

CITY OF DULUTH, MINNESOTA



2011 APPROVED ANNUAL BUDGET

CITY OF DULUTH

2011 Approved Annual Budget

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Don Ness

CITY COUNCILORS

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Department Business Plans may be found in the online budget document on the city's website.

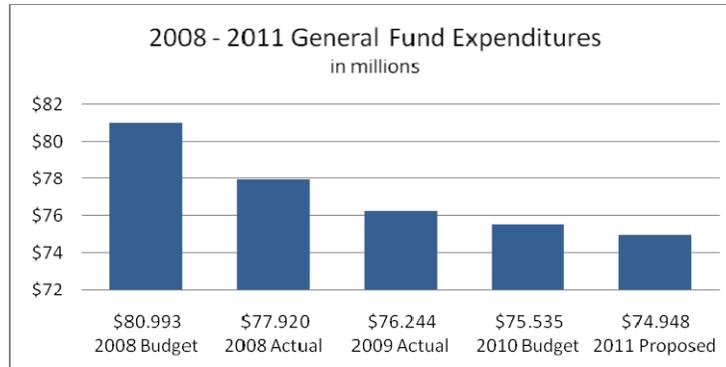
INTRODUCTION

2011 Proposed Property Tax Levy and General Fund Budget

Mayor Ness Executive Summary

August 30, 2010

The 2011 Proposed Budget (the "Budget") represents the fourth consecutive year of decreases in general fund expenditures. Budget expenditures of \$74.9 million are a half million dollars less than 2010 and \$6.0 million less than the budgeted amount approved in the fall 2007. Driven by severe revenue cuts from the State of Minnesota and impacts of the current recession, the City has undertaken significant reorganization and expense reductions to overcome a significant structural deficit.



The 2011 Budget recommends a 2.9% levy increase for the specific purpose of financing the new law enforcement center. This increase was projected as part of the original financing arrangement approved by the City Council last year. The Administration is proposing no tax rate increase for general fund operations in 2011. The proposed levy is more than \$5.4million below the maximum tax levy allowed by the State.

The Budget takes a realistic approach to 2011 revenue estimates in the face of uncertainty in the State's budget and the ongoing affects of the recession. The Budget forecasts declines in several key revenue sources including sales taxes, building permit fees, fines, and earnings on investments. Of course we are hopeful that the recession will ease and revenues will rebound, but we are not relying on that.

In presenting their 2011 budgets, many cities in Minnesota assumed LGA will be available at the authorized amount. Given the uncertainty surrounding LGA, we budgeted a \$1.5 million cut in our LGA (an amount similar to our '08 & '09 cuts). We will also be developing contingency plans for the possibility that the cuts could be even larger than the \$1.5 million reduction included in this budget.

In order to address the decline in revenue, the 2011 Budget has fewer budgeted positions than 2010 and relies on continued cost savings implemented in recent years including reduced overtime consumption, energy savings, and operations focused on core services. A priority has been given to areas that will improve efficiency and customer service (MIS and One-Stop), internal controls (Human Resources and audit staff), and expanding the tax base (Business Development).

The most important and significant expense reduction comes from retiree health care. With all retirees on Plan 3, we anticipate a \$1.9 million reduction in the cost of providing this coverage for retirees and their dependents. Plan 3 is a very generous and expensive plan. The City will still spend more than \$7.2 million in 2011 to provide this retiree coverage. Clearly, the move to Plan 3 is critical for the financial health of the city. Not only does this change allow for significant cost savings for many years to come, it also strengthens the sustainability of the benefit for current and future retirees.

Mayor Ness Executive Summary
(continued)

The most serious issue with budget reduction efforts in recent years and in this 2011 Budget proposal is the underfunding of long deferred facilities maintenance and capital improvement project needs. Capital maintenance and improvement needs far exceed available funding. Departmental requests totaling \$3.1 million were left out of the Budget.

While the overall general fund expenditures have been declining in the past three years, the City continues to absorb inflationary increases in the cost of operations. The 2011 Budget includes inflationary costs related to PERA contributions (\$100k), steps and longevity wage increases (\$200k), costs of supplies and materials (\$400k), and cost of repairs and maintenance (\$100k).

Other highlights of the 2011 Budget include:

- Completion of the One-Stop Shop for Construction Services
- Restoring staffing for street and park maintenance (from 2010 actual)
- Additional library shelvers to maintain library hours
- Munger Trail, Lakewalk East, & Miracle League Field construction
- New Transportation Planner position

The Administration is committed to robust contingency planning for 2011. We have budgeted conservatively but there is still the possibility of significant shocks to the budget that we must be prepared for. Any further reduction to the 2011 Budget will put all of the above listed projects at risk and will also adversely impact services including library hours, administrative staff, maintenance, and the street program. We are hopeful to avoid these additional cuts, but we have to be prepared for the possibility.

As was mentioned before, many Minnesota cities budgeted for LGA at the full statutory amount. If the legislature chooses not to cut LGA, we could:

- Significantly increase library hours
- Hire additional patrol officers
- Increase blighted building demolition
- Wade Stadium restoration and other critical park maintenance capital projects

The 2011 Budget represents the result of three very challenging years in which the Administration and the City Council faced a number of very difficult decisions. We greatly appreciate the leadership of those Councilors who made those tough decisions. We still face serious challenges and uncertainty, but the City is in better fiscal shape today than we were three years ago in large part because of the Council's efforts.

Mayor Don Ness



GOVERNMENT FINANCE OFFICERS ASSOCIATION

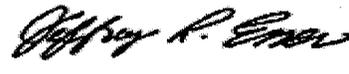
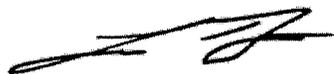
*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Duluth
Minnesota**

For the Fiscal Year Beginning

January 1, 2010



President

Executive Director

DISTINGUISHED BUDGET PRESENTATION AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Distinguished Budget Presentation to the City of Duluth, Minnesota, for its annual budget for the fiscal year beginning January 1, 2010.

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

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

BUDGET HIGHLIGHTS

BUDGET PROCESS

The Administration's proposed 2011 Annual Operating and Capital Budget for the City of Duluth was submitted to the Council on August 30 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 2011 to be certified to the County no later than September 15. 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 10 and November 24. 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 24 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 6 at 7:00 p.m. The budget and levy were adopted at the December 20 meeting.

BUDGET CALENDAR

BUDGET TRAINING

June 28-29 Four sessions to train new budget managers as well as offer refresher training.

DEPARTMENT BUDGET DEVELOPMENT AND SUBMISSION

July 16 Once training is complete, budget managers will work on their 2011 budget proposals. Using the online financial management system, departments are asked to submit staffing requests, expense proposals and revenue estimates.

July 23 OTHER FUNDS including special revenue, internal service, capital, debt, golf & parking

August 13 UTILITY FUNDS including water, gas, sewer, storm, and street lighting

ADMINISTRATIVE REVIEW

July 26-30 Department budget proposals will be reviewed with Administration

CAPITAL BUDGETS

July 9 Instructions and packets sent out to departments

Aug 2 CIP and CEP committee meetings to review five year plan update

MAYOR'S PRESENTATION TO COUNCIL

Aug 30 Proposed levy and budget resolutions on council agenda

Sept 13 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 6 Truth in Taxation hearing

Dec 20 Council approves final budget and levy to become effective January 1.

PROPERTY TAX LEVY REVENUES

The City's initial proposed and final property tax levy certified to the County was \$17,791,500 or 3.58% over the 2010 levy. In addition, the City, on behalf of the special taxing district of the Duluth Transit Authority approved a levy amount of \$1,316,900. The full levy amount as allowed by State law of .07253 percent of market value would total \$3,985,400. The Duluth Transit Authority, in reviewing their needs for 2011 however, opted to not request the full levy available. Instead, the Duluth Transit Authority requested the same levy for the seventh consecutive year. The combined total levy amount for both entities is \$19,108,400.

The City's levy is \$615,400 more than last year. Of the 3.58% increase in the levy over 2010, 2.9% represents a tax rate increase for the specific purpose of financing the new law enforcement center. There is no tax rate increase proposed for general operations, and the levy is \$5.4 million below the maximum tax levy allowed by the State. The balance of the levy increase will have no impact on the tax rate because it is the result of new growth.

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

2011 APPROVED PROPERTY TAX LEVY					
	2010 Approved Levy	2011 Approved Levy	Change in Levy		% Change in Tax Rate
Tax Levy Impacting Tax Rate					
Law Enforcement Debt Levy		\$ 498,100	\$ 498,100	2.90%	2.90%
Levy with Tax Rate Impact	\$ -	\$ 498,100	\$ 498,100		2.90%
Tax Levy with no Tax Rate Impact					
General Operations	\$ 11,115,100	\$ 11,202,500	\$ 87,400		0.00%
Transit Bond	\$ 87,400	\$ -	\$ (87,400)		0.00%
Debt Service	\$ 5,401,500	\$ 5,401,500	\$ -		0.00%
New Growth Levy to General Opts		\$ 117,300	\$ 117,300	0.68%	0.00%
Permanent Improvement	\$ 422,100	\$ 422,100	\$ -		
Levy with no Tax Rate Impact	\$ 17,026,100	\$ 17,143,400	\$ 117,300		0.00%
Provision for Tax Delinquency	\$ 150,000	\$ 150,000	\$ -		
TOTAL APPROVED TAX LEVY	\$ 17,176,100	\$ 17,791,500	\$ 615,400	3.58%	2.90%

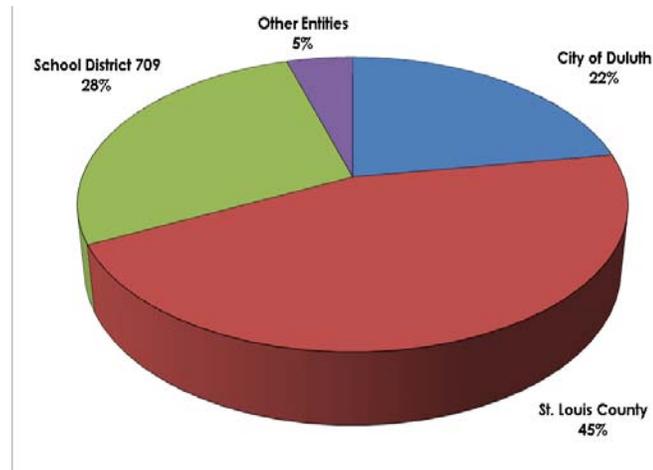
INCREASE IN AVERAGE HOMESTEAD (\$159,400) ANNUAL CITY PROPERTY TAX BILL

2010 City Property Taxes	\$ 380
2011 Property Taxes as Approved	\$ 388
Approved Annual Increase	\$ 8

Property tax bills for Duluth residents are comprised of the taxes levied for the City of Duluth, St. Louis County, the School District and several smaller taxing districts. The City's portion is the smallest portion of the big three at 22% of the total. The chart below shows an average resident's property tax bill with the breakdown by taxing entity.

