,650	986,750

City of Duluth Minnesota - 2015 Budget

Stormwater Fund

535

Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING REVENUES:				
4636 Sale of Materials	4,545	9,237	3,000	3,000
4835 Stormwater Revenues	4,777,794	4,704,073	4,690,000	4,700,000
4802 Interest Earned on Customer Accounts	12,666	12,447	14,000	13,500
4805 Reimbursements	3,161	24,664	1,000	1,200
4809 Miscellaneous Operating Revenues	-	-	300	300
4851 Interest - Other Sources	643	3,462	500	500
TOTAL OPERATING REVENUES	4,798,809	4,753,883	4,708,800	4,718,500
NON-OPERATING REVENUES:				
4210 Federal Grants - Capital	1,566	-	-	-
4210 Federal Grants - Operating	2,705	10,000	-	-
4601 Change in Fair Value Investments	-	(21,777)	-	-
4601 GASB #31 Adjustment	20,730	23,031	-	-
4850 Earnings on Investments	1,090	627	600	1,000
4853 Gain/Loss - Sales of Fixed Assets	50,000	-	-	-
4854 Utility Assessments	8,328	21,951	-	-
4730 Transfers from Enterprise Funds	4,920	4,920	4,900	4,900
TOTAL NON-OPERATING REVENUES	89,339	38,752	5,500	5,900
TOTAL REVENUE	4,888,148	4,792,635	4,714,300	4,724,400

City of Duluth Minnesota - 2015 Budget

Director's Office

535-500-1900

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

Expense Detail		2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	51,225	44,950	62,300	63,900
5101	Permanent Employees - Overtime	612	623	500	500
	TOTAL	51,837	45,573	62,800	64,400
EMPLOYEE BENEFITS					
5121	P.E.R.A.	3,531	4,164	4,400	4,700
5122	F.I.C.A. Social Security	3,069	2,766	3,900	4,000
5123	F.I.C.A. Medicare	727	663	900	900
5125	Dental Insurance	267	223	100	300
5126	Life Insurance	125	103	100	100
5127	Health Care Savings	2,072	1,461	600	600
5130	Cafeteria Plan Benefits	5,890	4,596	6,700	9,400
	TOTAL	15,681	13,976	16,700	20,000
OPERATING EXPENSES					
5200	Office Supplies	84	-	100	-
5241	Small Equipment	194	156	300	300
5321	Telephone	225	120	100	100
5331	Training Expense	-	-	500	300
5335	Mileage Reimbursement-Local	-	71	100	100
5356	Copier, Printer Lease & Spplies	-	5	-	100
5441	Other Services & Charges	1,401	-	-	-
	TOTAL	1,904	352	1,100	900
1900	TOTAL - DIRECTOR'S OFFICE	69,422	59,901	80,600	85,300

City of Duluth Minnesota - 2015 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	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING EXPENSES				
5420 Depreciation	477,970	486,707	536,100	528,000
5535 Improvements (Non-Capital)	35,938	140,033	297,500	257,500
5540 Equipment (Non-Capital)	-	1,188	-	-
5611 Bond Interest	65,849	59,788	56,100	49,700
5613 Interest from Amortization	(748)	(745)	(700)	(700)
5620 Fiscal Agent Fees	438	438	400	400
5622 Bond Amortization	3,189	-	3,200	-
TOTAL	582,636	687,409	892,600	834,900
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue	612,870	436,413	1,108,000	940,000
5580 Capital Equipment	253,821	209,211	294,500	299,700
TOTAL	866,691	645,624	1,402,500	1,239,700
1905 TOTAL - CAPITAL	1,449,327	1,333,033	2,295,100	2,074,600

City of Duluth Minnesota - 2015 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	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	21,451	26,799	39,600	9,200
5101 Permanent Employees - Overtime	373	995	-	-
TOTAL	21,824	27,794	39,600	9,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	1,454	1,857	2,700	700
5122 F.I.C.A. Social Security	1,275	1,692	2,500	600
5123 F.I.C.A. Medicare	298	396	600	100
5125 Dental Insurance	179	208	100	-
5126 Life Insurance	85	98	200	-
5127 Health Care Savings	189	263	400	100
5130 Cafeteria Plan Benefits	3,159	5,140	8,700	2,800
5133 Health or Fitness Program	-	57	-	-
5134 Other Post Retirement Benefits	137,298	(26,399)	-	-
5135 Retiree Health Insurance	11,623	9,528	10,300	10,900
5151 Worker's Compensation	2,100	600	7,500	7,300
TOTAL	157,660	(6,560)	33,000	22,500
OPERATING EXPENSES				
5200 Office Supplies	-	120	500	500
5201 Computer Supplies/Software	15,581	16,474	16,900	-
5205 Safety & Training Materials	318	529	700	700
5211 Cleaning and Janitorial Supplies	908	910	2,700	2,500
5241 Small Equipment	2,056	2,065	700	700
5301 Auditing Services	418	356	1,000	600
5305 Medical Services/Testing Fees	440	1,739	400	2,900
5310 Contract Services	24,284	500	-	-
5320 Data Services	8,321	8,468	9,300	5,800
5321 Telephone	4,339	4,167	4,500	4,500
5331 Training Expenses	4,495	2,214	1,500	2,800
5335 Mileage Reimbursement - Local	-	-	100	100
5356 Copier, Printer Lease & Supplies	2,688	4,049	4,700	3,700
5360 Insurance	3,100	-	-	8,800
5381 Electricity	11,679	11,879	10,400	13,000
5382 Water & Gas	5,696	7,658	11,900	13,200
5384 Refuse Disposal	8,542	8,021	5,600	6,500
5401 Building Repair & Maintenance	5,426	2,432	6,200	6,900
5414 Software Lic & Mtc Agreements	-	-	-	16,700
5433 Dues & Subscriptions	-	5,844	-	-
5439 Special Projects	4,500	-	-	-
5441 Other Services and Charges	23,527	34,736	6,700	8,700
5450 Laundry	2,638	2,405	2,200	2,200
5493 Cost Allocation Charges	150,700	150,700	150,700	151,800
5700 Transfer to General Fund	20,730	23,031	21,600	49,000
5700 Transfer to Special Revenue Funds	-	-	5,800	-
5700 Transfer to Internal Service Funds	-	131,800	121,000	100,000
TOTAL	300,386	420,097	385,100	401,600
1915 TOTAL - UTILITY EXPENSE	479,870	441,331	457,700	433,300

City of Duluth Minnesota - 2015 Budget

Engineering

535-500-1930

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

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	328,308	390,749	438,000	459,100
5101 Permanent Employees - Overtime	12,530	33,273	25,000	25,000
5103 Temporary Wages	1,957	3,017	4,500	5,200
5118 Meal Allowance	-	204	-	-
TOTAL	342,795	427,243	467,500	489,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	23,950	29,273	31,500	34,100
5122 F.I.C.A. Social Security	20,481	25,232	29,000	30,300
5123 F.I.C.A. Medicare	4,790	5,901	6,800	7,100
5125 Dental Insurance	2,075	2,276	1,100	2,400
5126 Life Insurance	971	1,067	1,200	1,200
5127 Health Care Savings	4,418	6,240	5,800	12,500
5130 Cafeteria Plan Benefits	63,921	89,556	113,000	113,800
5141 Unemployment Compensation	546	-	-	-
TOTAL	121,152	159,545	188,400	201,400
OPERATING EXPENSES				
5200 Office Supplies	126	584	300	300
5201 Computer Supplies	8,464	7,837	15,800	1,000
5203 Paper, Stationery and Forms	517	408	300	300
5205 Safety & Training Materials	111	576	400	500
5212 Motor Fuel	1,999	3,147	2,000	2,000
5219 Other Miscellaneous Supplies	52	280	-	-
5240 Small Tools	357	743	600	800
5241 Small Equipment	2,353	1,258	4,200	2,700
5242 Survey Equipment and Supplies	3,965	3,268	5,100	5,600
5303 Engineering Services	5,940	19,807	135,000	135,000
5310 Contract Services	-	42	5,000	5,000
5320 Data Services	-	58	1,200	1,400
5321 Telephone	1,496	2,195	1,600	1,600
5322 Postage	13	-	100	100
5331 Training Expenses	4,490	4,235	13,500	9,100
5335 Mileage Reimbursement	114	1,669	200	6,000
5355 Printing and Copying	-	1,143	5,800	5,600
5356 Copier, Printer Lease & Spplies	3,646	4,313	3,900	4,400
5404 Equipment Maintenance Repair	416	110	600	600
5409 Fleet Services	2,638	3,158	2,600	2,600
5414 Software Lic & Mtc Agreements	-	-	-	8,700
5433 Dues and Subscriptions	369	300	900	900
5435 Books and Pamphlets	-	86	200	200
5438 Licenses	136	-	100	-
5441 Other Services and Charges	1,309	788	68,600	68,700
5486 One Call system	2,953	2,968	3,000	3,000
TOTAL	41,464	58,973	271,000	266,100
1930 TOTAL - ENGINEERING	505,411	645,761	926,900	956,800

City of Duluth Minnesota - 2015 Budget

Customer Services

535-500-1940

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

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	100,759	106,261	108,100	111,200
5101 Permanent Employees - Overtime	1,801	2,614	1,500	1,500
5118 Meal Allowance	18	29	-	-
TOTAL	102,578	108,904	109,600	112,700
EMPLOYEE BENEFITS				
5121 P.E.R.A.	6,994	7,544	7,600	8,000
5122 F.I.C.A. Social Security	6,275	6,639	6,800	7,000
5123 F.I.C.A. Medicare	1,467	1,552	1,600	1,600
5125 Dental Insurance	768	801	300	800
5126 Life Insurance	360	376	400	400
5127 Health Care Savings	3,830	1,606	1,000	1,700
5130 Cafeteria Plan Benefits	19,270	23,459	28,000	23,600
TOTAL	38,964	41,977	45,700	43,100
OPERATING EXPENSES				
5200 Office Supplies	660	366	600	600
5201 Computer Supplies	-	-	200	200
5203 Paper/Stationery	484	-	1,100	1,100
5241 Small Equipment	563	124	600	300
5310 Contract Services	18,818	17,714	17,200	17,200
5321 Telephone	100	102	200	200
5322 Postage	19,184	19,526	22,700	23,900
5331 Training Expense	212	462	600	800
5339 Armored Pickup	649	511	600	600
5355 Printing & Copying	380	-	100	100
5356 Copier, Printer Lease & Spplies	183	49	200	200
5401 Building Repair & Maintenance	85	170	-	-
5404 Equipment Repair & Maintenance	98	99	300	300
5427 Credit Card Commission	4,037	5,022	2,700	5,600
5432 Uncollectible Accounts	(16,441)	2,578	5,000	5,000
5441 Other Services & Charges	113	1,455	500	500
TOTAL	29,125	48,178	52,600	56,600
1940 TOTAL - CUSTOMER SERVICES	170,667	199,059	207,900	212,400

City of Duluth Minnesota - 2015 Budget

Utility Operations

535-500-1945

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

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	766,626	779,817	787,900	891,700
5101 Permanent Employees - Overtime	78,483	68,291	80,000	80,000
5118 Meal Allowance	1,292	1,553	1,000	1,500
TOTAL	846,401	849,661	868,900	973,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	58,503	60,386	55,400	64,900
5122 F.I.C.A. Social Security	50,938	51,874	53,800	60,200
5123 F.I.C.A. Medicare	11,996	12,131	12,600	14,100
5125 Dental Insurance	5,331	5,658	2,400	5,900
5126 Life Insurance	2,517	2,666	2,700	2,900
5127 Health Care Savings	15,133	13,043	20,300	17,400
5130 Cafeteria Plan Benefits	147,850	178,108	198,000	219,300
TOTAL	292,268	323,866	345,200	384,700
OPERATING EXPENSES				
5200 Office Supplies	2,524	630	1,500	2,500
5201 Computer Supplies/Software	1,729	993	5,600	4,500
5205 Safety & Training Materials	1,568	1,481	2,300	3,100
5210 Plant Operating Supplies	2,709	12,149	9,500	9,700
5212 Motor Fuels	64,668	59,325	60,000	60,000
5218 Uniforms	1,421	1,187	4,100	5,600
5219 Other Miscellaneous Supplies	-	554	-	2,000
5220 Repair and Maintenance Supplies	15,006	25,432	5,800	8,000
5222 Blacktop	6,013	21,313	12,000	25,000
5224 Gravel and Other Maintenance Materials	54,170	57,345	27,700	38,500
5227 Utility Maintenance Supplies	122,348	51,521	53,000	80,500
5240 Small Tools	422	4,232	3,600	3,800
5241 Small Equipment	14,560	8,962	17,400	16,900
5310 Contract Services	7,714	16,399	9,300	9,300
5320 Data Services	367	187	-	-
5321 Telephone	2,390	1,124	2,000	1,300
5322 Postage	-	134	200	200
5331 Training Expense	8,272	2,608	8,100	8,000
5333 Freight and Delivery Charges	-	-	300	300
5335 Mileage Reimbursement	14,404	9,550	10,000	2,000
5355 Printing & Copying	5,304	4,102	-	100
5356 Copier, Printer Lease & Supplies	120	-	500	300
5382 Water /Sewer/Gas	561	1,156	800	-
5384 Refuse Disposal	14,020	12,730	10,900	11,800
5404 Equipment/Maintenance Repair	4,800	2,007	6,000	5,000
5409 Fleet Services	125,130	107,313	100,000	100,000
5414 Software Lic & Mtc Agreements	-	-	-	1,700
5415 Vehicle/Equip Rent	25,088	17,396	7,000	18,000
5433 Dues and Subscriptions	550	-	400	400
5438 Licenses	-	-	500	500
5441 Other Services & Charges	60	4,725	3,400	3,500
5450 Laundry	8,778	9,635	6,000	7,600
5700 Transfer to General Fund	498,792	413,421	498,000	435,000
TOTAL	1,003,488	847,611	865,900	865,100
1945 TOTAL - UTILITY OPERATIONS	2,142,157	2,021,138	2,080,000	2,223,000

City of Duluth Minnesota - 2015 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	2012 Actual	2013 Actual	2014 Budget	2015 Approved
REVENUE				
Operating	6,993,784	7,608,373	6,701,900	6,732,400
Miscellaneous	246,170	284,600	279,700	357,200
	7,239,954	7,892,973	6,981,600	7,089,600
EXPENSES				
Duluth Steam Co-op				
Management Contract	2,110,561	2,369,053	2,476,700	2,576,400
Fuel Expense	3,051,564	3,664,944	2,675,900	3,122,300
Other Operating &	0	0	0	0
Maintenance Expense	456,813	512,574	1,087,100	568,100
Depreciation	998,705	1,029,288	1,070,400	1,095,500
In Lieu of Taxes	140,389	152,719	152,800	152,800
Bond Interest	227,635	117,550	77,500	105,200
	6,985,667	7,846,128	7,540,400	7,620,300
ESTIMATED OPERATING INCOME/(LOSS)	254,287	46,845	(558,800)	(530,700)

City of Duluth Minnesota - 2015 Budget

Steam Utility Fund

540

Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING REVENUES:				
4801 Off/On Charge	284	280	-	-
4840 Energy Charge	3,180,498	3,627,111	2,623,000	2,974,300
4841 Steam Flat Rate	24	200	-	-
4842 Capacity Charge	3,438,477	3,604,256	3,084,000	3,252,000
4843 Steam Repair - Labor	2,410	2,160	2,400	2,400
4844 Steam Repair - Materials	3,632	4,012	2,400	2,400
4845 Hot Water Sales	78,368	87,236	109,700	172,100
4846 Chilled Water Capacity Charge	198,253	198,253	198,300	198,300
4847 Chilled Water Energy Charge	91,838	84,865	682,100	130,900
TOTAL OPERATING REVENUES	6,993,784	7,608,373	6,701,900	6,732,400
MISCELLANEOUS REVENUES:				
4210 Pass-thru Federal Grants	-	45,447	-	100,000
4654 Other Reimbursements	-	-	35,000	-
4802 Interest Earned on Customer Accounts	15,762	15,424	13,200	18,000
4809 Misc Non-Operating Income	9,906	12,166	8,800	8,800
4850 Earnings on Investments	751	(11,443)	600	600
4855 DECC Capacity Charge	219,751	223,006	222,100	229,800
TOTAL MISCELLANEOUS REVENUES	246,170	284,600	279,700	357,200
TOTAL REVENUE	7,239,954	7,892,973	6,981,600	7,089,600

City of Duluth Minnesota - 2015 Budget

Steam Utility Fund

540

Expense Detail by Division		2012 Actual	2013 Actual	2014 Budget	2015 Approved
1490	Production	3,051,564	3,664,944	2,675,900	3,122,300
1491	Chiller Production	48,235	47,986	629,200	72,600
1492	Production Maintenance	166,563	264,821	129,600	129,600
1493	Transmission & Distribution	222,444	92,171	192,500	192,500
1494	Customer Accounting	2,400	5,834	7,600	11,900
1495	Administration & General	3,364,385	3,685,690	3,828,100	3,977,800
1497	Hot Water	0	0	0	8,400
1499	Debt Service & Capital	130,076	84,682	77,500	105,200
TOTAL EXPENSES		6,985,667	7,846,128	7,540,400	7,620,300

City of Duluth Minnesota - 2015 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		2012 Actual	2013 Actual	2014 Budget	2015 Approved
5216	Chemicals	33,408	27,546	48,000	48,000
5220	Repair and Mtc Supplies	3,533	3,685	-	-
5311	Security Services	417	417	-	-
5381	Electricity	207,387	199,851	228,400	247,200
5382	Water, Gas and Sewer	192,411	209,128	179,800	206,000
5383	Natural Gas	6,618	682,889	5,400	240,200
5384	Refuse Disposal	1,220	1,113	1,800	1,800
5385	Oil	52,204	35,202	14,500	35,700
5387	Coal	2,493,029	2,456,214	2,133,000	2,278,400
5388	Ash Handling	61,337	48,899	65,000	65,000
1490	TOTAL - PRODUCTION	3,051,564	3,664,944	2,675,900	3,122,300

City of Duluth Minnesota - 2015 Budget

Chiller Production

540-1491

Records the variable cost of producing and distributing chilled water.