Taxing Entity	2011 Property Taxes	
City of Duluth	\$ 388	22%
St. Louis County	\$ 784	45%
School District 709	\$ 476	28%
Other Entities	\$ 80	5%
Total Average Bill	\$ 1,728	100%

*Based on Market Value of \$159,400



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 2011 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 2010 tax bill with the proposed tax bill for 2011. 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 bill.

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

The City Assessor's Office can answer your questions about market value. Their telephone number is 730-5190. Also, you can access property related information on the City Assessor's website. You can search for properties, view frequently asked questions and find some useful links. The address is: <http://www.duluthmn.gov/city/assessor>.

What services do property taxes fund?

Approximately 1/3 goes to fund debt service on capital improvements, equipment and neighborhood street improvements. The remaining 2/3 goes into the City's General Fund to pay for services such as police, fire, libraries, parks, planning and zoning, street and park maintenance. For 2011, the portion of the City's general services paid for with property taxes is \$11.32 million or 15% of the total. To put the amount in perspective, this does not even cover the Fire Department's 2011 funding requirements.

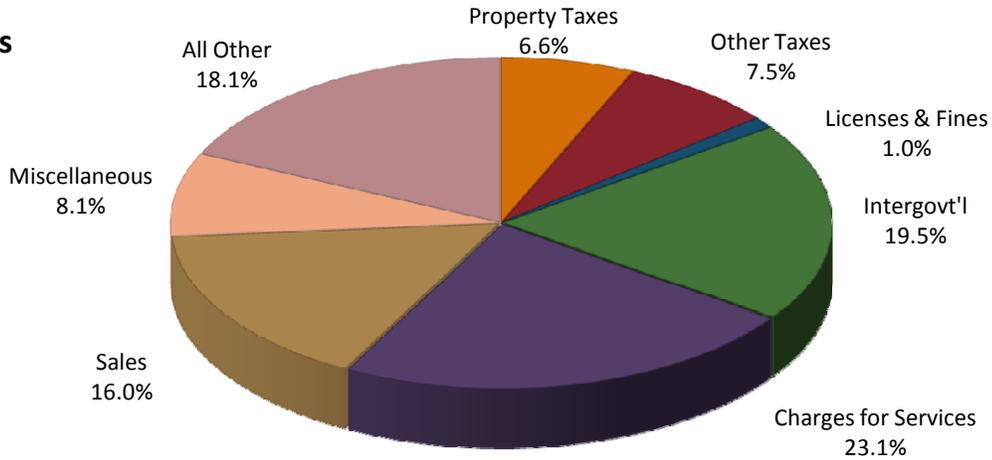
If property taxes only cover 15% of the cost of city services, what other sources of revenue fund the City's General Fund?

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 \$29.4 million or 39% of the total, followed by Sales Tax at \$11.0 million or 14.7% of the total. The property tax levied to support the General Fund totals \$11.5 or 15.3% of the total revenues in the General Fund.

TOTAL APPROVED CITY OF DULUTH BUDGET

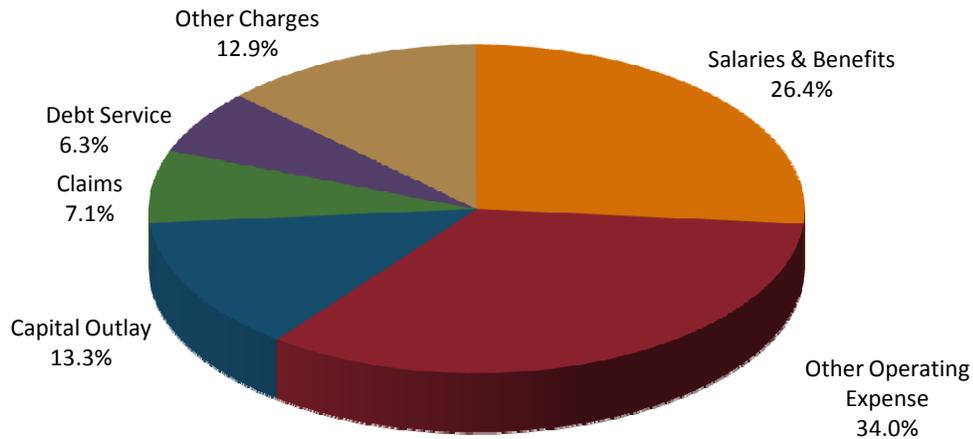
The total city budget as approved for 2011 represents a decrease in estimated revenues of 5.6% and an expense reduction of 4.3%. All budgeted funds are rolled into the summaries below.

2011 Revenues



REVENUES	2008 Actual	2009 Actual	2010 Budget	2011 Budget	Difference
Property Taxes	11,992,527	14,064,170	17,176,100	17,791,500	615,400
Other Taxes	20,435,224	20,613,965	20,843,100	20,474,000	(369,100)
Licenses & Fines	2,022,958	2,416,804	3,422,700	2,836,800	(585,900)
Intergovernmental	53,106,742	54,761,648	61,662,000	52,996,700	(8,665,300)
Charges for Services	53,321,838	58,465,369	60,807,200	62,621,400	1,814,200
Sales	57,434,235	44,941,587	51,702,300	43,383,600	(8,318,700)
Miscellaneous Revenue	36,284,249	22,008,155	23,722,900	22,066,700	(1,656,200)
All Other Sources	89,896,715	74,459,458	48,229,700	49,244,700	1,015,000
TOTAL REVENUES	324,494,488	291,731,156	287,566,000	271,415,400	(16,150,600)

2011 Expenses



EXPENDITURES	2008 Actual	2009 Actual	2010 Budget	2011 Budget	Difference
Salaries & Benefits	74,220,904	75,166,115	74,833,900	75,225,800	391,900
Other Operating Expense	111,217,771	93,508,123	102,848,000	96,739,900	(6,108,100)
Capital Outlay	18,675,904	35,118,317	45,746,000	37,844,019	(7,901,981)
Claims	18,261,931	21,290,375	21,840,100	20,120,200	(1,719,900)
Debt Service	17,158,613	20,389,023	14,570,000	18,067,900	3,497,900
Other Charges	24,057,555	36,788,437	37,612,100	36,787,100	(825,000)
TOTAL EXPENDITURES	263,592,678	282,260,390	297,450,100	284,784,919	(12,665,181)