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
5216 Chemicals	2,317	7,107	3,000	3,000
5220 Repair & Mntc Supplies	8	583	4,000	4,000
5310 Contract Services	7,808	5,188	25,200	25,200
5381 Electricity	31,633	29,244	591,300	34,700
5382 Water, Gas & Sewer	6,469	5,864	5,700	5,700
1491 TOTAL - PRODUCTION	48,235	47,986	629,200	72,600

City of Duluth Minnesota - 2015 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		2012 Actual	2013 Actual	2014 Budget	2015 Approved
5205	Safety Equipment & Supplies	2,883	8,369	12,100	12,100
5216	Chemicals	1,375	812	-	-
5220	Repair Materials & Supplies	107,441	173,381	57,000	57,000
5310	Contract Services	54,864	81,647	60,500	60,500
5441	Other Services & Charges	-	612	-	-
1492	TOTAL - PRODUCTION MAINTENANCE	166,563	264,821	129,600	129,600

City of Duluth Minnesota - 2015 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		2012 Actual	2013 Actual	2014 Budget	2015 Approved
5220	Repair Materials & Supplies	60,759	32,486	58,500	58,500
5310	Contract Services	161,685	59,685	134,000	134,000
1493	TOTAL - TRANSMISSIONS & DISTRIBUTION	222,444	92,171	192,500	192,500

City of Duluth Minnesota - 2015 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	2012 Actual	2013 Actual	2014 Budget	2015 Approved
5200 Office Supplies	-	-	500	500
5322 Postage	-	534	1,100	1,200
5432 Uncollectible Accounts	2,400	5,300	6,000	10,200
1494 TOTAL - CUSTOMER ACCOUNTING	2,400	5,834	7,600	11,900

City of Duluth Minnesota - 2015 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	2012 Actual	2013 Actual	2014 Budget	2015 Approved
5200 Office Supplies	4,001	5,324	3,800	3,800
5301 Audit Fees	1,454	1,098	1,100	1,200
5304 Legal Services	-	-	3,000	3,000
5307 Management Contract	2,110,561	2,369,053	2,476,700	2,576,400
5319 Other Professional Services	504	18,517	-	-
5321 Telephone Service	6,681	4,505	6,000	7,800
5322 Postage	-	-	-	600
5340 Advertising & Promotion	-	-	-	10,200
5361 General Liability Boiler Insurance	2,912	3,072	4,000	4,000
5420 Depreciation	998,705	1,029,288	1,070,400	1,095,500
5438 Licenses Operating	49,583	50,440	53,000	64,000
5441 Other Services & Charges	95	2,174	7,800	7,800
5443 Board & Meeting Expenses	-	-	-	1,200
5480 Payment in Lieu of Taxes	140,389	152,719	152,800	152,800
5493 Cost Allocation	49,500	49,500	49,500	49,500
1495 TOTAL - ADMINISTRATION & GENERAL	3,364,385	3,685,690	3,828,100	3,977,800

City of Duluth Minnesota - 2015 Budget

Hot Water

540-1497

Records costs associated with the production and distribution of thermal energy in the form of district hot water.

Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
5310 Contract Services				8,400
1497 TOTAL - HOT WATER				8,400

City of Duluth Minnesota - 2015 Budget

Debt Service

540-1499

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

Expense Detail		2012 Actual	2013 Actual	2014 Budget	2015 Approved
5611	Bond Interest	217,509	76,153	54,600	49,900
5612	Other Debt Interest	-	1,535	-	15,400
5613	Interest from Bond Discount	-	39,162	16,800	-
5614	Capital Lease Interest	-	-	5,400	-
5620	Fiscal Agents Fee	1,225	700	700	700
5622	Bond Amortization	8,901	-	-	39,200
5530	Improvements Other than Bldgs	(97,559)	(32,868)	-	-
1499	TOTAL - DEBT SERVICE	130,076	84,682	77,500	105,200

City of Duluth Minnesota - 2015 Budget

Street Lighting Fund

550

The Street Lighting Utility was created in 2009 as a self supporting enterprise fund to provide for the operation, maintenance and improvement of the street lighting and traffic control systems.

Estimated Revenues/Expenses	2012 Actual	2013 Actual	2014 Budget	2015 Approved
REVENUE				
Operating Revenue	2,272,395	2,214,922	2,200,000	2,200,000
Non-Operating	-	(16,570)	-	-
	<u>2,272,395</u>	<u>2,198,352</u>	<u>2,200,000</u>	<u>2,200,000</u>
EXPENSE				
Personal Services	389,757	378,549	441,800	455,600
Supplies	175,779	134,552	309,800	315,300
Other Services and Charges	125,926	134,559	182,200	369,500
Utilities	669,240	687,984	721,000	716,000
Depreciation	224,421	211,452	223,800	221,000
Transfers	41,000	41,000	42,200	41,000
	<u>1,626,123</u>	<u>1,588,096</u>	<u>1,920,800</u>	<u>2,118,400</u>
ESTIMATED OPERATING INCOME / (LOSS)	646,272	610,256	279,200	81,600
Other Sources of Cash	224,421	235,094	223,800	221,000
Other Uses of Cash	(142,036)	(167,394)	(529,500)	(500,000)
Increase (Decrease) in Cash	<u>728,657</u>	<u>677,956</u>	<u>(26,500)</u>	<u>(197,400)</u>

BUDGETED FTE'S	2012	2013	2014	2015
32 Traffic Operations Leadworker	1.0	1.0	1.0	1.0
30 Electrician	1.0	1.0	-	-
30 Signal Technician	2.0	2.0	3.0	3.0
22 Maintenance Worker	1.0	1.0	1.0	1.0
126 Information Technician	-	-	0.1	0.1
Division Total	5.0	5.0	5.1	5.1

City of Duluth Minnesota - 2015 Budget

Street Lighting Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2014 Budget	2014 Projected	2015 Approved
ESTIMATED OPERATING INCOME (LOSS)	279,200	261,700	81,600
<u>Other Sources of Cash</u>			
Depreciation and Amortization	223,800	205,500	221,000
Total Other Sources of Cash	<u>223,800</u>	<u>205,500</u>	<u>221,000</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	-	600	-
Capital Improvements from Current Revenues	400,000	-	-
Capital Equipment Purchases	129,500	714,700	500,000
Total Other Uses of Cash	<u>529,500</u>	<u>715,300</u>	<u>500,000</u>
INCREASE (DECREASE) IN CASH	(26,500)	(248,100)	(197,400)
EST. UNRESTRICTED CASH AND DEBT SERVICE CASH- BEGINNING	<u>1,571,051</u>	<u>1,921,207</u>	<u>1,673,107</u>
EST. UNRESTRICTED CASH AND DEBT SERVICE CASH- ENDING	<u><u>1,544,551</u></u>	<u><u>1,673,107</u></u>	<u><u>1,475,707</u></u>

City of Duluth Minnesota - 2015 Budget

Street Lighting Fund

550

Revenue Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING REVENUES:				
4838 Street Lighting Fee	2,140,481	2,136,660	2,136,000	1,925,000
4005 Current Property Taxes	-	-	-	220,000
4636 Sale of Scrap	615	887	1,000	1,000
4654 Other Reimbursements	28,011	51,461	15,000	17,000
4680 Damages or Losses Recovered	93,451	16,012	40,000	30,000
4802 Interest Earned	9,837	9,902	8,000	7,000
TOTAL OPERATING REVENUE	2,272,395	2,214,922	2,200,000	2,200,000
NON-OPERATING REVENUES:				
4601 Change in Fair Value Investments	-	(16,570)	-	-
TOTAL NON-OPERATING REVENUES	-	(16,570)	-	-
TOTAL REVENUE	2,272,395	2,198,352	2,200,000	2,200,000

City of Duluth Minnesota - 2015 Budget

Street Lighting Fund

550

Operating Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	249,211	234,912	273,000	294,500
5101 Permanent Employees - Overtime	30,358	32,464	40,000	38,000
5103 Temporary Employees - Regular	-	11,479	-	5,900
5118 Meal Allowance	-	30	-	-
TOTAL	279,569	278,885	313,000	338,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	19,851	17,593	19,400	21,400
5122 F.I.C.A. Social Security	16,912	16,230	19,400	21,000
5123 F.I.C.A. Medicare	3,955	3,796	4,500	4,900
5125 Dental Insurance	1,830	1,497	800	1,800
5126 Life Insurance	860	788	900	900
5127 Health Care Savings Plan	8,372	1,978	8,600	2,800
5130 Cafeteria Plan Benefits	58,408	57,782	75,200	64,400
TOTAL	110,188	99,664	128,800	117,200
OPERATING EXPENSES				
5200 Office Supplies	2,129	876	1,000	1,000
5201 Computer Supplies	135	65	500	-
5205 Safety & Training	1,935	4,584	1,500	1,500
5211 Cleaning/Janitorial Supplies	949	2,142	1,000	1,500
5212 Motor Fuels	7,883	7,927	12,000	11,000
5218 Uniforms	1,066	922	2,300	2,300
5219 Other Miscellaneous Supplies	7,092	8,477	3,000	4,000
5226 Sign & Signal Supplies	90,686	56,574	65,400	65,400
5230 Street Lighting Supplies	41,942	34,169	213,100	213,100
5240 Small Tools	10,550	5,431	4,000	5,000
5241 Small Equipment	11,412	13,385	6,000	10,500
5310 Contract Services	-	13,271	25,000	180,000
5319 Other Professional Services	-	-	15,000	50,000
5321 Telephone	2,156	2,322	2,000	2,300
5331 Travel/Training	3,489	3,024	1,500	3,000
5335 Mileage Reimbursement - Local	3,377	3,339	3,500	3,500

City of Duluth Minnesota - 2015 Budget

Street Lighting Fund

550

Operating Expense Detail	2012 Actual	2013 Actual	2014 Budget	2015 Approved
OPERATING EXPENSES CONTINUED				
5381 Electricity	669,240	687,984	721,000	716,000
5389 Street Lighting	17,716	7,040	18,000	18,000
5401 Bldg/Structure Repair & Maintenance	924	-	1,000	1,000
5404 Equipment Repair & Maintenance	-	1,193	500	500
5409 Fleet Service Charges	28,904	35,777	45,000	45,000
5414 Software Lic & Mtc Agreements	-	-	-	500
5415 Equipment Rental	185	-	500	500
5420 Depreciation	224,421	211,452	223,800	221,000
5432 Uncollectible Accounts	6,229	5,196	6,000	1,000
5433 Dues & Subscriptions	80	150	100	100
5435 Books	-	-	100	100
5438 Licenses	75	238	200	200
5441 Other Services & Charges	2,345	2,318	2,900	2,900
5450 Laundry	1,446	1,691	1,900	1,900
5493 Cost Allocation	59,000	59,000	59,000	59,000
5700 Interfund Transfers Out	41,000	41,000	42,200	41,000
TOTAL	1,236,366	1,209,547	1,479,000	1,662,800
TOTAL OPERATING EXPENSES	1,626,123	1,588,096	1,920,800	2,118,400
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue Financing	-	36,189	400,000	
5580 Capital Equipment	119,913	126,502	129,500	500,000
TOTAL NON-OPERATING EXPENSES	119,913	162,691	529,500	500,000
TOTAL STREET LIGHT UTILITY	1,746,036	1,750,787	2,450,300	2,618,400

Internal Service Funds

City of Duluth Minnesota - 2015 Budget

Internal Service Funds

Funds

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

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

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	8,670,137	8,507,569	9,688,888	8,688,508
REVENUES				
Participation from Other Funds	11,494,449	12,851,095	22,008,420	22,997,624
Charges for Services	4,452,600	4,459,224	4,118,100	4,162,400
Miscellaneous	2,855,380	2,471,344	1,798,400	1,879,656
TOTAL REVENUES	<u>18,802,429</u>	<u>19,781,663</u>	<u>27,924,920</u>	<u>29,039,680</u>
EXPENSES				
Personal Services	1,898,721	1,777,768	2,026,400	2,011,900
Other Expenditures	4,952,985	4,982,056	4,669,600	4,907,418
Claims	12,113,291	11,840,521	22,229,300	22,187,354
TOTAL EXPENSES	<u>18,964,997</u>	<u>18,600,344</u>	<u>28,925,300</u>	<u>29,106,672</u>
FUND BALANCE - DECEMBER 31	8,507,569	9,688,888	8,688,509	8,621,517

City of Duluth Minnesota - 2015 Budget

Self Insurance - Worker's Compensation

605

Accounts for the payment of worker's compensation claim expenses of injured employees. It is a self-insured plan administered for the City by an outside agency.

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	1,347,819	1,732,424	1,851,435	1,507,235
REVENUES				
Transfer from City Funds:				
General	700,000	479,676	500,000	500,000
Public Utility	243,300	170,800	130,500	114,200
Other Reimbursements	155,992	178,037	50,000	45,700
TOTAL REVENUES	<u>1,099,292</u>	<u>828,512</u>	<u>680,500</u>	<u>659,900</u>
EXPENSES				
Personal Services	325,059	231,212	368,700	319,600
Claims:				
Worker's Compensation	97,370	172,157	345,600	183,200
Other Services and Charges	292,258	306,133	310,400	325,600
TOTAL EXPENSES	<u>714,686</u>	<u>709,502</u>	<u>1,024,700</u>	<u>828,400</u>
FUND BALANCE - DECEMBER 31	1,732,424	1,851,435	1,507,235	1,338,735

City of Duluth Minnesota - 2015 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.

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	1,816,621	1,864,524	1,560,899	1,280,419
REVENUES				
Transfer from City Funds:				
General	400,000		150,000	400,000
Public Utility	294,300	268,800	225,100	188,200
Duluth Steam	2,912	3,072	3,100	500
Spirit Mountain	-	640	21,820	300
Duluth Airport	-	150	100	100
DEDA	21,754	20,925	20,500	23,000
Other Reimbursements	32,154	20,273	-	-
TOTAL REVENUES	751,120	313,860	420,620	612,100
EXPENSES				
Claims: Liability	423,237	214,419	385,900	387,200
Property/Boiler Insurance	112,588	112,056	108,000	107,300
Other Services and Charges	167,392	291,010	207,200	171,500
TOTAL EXPENSES	703,217	617,485	701,100	666,000
FUND BALANCE - DECEMBER 31	1,864,524	1,560,899	1,280,419	1,226,519

City of Duluth Minnesota - 2015 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.

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	4,876,328	4,041,835	5,110,186	5,126,986
REVENUES				
City Employer/Employee Premiums	9,120,839	11,170,123	20,661,200	20,952,156
Sub-Group Employer/Employee Premium	1,472,544	1,607,488	1,722,900	1,765,760
Miscellaneous	1,125,553	596,393	-	-
TOTAL REVENUES	11,718,936	13,374,004	22,384,100	22,717,916
EXPENSES				
Personal Services	255,000	255,000	255,000	255,000
Claims	10,953,267	10,809,882	20,836,900	20,837,310
Other Services and Charges	1,345,162	1,240,771	1,275,400	1,535,675
TOTAL EXPENSES	12,553,429	12,305,653	22,367,300	22,627,985
FUND BALANCE - DECEMBER 31	4,041,835	5,110,186	5,126,986	5,216,917

City of Duluth Minnesota - 2015 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.