TOTAL APPROVED CITY OF DULUTH 2011 BUDGET

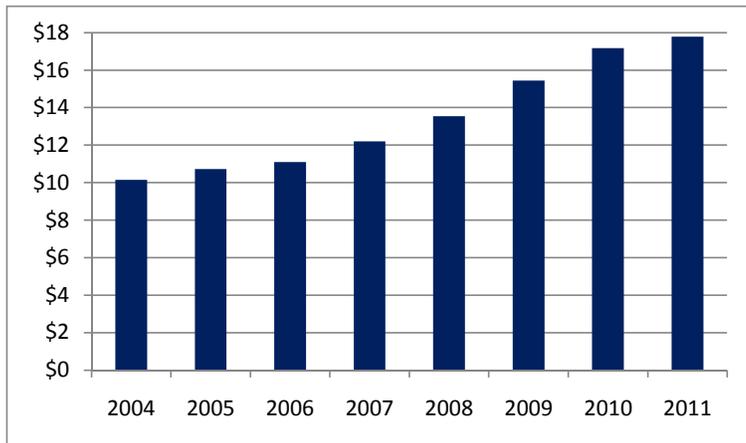
REVENUE COMPARISON	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference 2010/2011
CURRENT PROPERTY TAXES					
General Fund	7,041,880	8,530,247	11,265,100	11,469,800	204,700
Special Revenue Funds		302,563	0	0	0
Debt Service Funds	4,566,382	4,844,905	5,488,900	5,899,600	410,700
Capital Project Funds	384,265	386,455	422,100	422,100	0
Total Current Property Taxes	11,992,527	14,064,170	17,176,100	17,791,500	615,400
OTHER TAXES					
General Fund	13,635,865	13,378,654	13,329,200	13,024,000	(305,200)
Special Revenue Funds	6,799,359	7,235,311	7,513,900	7,450,000	(63,900)
Total Other Taxes	20,435,224	20,613,965	20,843,100	20,474,000	(369,100)
LICENSES & FINES					
General Fund	2,022,958	2,416,804	3,422,700	2,836,800	(585,900)
Total Licenses and Fines	2,022,958	2,416,804	3,422,700	2,836,800	(585,900)
INTERGOVERNMENTAL					
General Fund	36,414,043	38,617,801	35,072,800	36,422,500	1,349,700
Special Revenue Funds	11,256,866	10,275,049	10,952,800	9,817,700	(1,135,100)
Debt Service Funds	388,123	382,861	0	0	0
Capital Project Funds	5,047,710	5,485,937	15,636,400	6,756,500	(8,879,900)
Total Intergovernmental	53,106,742	54,761,648	61,662,000	52,996,700	(8,665,300)
CHARGES FOR SERVICES					
General Fund	5,403,520	5,021,060	5,883,900	5,221,400	(662,500)
Enterprise Funds	44,224,343	50,257,724	51,433,800	53,829,900	2,396,100
Internal Service Funds	3,693,975	3,186,585	3,489,500	3,570,100	80,600
Total Charges for Services	53,321,838	58,465,369	60,807,200	62,621,400	1,814,200
SALES					
Enterprise Funds	57,434,235	44,941,587	51,702,300	43,383,600	(8,318,700)
Total Sales	57,434,235	44,941,587	51,702,300	43,383,600	(8,318,700)
MISCELLANEOUS REVENUE					
General Fund	4,607,738	3,861,730	1,994,400	1,534,200	(460,200)
Special Revenue Funds	25,299,751	11,315,427	17,557,100	16,591,100	(966,000)
Debt Service Funds	58,963	1,635,351	37,500	276,900	239,400
Capital Project Funds	2,532,212	1,296,926	1,184,200	838,900	(345,300)
Internal Service Funds	3,785,585	3,898,721	2,949,700	2,825,600	(124,100)
Total Miscellaneous Revenue	36,284,249	22,008,155	23,722,900	22,066,700	(1,656,200)
ALL OTHER SOURCES					
General Fund	6,350,174	7,837,493	4,567,300	4,439,300	(128,000)
Debt Service Funds	13,243,559	16,210,664	12,143,500	11,359,700	(783,800)
Capital Project Funds	47,862,049	25,046,594	9,688,000	10,412,100	724,100
Enterprise Funds	3,679,703	5,383,862	1,495,500	5,678,600	4,183,100
Internal Service Funds	18,761,230	19,980,845	20,335,400	17,355,000	(2,980,400)
Total All Other Sources	89,896,715	74,459,458	48,229,700	49,244,700	1,015,000
TOTAL REVENUES	324,494,488	291,731,156	287,566,000	271,415,400	(16,150,600)

TOTAL APPROVED CITY OF DULUTH 2011 BUDGET

EXPENDITURE COMPARISON	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference 2010/2011
SALARIES & EMPLOYEE BENEFITS					
General Fund	52,662,045	53,857,836	52,147,000	52,645,400	498,400
Special Revenue Funds	2,747,739	3,124,865	2,980,300	3,035,100	54,800
Enterprise Funds	17,017,708	16,278,775	17,896,000	17,718,800	(177,200)
Internal Service Funds	1,793,412	1,904,639	1,810,600	1,826,500	15,900
Total Salaries & Employee Benefits	74,220,904	75,166,115	74,833,900	75,225,800	391,900
OTHER OPERATING EXPENSE					
General Fund	24,233,097	20,687,778	22,273,900	21,126,100	(1,147,800)
Special Revenue Funds	3,788,240	2,947,843	2,587,200	2,660,400	73,200
Enterprise Funds	79,820,895	67,102,192	74,630,300	69,649,100	(4,981,200)
Internal Service Funds	3,375,539	2,770,310	3,356,600	3,304,300	(52,300)
Total Other Operating Expense	111,217,771	93,508,123	102,848,000	96,739,900	(6,108,100)
CAPITAL OUTLAY					
General Fund	1,025,080	1,699,194	1,114,500	1,176,500	62,000
Capital Project Funds	17,650,824	33,419,123	44,631,500	36,667,519	(7,963,981)
Total Capital Outlay	18,675,904	35,118,317	45,746,000	37,844,019	(7,901,981)
CLAIMS					
Internal Service Funds	18,261,931	21,290,375	21,840,100	20,120,200	(1,719,900)
Total Claims	18,261,931	21,290,375	21,840,100	20,120,200	(1,719,900)
DEBT SERVICE					
Debt Service Funds	17,158,613	20,389,023	14,570,000	18,067,900	3,497,900
Total Debt Service	17,158,613	20,389,023	14,570,000	18,067,900	3,497,900
OTHER CHARGES					
Special Revenue Funds	18,982,093	31,807,809	32,089,200	31,032,700	(1,056,500)
Enterprise Funds	5,075,462	4,980,628	5,522,900	5,754,400	231,500
Total Other Charges	24,057,555	36,788,437	37,612,100	36,787,100	(825,000)
TOTAL EXPENDITURES	263,592,678	282,260,390	297,450,100	284,784,919	(12,665,181)

MAJOR REVENUE SOURCE ANALYSIS

Current Property Tax Levy (in millions)

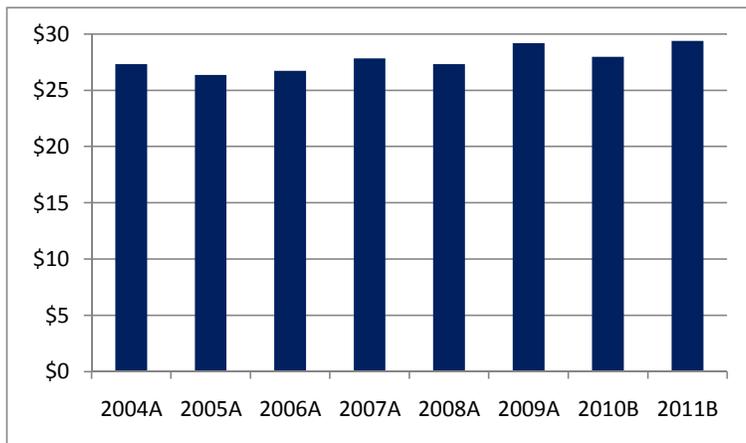


	Market Value in millions	Tax Rate	Tax Levy in millions
2004	\$3,141.674	0.2903	\$10.153
2005	\$3,629.708	0.2665	\$10.730
2006	\$4,777.463	0.2818	\$11.102
2007	\$5,141.528	0.2293	\$12.208
2008	\$5,414.953	0.2342	\$13.544
2009	\$5,699.385	0.2537	\$15.438
2010	\$5,703.050	0.2661	\$17.176
2011	\$5,494.859		\$17.791

Description and 2011 Budget

Property taxes are levied against property based on their assessed value and classification in accordance with State Statute. Total market values within the City have been increasing steadily until values dropped in 2011 by 3.6% due to the national and local challenges in housing. The 2011 levy is set at 3.58% higher than 2010 and reflects an overall increase of \$615,400. The City is again subject to levy limits as imposed by the State. The 2011 levy is more than \$5.4 million below the maximum tax levy allowed.

Local Government Aid (in millions)



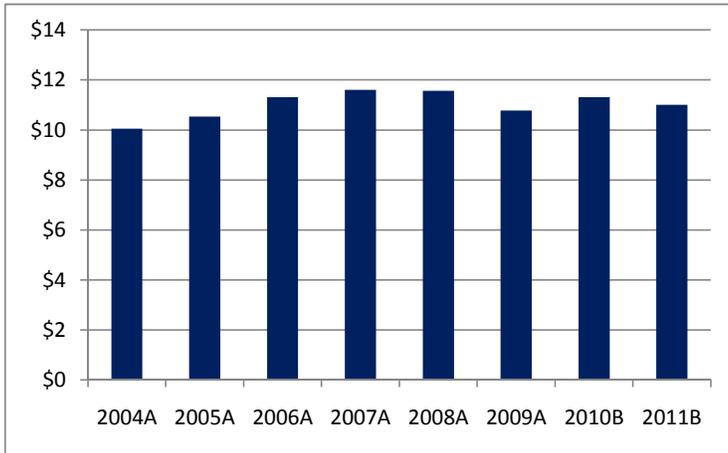
	LGA in millions
2004A	\$27.319
2005A	\$26.364
2006A	\$26.729
2007A	\$27.840
2008A	\$27.325
2009A	\$29.201
2010B	\$27.981
2011B	\$29.397

Description and 2011 Budget

Since its inception in 1971, Local Government Aid - LGA has undergone many changes including modifications made in the 2008 session for payments made in 2009 and beyond. LGA is distributed using a complex formula that compares a city's needs with its ability to raise revenue. The 2008 reforms included the addition of a jobs base aid. The governor unallotted city aids in 2008, 2009 and 2010 and the legislature made additional cuts to the 2010 and 2011 payments. Given the state's \$6 billion deficit, the solution will more than likely contain further reductions to LGA in 2011 and beyond. To address this, the City budgeted \$1.5 million less LGA than the State certified aid amount. Contingency plans will be developed to address any further reductions.

MAJOR REVENUE SOURCE ANALYSIS

General Sales Tax

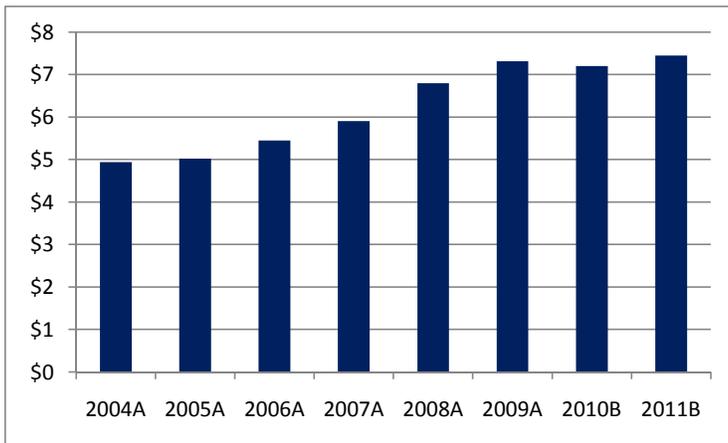


	Sales Tax in millions
2004A	\$10.056
2005A	\$10.537
2006A	\$11.315
2007A	\$11.606
2008A	\$11.564
2009A	\$10.775
2010B	\$11.315
2011B	\$11.000

Description and 2011 Budget

General Sales Tax is a one percent excise tax on gross receipts from retail sales or materials purchased for use in the City of Duluth. The tax collections do not have restrictions on use other than to fund general city services in the General Fund. Many factors have impacted this revenue stream including the State law eliminating the City's ability to charge sales tax on vehicles; the State's taking over as collection agent for Duluth's sales tax; and the economy. For 2011, sales tax will decrease 5.7% over the 2010 budget which will put it at the current year forecast.

Tourism Taxes (in millions)



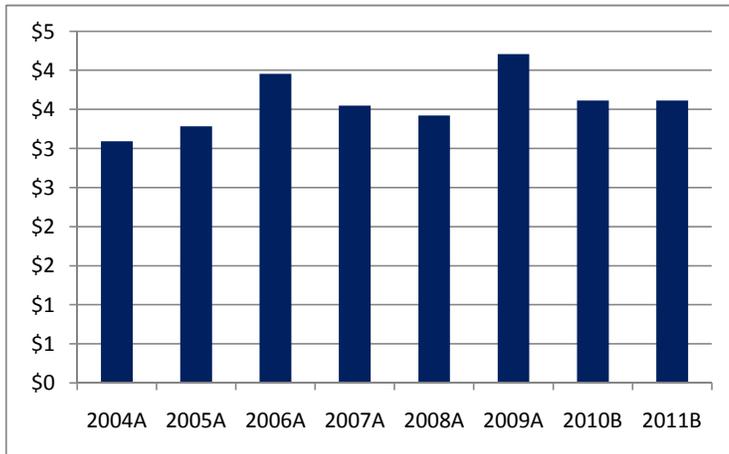
	Tourism Taxes in millions
2004A	\$4.942
2005A	\$5.026
2006A	\$5.446
2007A	\$5.904
2008A	\$6.799
2009A	\$7.312
2010B	\$7.201
2011B	\$7.450

Description and 2011 Budget

Tourism taxes are applied to food and beverage and hotel/motel sales. Revenues are recognized in the Special Revenue Fund 258 and distributed by Council action. There are four specific taxes authorized by the State with varying degrees of appropriating flexibility. In 1998, the State authorized a temporary increase in hotel/motel and the food & beverage tax by 1/2% each to fund an expansion of the Duluth Entertainment and Convention Center. It was amended in 2003 to allow for payment of debt for the Great Lakes Aquarium. In 2008, an additional 3/4% was authorized for another DECC expansion. The 2011 budget increase of 3.5% is based on current economic indicators that are favorable.

MAJOR REVENUE SOURCE ANALYSIS

Payment in Lieu of Taxes (in millions)



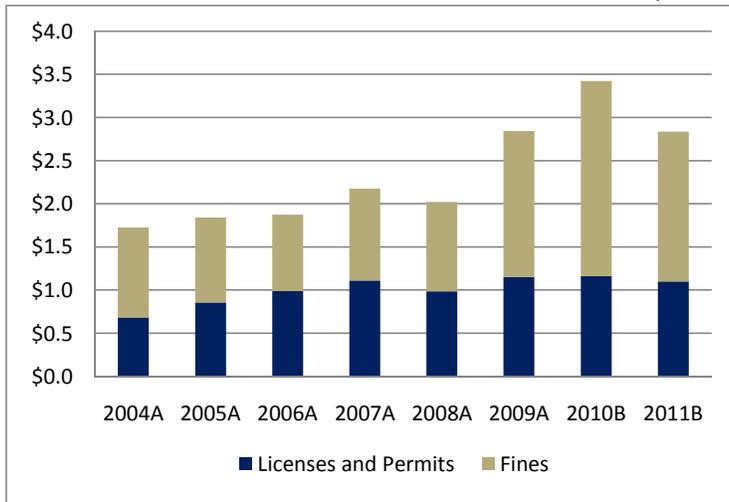
PILOT in millions

2004A	\$3.091
2005A	\$3.281
2006A	\$3.953
2007A	\$3.548
2008A	\$3.422
2009A	\$4.208
2010B	\$3.612
2011B	\$3.614

Description and 2011 Budget

Payment in Lieu of Taxes - PILOT revenue is derived from payments for municipal services provided in lieu property taxes. The largest source of PILOT revenues is from the municipal gas utility, with a minimal amount from the steam utility. Payments are based on each utility's annual gross receipts. Revenues for 2011 from steam are expected to remain flat over 2010 budget; with gas PILOT revenues to remain almost flat with a modest increase of \$2,800. 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)



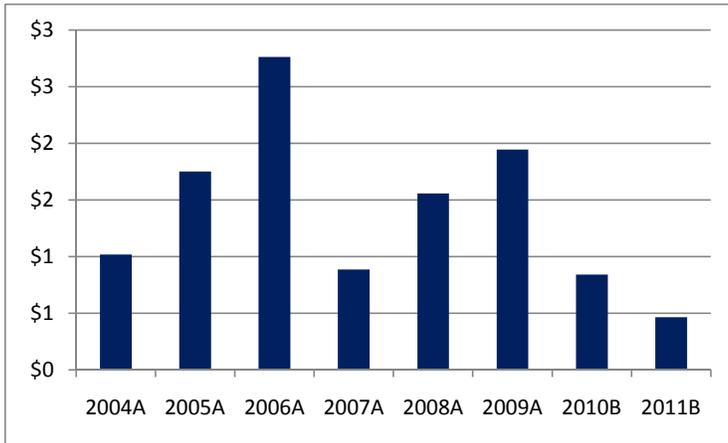
	Licenses and Permits	Fines	Total
2004A	\$680,551	\$1,043,234	\$1,723,785
2005A	\$853,625	\$985,778	\$1,839,403
2006A	\$987,465	\$885,014	\$1,872,479
2007A	\$1,111,727	\$1,065,073	\$2,176,800
2008A	\$985,505	\$1,037,452	\$2,022,957
2009A	\$1,149,268	\$1,692,916	\$2,842,184
2010B	\$1,159,700	\$2,263,000	\$3,422,700
2011B	\$1,100,100	\$1,736,700	\$2,836,800

Description and 2011 Budget

These revenues for the city's General Fund represent a wide variety of sources such as licenses, permits, fines, forfeits and fees - the largest single source being liquor licenses. Beginning in 2006, the City began updating fees annually based on inflation through Council resolution. Charges are reviewed/modified by Administration and then submitted as a complete package to the Council for action. This has resulted in fees that are current and more accurately reflect the cost of providing service. Revenues for 2011 were adjusted for an inflation factor of 1.86% but offset by a reduction in the area of administrative fines.

MAJOR REVENUE SOURCE ANALYSIS

General Fund Earnings on Investments (in millions)

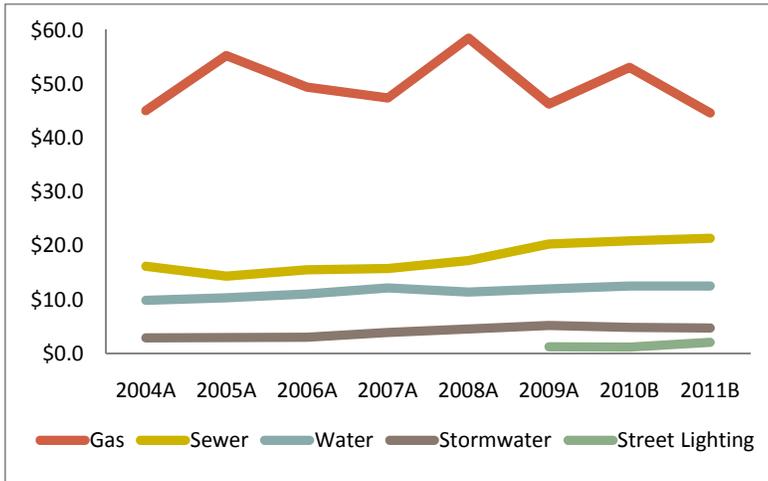


Year	Earnings in millions
2004A	\$1.018
2005A	\$1.750
2006A	\$2.762
2007A	\$0.886
2008A	\$1.557
2009A	\$1.944
2010B	\$0.840
2011B	\$0.465

Description and 2011 Budget

Earnings on Investments in the General Fund are derived from investing the City's cash. The revenues generated are dependant upon the cash on hand; current interest rates; and the makeup of the portfolio. Estimated earnings for 2011 is based on record setting low interest rates as well as a reduced portfolio due to a policy change on short term borrowing. 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.

Public Utility Operating Revenues (in millions)



Description and 2011 Budget

The City owns and operates five public utilities as shown. Utility rates are reviewed annually by the City Council during the budget review with recommended changes proposed through Council resolution. The Street Lighting utility was created to fund expenses that had been in the General Fund previously, but since 2008 are covered by a monthly charge to customers.

in millions	Gas	Sewer	Water	Stormwater	Street Lighting	Total
2004A	\$44.989	\$16.163	\$9.850	\$2.861	\$0.000	\$73.863
2005A	\$55.235	\$14.344	\$10.283	\$2.953	\$0.000	\$82.815
2006A	\$49.396	\$15.499	\$11.008	\$3.005	\$0.000	\$78.908
2007A	\$47.365	\$15.763	\$12.150	\$3.899	\$0.000	\$79.177
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
2010B	\$53.050	\$20.872	\$12.484	\$4.814	\$1.185	\$92.405
2011B	\$44.621	\$21.356	\$12.479	\$4.669	\$2.068	\$85.193

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 2011 as approved.