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	403,689	492,040	598,973	206,473
REVENUES				
City Employer/Employee Premiums	711,344	736,909	296,100	819,168
Sub-Group Employer/Employee Premiums	69,138	69,154	25,500	68,196
TOTAL REVENUES	<u>780,482</u>	<u>806,063</u>	<u>321,600</u>	<u>887,364</u>
EXPENSES				
Claims	639,417	644,063	660,900	779,644
Other Services and Charges	52,714	55,067	53,200	56,243
TOTAL EXPENSES	<u>692,131</u>	<u>699,130</u>	<u>714,100</u>	<u>835,887</u>
FUND BALANCE - DECEMBER 31	492,040	598,973	206,473	257,950

City of Duluth Minnesota - 2015 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.

	2012 Actual	2013 Actual	2014 Budget	2015 Approved
FUND BALANCE - JANUARY 1	225,680	376,746	567,396	567,396
REVENUES				
Fleet Services				
General Fund	3,330,053	3,307,422	3,070,200	3,072,900
Parks Fund	9,015	11,012	9,500	8,500
Golf Fund	72,434	66,966	65,000	66,000
Parking Fund	3,161	21,234	22,000	22,000
Water and Gas	603,317	612,097	544,900	587,200
Sewer	197,562	214,213	179,100	179,400
Stormwater	194,436	172,944	164,600	164,600
Street Light Utility	36,787	43,704	57,000	56,000
Other	5,835	9,632	5,800	5,800
TOTAL REVENUES	4,452,600	4,459,224	4,118,100	4,162,400
EXPENSES				
Personal Services	956,576	921,554	1,001,100	1,034,100
Benefits	362,086	370,002	401,600	403,200
Other Expenses	2,982,872	2,977,018	2,715,400	2,711,100
TOTAL EXPENSES	4,301,534	4,268,574	4,118,100	4,148,400
FUND BALANCE - DECEMBER 31	376,746	567,396	567,396	581,396
BUDGETED FTE'S				
1115 Manager, Maintenance Operations	0.2	0.25	0.25	0.25
1050 Mgr, Maintenance & Supply	1	1	1	1
133 Budget Analyst	0.2	0.25	0.1	0.1
32 Fleet Services Leadworker	2	2	2	2
28 Fleet Assistant	0	0	1	1
28 Mechanic	6	6	6	6
28 Welder	2	2	2	2
27 Storekeeper	1	1	1	1
27 Industrial Equipment Technician	1	1	1	1
25 Equipment Maintenance Spec	2	2	2	2
24 Assistant Storekeeper	2	2	1	1
22 Maintenance Worker	1	1	1	1
Division Total	18.4	18.5	18.35	18.35

City of Duluth Minnesota - 2015 Budget

Fleet Services

660-015

EXPENSE DETAIL	2012 Actual	2013 Actual	2014 Budget	2015 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	940,412	908,872	981,100	1,014,100
5101 Permanent Employees - Overtime	16,164	12,682	20,000	20,000
5103 Temporary Employees - Regular	-	-	-	-
TOTAL	956,576	921,554	1,001,100	1,034,100
5121 P.E.R.A.	62,555	63,189	69,400	74,300
5122 F.I.C.A. Social Security	57,561	56,051	62,100	64,100
5123 F.I.C.A. Medicare	13,462	13,109	14,500	15,000
5125 Dental Insurance	6,678	6,622	2,800	6,600
5126 Life Insurance	4,295	4,877	3,300	3,300
5127 Health Care Savings Plan	30,840	15,127	9,200	9,400
5130 Cafeteria Plan Benefits	186,695	211,027	240,300	230,500
TOTAL	362,086	370,002	401,600	403,200
OTHER EXPENDITURES				
5200 Office Supplies	2,693	2,159	4,000	1,500
5201 Computer Supplies/Software	-	805	4,000	1,500
5205 Safety & Training Materials	2,369	1,796	4,000	4,000
5210 Plant/Operating Supplies	22,752	19,395	16,000	16,000
5212 Motor Fuel	1,407,999	1,512,294	1,320,700	1,320,700
5215 Shop Materials	13,982	16,256	13,000	5,000
5219 Other Miscellaneous Supplies	5,654	4,131	10,000	10,000
5221 Equipment Repair Supplies	1,152,125	984,742	922,900	900,100
5240 Small Tools	6,167	6,868	10,000	10,000
5241 Small Equipment	1,410	3,039	2,000	2,000
5405 Medical Services/Testing Fees	-	-	500	500
5319 Other Professional Services	4,020	-	1,500	1,500
5320 Data Services	4,491	4,441	5,000	5,000
5321 Telephone	709	742	500	500
5331 Travel/Training	2,104	4,029	8,000	8,000
5335 Mileage Reimbursement	-	-	2,000	-
5356 Copier, Printer Lease & Supplies	-	5,122	-	5,000
5381 Electricity	14,491	15,132	15,800	15,800
5382 Water, Gas and Sewer	11,170	14,962	15,000	25,000
5384 Refuse Disposal	594	595	2,000	2,000
5401 Building Structure Repair	1,002	3,244	6,000	6,000
5404 Equipment Repair & Maintenance	115,203	145,854	125,500	129,500
5414 Software Licenses & Maintenance	-	-	-	1,900
5418 Vehicle/Equipment Lease	3,947	-	4,000	-
5419 Other Rental	-	-	1,500	1,500
5420 Depreciation	65,099	63,759	55,000	42,800
5438 Licenses	8,000	1,394	9,000	4,000
5441 Other Services and Charges	11,817	41,280	27,000	25,100
5450 Laundry	16,874	16,779	18,000	18,000
5493 Cost Allocation Charges	108,200	108,200	108,200	108,200
5580 Capital Equipment	-	-	-	40,000
5700 Transfer to Special Revenue Funds	-	-	4,300	-
TOTAL	2,982,872	2,977,018	2,715,400	2,711,100
TOTAL EXPENSES	4,301,534	4,268,574	4,118,100	4,148,400

CAPITAL PROGRAM



CAPITAL BUDGET AND PLAN

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

The City's Capital Improvement Budget and Plan addresses current and future improvements to the City's infrastructure, facilities, and properties by combining elements of both budgeting (current year needs) and planning (five year plan). The purpose of the CIP is two-fold: first, to prioritize and fund the most urgent needs in the coming year's budget; and secondly, to identify future capital needs with sufficient lead time so decisions may be made to our best advantage. This section presents a summary of the 2015 Capital Budget and the 2015 through 2019 Capital Improvement Plan, as well as a summary of the Capital Equipment Budget and Plan.

2015 Proposed Improvements

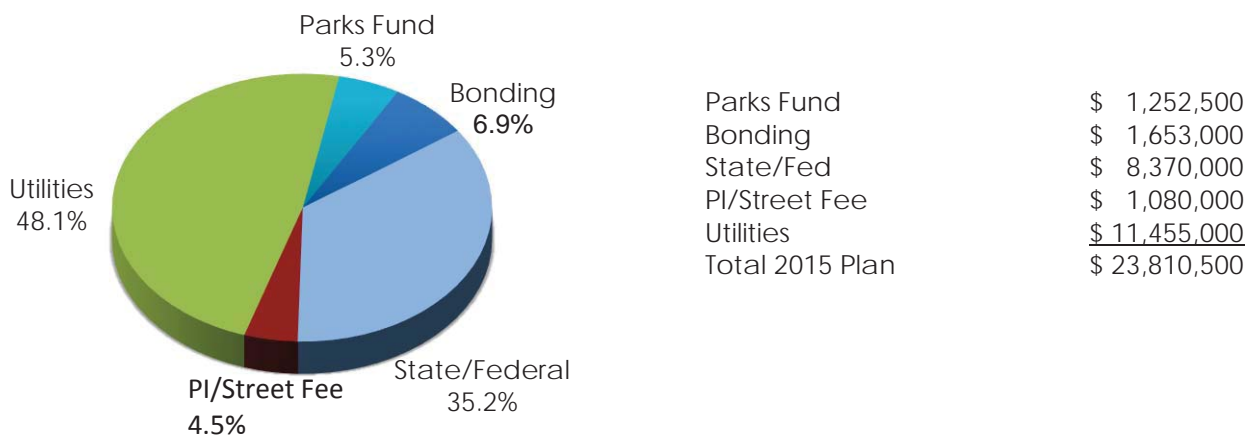
The 2015 CIP outlines projects funded in the Capital Projects Funds of Permanent Improvement and Capital Improvement. Also included are projects for the Parks Fund, Water, Gas, Sewer, Stormwater and Street Lighting utilities. The total proposed budget is \$23,810,500 consisting of an array of projects and funding sources. The chart below shows the breakdown of funding for the 2015 program.

Capital improvements to city buildings and infrastructure will be funded by issuing a capital improvement bond in the amount of \$1,603,000.

Parks and trails are to be funded by a federal grant of \$500,000; a state grant for \$650,000; a matching trail bond of \$50,000; and the parks fund for \$1,252,500 for a combined program total of \$2,452,500.

The Street and Bridge Reconstruction and Preservation program for 2015 totals \$8,505,000. Funding sources include aids and grants; current year utility revenue; permanent improvement fund; and the street system maintenance fee.

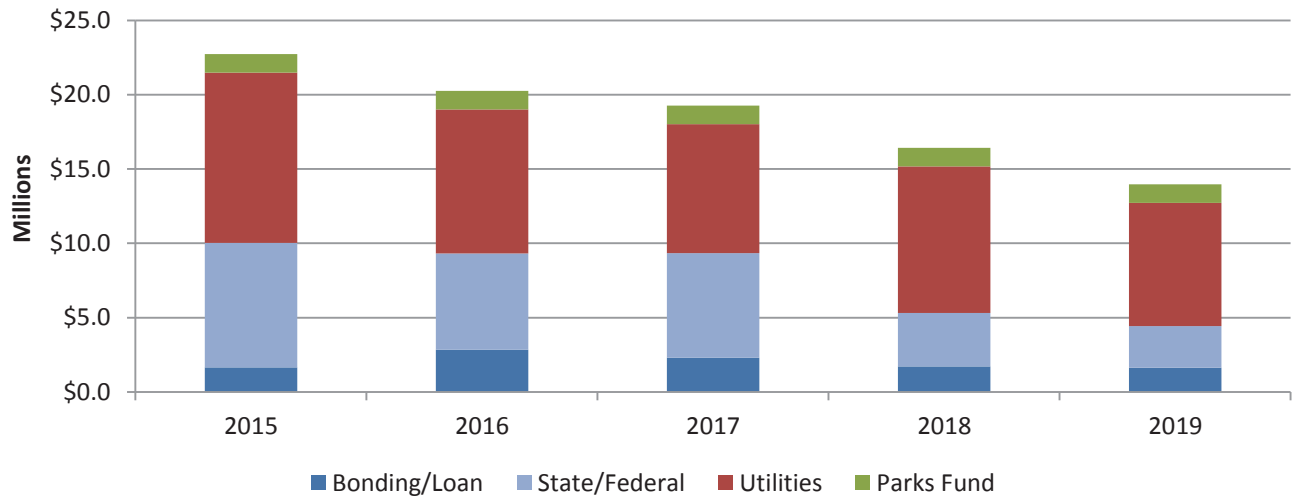
2015 Capital Utility Projects will be funded with \$11,250,000 in current year revenue.



Five Year Improvement Plan Funding

The City's Plan identifies \$99.648 million in improvements along with funding sources over the course of the next five years. The **Parks Fund** contribution will total \$6.262 million over the five year period, along with \$3.223 million in federal and state grants for city trails. In addition, the **City** will bond for certain types of improvements as allowed in State Statute, as well as for trail improvements. For 2015, the City is proposing to bond \$1.603 million for capital improvements and \$50,000 for trails; for 2016, the figures are \$2.525 million and \$304,600; for 2017, they are \$2.175 million and \$127,500. The proposed capital improvement bond amounts for the remaining two years are \$1.720 million in 2018, and \$1.640 million in 2019 for a combined five year total of 10.145 million for improvements and trails. Along with Municipal State Aid funding of \$15.0 million, a state CIMS grant for \$3.0 million, and federal funding of \$1.615 million, property tax dollars are levied in the **Permanent Improvement Fund** for street and bridge projects totaling \$1.4 million with \$280,000 to come from current year property tax revenues. The **Utility Funds** will finance \$47.947 million utilizing current year operating revenues.

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



	2015	2016	2017	2018	2019	Total
Bonding/Loan	1,653,000	2,829,600	2,302,500	1,720,000	1,640,000	10,145,100
State/Federal	8,370,000	6,487,800	7,035,400	3,600,000	2,800,000	28,293,200
PI & Street Fee	1,080,000	1,480,000	1,480,000	1,480,000	1,480,000	7,000,000
Utilities	11,455,000	9,690,000	8,680,000	9,847,500	8,275,000	47,947,500
Parks Fund	1,252,500	1,252,500	1,252,500	1,252,500	1,252,500	6,262,500
Total Plan	23,810,500	21,739,900	20,750,400	17,900,000	15,447,500	99,648,300

2015 CAPITAL IMPROVEMENTS PROGRAM FUNDING SOURCES

	CIP/Bond	Parks Fund	PI/ Prior Yr PI	Aids/ Grants	Street Mtce Fee	Utility Revenue	Total
Capital Improvement Program							
Buildings City-Wide	878,000						878,000
Maintenance	60,000						60,000
Fire Department	665,000						665,000
	1,603,000						1,603,000
Parks and Trails							
Parks		1,152,500					1,152,500
Traverse Trail		100,000					100,000
Cross City Trail	50,000			650,000			700,000
Lowell to Lakewalk Trail				500,000			500,000
	50,000	1,252,500	-	1,150,000	-		2,452,500
Street & Bridge Reconstruction and Preservation Program							
Misc Annual Infrastructure			280,000				280,000
Street Preservation					800,000		800,000
40th Avenue East				220,000			220,000
Congdon Boulevard				750,000			750,000
Pecan Avenue				430,000			430,000
Raleigh Street				600,000			600,000
Downtown Streets reconstruction				300,000		120,000	420,000
TH23 Improvements				3,700,000		50,000	3,750,000
Woodland Avenue				1,220,000		35,000	1,255,000
			280,000	7,220,000	800,000	205,000	8,505,000
Capital Utility Projects							
4th Street Lining						300,000	300,000
Filter Sand Replacement						175,000	175,000
Building & Structure Repairs						50,000	50,000
89th Ave E water main						70,000	70,000
HVAC Project						200,000	200,000
Water Main Replacement						1,050,000	1,050,000
Gas Main Ext						600,000	600,000
TBS1B alternate route						4,000,000	4,000,000
Bollard Contract						50,000	50,000
Copper Risers Phase 3						1,000,000	1,000,000
Manhole Adjustments						50,000	50,000
Superior St Lining						1,300,000	1,300,000
Lift Station 8 Rehab						950,000	950,000
Brewery/Greys Creek						150,000	150,000
Manhole Adjustments						50,000	50,000
Storm Sewer Replace						750,000	750,000
Storm Non Cap Project						175,000	175,000
LED Street Lights						330,000	330,000
						11,250,000	11,250,000
	1,653,000	1,252,500	280,000	8,370,000	800,000	11,455,000	23,810,500