Governmental Fund Types

General Fund

Special Revenue Funds

- Lake Superior Zoo
- Special Projects
- Police Grants
- Capital Equipment
- Economic Development
- Community Investment Trust
- Energy Management
- Special City Excise and Sales Tax (Tourism Taxes)
- Home Program
- Community Development
- Community Development Admin Fund
- Workforce Investment Act
- Senior Programs
- OPEB
- DECC Revenue Bond

Debt Service Funds

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

Capital Projects Funds

- Special Assessment Capital Projects
- Permanent Improvements
- DECC Capital Improvement
- Street Improvement Program
- Capital Improvement Fund

Proprietary Fund Types

Enterprise Funds

- Water Fund
- Gas Fund
- Sewer Fund
- Stormwater Fund
- Steam Fund
- Golf Fund
- Parking Fund
- Street Lighting Fund

Internal Service Funds

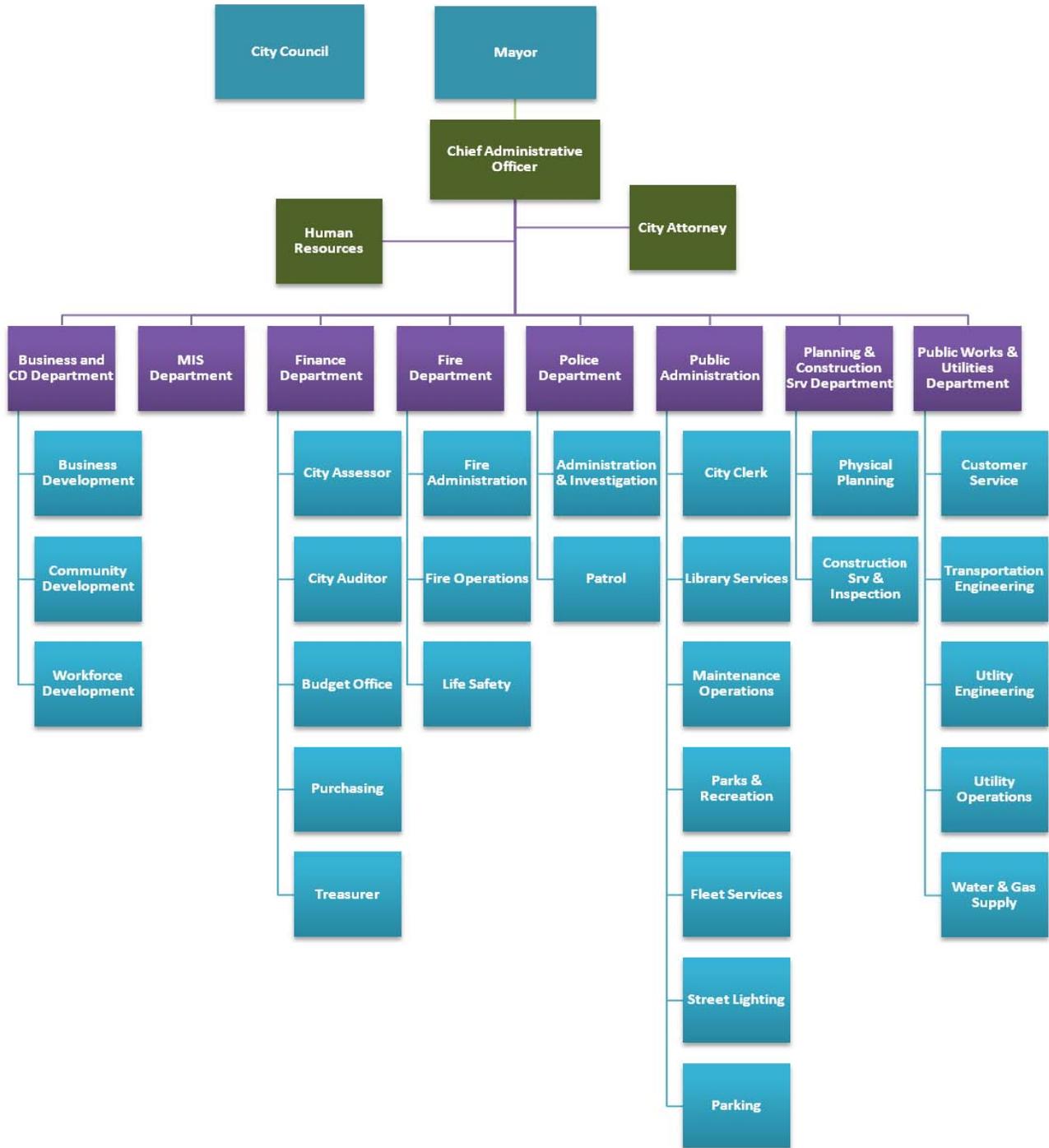
- Self Insurance Worker's Compensation
- Self Insurance Liability
- Medical Health Fund
- Dental Health Fund
- Fleet Services

TOTAL APPROVED CITY OF DULUTH BUDGET

DETAIL BY FUND	Estimated			
	Beg. Balance	Revenues	Expenditures	Balance
GENERAL FUND	1,739,174	74,948,000	74,948,000	1,739,174
SPECIAL REVENUE FUNDS:				
Lake Superior Zoo	142,677	1,522,000	1,490,000	174,677
Special Projects	165,047	209,800	209,800	165,047
Police Grants	26,595	1,184,000	1,184,000	26,595
Capital Equipment	2,172,484	4,403,000	4,403,000	2,172,484
Economic Development	63,050	6,500	6,500	63,050
Community Investment Trust	39,787,154	6,510,000	11,826,500	34,470,654
Energy Management	416,419	328,000	328,000	416,419
Special City Excise and Sales Tax	149,380	7,450,000	7,423,400	175,980
Home Program	0	733,000	733,000	0
Community Development	11,003	4,281,400	4,281,400	11,003
Community Development Admin	0	730,700	730,700	0
Workforce Investment Act	357,791	2,216,600	2,216,600	357,791
Senior Programs	0	541,000	541,000	0
OPEB	19,877,359	2,398,500	10,000	22,265,859
DECC Revenue Fund	802,363	1,344,300	1,344,300	802,363
TOTAL SPECIAL REVENUE FUNDS:	63,971,322	33,858,800	36,728,200	61,101,922
DEBT SERVICE FUNDS:				
General Obligation Debt - Tax Levy	5,377,605	6,173,400	5,234,100	6,316,905
General Obligation Debt - Other Sources	2,243,945	4,231,200	4,665,800	1,809,345
Special Assessment Debt Service	1,838,876	1,165,600	1,117,400	1,887,076
Street Improvement Debt Service	12,012,756	5,966,000	6,967,100	11,011,656
Transit Bond Fund	238,968	0	83,500	155,468
TOTAL DEBT SERVICE FUNDS:	21,712,150	17,536,200	18,067,900	21,180,450
CAPITAL PROJECTS FUNDS:				
Special Assessment Capital Project	(20,442)	2,600	20,000	(37,842)
Permanent Improvements	1,772,925	8,998,600	9,427,800	1,343,725
DECC Capital Improvement	2,791,319	18,600	2,809,919	0
Street Improvement Program	(372,040)	6,443,700	6,443,700	(372,040)
Capital Improvement Fund	19,000,789	2,966,100	17,966,100	4,000,789
TOTAL CAPITAL PROJECTS FUNDS:	23,172,551	18,429,600	36,667,519	4,934,632
INTERNAL SERVICE FUNDS:				
Self Insurance - Worker's Comp	553,681	1,218,600	1,195,100	577,181
Self Insurance - Liability	398,672	1,150,600	1,137,200	412,072
Medical Health Fund	8,690,026	17,090,000	18,515,700	7,264,326
Dental Health Fund	232,836	721,400	732,000	222,236
Fleet Services	339,682	3,570,100	3,671,000	238,782
TOTAL INTERNAL SERVICE FUNDS:	10,214,897	23,750,700	25,251,000	8,714,597
ENTERPRISE FUNDS ESTIMATED INCOME AND EXPENSE				
		REVENUE	EXPENSE	NCOME/(LOSS)
Water Fund		12,526,900	12,278,600	248,300
Gas Fund		44,661,000	43,376,700	1,284,300
Sewer Fund		25,376,500	18,496,700	6,879,800
Stormwater Fund		4,703,000	4,219,400	483,600
Steam Fund		7,331,400	7,233,600	97,800
Golf Fund		2,000,000	1,997,600	2,400
Parking Fund		3,808,800	3,450,200	358,600
Street Lighting Utility		2,484,500	2,069,500	415,000
TOTAL ENTERPRISE FUNDS:		102,892,100	93,122,300	9,769,800
TOTAL ALL FUNDS	120,810,094	271,415,400	284,784,919	107,440,575

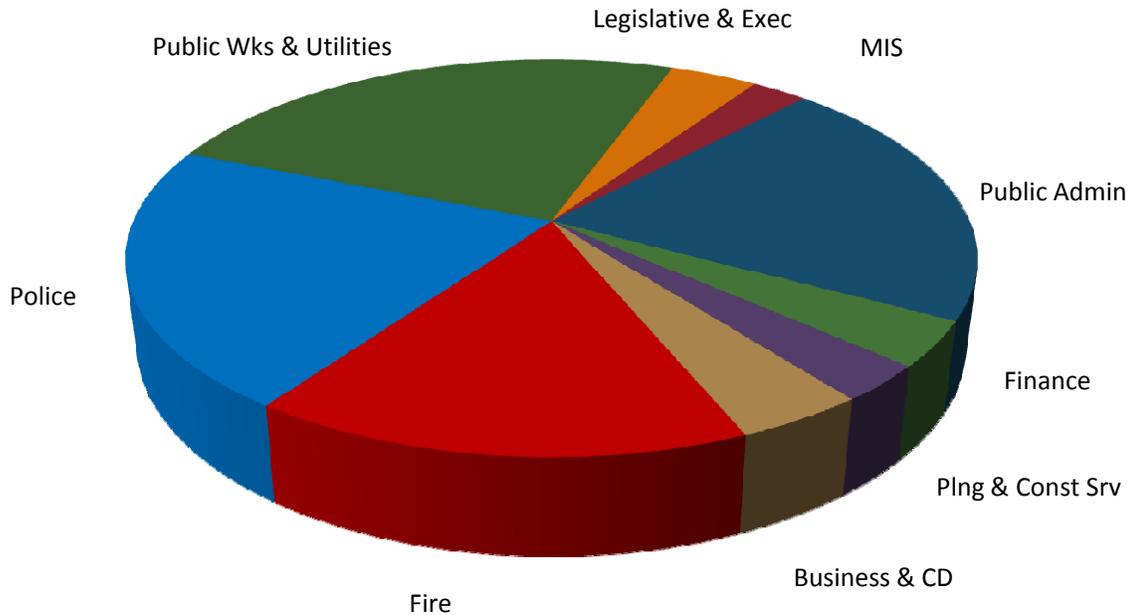
CITY OF DULUTH ORGANIZATION CHART

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. Following this chart is a summary of FTE's by department and division for 2008 through 2011.