2015-2019 CAPITAL IMPROVEMENTS PROGRAM PROJECT SUMMARY

	2015	2016	2017	2018	2019	TOTAL
Capital Improvement Program						
VFA Requirements	443,000	400,000	450,000	500,000	550,000	2,343,000
Facilities Building	110,000	475,000		200,000	125,000	910,000
City Center West Upgrades	200,000	220,000	350,000	150,000		920,000
Main Library renovations	25,000					25,000
Police Multimodal Substation	100,000					100,000
Animal Shelter Improvements		270,000				270,000
Mtce Ops Consolidation Study	60,000					60,000
42nd Tool House		250,000			100,000	350,000
Lund Tool House		50,000		500,000	250,000	800,000
Tree Farm		150,000	100,000			250,000
Fleet Building		150,000	125,000			275,000
Firehall #1 Upgrades	115,000	150,000	275,000	0	175,000	715,000
Firehall #2 Upgrades	90,000	235,000	25,000	0	0	350,000
Firehall #4 Upgrades	255,000	25,000	0	370,000	0	650,000
Firehall #6 Upgrades	180,000					180,000
Firehall #7 Upgrades	5,000	25,000	350,000		40,000	420,000
Firehall #8 Upgrades	5,000	75,000				80,000
Firehall #10 Upgrades	5,000		400,000			405,000
Firehall #11 Upgrades	10,000	50,000	100,000		400,000	560,000
Capital Improvement Program Total	1,603,000	2,525,000	2,175,000	1,720,000	1,640,000	9,663,000
Parks and Trails						
Traverse Trail	100,000	100,000	100,000	100,000	100,000	500,000
Cross City Trail	700,000	2,192,400				2,892,400
Lakewalk VI - shared use - Water Street			312,900			312,900
Lowell to Lakewalk Trail	500,000					500,000
Enhanced Maintenance	557,500	557,500	557,500	557,500	557,500	2,787,500
Courts		60,000	70,000	60,000	50,000	240,000
Playground	80,000	80,000	80,000	80,000	80,000	400,000
Mini Master Plans	50,000	50,000	50,000	50,000	50,000	250,000
Trails	100,000	130,000	80,000	80,000	80,000	470,000
Fields		75,000	85,000	175,000	185,000	520,000
Community Centers	50,000	50,000	100,000	100,000	100,000	400,000
Parks	315,000	150,000	130,000	50,000	50,000	695,000
Parks and Trails Total	2,452,500	3,444,900	1,565,400	1,252,500	1,252,500	9,967,800
Street & Bridge Reconstruction and Preservation Program						
Misc Annual Infrastructure	280,000	280,000	280,000	280,000	280,000	1,400,000
Street Preservation	800,000	1,200,000	1,200,000	1,200,000	1,200,000	5,600,000
9th Street/8th Street					1,500,000	1,500,000
40th Avenue East	220,000					220,000
Aerial Lift Bridge		300,000	5,550,000			5,850,000
Concrete Pavement Repairs				910,000		910,000
Congdon Boulevard	750,000	3,000,000				3,750,000
Decker Rd				1,412,500		1,412,500
Pecan Avenue	430,000					430,000
Raleigh Street	600,000					600,000
Superior Street	420,000	2,980,000	3,180,000	3,580,000	1,300,000	11,460,000
TH23 Improvements	3,750,000					3,750,000
Woodland Avenue	1,255,000					1,255,000
Street, Bridge and Preservation Total	8,505,000	7,760,000	10,210,000	7,382,500	4,280,000	38,137,500

2015-2019 CAPITAL IMPROVEMENTS PROGRAM PROJECT SUMMARY

	2015	2016	2017	2018	2019	TOTAL
Capital Utility Projects						
4th Street Lining	300,000	900,000	900,000			2,100,000
Filter Sand Replacement	175,000					175,000
Building & Structure Repairs	50,000		900,000			950,000
89th Ave E water main	70,000					70,000
I-35 crossing at 26th			100,000			100,000
Middle/Woodland Pump Station				2,000,000	2,000,000	4,000,000
Pump Station upgrade		75,000				75,000
HVAC Project	200,000					200,000
Switch Gear		280,000				280,000
Water Main Replacement	1,050,000		500,000	400,000	1,500,000	3,450,000
Water Plant electrical upgrades		1,600,000				1,600,000
63rd Ave W Replacement			200,000			200,000
Bollard Contract	50,000	50,000	300,000	300,000	300,000	1,000,000
Regulator Station Upgrades			75,000			75,000
Copper Risers	1,000,000	400,000				1,400,000
Flow Meters		100,000				100,000
Gas Main Extensions	600,000	1,000,000	1,000,000	1,000,000	1,000,000	4,600,000
Miscellaneous Projects					50,000	50,000
I-35 crossing at 26th			100,000			100,000
London Road Gas Project					300,000	300,000
Michigan Street Gas Project				120,000		120,000
Buildings			100,000	100,000		200,000
TBS1B alternate route	4,000,000					4,000,000
Woodland Ave Gas Project				500,000		500,000
Superior Street Lining	1,300,000	1,300,000				2,600,000
4th Street reconstruct		500,000	500,000			1,000,000
Lift Station Improvements	950,000	450,000	450,000	450,000	450,000	2,750,000
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
Sanitary Sewer Rehab/Reline			550,000	1,500,000	1,500,000	3,550,000
Brewery & Grey's Creek	150,000					150,000
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
MS4 NPDES permit				50,000	50,000	100,000
Storm Non Capital Projects	175,000	175,000	175,000	175,000	175,000	875,000
Storm Sewer Replacement	750,000	750,000	750,000	750,000	750,000	3,750,000
LED Street Lights	330,000	330,000	100,000	100,000	100,000	960,000
Capital Utility Projects Total	11,250,000	8,010,000	6,800,000	7,545,000	8,275,000	41,880,000
GRAND TOTAL	23,810,500	21,739,900	20,750,400	17,900,000	15,447,500	99,648,300

5 YEAR CAPITAL IMPROVEMENTS PROGRAM BY FUNDING SOURCE

	2015	2016	2017	2018	2019	TOTAL
Capital Improvement Bond	1,603,000	2,525,000	2,175,000	1,720,000	1,640,000	9,663,000
Trail Bond	50,000	304,600	127,500			482,100
Parks Fund	1,252,500	1,252,500	1,252,500	1,252,500	1,252,500	6,262,500
Permanent Improvement Fund	280,000	280,000	280,000	280,000	280,000	1,400,000
Street System Maintenance Fee	800,000	1,200,000	1,200,000	1,200,000	1,200,000	5,600,000
Federal Grants	1,420,000	2,949,800	185,400	900,000		5,455,200
State Funding						
State Bridge Bond			3,750,000			-
MSA	3,300,000	3,100,000	3,100,000	2,700,000	2,800,000	15,000,000
DNR	650,000	438,000				1,088,000
CIMS Grant	3,000,000					3,000,000
Utilities - Current Year Revenue						
Water	1,890,000	4,255,000	4,000,000	4,417,500	3,500,000	18,062,500
Gas	5,650,000	1,580,000	1,805,000	2,050,000	1,650,000	12,735,000
Sewer	2,395,000	2,300,000	1,550,000	2,005,000	2,000,000	10,250,000
Stormwater	1,190,000	1,225,000	1,225,000	1,275,000	1,025,000	5,940,000
Street Lighting	330,000	330,000	100,000	100,000	100,000	960,000
TOTAL ALL FUNDING SOURCES	23,810,500	21,739,900	20,750,400	17,900,000	15,447,500	95,898,300

Capital Improvement Program Summary

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

Operating Cost Implications of 2015 Proposed Projects

The completion of capital projects directly impacts City operating budgets as projects are completed and new and/or improved systems, amenities or entire facilities are brought on-line. Capital projects directly impact the need and schedule for maintenance and repair of facilities; and additional or expanded facilities, amenities and systems can drive an increased need for operating funds just as improved or new (replacement) energy efficient, long life cycle, low maintenance capital investments can decrease maintenance and repair demands over time. As is the case with the City, the focus of the capital plan is not on expansion of capital assets but rather on the consolidation, improvement and - as feasible - the elimination of assets that have surpassed their usefulness in meeting the City's operational needs. City-wide strategies, which are moving the organization toward energy efficiency, co-location of services, consolidated service and operational centers, and the like are influencing CIP decision-making in a manner that seeks to improve rather than detract from operational budgets. Efforts in the area of tracking project cost payback due to energy efficiencies or other cost saving measures, which have been integrated into CIP projects, can prove to be a cost-saving measure for the City over time. Over the past 12 months, the City has been implementing an asset management system to more impactfully define capital needs along with estimates for planned capital investments that will further guide the organizational strategy as it intersects with a capital investment strategy that is supportive of City priorities while maximizing the direct impact of CIP project funding to the extent possible.

Projects	2015	2016	2017	2018	2019	Total
Buildings City-Wide	878,000	1,365,000	800,000	850,000	675,000	4,568,000
Maintenance Buildings	60,000	600,000	225,000	500,000	350,000	1,735,000
Fire	665,000	560,000	1,150,000	370,000	615,000	3,360,000
Total	1,603,000	2,525,000	2,175,000	1,720,000	1,640,000	9,663,000

Funding	2015	2016	2017	2018	2019	Total
Capital Improvement Bond	1,603,000	2,525,000	2,175,000	1,720,000	1,640,000	9,663,000

Buildings City-Wide

Description:

It is important to manage City facility assets with an eye toward the current and future state of each facility as it relates to currently critical and projected life cycle needs along with consideration of the manner in which each facility serves the City's mission. Currently, the City of Duluth's asset management system has identified a \$23,000,000 + backlog of currently critical facility upgrade needs. 64% of the CIP eligible facilities in the asset management system have core building systems in place that are currently classified as being beyond their useful life cycle. Additionally, Property and Facilities Management has identified specific facility needs relating to energy upgrades (19%), facility integrity issues (6%), ADA accessibility modifications (3%), facility modernization - functional improvements - security and building code upgrades (8%), and air and water quality issues (1%). The total combined current capital improvement backlog and projected 5-year capital improvement needs for CIP eligible facilities is currently estimated at more than \$33,292,774, and as the implementation of the City's asset management system continues, it is anticipated that this number will grow significantly. CIP funding for specific and targeted facility upgrade needs is prioritized by considering a 5-year window of facility system life cycle information rated as critical, potentially critical, required, and necessary. These priorities drive the identification of facility requirements that need to be addressed to manage a facility's condition and life cycle in the short and long term. A commitment to ongoing and measured investment in facility upgrades is paramount to maintaining the integrity and viability of these City Assets. This funding category is directly tied to specific and prioritized facility needs and will be used to develop or supplement existing projects in areas such as ADA, security, energy upgrades, boiler and furnace replacements, windows, tuckpointing, ventilation and the like to support Property and Facilities Management's efforts to systematically move the City from a reactive asset management approach toward a more proactive planned facility asset investment strategy.

Project	2015	2016	2017	2018	2019	Total
VFA Requirements	443,000	400,000	450,000	500,000	550,000	2,343,000
Facilities Building	110,000	475,000		200,000	125,000	910,000
City Center West Upgrades	200,000	220,000	350,000	150,000		920,000
Main Library renovations	25,000					25,000
Police Multimodal Substation	100,000					100,000
Animal Shelter Improvements		270,000				270,000
Total	878,000	1,365,000	800,000	850,000	675,000	4,568,000

Funding	2015	2016	2017	2018	2019	Total
Capital Improvement Bond	878,000	1,365,000	800,000	850,000	675,000	4,568,000

Maintenance

Description:

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

Project	2015	2016	2017	2018	2019	Total
Mtce Ops Consolidation Study	60,000					60,000
42nd Tool House		250,000			100,000	350,000
Lund Tool House		50,000		500,000	250,000	800,000
Tree Farm		150,000	100,000			250,000
Fleet Building		150,000	125,000			275,000
Total	60,000	600,000	225,000	500,000	350,000	1,735,000

Funding	2015	2016	2017	2018	2019	Total
Capital Improvement Bond	60,000	600,000	225,000	500,000	350,000	1,735,000

Fire Department

Description:

Over the next five years, the City is proposing to invest \$3.36 million in capital maintenance projects at firehalls throughout the City. There are remodeling projects to accommodate staff reorganizations as part of the Fire Department consolidation plan. Energy improvements consist of installing new windows and overhead doors, and replacing furnaces and roofs. Repair and maintenance projects consist of masonry and brick repair, as well as resolving drainage issues and replacing driveways.

Project	2015	2016	2017	2018	2019	Total
Firehall #1 Upgrades	115,000	150,000	275,000	-	175,000	715,000
Firehall #2 Upgrades	90,000	235,000	25,000	-	-	350,000
Firehall #4 Upgrades	255,000	25,000	-	370,000	-	650,000
Firehall #6 Upgrades	180,000					180,000
Firehall #7 Upgrades	5,000	25,000	350,000		40,000	420,000
Firehall #8 Upgrades	5,000	75,000				80,000
Firehall #10 Upgrades	5,000		400,000			405,000
Firehall #11 Upgrades	10,000	50,000	100,000		400,000	560,000
Total	665,000	560,000	1,150,000	370,000	615,000	3,360,000

Funding	2015	2016	2017	2018	2019	Total
Capital Improvement Bond	665,000	560,000	1,150,000	370,000	615,000	3,360,000

Parks and Trails Summary

Description:

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

Projects	2015	2016	2017	2018	2019	Total
Traverse Trail	100,000	100,000	100,000	100,000	100,000	500,000
Cross City Trail	700,000	2,192,400				2,892,400
Lakewalk VI - shared use Water St			312,900			312,900
Lowell to Lakewalk Trail	500,000					500,000
Parks	1,152,500	1,152,500	1,152,500	1,152,500	1,152,500	5,762,500
Total	2,452,500	3,444,900	1,565,400	1,252,500	1,252,500	9,967,800

Funding	2015	2016	2017	2018	2019	Total
Federal Grant	500,000	1,449,800	185,400			2,135,200
State Grant	650,000	438,000				1,088,000
Bonding	50,000	304,600	127,500			482,100
Parks Fund	1,252,500	1,252,500	1,252,500	1,252,500	1,252,500	6,262,500
Total	2,452,500	3,444,900	1,565,400	1,252,500	1,252,500	9,967,800

City of Duluth 2015-2019 Capital Improvement Plan

Parks

Description:

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

Project	2015	2016	2017	2018	2019	Total
Enhanced Maintenance	557,500	557,500	557,500	557,500	557,500	2,787,500
Courts	-	60,000	70,000	60,000	50,000	240,000
Playground	80,000	80,000	80,000	80,000	80,000	400,000
Mini Master Plans	50,000	50,000	50,000	50,000	50,000	250,000
Trails	100,000	130,000	80,000	80,000	80,000	470,000
Fields	-	75,000	85,000	175,000	185,000	520,000
Community Centers	50,000	50,000	100,000	100,000	100,000	400,000
Parks	315,000	150,000	130,000	50,000	50,000	695,000
Total	1,152,500	1,152,500	1,152,500	1,152,500	1,152,500	5,762,500

Funding	2015	2016	2017	2018	2019	Total
Parks Fund	1,152,500	1,152,500	1,152,500	1,152,500	1,152,500	5,762,500

City of Duluth 2015-2019 Capital Improvement Plan

Trails

Description:

The 2015 Cross City and Traverse Trail project is a combination of \$600,000 in federal grants, \$150,000 in state grants and the city's match of \$50,000. Construction of the Cross City Trail is from 63rd Avenue West to the Lake Superior Zoo and on to the Munger Trail. The Lowell to Lakewalk Trail phase I construction is funded by a \$500,000 state grant and will go from Rice Lake Road to the Kenwood/College streets intersection.

Project	2015	2016	2017	2018	2019	Total
Traverse Trail	100,000	100,000	100,000	100,000	100,000	500,000
Cross City Trail	700,000	2,192,400				2,892,400
Lakewalk VI - shared use Water St			312,900			312,900
Lowell to Lakewalk Trail	500,000					500,000
Total	1,300,000	2,292,400	412,900	100,000	100,000	4,205,300

Funding	2015	2016	2017	2018	2019	Total
Federal Grant	500,000	1,449,800	185,400			2,135,200
State Grant	650,000	438,000				1,088,000
Bonding	50,000	304,600	127,500			482,100
Parks Fund	100,000	100,000	100,000	100,000	100,000	500,000
Total	1,300,000	2,292,400	412,900	100,000	100,000	4,205,300

Street Reconstruction & Bridge Projects Summary

Description:

These projects include street reconstruction, street preservation and bridge maintenance. Funding sources include municipal state aid, federal funds, grants, street system maintenance fee and utilities revenue.

Operating Cost Implications of 2015 Approved Projects:

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

Project	2015	2016	2017	2018	2019	Total
Misc Annual Infrastructure	280,000	280,000	280,000	280,000	280,000	1,400,000
Street Preservation	800,000	1,200,000	1,200,000	1,200,000	1,200,000	5,600,000
9th Street/8th Street					1,500,000	1,500,000
40th Avenue East	220,000					220,000
Aerial Lift Bridge		300,000	5,550,000			5,850,000
Concrete Pavement Repairs				910,000		910,000
Congdon Boulevard	750,000	3,000,000				3,750,000
Decker Rd				1,412,500		1,412,500
Pecan Avenue	430,000					430,000
Raleigh Street	600,000					600,000
Superior Street	420,000	2,980,000	3,180,000	3,580,000	1,300,000	11,460,000
TH23 Improvements	3,750,000					3,750,000
Woodland Avenue	1,255,000					1,255,000
Total	8,505,000	7,760,000	10,210,000	7,382,500	4,280,000	38,137,500

Funding	2015	2016	2017	2018	2019	Total
Federal	920,000	1,500,000		900,000		3,320,000
State	3,300,000	3,100,000	6,850,000	2,700,000	2,800,000	18,750,000
Street System Mtce Fee	800,000	1,200,000	1,200,000	1,200,000	1,200,000	5,600,000
Permanent Improvement	280,000	280,000	280,000	280,000	280,000	1,400,000
Utilities	205,000	1,680,000	1,880,000	2,302,500		6,067,500
CIMS State Grant	3,000,000					3,000,000
Total	8,505,000	7,760,000	10,210,000	7,382,500	4,280,000	38,137,500

Miscellaneous Annual Infrastructure

Description:

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

Project	2015	2016	2017	2018	2019	Total
Permanent Improvements	200,000	200,000	200,000	200,000	200,000	1,000,000
Patch & Sidewalks	80,000	80,000	80,000	80,000	80,000	400,000
Total	280,000	280,000	280,000	280,000	280,000	1,400,000

Funding	2015	2016	2017	2018	2019	Total
PI Fund	280,000	280,000	280,000	280,000	280,000	1,400,000

Street Preservation

Description:

Street projects that are funded by the street system maintenance utility fees on residential, commercial and industrial properties, Projects include mill and overlay, concrete pavement repairs, and street reconstruction.

Project	2015	2016	2017	2018	2019	Total
Street Preservation	800,000	1,200,000	1,200,000	1,200,000	1,200,000	5,600,000
Total	800,000	1,200,000	1,200,000	1,200,000	1,200,000	5,600,000

Funding	2015	2016	2017	2018	2019	Total
Street System Mtce Utility Fee	800,000	1,200,000	1,200,000	1,200,000	1,200,000	5,600,000

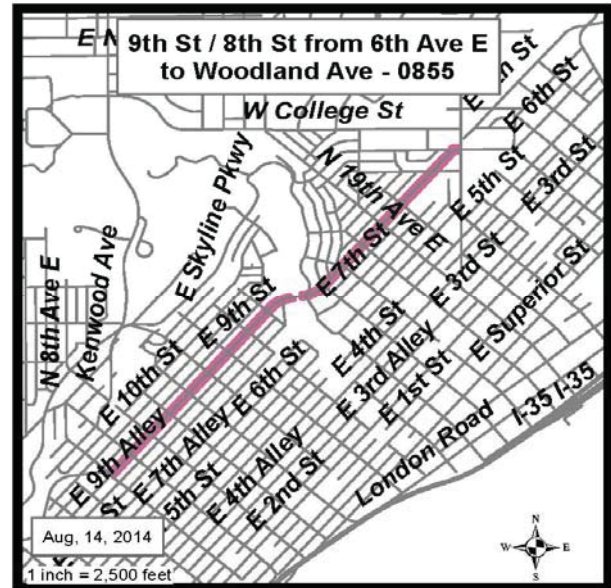
Street Reconstruction & Bridge Projects

Project Title:

9th Street / 8th Street: 60th Avenue East
to Woodland Avenue

Funding Source:

	FY 2019
MSA	1,500,000
PROJECT TOTAL:	\$1,500,000



Project Title:

40th Avenue East: London Road to
Superior Street

Funding Source:

	FY 2015
MSA	220,000
PROJECT TOTAL:	\$220,000



Street Reconstruction & Bridge Projects

Project Title:

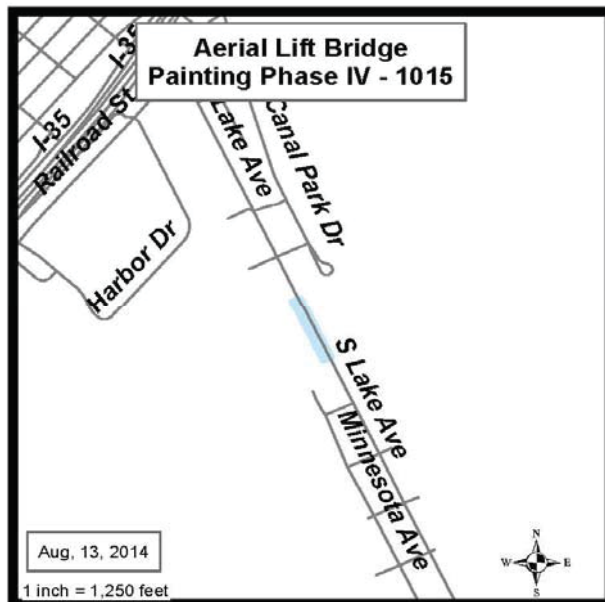
Aerial Lift Bridge

Funding Source:

FY 2016 - 2017

MSA	2,100,000
State Bridge Bond	3,750,000

PROJECT TOTAL: \$5,850,000



Project Title:

Concrete Pavement Repairs -
Various Locations

Funding Source:

FY 2018

MSA	900,000
Sewer	5,000
Water	5,000

PROJECT TOTAL: \$910,000

NO MAP AVAILABLE

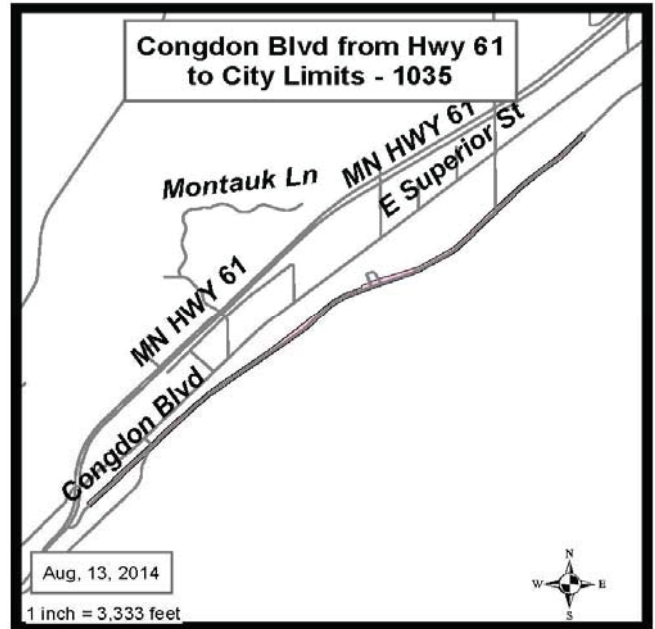
Street Reconstruction & Bridge Projects

Project Title:

Congdon Boulevard slope repairs, widening and reclamation

Funding Source:

	FY 2015 - 2016
Federal/ATP	1,500,000
MSA	2,250,000
	\$3,750,000
PROJECT TOTAL:	\$3,750,000

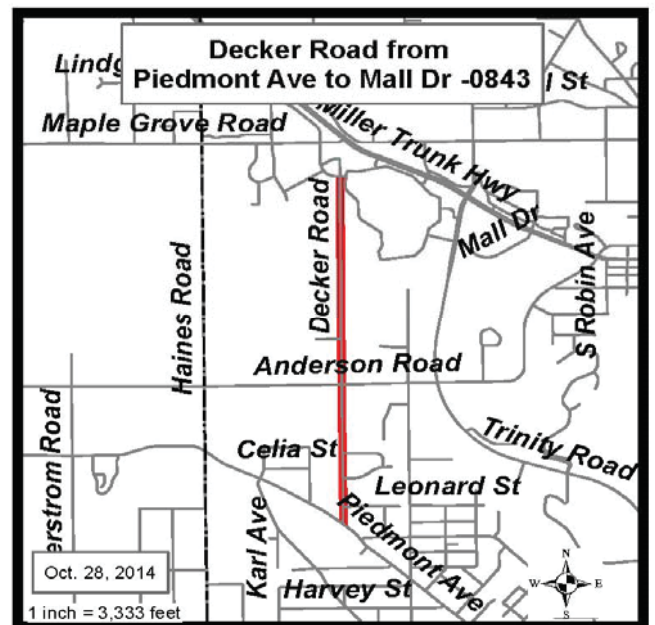


Project Title:

Decker Road: Piedmont Avenue to Mall Drive

Funding Source:

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



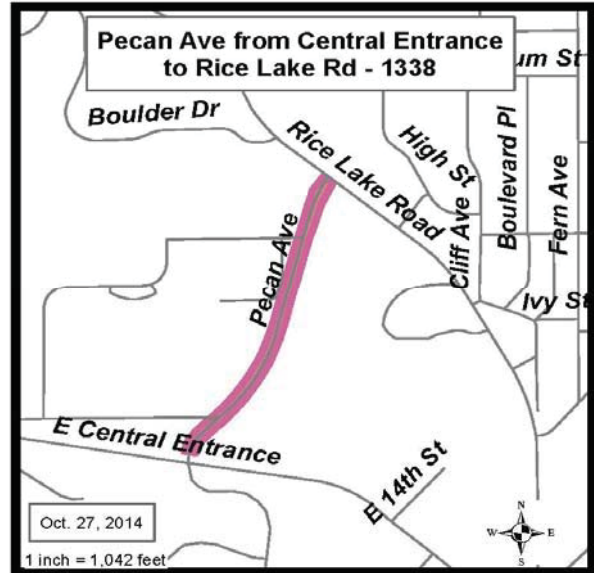
Street Reconstruction & Bridge Projects

Project Title:

Pecan Avenue: Central Entrance
to Rice Lake Road

Funding Source:

	FY 2015
MSA	430,000
PROJECT TOTAL:	\$430,000

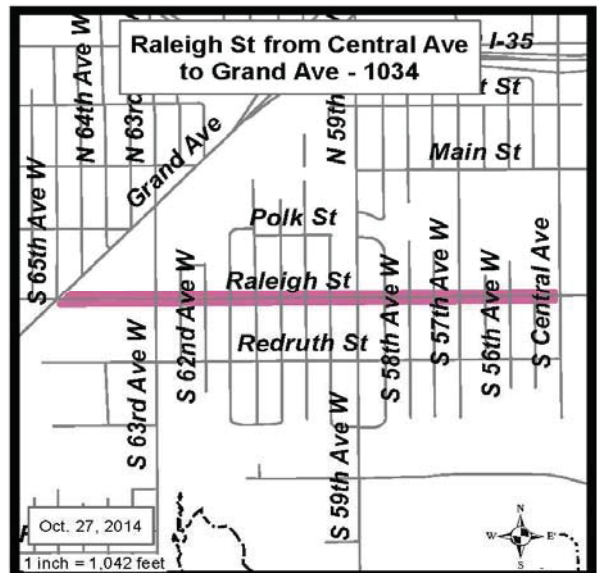


Project Title:

Raleigh Street: Grand Avenue
to Central Avenue

Funding Source:

	FY 2015
Federal	600,000
PROJECT TOTAL:	\$600,000



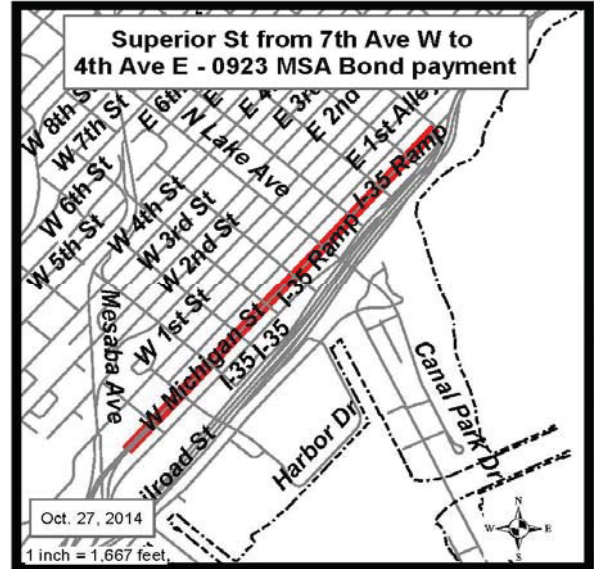
Street Reconstruction & Bridge Projects

Project Title:

Superior Street: 7th Avenue West to
4th Avenue East

Funding Source:

	FY 2015-2019
MSA	5,500,000
Sewer	40,000
Storm	790,000
Water	5,040,000
Gas	90,000
PROJECT TOTAL:	\$11,460,000

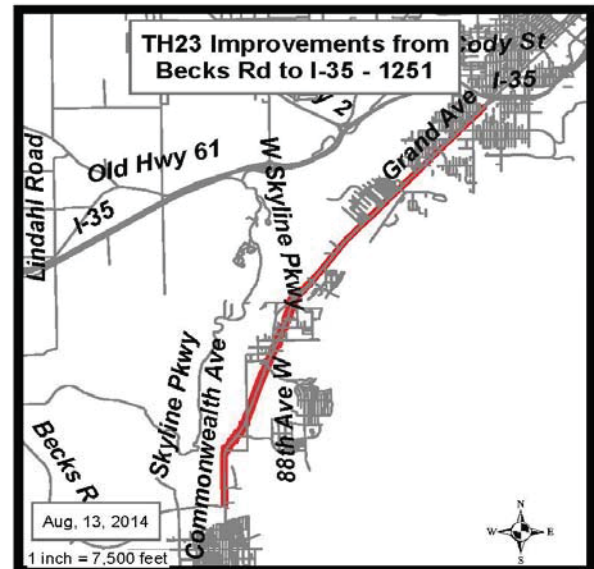


Project Title:

TH23 Improvements: Becks Road to
I-35

Funding Source:

	FY 2015
State CIMS Grant	3,000,000
MSA	700,000
Sewer	50,000
PROJECT TOTAL:	\$3,750,000



Street Reconstruction & Bridge Projects

Project Title:

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

Funding Source:

	FY 2015
Federal/ATP	920,000
MSA	300,000
Sewer	5,000
Storm	25,000
Water	5,000
	\$1,255,000

PROJECT TOTAL:



Capital Utility Projects Summary

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

Operating Cost Implications of 2015 Approved Projects:

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

Projects	2015	2016	2017	2018	2019	Total
Water	1,845,000	2,855,000	2,400,000	2,400,000	3,500,000	13,000,000
Gas	5,650,000	1,550,000	1,775,000	2,020,000	1,650,000	12,645,000
Sewer	2,300,000	2,300,000	1,550,000	2,000,000	2,000,000	10,150,000
Stormwater	1,125,000	975,000	975,000	1,025,000	1,025,000	5,125,000
Street Lighting	330,000	330,000	100,000	100,000	100,000	960,000
Total	11,250,000	8,010,000	6,800,000	7,545,000	8,275,000	41,880,000

Funding	2015	2016	2017	2018	2019	Total
Water - Current Revenue	1,845,000	2,855,000	2,400,000	2,400,000	3,500,000	13,000,000
Gas - Current Revenue	5,650,000	1,550,000	1,775,000	2,020,000	1,650,000	12,645,000
Sewer - Current Revenue	2,300,000	2,300,000	1,550,000	2,000,000	2,000,000	10,150,000
Stormwater - Current Revenue	1,125,000	975,000	975,000	1,025,000	1,025,000	5,125,000
Street Lighting - Current Revenue	330,000	330,000	100,000	100,000	100,000	960,000
Total	11,250,000	8,010,000	6,800,000	7,545,000	8,275,000	41,880,000

Capital Utility Projects

Description:

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

Project	2015	2016	2017	2018	2019	Total
4th Street Lining	300,000	900,000	900,000			2,100,000
Filter Sand Replacement	175,000					175,000
Building & Structure Repairs	50,000		900,000			950,000
89th Ave E water main	70,000					70,000
I-35 crossing at 26th			100,000			100,000
Middle/Woodland Pump Station				2,000,000	2,000,000	4,000,000
Pump Station upgrade		75,000				75,000
HVAC Project	200,000					200,000
Switch Gear		280,000				280,000
Water Main Replacement	1,050,000		500,000	400,000	1,500,000	3,450,000
Water Plant electrical upgrades		1,600,000				1,600,000
Total	1,845,000	2,855,000	2,400,000	2,400,000	3,500,000	13,000,000

Funding	2015	2016	2017	2018	2019	Total
Water - Current Revenue	1,845,000	2,855,000	2,400,000	2,400,000	3,500,000	13,000,000

Capital Utility Projects

Description:

The proposed gas projects over the next five years include funding the continued extension of the system into unserved areas, replacement of copper risers due to code requirements, and replacement of older steel mains where leaks occur.