CITYWIDE PERSONNEL SUMMARY

2011 Permanent FTE's by Department



Department	2008 Budget	2009 Budget	2010 Budget	2011 Approved	Difference 2010/2011
Legislative & Executive	30.00	36.00	34.00	34.50	0.50
Management Information System	16.00	18.00	24.00	22.00	-2.00
Public Administration	194.90	161.30	187.00	181.00	-6.00
Finance	34.00	32.00	31.00	32.00	1.00
Planning & Construction Svcs	31.00	30.00	24.00	26.00	2.00
Business & Comm Dev Rsrcs	27.00	25.00	35.00	36.50	1.50
Fire Department	134.00	135.00	140.00	140.00	0.00
Police Department	179.00	183.00	187.00	185.00	-2.00
Public Works & Utilities	209.80	202.60	208.60	212.80	4.20
TOTAL	855.70	822.90	870.60	869.80	-0.80

CITYWIDE PERSONNEL SUMMARY

Fulltime, Permanent Positions

Department/Division	2008 Budget	2009 Budget	2010 Budget	2011 Approved
LEGISLATIVE AND EXECUTIVE				
City Council	0.00	0.00	0.00	0.00
Mayor Office	3.00	3.00	3.00	3.00
Administrative Assistant	5.00	6.00	2.00	2.50
Attorney's Office	15.00	15.00	17.00	17.00
Human Resources	6.00	11.00	11.00	11.00
Safety & Training	1.00	1.00	1.00	1.00
DEPARTMENT TOTAL	30.00	36.00	34.00	34.50
MANAGEMENT INFORMATION SYSTEMS				
Management Information Systems	16.00	18.00	24.00	22.00
DEPARTMENT TOTAL	16.00	18.00	24.00	22.00
PUBLIC ADMINISTRATION				
City Clerk's	6.00	6.00	7.00	7.00
Maintenance Operations	79.00	77.80	102.60	96.60
Library Services	57.30	47.30	43.50	43.50
Parks and Recreation/Zoo	27.60	6.00	7.50	7.50
Fleet Services	20.00	16.20	17.40	17.40
Parking	4.00	4.00	4.00	3.00
Street Lighting		4.00	4.00	5.00
Energy Management	1.00		1.00	1.00
DEPARTMENT TOTAL	194.90	161.30	187.00	181.00
FINANCE				
Budget Office	3.00	2.00	3.00	4.00
Assessor's Office	10.00	9.00	10.00	9.00
Auditor's Office	14.00	15.00	12.00	13.00
Purchasing	3.00	2.00	2.00	2.00
Treasurer's Office	4.00	4.00	4.00	4.00
DEPARTMENT TOTAL	34.00	32.00	31.00	32.00
PLANNING & CONSTRUCTION SERVICES				
Physical Planning	8.00	6.00	6.00	7.00
Building Inspection	23.00	24.00	18.00	19.00
DEPARTMENT TOTAL	31.00	30.00	24.00	26.00
BUSINESS & COMM DEV RESOURCES				
Business Development			6.00	6.50
Community Development	7.00	7.00	7.00	8.00
Workforce Development	20.00	18.00	22.00	22.00
DEPARTMENT TOTAL	27.00	25.00	35.00	36.50

CITYWIDE PERSONNEL SUMMARY

Fulltime, Permanent Positions

Department/Division	2008 Budget	2009 Budget	2010 Budget	2011 Approved
FIRE DEPARTMENT				
Fire Administration	4.00	4.00	4.00	4.00
Firefighting Operations	127.00	127.00	127.00	127.00
Life Safety	3.00	4.00	9.00	9.00
DEPARTMENT TOTAL	134.00	135.00	140.00	140.00
POLICE DEPARTMENT				
Administration & Investigative	60.00	60.00	69.00	87.00
Patrol	119.00	123.00	118.00	98.00
DEPARTMENT TOTAL	179.00	183.00	187.00	185.00
PUBLIC WORKS & UTILITIES				
Public Works Operations				
Director' Office	0.60	0.40	0.40	0.40
Engineering	28.00	22.00	20.80	21.60
Public Works Subtotal	28.60	22.40	21.20	22.00
Utilities Operations				
Water and Gas	122.50	120.50	124.80	128.20
Sewer	38.60	38.60	38.40	38.40
Stormwater	20.10	21.10	24.20	24.20
Utilities Subtotal	181.20	180.20	187.40	190.80
DEPARTMENT TOTAL	209.80	202.60	208.60	212.80
TOTAL CITY EMPLOYEES	855.70	822.90	870.60	869.80

2011 HIGHLIGHTS BY FUND

GENERAL FUND

Revenue Assumptions - The final approved 2011 General Fund revenue budget of \$74,948,000 is \$587,000 less than the 2010 approved budget. As the national and local economy continue to impact the fiscal health of the City and the State of Minnesota the trend in reducing revenue budget estimates continues into 2011 with the budget set at \$6.4 million or 7.9% less than two years ago. Major revenue sources in the 2010 General Fund budget include local government aid, other intergovernmental aid and transfers from other funds, fines and fees, and earnings on investments.

Given the State's ongoing budget deficits, Duluth's **Local Government Aid (LGA)** has been reduced annually since 2008. 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, and by \$5.2 million in 2010. As the State continues to work through its current deficit, the City expects a further sizeable decrease in the 2011 LGA. This will be played out in the 2011 legislative session, with the final outcome resolved no earlier than late May. Consequently, for budget purposes, LGA has been set at 5% below the certified amount which amounts to \$1.5 million to serve as a cushion for potential State reductions.

The schedule below shows the changes in revenues by major type along with the assumptions used also noted.

2011 General Fund Revenue Bridge Schedule

	\$ Variance in Millions		Assumptions
2010 Estimated Revenues		\$ 75.535	
Property Tax	\$ 0.205		Value of new construction and shifting of transit bond levy to general operations
City Sales Tax	\$ (0.315)		Based on 2010 projected revenues
Local Government Aid	\$ 1.416		2011 certified aid less 5%
Charges for Service	\$ (0.148)		Adjustment to cost allocation charges
Building Inspection Fees	\$ (0.515)		Adjustment from the 2010 "Red Plan" school building project and other construction
Fines	\$ (0.526)		Administrative fines program has not yet met expected revenue levels
Earnings on Investments	\$ (0.375)		Reduced portfolio
Transfer from CIT Fund	\$ (0.295)		Reduced portfolio and lower interest rates
All Other Revenues	\$ (0.034)		All other changes throughout
Total Revenue Changes		\$ (0.587)	
2011 Estimated Revenues		\$ 74.948	

Expense Assumptions - As with revenues, the final approved 2011 General Fund budget is \$587,000 less than the 2010 approved budget. With the budget recovery strategies implemented beginning in 2008 and continuing through 2010, the City has been better able to position itself to handle shrinking resources and present a balanced 2011 budget. Many areas of the expense budget have been increased modestly offset by a reduction in permanent salaries, utilities, and retiree insurance.

2011 General Fund Expense Bridge Schedule

	\$ Variance in Millions		Assumptions
2010 Estimated Expenses		\$ (75.535)	
Permanent Salaries	\$ 0.156		Full year effect of new hires; step increases; offset by 5.2 less FTE's
Overtime	\$ (0.126)		Extra Duty pay for police overtime offset by additional revenues
Other Wages	\$ (0.104)		Increases in Mtce Operations and Finance
PERA - Public Employee Retirement Association	\$ (0.102)		Increases in employer contribution rates
Insurance & Payroll Taxes	\$ (0.322)		Based on proposed staffing
Supplies	\$ (0.324)		IT initiatives and other supplies
Other Services & Charges	\$ (0.540)		IT initiatives; building demolition and other services
Utilities	\$ 0.125		Energy Savings
Retiree Insurance	\$ 1.887		Based on actuary report
Capital	\$ (0.063)		Net change from moving some technology to bond; and slight increase in improvement budget
Total Expense Changes		\$ 0.587	
2011 Approved Expenses		\$ (74.948)	

The number of positions decreased 5.2 FTE's over 2010, from 626.8 FTE's to 621.6 FTE's. The changes were as follows:

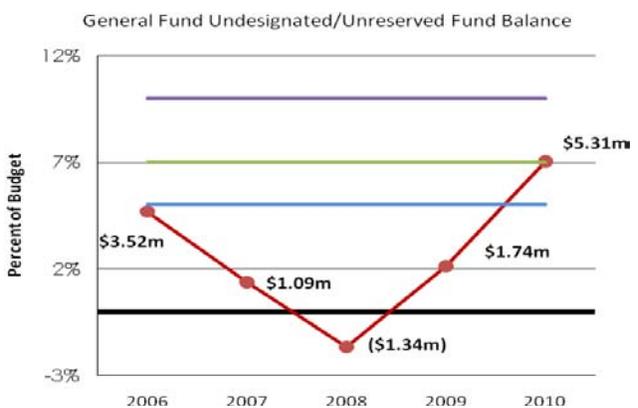
2011 General Fund Personnel Bridge Schedule

	Full Time Equivalent Variance	
2010 Fulltime Equivalent's		626.80
Legislative & Executive	0.50	
Management Info Systems	(2.00)	
Public Administration	(6.00)	
Finance	1.00	
Planning & Construction Srv	2.00	
Business & Community Dev	0.50	
Fire Department	-	
Police Department	(2.00)	
Public Works	0.80	
Total Changes in FTE's		(5.20)
2011 Fulltime Equivalent's		621.60

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 2011 General Fund budget of \$74.95 million, the minimum level (5%) would require a fund balance of \$3.75 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 \$1.3 million. As was the case nationally, Duluth saw record revenue shortfalls coupled with a late December cut in Local Government Aid from the state. Due to the timing of that reduction, the City was not able to put any recovery actions into place before year end.