Project	2015	2016	2017	2018	2019	Total
63rd Ave W Replacement			200,000			200,000
Bollard Contract	50,000	50,000	300,000	300,000	300,000	1,000,000
Regulator Station Upgrades			75,000			75,000
Copper Risers	1,000,000	400,000				1,400,000
Flow Meters		100,000				100,000
Gas Main Extensions	600,000	1,000,000	1,000,000	1,000,000	1,000,000	4,600,000
Miscellaneous Projects					50,000	50,000
I-35 crossing at 26th			100,000			100,000
London Road Gas Project					300,000	300,000
Michigan Street Gas Project Buildings			100,000	100,000		200,000
TBS1B alternate route	4,000,000					4,000,000
Woodland Ave Gas Project				500,000		500,000
Total	5,650,000	1,550,000	1,775,000	2,020,000	1,650,000	12,645,000

Funding	2015	2016	2017	2018	2019	Total
Gas - Current Revenue	5,650,000	1,550,000	1,775,000	2,020,000	1,650,000	12,645,000

Capital Utility Projects

Description:

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

Project	2015	2016	2017	2018	2019	Total
Superior Street Lining	1,300,000	1,300,000				2,600,000
4th Street reconstruct		500,000	500,000			1,000,000
Lift Station Improvements	950,000	450,000	450,000	450,000	450,000	2,750,000
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
Sanitary Sewer Rehab/Reline			550,000	1,500,000	1,500,000	3,550,000
Total	2,300,000	2,300,000	1,550,000	2,000,000	2,000,000	10,150,000

Funding	2015	2016	2017	2018	2019	Total
Sewer Current Revenue	2,300,000	2,300,000	1,550,000	2,000,000	2,000,000	10,150,000

Capital Utility Projects

Description:

The proposed storm water projects over the next five years include continued replacement of failing storm sewer lines and large culverts. Reconstruction of Brewery and Greys Creek is planned to repair deteriorated public infrastructure.

Project	2015	2016	2017	2018	2019	Total
Brewery & Grey's Creek	150,000					150,000
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
MS4 NPDES permit				50,000	50,000	100,000
Storm Non Capital Projects	175,000	175,000	175,000	175,000	175,000	875,000
Storm Sewer Replacement	750,000	750,000	750,000	750,000	750,000	3,750,000
Total	1,125,000	975,000	975,000	1,025,000	1,025,000	5,125,000

Funding	2015	2016	2017	2018	2019	Total
Stormwater - Current Revenue	1,125,000	975,000	975,000	1,025,000	1,025,000	5,125,000

Capital Utility Projects

Description:

The proposed Street Lighting project over the next five years continues the city-wide replacement of existing street light fixtures with energy saving LED roadway luminaires. Long term results will incorporate recommendations from a forthcoming comprehensive street lighting plan.

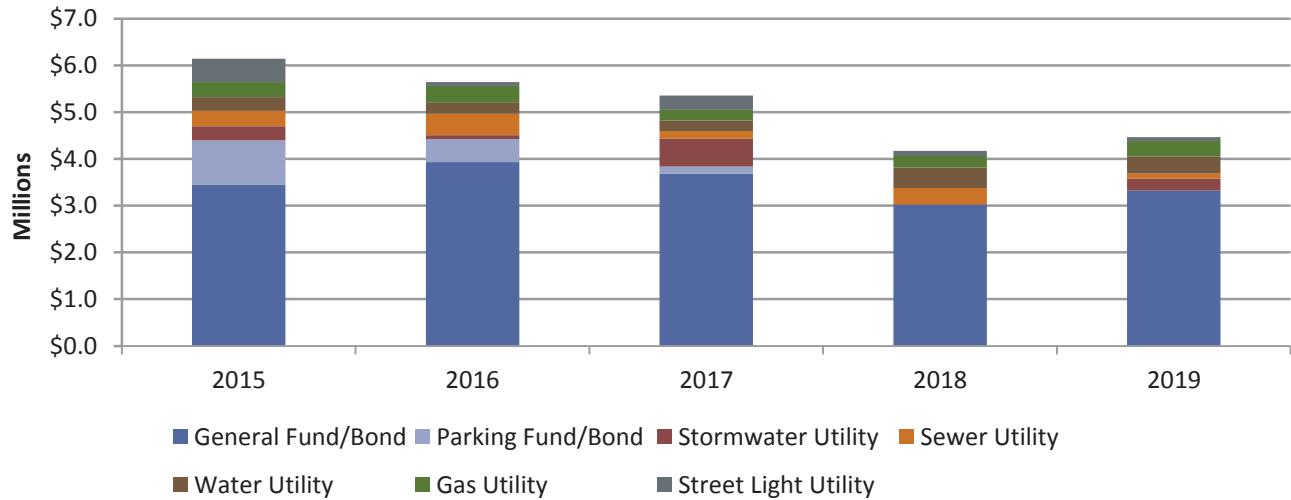
Project	2015	2016	2017	2018	2019	Total
LED Street Lights	330,000	330,000	100,000	100,000	100,000	960,000
Total	330,000	330,000	100,000	100,000	100,000	960,000

Funding	2015	2016	2017	2018	2019	Total
Street Lighting - Current Revenue	330,000	330,000	100,000	100,000	100,000	960,000

CAPITAL EQUIPMENT BUDGET AND PLAN

Five Year Equipment Plan

The objective of the City's five year equipment plan is to maintain city equipment by budgeting an adequate dollar amount annually for replacement on a timely basis. \$25.8 million is proposed in this plan for the period of 2015 through 2019. Of that total, equipment for the General Fund is \$17.41million to be financed with bonds. The balance of \$8.39 million is proposed for the combined enterprise funds of Water, Gas, Stormwater, Sewer, Street Lighting, and Parking. Shown in the chart below are the various funding sources by year for the plan.



	2015	2016	2017	2018	2019	Total
General Fund/Bond	3,451,000	3,929,800	3,689,000	3,018,000	3,323,000	17,410,800
Parking Fund/Bond	965,000	495,000	148,500	-	-	1,608,500
Stormwater	299,700	84,000	591,000	10,000	256,200	1,240,900
Sewer	329,800	459,800	165,400	352,000	104,400	1,411,400
Water	292,900	229,600	228,600	433,700	366,600	1,551,400
Gas	321,700	365,700	226,000	247,300	332,800	1,493,500
Street Light	500,000	82,500	308,500	109,500	82,500	1,083,000
Total Plan	6,160,100	5,646,400	5,357,000	4,170,500	4,465,500	25,799,500

2015 Proposed Equipment

The City is proposing a total of \$6.160 million in capital equipment expenditures for 2015. This includes equipment for General Fund operating departments and the six city enterprise funds named above. The General Fund portion is \$3.45 million to be financed with bonds, Parking Fund bonding for \$.965 million, and \$1.789 million for equipment for the utilities to be paid for out of current year revenues.

For General Fund departments, the City is proposing the purchase of \$2.15 million in rolling stock vehicles – the largest purchase being Maintenance Operations equipment totaling \$1,101,000; fire apparatus totaling \$500,000; police vehicles totaling \$500,000; and Construction Services totaling \$50,000. The non-rolling stock equipment plan of \$1.3 million proposed by City for 2015 is for technology improvements and replacements

The breakdown of equipment for the enterprise funds is \$1.580 million for non-rolling stock equipment and the balance of \$1.129 million for rolling stock vehicles for a total of \$2.709 million for 2015.

City of Duluth 2015 - 2019 Capital Equipment Program

General Fund Rolling Stock Vehicles

	2015	2016	2017	2018	2019
Fire Department					
Fire Trucks/Apparatus	500,000	600,000			600,000
Rescue Boat/Plow Truck			30,000		45,000
Replace 1 Tower				1,200,000	
Inspector/Investigation Vehicles			105,000		45,000
Subtotal Fire Department	500,000	600,000	135,000	1,200,000	690,000
Construction Services					
Inspector Vehicles	50,000	25,000	25,000	25,000	25,000
Subtotal Constructive Services	50,000	25,000	25,000	25,000	25,000
Police Department					
Police Vehicles	500,000	600,000	600,000	600,000	600,000
Subtotal Police Department	500,000	600,000	600,000	600,000	600,000
Facilities Management					
Trailers and Tampers		38,000			
1 Ton w/Service Body		40,000	80,000	40,000	40,000
1 Ton Cargo Van				40,000	40,000
Subtotal Facilities Management		78,000	80,000	80,000	80,000
Maintenance Operations					
4 x 4 Pick up		40,000	40,000	45,000	
Paint Truck					300,000
Subtotal Traffic Maintenance		40,000	40,000	45,000	300,000
Street Maintenance					
Sweeper	265,000	200,000	200,000	200,000	300,000
1 ton Dump Truck	136,000	290,000	290,000	290,000	300,000
1 Ton Pickup with Outfitting			60,000		143,000
Sander Trucks			340,000	340,000	340,000
Sander with RDS	170,000		330,000		
Pick-up 3/4-Ton Ext Cab 4x4		35,000	125,000		
Trailer		16,000			
Loader Snowblower	100,000				
3 yard Loader	210,000	185,000	185,000		250,000
Backhoe		95,000			
Highway Mower		80,000			
Subtotal Street Maintenance	881,000	901,000	1,530,000	830,000	1,333,000
Park Maintenance					
Skidsteer				62,000	
Pickup/4x4 Crew Cab				42,000	48,000
1 Ton w/Plow	70,000		71,000		
Various Mowers				75,000	72,000
Trailers				42,000	
Log Truck		163,800			
Trail Groomer		212,000			
4x4 Dump & Chipper Truck			58,000		
Sidewalk Cleaner	150,000				150,000
Subtotal Park Maintenance	220,000	375,800	129,000	221,000	270,000
Subtotal Maintenance Operations	1,101,000	1,316,800	1,699,000	1,096,000	1,903,000
Public Works					
Engineering Vehicles				17,000	25,000
Subtotal Transportation Engineering				17,000	25,000
Rolling Stock Bond Total	\$ 2,151,000	\$ 2,619,800	\$ 2,539,000	\$ 3,018,000	\$ 3,323,000

City of Duluth 2015 - 2019 Capital Equipment Program

General Fund Non-Rolling Stock Equipment

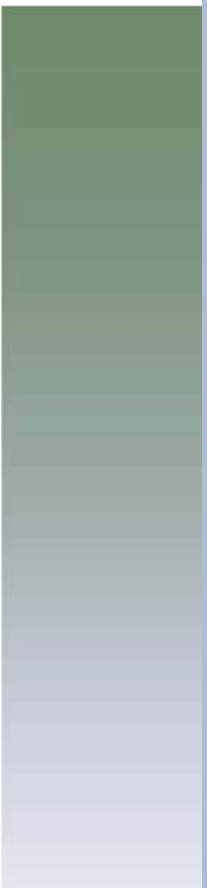
	2015 Bond	2016 Bond	2017 Bond
MIS			
Enterprise Wide PC Replacements	125,000	200,000	200,000
Enterprise Wide Laptop Replacements		100,000	100,000
MIS Asset/Inventory Mgt Software		100,000	
Microsoft License True-Up	25,000	50,000	50,000
Police IA replacement	25,000		
Police Mobile Technology		25,000	
ITSC project planning		300,000	300,000
Fire Programs Replacement	260,000		
High Speed WAN expansion		50,000	50,000
Infor EAM Work Order/customer service implementation		20,000	
Election Management		15,000	
BCA Security Regulations		50,000	50,000
Document Mgt	200,000	100,000	100,000
EOC Technology Upgrades	45,000		
Network Infrastructure Upgrades	200,000		200,000
PCI Compliancy Reg Enhancements/security requirements	20,000	50,000	50,000
Library Credit Card Acceptance		25,000	
Park and Recreation Software	100,000		
Conference Room Technology Needs (5 Rooms)		50,000	50,000
Network Storage replacement	300,000		
Ocularis Server replacement		175,000	
Total Proposed Non-Rolling Stock	1,300,000	1,310,000	1,150,000
TOTAL GENERAL FUND EQUIPMENT BOND PROPOSAL	3,451,000	3,929,800	3,689,000

City of Duluth 2015 - 2019 Capital Equipment Program

Enterprise Funds Equipment

	2015	2016	2017	2018	2019
Water Fund					
Cars/Pick-ups	52,550	41,250	55,400	25,000	25,650
Trucks/Vans	104,250	95,600	143,200	82,200	18,600
Dump Trucks	77,500	-	-	232,500	155,000
Backhoe/Loader	-	78,750	-	84,000	78,750
Excavator/Vactor	39,000	-	-	-	60,000
Other Rolling Stock	9,600	4,000	20,000	-	18,600
Non-Rolling Capital Equipt.	10,000	10,000	10,000	10,000	10,000
Subtotal Water Fund	292,900	229,600	228,600	433,700	366,600
Gas Fund					
Cars/Pick-ups	41,950	74,250	54,200	-	53,350
Trucks/Vans	155,750	251,200	161,800	138,800	74,400
Dump Trucks	-	-	-	77,500	155,000
Backhoe/Loader	-	26,250	-	21,000	26,250
Excavator/Vactor	39,000	-	-	-	-
Other Rolling Stock	-	4,000	-	-	13,800
Non-Rolling Capital Equipt.	85,000	10,000	10,000	10,000	10,000
Subtotal Gas Fund	321,700	365,700	226,000	247,300	332,800
Sewer Fund					
Cars/Pick-ups	25,800	26,800	13,400	-	-
Trucks/Vans	73,000	138,000	42,000	192,000	-
Dump Trucks	65,000	155,000	-	-	-
Backhoe/Loader	-	-	-	-	18,600
Excavator/Vactor	156,000	-	-	150,000	30,000
Other Rolling Stock	-	130,000	100,000	-	45,800
Non-Rolling Capital Equipt.	10,000	10,000	10,000	10,000	10,000
Subtotal Sewer Fund	329,800	459,800	165,400	352,000	104,400
Stormwater Fund					
Cars/Pick-ups	37,800	19,800	5,000	-	34,000
Trucks/Vans	-	50,200	-	-	100,000
Dump Trucks	77,500	-	155,000	-	-
Backhoe/Loader	-	-	105,000	-	30,400
Excavator/Vactor	156,000	-	300,000	-	60,000
Other Rolling Stock	18,400	4,000	16,000	-	21,800
Non-Rolling Capital Equipt.	10,000	10,000	10,000	10,000	10,000
Subtotal Stormwater Fund	299,700	84,000	591,000	10,000	256,200
Street Lighting					
Cars/Pick-ups	-	-	36,000	27,000	-
Aerial Bucket Truck	-	-	190,000	-	-
Non-Rolling Capital Equipt.	500,000	82,500	82,500	82,500	82,500
Subtotal Stormwater Fund	500,000	82,500	308,500	109,500	82,500
Parking Fund					
Parking Payment Technology	965,000	495,000	148,500		
Enterprise Funds Grand Total	\$ 2,709,100	\$ 1,716,600	\$ 1,668,000	\$ 1,152,500	\$ 1,142,500

APPENDIX



FINANCE COMMITTEE

14-080-0

AS AMENDED

ORDINANCE NO. _____

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY
TAXATION FOR GENERAL PURPOSES FOR THE YEAR 2015.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2015 for general operations is hereby determined to be the sum of ~~\$19,868,800~~ \$20,088,800 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 \$13,014,500.

Section 3. That there will be levied for the support of the street lighting fund the sum of \$220,000.

Section ~~3~~ 4. That for the pay of debt, there will be levied for the general obligation debt fund the sum of \$6,574,300.

Section ~~4~~ 5. That pursuant to Laws of Minnesota 1971, Chapter 824, to pay for the portion of the cost of local improvements which will not sustain a special assessment, there will be levied for the permanent improvement fund the sum of \$280,000.

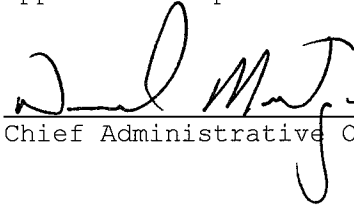
Section ~~5~~ 6. That this ordinance shall take effect January 1, 2015.

Approved:



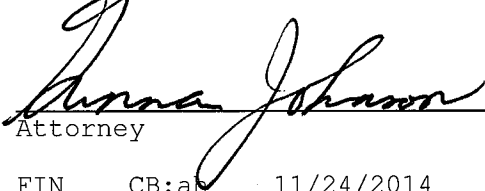
Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

FIN CB:an 11/24/2014

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2015 as proposed by the administration to the council in September.

FINANCE COMMITTEE

14-081-O

ORDINANCE NO. _____

AN ORDINANCE SETTING THE BUDGET FOR THE FISCAL YEAR 2015
APPROPRIATING MONIES FOR THE SUPPORT OF THE CITY
GOVERNMENT, PUBLIC UTILITIES, AND PUBLIC ENTERPRISE
FUNDS AND FOR OTHER PURPOSES.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That in accordance with Section 58 of the 1912 Home Rule Charter of the city of Duluth, and all amendments thereof and laws supplementary thereto, and for the fiscal year beginning January 1 and ending December 31, 2015, the city council hereby budgets, determines and states the amount of money required to meet the principal and interest of maturing obligations comprising the outstanding indebtedness of such city; the amounts of money necessary to be provided for each such fund and each department of such city; and estimates the amount of income from all other sources and revenues, exclusive of taxes upon property, together with the probable amount required to be levied and raised by taxation to defray all expenses and obligations of such city during such fiscal year.

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

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

That use of general fund balance that has been assigned for a specific

purpose in a prior year, must be approved by the city council if used for a purpose other than what has been specified.

That grants which have been approved by the appropriate state or federal agency and accepted by resolution of the city council may be added to the respective budget items upon approval of the city auditor.

Section 2. That the city auditor be authorized to approve the payments of \$3,931,100 from the gas and steam public utility funds to the general fund for administrative services; comprised of \$3,778,400 or seven percent of the gross revenues of the gas utility fund to the general fund; and \$152,700 from public utilities steam fund to the general fund.

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

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

Section 5. That the city auditor may create or abolish an accounting fund

when required by law or proper accounting procedures.

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

Section 7. That the appropriations as set forth in this section constitutes the budget of the city of Duluth for the calendar year of 2015.

GENERAL FUND		
110	Legislative and executive - total	\$2,943,800
121	Public administration - total	\$22,805,400
125	Finance - total	\$2,527,900
132	Planning and construction services -total	\$2,386,600
135	Business and economic development - total	\$611,200
150	Fire - total	\$14,797,200
160	Police - total	\$19,662,300
500	Public works - total	\$1,784,200
700	Transfers and other functions - total	\$10,149,400
	Total general fund	\$77,668,000

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

PUBLIC ENTERPRISE		
503	Golf fund - total	\$2,059,300
505	Parking fund - total	\$4,336,400

PUBLIC UTILITIES		
510	Water fund - total	\$12,071,800
520	Gas fund - total	\$46,579,200

530 & 532	Sewer and clean water fund - total	\$17,872,200
535	Stormwater fund - total	\$4,745,700
540	Steam fund - total	\$7,620,300
550	Street lighting - total	\$2,118,400
290	Street system maintenance utility - total	\$3,023,200 —\$3,076,900


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 revenues are reduced or eliminated and another funding source is not secure. Local funding will be available after a full review to determine whether the program should be continued.

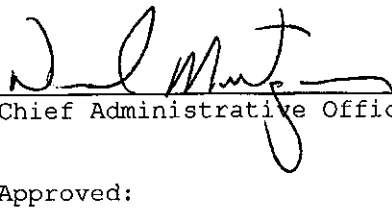
Section 10. That this ordinance shall take effect January 1, 2015.

Approved:



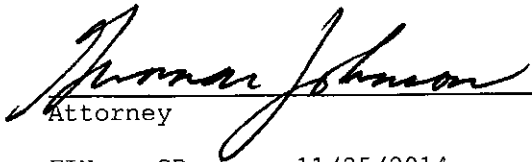
Department Director

Approved for presentation to council:



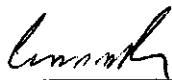
Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

FIN CB:an 11/25/2014

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 2015 budget for the city's general fund; the parks fund; the seven utility funds of water, gas, sewer, stormwater, steam, street lighting, and street system maintenance utility; and the two public enterprise funds of parking and golf. The budgets have been reviewed in a series of finance committee meetings over the past three months.

FINANCE COMMITTEE

14-078-0

ORDINANCE NO. _____

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL PARKS FUND LEVY FOR THE YEAR 2015.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2015 for the special parks fund levy is hereby determined to be the sum of \$2,600,000 which sum is levied against the taxable property of the city of Duluth and appropriated to the various accounts as set forth in the following section.

Section 2. That pursuant to Ordinance 10134, approved by voter referendum on November 9, 2011, pursuant to the authority contained in Laws of Minnesota, 1983, Chapter 560, Section 1, there will be levied for the parks fund the sum of \$2,600,000.

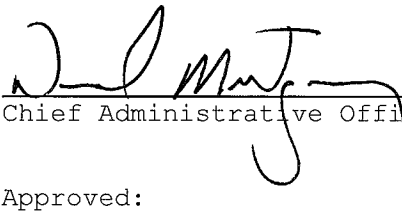
Section 3. That this ordinance shall take effect January 1, 2015.

Approved:



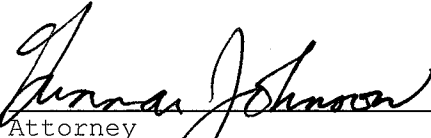
Department Director

Approved for presentation to council:




Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

FIN CB:an 11/24/2014

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2015 for the parks fund levy. Ordinance 10134, approved by voter referendum on November 9, 2011, created a dedicated parks fund and special levy in the amount of \$2.6 million per year to be utilized for parks and recreation purposes only.

FINANCE COMMITTEE

14-079-0

ORDINANCE NO. _____

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL TAXING DISTRICT, DULUTH TRANSIT AUTHORITY, FOR THE YEAR 2015.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2015 for Duluth Transit Authority taxing district's operations is hereby determined to be the sum of \$1,391,900 which sum is levied against the taxable property of the city of Duluth and appropriated to the various accounts as set forth in the following sections, viz:

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

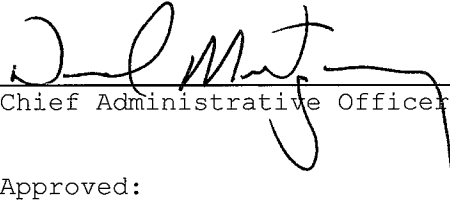
Section 3. That this ordinance shall take effect January 1, 2015.

Approved:



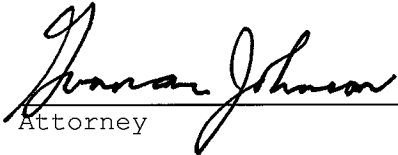
Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

FIN CB:ah 11/24/2014

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2015 for the special taxing district, Duluth Transit Authority (DTA). Although the transit authority is a special taxing district per Minnesota Statute 275.066, the city is obligated through council action to levy on their behalf.

The DTA, in reviewing their needs for 2015 is opting not to request the full levy available by Minnesota Statute 485A.31. Instead, the DTA is requesting \$1,391,900, or the same as the previous two years.

FINANCE COMMITTEE

14-0598R

RESOLUTION DISTRIBUTING THE ESTIMATED 2015 TOURISM TAXES
OF HOTEL-MOTEL AND FOOD AND BEVERAGE.

CITY PROPOSAL:

RESOLVED, that the 2015 tourism taxes of hotel-motel and food and beverage,
as estimated, be distributed in the following manner:

	3% Hotel	1% Hotel- Motel	2.25% Food & Beverage	Add'l 2.5% Hotel-Motel	Total
DECC Amsoil Arena Debt Service	1,327,600		1,671,400		\$2,999,000
Advertising & Publicity	714,900	237,700	741,000	222,800	\$1,916,400
Transfer to General Fund	107,500	272,600	287,000	160,800	\$827,900
Lake Superior Zoo Fund			403,800	106,200	\$510,000
Spirit Mountain Debt/Capital				645,700	\$645,700
Glensheen matching funds			50,000		\$50,000
Great Lakes Aquarium Operations		102,000	145,300	112,700	\$360,000
Business Improvement District			200,000		\$200,000
Heritage & Arts Center		81,500	80,300	15,000	\$176,800
Capital Projects			95,000	24,300	\$119,300
DECC - Bayfront Park		21,200	76,800		\$98,000
Undesignated Fund Balance			89,400		\$89,400
Public Arts Fund			20,000	20,000	\$40,000
Duluth Sister Cities Internat'l			20,000	20,000	\$40,000
Lake Superior & Mississippi RR			20,000		\$20,000


West Duluth Debt Service			1,115,000	335,000	\$1,450,000
Rail Alliance				12,500	\$12,500
Totals	2,150,000	715,000	5,015,000	1,675,000	\$9,555,000

Approved:



 Department Director

Approved for presentation to council:



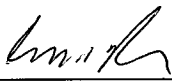
 Chief Administrative Officer

Approved as to form:



 Attorney

Approved:



 Auditor

FIN CB:ah 11/24/2014

STATEMENT OF PURPOSE: This resolution distributes the 2015 estimated tourism taxes to various agencies as determined by Minnesota State Statutes or city policy. Revenue is projected to increase 23.5% over the 2014 budget, of which 4.7% is due to local trends, and 18.8% is due to the new .5% food and beverage tax and .5% hotel/motel tax that is to be used for tourist related capital improvement bond projects west of 34th avenue west.

The 3% hotel/motel allocation to the DECC is increasing \$45,900 due to the increase in projected revenue and based on state law requiring the city to allocate 61.75%. Pursuant to the pledge agreement for Amsoil Arena debt, this allocation is now dedicated to debt service, along with .75% of the food and beverage tax.

Advertising and Publicity combines the previous allocations for Visit Duluth and Other promotional Programs, and is an increase of \$82,400 over 2014.

An increase of \$10,000 is proposed for Great Lakes Aquarium, Duluth Sister Cities International, and the DECC for management of Bayfront Park and the pedestrian bridge. Capital projects is increased \$19,300 for repairs to Lakewalk stairs, and undesignated fund balance allocation is increasing \$54,500. There is a \$10,000 decrease allocated for the Public Arts fund.

New allocations include \$1,450,000 from the new .5% food and beverage tax and .5% hotel motel tax for West Duluth capital project debt service, and \$50,000 as grant matching funds to Glensheen.

FINANCE COMMITTEE

14-0616R

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2015 TO
DECEMBER 31, 2015, OPERATION BUDGET OF THE DULUTH
TRANSIT AUTHORITY.

CITY PROPOSAL:

RESOLVED, that the operation budget for the fiscal year January 1, 2015 to
December 31, 2015, in the amount of \$14,825,074 for the Duluth Transit Authority
is hereby approved.

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


Approved:


Department Director

Approved for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

FIN CB:ah 12/04/2014

STATEMENT OF PURPOSE: This resolution adopts the 2015 operating budget for the
Duluth Transit Authority. The budget includes an increase of \$764,319 or 5.4%
over the 2014 budget. The DTA's budget was reviewed by the city council during
a presentation by the authority at a finance committee meeting on November 24,
2014. This resolution adopts the budget as presented for the current year.

FINANCE COMMITTEE

14-0617R

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2015 TO DECEMBER 31, 2015, OPERATION BUDGET OF THE DULUTH AIRPORT AUTHORITY.

CITY PROPOSAL:


RESOLVED, that the operation budget for the fiscal year January 1, 2015 to December 31, 2015, in the amount of \$7,663,634 the Duluth Airport Authority is hereby approved.

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

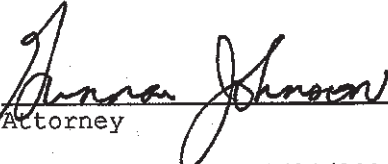
Approved:


Department Director

Approved for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

FIN CB:ah 12/04/2014

STATEMENT OF PURPOSE: This resolution adopts the 2015 operating budget for the Duluth Airport Authority. The airport's budget was reviewed by city council during a presentation by the authority at a finance committee meeting on November 24, 2014. The 2015 budget represents a decrease of \$1,487,908 or 16.3% less than the 2014 budget due to decreased capital project costs.

FINANCE COMMITTEE

14-0605R

RESOLUTION ESTABLISHING ANNUAL BONDING PLAN FOR 2015.

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 2015:

General obligation bonds and notes to be issued in 2015	\$8,800,000
General obligation bonds and notes scheduled to be retired in 2015	\$17,563,465
Net anticipated decrease in general obligation bonding for 2015	(\$8,763,465)

Approved:



Department Director

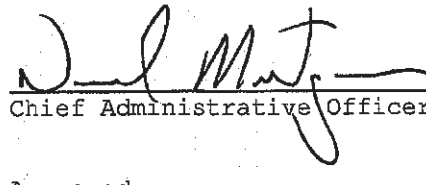
Approved as to form:



Attorney

FIN WP:ah 11/26/2014

Approved for presentation to council:



Chief Administrative Officer

Approved:



Auditor

STATEMENT OF PURPOSE: This resolution sets forth the city's estimated bond and note issuances and repayments for the year 2015 as required by Section 20-33 of the city code. The city estimates its bonding activity in 2015 will result in a net decrease of \$8.7 million in the amount of the city's general obligation outstanding debt during 2015.

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

<u>2015 Capital Projects</u>	<u>Estimated Debt Issuance</u>	<u>Funding Source</u>
Bonds & Notes		
Capital Improvement	\$ 1,800,000	Tax Levy
Capital Equipment	\$ 4,550,000	Tax Levy & Parking Revenues
Cross City Trail Grant Matching - Phase III & IV	\$ 150,000	Tax Levy
Duluth Airport Lake Superior College Project	\$ 2,200,000	Airport Revenues
West Duluth/St Louis River Corridor - Planning	\$ 100,000	Tourism Taxes - \$18 million authorized. Remaining bonding authority is \$13.6 million. Tourism Taxes - \$18 million authorized. Remaining bonding authority is \$13.6 million.
West Duluth/St Louis River Corridor - Projects	TBD	
Total Projected Debt Issuance	<u>\$ 8,800,000</u>	

<u>Scheduled 2015 Debt Payments</u>	<u>Principal Payments</u>	<u>Comments</u>
Levy and General Fund Supported	\$ 5,205,567	
Special Assessment Supported	\$ 1,231,390	
Street Maintenance Utility/CIT Revenue Supported	\$ 1,924,043	Funded by transfer from Street Maintenance Utility and CIT Fund
Utility Revenue Supported	\$ 6,312,465	Funded by Water, Gas, Sewer, Stormwater and Steam District operating revenues
Other Revenue Supported	\$ 2,890,000	Funded by tourism taxes, tax increments, parking revenues, airport revenues & other sources
Total Estimated Debt Run-Off	<u>\$ 17,563,465</u>	
Net Estimated Debt Increase - 2015	<u>\$ (8,763,465)</u>	

CITY OF DULUTH, MINNESOTA

DEMOGRAPHIC AND ECONOMIC STATISTICS

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Total Personal Income</u>	<u>Per Capita School Enrollment</u>	<u>Unemployment Rate</u>
2004	85,782	2,071,632,035	24,150	11,979	5.4%
2005	85,889	2,082,363,825	24,245	11,123	5.0%
2006	85,170	2,200,368,620	25,835	10,050	4.8%
2007	85,439	2,330,534,215	27,277	9,819	5.0%
2008	85,220	2,390,569,327	28,052	9,554	5.7%
2009	85,530	2,286,461,687	26,733	9,195	7.9%
2010	86,265	2,260,614,999	26,205	8,780	7.7%
2011	86,277	2,341,514,707	27,140	8,815	7.0%
2012	86,033	2,366,494,504	27,140	8,686	6.1%
2013	86,128	2,471,624,356	28,729	8,517	5.6%

Data sources:

The population figures are estimates of the State Demographer.

Total personal income is from the MN Department of Employment and Economic Development's website.

The school enrollment figures were provided by the Duluth School District.

The unemployment rates were provided by the MN Department of Economic Security.