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



As a result, **fund balance has improved by \$8.4 million since 2008 with an ending 2010 balance of \$5.31 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, Capital Equipment, Community Investment Trust, Economic Development, Special (Tourism) Sales Tax, Energy Management, DECC Revenue Fund, Community Development, Job Training, Job Service, Senior Employment, Senior Nutrition, and Community Resource Programs and Other Post Employment Benefits - OPEB Fund.

The **OPEB fund** was created in 2007 for the purpose to accumulate resources to be deposited into an irrevocable trust fund for retiree health care costs. The 2007 revenues in the fund included a one-time contribution from the Community Investment Trust Fund in the amount of \$10 million, contributions from the enterprise funds and all grant funds which have employees. There was also a one-time transfer from the Group Health Fund in the amount of \$1 million - with \$500,000 of that returned to the Group Health Fund in 2008. Property taxes have been levied in 2008 and 2009 based on the value of retiring tax increment finance districts. By Council Resolution, if estimated Gas Utility Payments in Lieu of Tax exceed inflation, the difference must be transferred into the OPEB fund. For 2011, contributions and estimated earnings will total \$2.4 million for an estimated fund balance of \$22.3 million accumulated since inception in 2007.

The **Tourism Tax Fund** provides the accounting for the revenue generated by the different tourism taxes received from food and beverage and hotel/motel receipts. Overall, tourism tax collections have been impacted by the economy but not to the same extent as general sales tax. For 2011 tourism taxes, revenue estimates are projected to increase 3.5% over the 2010 budgeted amount for an additional \$249,000. On the expense side, allocations overall will increase by \$283,000. The allocation to the Duluth Entertainment Convention Center (DECC), as based on statutory requirements will increase by \$43,300 for a total of \$1,000,400. Visit Duluth will increase by \$52,800 for a total of \$1,480,800 based on projected revenue and the allocation method 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 \$300,000 for an increase of \$50,000 over 2010. Debt service payments totaling \$2,842,500 funded by the tourism tax fund goes toward DECC improvements, Lake Superior Center, and Spirit Mountain. The allocation to the Regional Rail Authority will decrease \$10,000 for a \$40,000 subsidy. All other allocations will remain flat with 2010, including the transfer to the General Fund at \$737,900.

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 2010 is \$173,225,000. The property tax levy for debt service in 2011 is \$5,899,600 and includes the first and second years' debt service on the new law enforcement center. The project started in late 2010 and is scheduled to be ready for business in late 2011. Debt service has been structured to ramp up over a three year period ending in 2012. The only property tax supported bond issues proposed for 2011 are for capital equipment and improvements.

CAPITAL PROJECT FUNDS

The Capital Project Funds account for the Street Improvement Program, Special Assessment and Permanent Improvement Projects, and the Capital Improvement Fund. The Street Improvement Fund was created in 1994 to account for the revenues and expenditures of the 25-year Street Rehabilitation Program. The fund had been financed through interest on the Community Investment Fund (where proceeds from the Casino Agreement are deposited), assessments against benefitting properties, and the increase in tax levy due to new construction. Beginning in 2009, the funding has shifted to a direct transfer from the Community Investment Trust Fund's principal and assessments. The budget includes a

\$6,839,000 expenditure in 2011. Other capital improvement projects total over \$30.22 million and will be funded through intergovernmental revenues, bonding and other financing sources. 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; and the Golf Division of the Parks and Recreation Department: the Parking Enterprise Fund; and the newly created Street Lighting Fund. Rates are reviewed annually during budget time - with increases approved by the City Council through resolution. No rate increases were approved by the Council for the utilities in 2011.

For 2011, the city will once again contract out the operation of the two municipal golf courses. This coupled with a new user fee rate structure continuing into 2011, other operational changes, and a restructuring of the debt in 2005, the city is making the **Golf Enterprise Fund** profitable. It is intended to ensure the golf fund continues without a subsidy from the General Fund in order to maintain the current level of operations.

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 DEDA. Revenues are derived from transient parking, contract parking and parking meter revenues.

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. Since the operation was moved into an enterprise fund, monthly user charges have served as the source of revenue - with no General Fund involvement. The current charge to customers is \$4.50 per month for residential customers and \$16.50 per month for commercial properties.

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. All health care premium rates will be determined by a calculation structure in accordance with the Group Health Plan Administrator and contractual arrangements with collective bargaining units. 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 separate five-year capital improvement plan, leading to a comprehensive proposal for the 2011 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 included in a separate tabbed section of the "on-line" budget document. It is not available as part of the hard copy of the book because of its size. If the reader is interested, the plans can be found at the City of Duluth's website.

Five Year Financial Planning – A comprehensive five year financial plan will be presented during 2011 and will include financial trends; benchmarking financial performance against other communities; and a five year forecast of revenues and expenses. This process will complement the strategic planning already in place for the purpose of budget recovery and stability.

Citizen Surveys – the City contracted with ICMA to perform a second 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 has been collected over the year and will be published in 2011 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 available on the City's website.

FINANCIAL POLICIES

The City of Duluth's Financial Management Policies provide a framework for the 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.

Property Taxes - The City will maintain sound appraisal procedures and practices to equitably reflect current property values. Reassessments will be made of all property at least every seven years.

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.

Permanent street improvements will be financed primarily by the City's share of revenues generated from the operations of the Fond-du-Luth Casino owned and operated by the Fond du Lac Band of Lake Superior Chippewa.

Debt Management Policy

Objective - 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:

<u>Fund Category</u>	<u>Fund Type</u>
Governmental	General Special Revenue Debt Service Capital Projects
Proprietary	Enterprise Internal Service
Fiduciary	Pension Trust and Agency

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

Disclosure and Monitoring - Full disclosure is provided in all financial statements and bond representations. Financial systems are maintained to monitor expenditures and revenues on a daily, monthly, and year end basis. 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



The background features a white base with several overlapping rectangular blocks. A solid olive green block is at the top left. A light gray block with a fine grid pattern is at the top right. A dark blue block is in the center right, containing the text. A light beige block with a fine grid pattern is at the bottom left. A light gray block with a fine grid pattern is at the bottom right.

General Fund

City of Duluth Minnesota - 2011 Budget

General Fund

Departments

Legislative & Executive
 Management Info Systems
 Public Administration
 Finance Department
 Planning & Construction Svcs
 Business & Comm Dev
 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.