MINNESOTA CITIES HOUSING STOCK COMPARISON

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

Data source: American Community Survey

CITY OF DULUTH, MINNESOTA

PRINCIPAL EMPLOYERS

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Essentia Health (SMDC)	Healthcare / hospital	5,341	1	12.42%
St. Louis County	Government	1,956	2	4.55%
University of Minnesota - Duluth	Education	1,700	3	3.95%
St. Luke's Hospital	Healthcare / hospital	1,602	4	3.72%
Independent School District No. 709	Education	1,426	5	3.31%
Allete (Minnesota Power)	Electric utility	1,419	6	3.30%
Uniprise (United Health Care)	Insurance	1,368	7	3.18%
Duluth Air National Guard Base	Military	1,068	8	2.48%
City of Duluth	Government	864	9	2.01%
US Government	Government	850	10	1.98%
Cirrus Design	Aviation			
College of St. Scholastica	Education			
		17,594		40.90%

Source: Northland Connection's website

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

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

<u>Function:</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government	107.20	114.40	113.90	129.30	125.75
Public Safety					
Police	182.00	187.00	185.00	185.00	178.50
Fire	134.00	140.00	140.00	138.00	141.00
Public Works	100.20	123.80	118.60	93.20	87.10
Culture and recreation					
Parks and recreation	7.50	7.50	7.50	9.00	10.00
Zoo	0.00	0.00	0.00	0.00	0.00
Library	47.30	43.50	43.50	48.50	49.00
Urban & Economic Development	56.00	59.00	62.50	60.50	60.25
Water & Gas	120.50	124.80	128.20	131.59	133.00
Sewer	38.60	38.40	38.40	39.24	40.20
Stormwater	21.10	24.20	24.20	25.92	26.00
Golf	0.00	0.00	0.00	0.00	0.00
Parking	4.00	4.00	3.00	3.00	8.00
Street Lighting	4.00	4.00	5.00	5.00	5.00
Total	822.40	870.60	869.80	868.25	863.80

CITY OF DULUTH, MINNESOTA

TOTAL ESTIMATED MARKET VALUES

<u>Fiscal Year End</u>	<u>Total Estimated Market Value</u>	<u>Tax Capacity</u>	<u>% Capacity to Market Value</u>	<u>Tax Rate</u>
2004	4,080,640,300	43,685,793	1.07%	0.26866
2005	4,824,334,700	51,118,182	1.06%	0.24215
2006	5,036,127,627	56,123,821	1.11%	0.22183
2007	5,188,965,700	60,063,072	1.16%	0.22939
2008	5,483,418,320	63,722,897	1.16%	0.23259
2009	5,706,520,800	66,655,461	1.17%	0.25403
2010	5,696,100,100	67,344,436	1.18%	0.26331
2011	5,531,528,600	65,577,970	1.19%	0.27956
2012	5,569,039,800	61,532,873	1.10%	0.31597
2013	5,473,015,800	61,948,785	1.13%	0.33198

PRINCIPAL PROPERTY TAXPAYERS

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Estimated Market Value</u>	<u>Rank</u>	<u>% of Market Value</u>
Minnesota Power	Electric utility	102,935,200	1	1.88%
Simon Property, Inc.	Shopping mall	42,997,300	2	0.79%
Essentia Health	Healthcare / hospital	40,174,300	3	0.73%
Sherman Associates	Real estate development	30,785,800	4	0.56%
Wisconsin Central LTD	Railway	19,469,900	5	0.36%
IRET Properties	Property management	19,349,600	6	0.35%
Riverland AG Corp	Grain elevators	18,334,000	7	0.33%
ZMC Hotels	Hotels	16,461,900	8	0.30%
Burlington Northern	Railroad	12,238,200	9	0.22%
US Bank	Bank/Office building	11,122,800	10	0.20%
New Page	Paper mill			
Northwest Air	Airbus maintenance			
Tech Village	Office/Tech building			
Bradley Operating Limited	Strip mall			
JMM Limited Partnership	Retail & hotel			
		313,869,000		5.72%

CITY OF DULUTH, MINNESOTA

OPERATING INDICATORS BY FUNCTION

	2009	2010	2011	2012	2013
Police					
Criminal offences	10,452	10,187	10,930	10,177	10,728
Adult and juvenile arrests	4,759	4,484	4,370	4,091	8,217
Traffic violations	2,153	5,241	9,746	9,499	11,152
Parking violations	54,953	57,537	47,778	43,733	51,361
Fire					
Number of calls answered	9,319	8,484	9,262	9,540	10,816
Number of inspections conducted	1,200	1,200	1,200	1,200	1,200
Public works					
Construction permits:					
Permits issued	2,362	2,026	1,700	2,325	2,054
Estimated cost of construction during year	\$ 113,965,408	\$ 238,186,019	\$ 173,357,959	\$ 104,841,877	\$ 137,097,967
Culture and recreation					
Parks and recreation department					
Participation in special events	42,858	48,896	15,436	18,129	40,045
Participation in recreation	36,217	31,905	39,839	35,681	27,393
Zoo regular customers	91,606	102,986	93,705	71,842	58,306
Library					
Registered borrowers	47,662	46,592	47,965	50,171	50,491
Items in collection*	620,941	620,101	463,418	457,999	467,050
Items loaned	881,268	929,161	902,221	953,270	959,432
Library visits	362,719	380,982	376,817	460,918	484,917
Internet uses	43,907	62,379	66,394	89,070	106,662
Reference/research questions answered**	67,460	80,678	79,443	90,155	84,838
Water					
Meters in service	27,950	30,317	29,069	28,082	28,051
Average number of gallons treated per month	516,805,833	481,950,833	461,125,000	468,170,000	433,795,000
Water pumped - million cubic feet	829.1	773.1	739.8	756.1	695.9
Water sold - million cubic feet	658.0	665.5	589.6	644.4	606.0
Daily average consumption in gallons	16,973,333	15,844,958	15,160,274	13,206,643	12,418,716
Gas					
Meters in service	26,148	26,668	26,693	27,542	27,452
MMBTU sold	4,804,897	4,617,923	5,184,800	4,528,009	5,355,988
Sewer					
Number of service connections	28,845	28,845	28,845	27,250	27,956
Daily average treatment in gallons	13,740,000	14,859,000	13,284,575	12,137,000	12,843,000
Stormwater					
Cleaning storm sewer pipe (in feet)	23,358	14,734	14,750	230,165	31,658
Steam District #1					
Steam sold (in 1,000 lbs)	441,808	403,085	409,295	379,257	394,762
Golf					
Season passes	1,023	1,024	985	1,028	879
Daily tickets	33,815	32,252	32,101	35,121	31,401
Carts	11,128	10,670	12,553	14,751	14,019
Rounds played	80,987	79,430	75,480	84,740	63,196

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

**Note: Beginning in 2009, only actual reference questions are included in the Library's "Reference questions answered."

In prior years, directional questions were also included.

CAPITAL ASSETS BY FUNCTION

	2009	2010	2011	2012	2013
Police					
Patrol units	91	96	94	93	93
Fire					
Fire stations	9	9	9	8	8
Public works					
Miles of streets and alleys:					
Miles of streets - paved	476.30	469.00	470.23	470.43	470.49
Miles of streets - unpaved	73.11	48.02	48.02	48.02	47.96
Miles of sidewalk	382.56	277.00	409.00	409.90	410.98
Number of street lights:					
Ornamental lamps (no. of bulbs)	3,930	3,930	3,930	3,930	3,930
Overhead street lamps	3,657	3,665	3,665	3,665	3,665
Culture and recreation					
Parks and recreation department					
Number of parks	145	127	127	128	128
Park acreage	11,880	15,255	15,255	12,000	12,000
Number of ski hills	2	2	2	2	2
Number of municipal tennis courts	15	17	17	17	17
Community clubs/field houses operated	22	22	22	21	21
Number of athletic fields	57	57	57	57	57
Number of hiking trails	13	13	14	14	14
Library department					
Libraries/branches	3	3	3	3	3
Water					
Miles of water mains	414.59	424.10	426.30	426.74	428.30
Number of hydrants	2,506	2,535	2,583	2,597	2,671
Maximum daily capacity of plant in gallons	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000
Gas					
Miles of gas mains	506.00	512.40	511.00	520.00	527.00
Sewer					
Miles of sanitary sewers	444.00	392.00	382.00	406.20	398.00
Stormwater					
Miles of storm sewers	431.00	431.00	431.00	431.00	443.00
Steam District #1					
Miles of line	11.00	11.00	11.00	11.00	11.00
Golf					
Number of municipal golf courses	2	2	2	2	2

GLOSSARY OF TERMS

Accrual Basis of Accounting

Recording revenues and expenses when they occur, regardless of the timing of related cash flow.

Appropriation

City Council authorization permitting the City to incur obligations and expend resources during the fiscal year.

ARRA- American Recovery and Reinvestment Act

A federal economic stimulus package

Assessed Valuation

A value set upon residential, commercial or industrial properties by the County Assessor as a basis for levying property taxes.

Bond

A legal document stating the face value (principal amount) will be repaid on the date of maturity, plus interest. Bonds are primarily for financing capital projects or equipment.

Budget

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

Budget Basis

The basis of accounting used to estimate financing sources and uses in the budget. General Governmental funds are prepared on a modified accrual basis. Enterprise funds are prepared on a GAAP basis.

Budgetary Control

The management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Comprehensive Annual Financial Report (CAFR)

A government financial statement that provides a thorough and detailed presentation of the government's financial condition.

Capital Budget

The appropriation of bonds or operating revenue for improvements to facilities and other infrastructure.

Capital Improvements

Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.

Capital Outlay

The expenditure for small equipment or improvements of a miscellaneous or nonrecurring nature funded from current period resources and not included in the Capital Program.

Capital Projects Fund

A governmental fund used to account for financial resources to be used for the acquisition or construction of major capital facilities or other improvements (other than those financed by a proprietary fund).

Charges for Services

Revenues collected as reimbursement for services provided to the public or to some other program/fund in the City.

City Authority

An organizational unit created by the Legislature of the State of Minnesota to administer and maintain the operations of the Duluth Airport, Duluth Entertainment and Convention Center, Transit Authority, and Spirit Mountain Recreation Area. Each is considered a component unit of the City of Duluth reporting entity, and is accounted for as an enterprise fund.

Collective Bargaining Agreement

A legal contract between the employer and a verified representative of a recognized bargaining unit for specific terms and conditions of employment (e.g. hours, working conditions, salary, fringe benefits, and matters affecting health and safety of employees).

Component Unit

A legally separate organization for which the elected officials of a primary government are financially accountable. For Duluth, the component units are the authorities.

Contractual Services

Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include maintenance agreements and professional consulting services.

Cured in Place Pipe (CIPP)

Trenchless rehabilitation method to repair existing pipelines.

Debt Service

Payment of principal and interest on specific obligations which result from the issuance of bonds.

Debt Service Fund

A governmental fund type used to account for the accumulation of resources for, and the payment of, general long term debt principal and interest.

Deficit

An excess of expenditures or expenses over revenues (resources) during an accounting period.

Department

Major unit of organization comprised of subunits named divisions. Organizational elements responsible for administration and supervision of various service delivery activities.

Depreciation

The portion of the cost of a fixed asset which is charged as an expense during a particular period. In accounting for and recognizing depreciation, the cost of a fixed asset is prorated over the estimated useful life of such an asset, and each period is charged with a share of such cost.

Distinguished Budget Presentation Awards Program

A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Division

Organizational subunits of a department which are responsible for the administration and supervision of various service delivery activities.

Employee Benefits

Those costs incurred by the employer for pension contributions and the provision of health, dental and term insurance for all covered personnel.

Encumbrance

The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

Enterprise Fund

Funds which account for operations that are financed and managed in a manner similar to private business enterprises-- where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges.

Expenditure

The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Expense

Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

Financial Policy

The City's policies with respect to revenues, spending, and debt management as these related to government services, programs, and capital investments. Financial policies provide an agreed-upon set of principles for the planning and programming of the budget and its funding.

Fiscal Year

Twelve-month period to which the operating budget applies; January 1 to December 31 in the case of the City.

Fixed Assets

Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

Franchise Tax

A fee charged by a governmental unit to a private business for the privileges of using a public right-of-way to generate revenue through its operations.

Full Faith and Credit

A pledge of a government's taxing power to repay debt obligations.

Full Time Equivalent (FTE)

A job classification created by Civil Service, authorized through the budgetary process, and filled in accordance with Civil Service rules and Chapter 13 of the Duluth City Code.

Function

Description of a division's operation relative to routine activities performed to accomplish established objectives and goals.

Fund

A fiscal and accounting entity, which is created and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The major funds are the General Operating; Water; Gas; Steam; Sewer; Golf/Zoo funds; Debt Service funds; Special Revenue funds; Capital Projects funds; and Internal Service funds.

Fund Balance

The excess of the assets of a fund over its liabilities, which may include reserves and designations.

Generally Accepted Accounting Principles (GAAP)

Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

General Fund

A governmental fund type which serves as the chief operating fund of the City to account for all financial resources except those required to be accounted for in another fund type.

General Obligation Bond (G.O.)

This bond is backed by the full faith, credit, and taxing power of the government.

Goal

A statement of broad direction, purpose or intent based on the needs of the community. A goal is a general and timeless.

Governmental Accounting Standards Board (GASB)

The organization that establishes generally accepted accounting principles (GAAP) for states and local governments.

Governmental Funds

Fund type which includes general fund, special revenue funds, permanent improvement funds, debt service funds and special assessment funds.

Government Finance Officers Association (GFOA)

The professional association of Finance professionals in the public sector.

Grants

A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

HUD

U.S. Department of Housing and Development, a federal government agency.

Infrastructure

The physical assets of a government (e.g. streets, water, sewer, public buildings, and parks).

Intergovernmental Revenue

Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Internal Service Funds

Proprietary fund type used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government or component unit, or to other governments on a cost reimbursement basis.

Internal Service Charges

The charges to user departments for internal services provided by another government agency, such as fleet and insurance.

Interfund Transfer

Flows of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for repayment.

Levy

To impose taxes for the support of government activities.

Local Government Aid – LGA

A general purpose aid that can be used for any lawful expenditure. It is also intended to be used for property tax relief. The Department of Revenue certifies LGA for cities based on current LGA statutes, including any changes enacted during the most recent legislative session.

Long-Term Debt

Debt with a maturity of more than one year after the date of issuance.

Materials and Supplies

Expendable materials and operating supplies necessary to conduct departmental operations.

Modified Accrual Basis of Accounting

Recognizes expenses in the accounting period in which they are incurred and measurable. Recognizes revenues in the accounting period in which they are measurable and available.

Municipal State Aid (MSA)

Refers to gas tax dollars distributed by the State to local governments for use on State designated Municipal State Aid streets - usually major thoroughfares.

Object of Expenditure

An expenditure classification, referring to the lowest and most detailed level of classification, such as permanent employee wages, over-time, electricity, office supplies, and paving materials.

Objective

Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

Obligations

Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Expenses

The cost for materials, services, and supplies required for a department to operate.

Operating Revenue

Funds that the City receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Ordinance

A formal legislative enactment by the City Council. It has the full force and effect of law within City boundaries unless pre-empted by a higher form of law. An Ordinance has a higher legal standing than a Resolution.

Other Post-Employment Benefits (OPEB)

Post-employment benefits other than pension benefits that include post-employment healthcare benefits, regardless of the type of plan that provides them.

Payment In Lieu of Taxes (PILOT)

Payment that a property owner not subject to taxation makes to a government to compensate it for services that the property owner receives that normally are financed through property taxes.

Performance Measure

Quantitative and/or qualitative measures of work performed related to specific departmental or program objectives.

Personal Services

Those costs associated with the salaries and wages of permanent and temporary employees.

Proprietary Funds

Fund type which includes the enterprise funds of Public Service, Public Utility and City Authorities.

Public Employees Retirement Association (PERA)

State-wide pension plan, to which a majority of the City's employees belong.

Public Service Fund

A fund established to account for the operation and maintenance of the City of Duluth's sanitary and storm sewer collection system.

Public Utility Fund

A fund established to account for the operations of the Department of Water and Gas, Street Light Utility and the Duluth Steam Cooperative Association which provide water, gas, street lighting, traffic signals and steam utility services, respectively, to the citizens of Duluth.

Purpose

A broad statement of the goals, in terms of meeting public service needs, that a department is organized to meet.

Resolution

A special order of the City council which has a lower legal standing than an ordinance.

Revenue

Sources of income financing the operations of government.

Revenue Bond

Revenues from a specific enterprise or project back this type of bond. An example would be a utility improvement or project.

Revenue Source

A revenue classification that designates the origination or type of funds received.

Special Assessment

Compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Special Revenue Fund

Funds which account for specific financial resources that is restricted to expenditures for specified purposes.

Tax Capacity

A valuation placed upon the market value of the real and personal property in the City in a manner prescribed by state law as the basis for levying property taxes. The tax capacity reflects a percentage of the property's assessed value. The market value of a property is multiplied by the appropriate tax capacity classification rate to arrive at its "tax capacity".

Tax Capacity Classification Rate

The tax rates applied to tax capacities within the City. The tax capacity rate will vary depending on the property classification (homestead, seasonal-recreation, rental, non-homestead, commercial/industrial, vacant). The lowest rate is for homestead property, with significantly higher rates for seasonal-recreation, vacant, and commercial/industrial property.

Tax Levy

The sum to be raised by general taxation, for specific purposes, as delineated in the Tax Levy Ordinance upon the taxable properties within the jurisdiction and corporate limits of the City.

Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. Taxes for this city include property, sales, tourism, and charitable gambling.

Truth in Taxation (TNT)

A set of procedures adopted by the 1989 Minnesota Legislature intended to improve local accountability in the adoption of the budget and property tax levy of local government.

Unassigned Fund Balance

The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Charges

The payment of a fee for direct receipt of a public service by the party who benefits from the service.