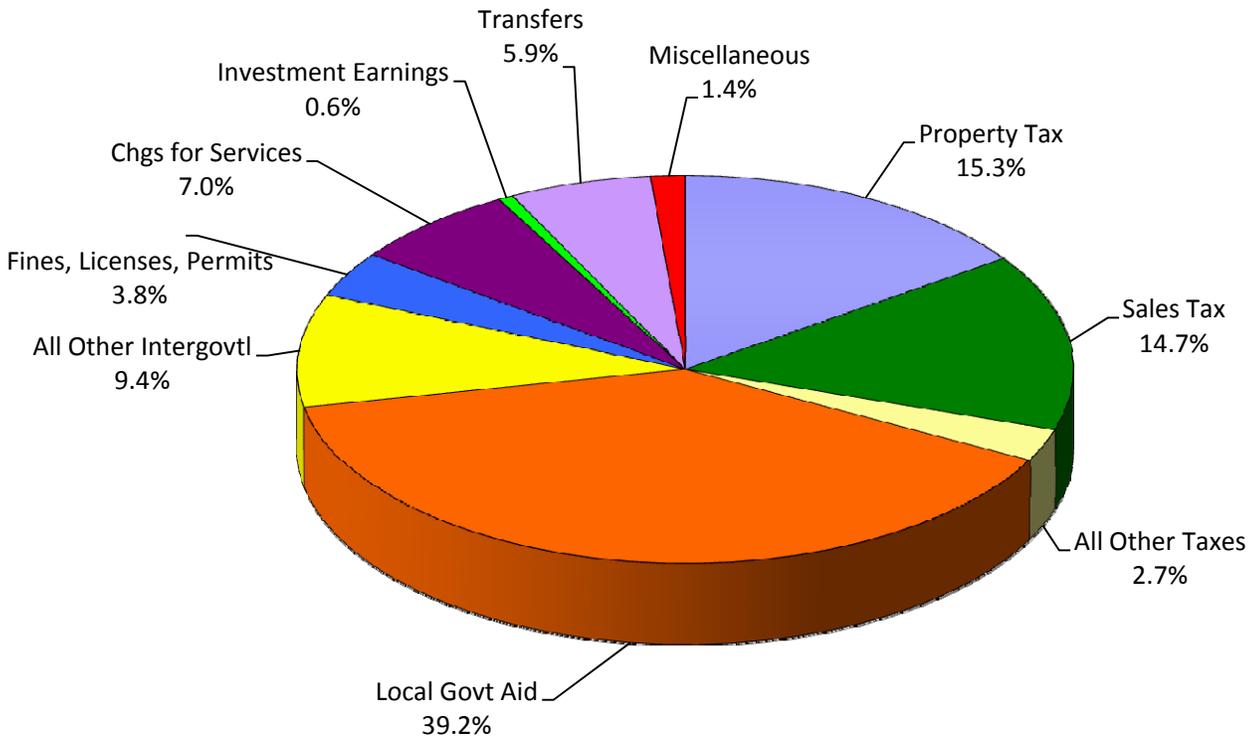
Financial support for this fund is received from general property taxes, city sales tax, licenses and permits, court fines and fees, departmental fees and charges, intergovernmental and miscellaneous revenues. The major categories of revenues and of expenditures are itemized below.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
REVENUES				
Property Tax				
Current Property Taxes	6,904,018	8,347,226	10,948,500	11,202,500
New Growth			166,600	117,300
Delinquent Property Taxes	137,862	183,021	150,000	150,000
City Sales Tax	11,563,693	10,774,603	11,315,000	11,000,000
All Other Taxes	2,072,172	2,604,051	2,014,200	2,024,000
Local Government Aid	27,324,960	29,200,998	27,981,000	29,397,200
All Other Intergovernmental	9,089,083	9,416,803	7,091,800	7,025,300
Licenses and Fines	2,022,958	2,416,804	3,422,700	2,836,800
Charges for Services	5,403,520	5,021,060	5,883,900	5,221,400
Earnings on Investments	1,557,437	1,943,811	840,000	465,000
Transfers from Other Funds	6,350,174	7,837,493	4,567,300	4,439,300
Miscellaneous	3,050,301	1,917,979	1,154,400	1,069,200
Total Revenues	75,476,178	79,663,849	75,535,400	74,948,000
EXPENDITURES				
Permanent Salaries	35,441,046	37,082,390	38,767,900	38,612,100
Premium Pay	1,596,961	1,539,155	1,349,900	1,476,000
Other Wages	693,822	169,973	470,600	574,600
Employee Benefits	14,930,215	15,066,318	11,558,600	11,982,700
Supplies	2,947,470	2,950,709	3,171,800	3,496,200
Other Services & Charges	11,560,775	7,776,136	8,372,100	8,912,200
Utilities	1,871,225	1,127,807	1,638,700	1,513,700
Retiree Insurance	7,853,628	8,833,126	9,091,300	7,204,000
Capital	1,025,080	1,699,194	1,114,500	1,176,500
Total Expenditures	77,920,222	76,244,808	75,535,400	74,948,000

City of Duluth Minnesota - 2011 Budget

2011 GENERAL FUND REVENUES

Percent of Total by Major Category



Property Tax - Current & Delinquent	\$	11,469,800
City Sales Tax	\$	11,000,000
All Other Taxes	\$	2,024,000
Local Government Aid	\$	29,397,200
All Other Intergovernmental	\$	7,025,300
Licenses and Fines	\$	2,836,800
Charges for Services	\$	5,221,400
Earnings on Investments	\$	465,000
Transfers from Other Funds	\$	4,439,300
Miscellaneous	\$	1,069,200
TOTAL 2011 REVENUES	\$	74,948,000

This graph shows the major categories of revenues expressed as a percent of total General Fund revenues estimated for budget fiscal year 2011. 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 39.2% of all General Fund revenues. For this reason, Local Government Aid is monitored closely at the State Legislature.

City of Duluth Minnesota - 2011 Budget

General Fund Revenues

	2008 Actuals	2009 Actuals	2010 Budget	2011 Approved
CATEGORY 10 - TAXES				
4005 Current Property Tax	6,904,018	8,347,226	10,948,500	11,202,500
New Growth			166,600	117,300
4010 Delinquent Property Tax	137,862	183,021	150,000	150,000
4015 Mobile Home Tax	32,779	39,089	33,600	59,600
4040 City Sales Tax	11,563,693	10,774,603	11,315,000	11,000,000
4050 Charitable Gambling Tax	59,515	55,762	50,000	48,000
4070 MN Power Franchise Fee	1,100,000	1,100,000	1,100,000	1,100,000
4071 Cable Franchise Fee	739,797	779,941	774,000	791,400
4072 No. MN Utility Franchise Fee	11,609	9,854	10,600	9,900
4080 Forfeit Tax Sale	125,446	53,299	46,000	15,100
4090 Other Taxes	3,126	566,196		
TOTAL TAXES	20,677,845	21,908,991	24,594,300	24,493,800
CATEGORY 20 - LICENSES AND PERMITS				
4101 Liquor License	394,354	386,126	385,000	385,000
4102 Beer License	13,877	13,957	14,000	14,000
4105 Hotel License	6,572	6,232	6,500	6,500
4106 Garbage Collection	14,877	13,850	14,000	14,000
4107 Horse & Carriage	697	497	700	700
4108 Emergency Wrecker License	6,256	6,225	5,000	5,000
4109 Gas Station License	8,669	9,514	8,500	8,500
4111 Pawnbroker License	1,356	1,626	1,300	1,300
4112 Peddler's License	619	726	500	500
4113 Precious Metal Dealer	2,008	2,010	1,200	1,200
4114 Pet Shop License	1,537	671	1,200	1,200
4117 Massage Parlor	5,268	6,983	5,000	5,000
4118 Cigarette License	14,125	13,875	15,000	15,000
4119 Motor Vehicle - Dealer	4,438	4,650	4,400	4,400
4119 Motor Vehicle - Rental	1,645	1,750	1,600	1,600
4120 Taxi Permit	5,023	9,257	5,300	5,300
4121 Coin Operating Device	9,924	4,034	9,000	9,000
4122 Pool & Bowling	2,058	2,160	2,000	2,000
4150 Pet License	20,433	24,537	18,000	18,000
4151 Fill Permits	865	3,081	800	1,200
4152 Excavation Permits	8,625	18,570	10,000	15,000
4153 Multiple Dwell License-3 or more	101,560	149,673	75,000	115,000
4153 Multiple Dwell License-1 or 2 units	240,175	313,992	300,000	310,000
4154 Commercial Use/Occupancy	28,345	80,813	140,000	90,000
4170 Misc. Perm. & Licenses	92,199	74,457	135,700	70,700
TOTAL LICENSE AND PERMITS	985,505	1,149,266	1,159,700	1,100,100

City of Duluth Minnesota - 2011 Budget

General Fund Revenues

	2008 Actuals	2009 Actuals	2010 Budget	2011 Approved
CATEGORY 30 - INTERGOVERNMENTAL				
4209 Misc. Federal Grants	134,592	164,548	14,000	21,600
4220 State of Minnesota	207,205	68,779		
4221 Local Government Aid	27,324,960	29,200,998	27,981,000	29,397,200
4222 State Property Tax Aid	596,861	667,683		
4225 Ski Trail Reimbursement	5,000	-	6,000	5,000
4226 Snowmobile Trail Grants	20,277	25,275	20,000	18,000
4227 Police Training Reimbursement	54,473	55,101	54,000	50,000
4230 PERA Aid	124,428	124,428	124,400	124,400
4231 State Amortization Aid	532,353	532,353		
4231 Supplemental Amortization Aid	154,359	110,836		
4231 Additional Amortization Aid	637,061	-		
4232 State Insurance Premium	1,538,754	1,529,904	1,450,000	1,450,000
4240 Municipal State Aid - Maintenance	974,403	1,141,465	1,212,800	1,212,800
4260 St. Louis County	131,017	163,406	156,000	156,000
4261 ISD 709	479,510	480,510	365,500	212,000
4262 Housing & Redevelopment Authority		16,668	29,200	55,000
4263 WLSSD	28,151	29,242		
4270 Other Grants		2,655	-	47,000
4300 HRA in Lieu of Taxes	32,479	35,400	32,300	43,100
4300 Ordean Foundation	16,086	16,086	16,000	16,000
4731 Gas Utility in Lieu of Taxes	3,314,074	4,091,122	3,490,600	3,493,400
4732 Steam Utility in Lieu of Taxes	108,000	117,000	121,000	121,000
TOTAL INTERGOVERNMENTAL	36,414,043	38,573,459	35,072,800	36,422,500
CATEGORY 40 - CHARGES FOR SERVICES				
4301 Zoning Appeals Fees	5,363	5,280	4,000	6,000
4303 Use Permit - Flood & Wetlands	1,586	6,151	1,500	5,000
4304 Special Use - Flood & Wetlands	156	1,404	2,000	2,000
4305 Variances - Flood & Wetlands	1,583	1,248	2,500	2,500
4307 Planning/Zoning Fees	14,464	20,952	11,000	18,000
4310 Assessment Cost Services	26,863	62,581	38,800	38,800
4311 Assessment Certification Fees	24,052	42,465	30,000	30,000
4312 Abatement Processing	5,865	4,100	6,000	6,000
4313 Garbage Handling Fees	13,200	9,920	10,000	10,000
4315 Stormwater Administrative Service	165,100	170,000	170,000	170,000
4315 Sewer Administrative Service	321,100	330,700	330,700	330,700
4315 Steam Administrative Service	48,100	49,500	49,500	49,500
4315 DECC Administrative Service	24,300	25,000	25,000	25,000
4315 DTA Administrative Service	10,000	10,300	10,300	10,300
4315 Grant Administration Services	71,029	83,071	46,300	46,300
4315 Airport Administrative Service	45,200	45,200	32,400	32,400
4315 DEDA Administrative Service	446,700	365,000	365,000	365,000
4315 Public Utility Admin Service	900,700	927,700	927,700	927,700

City of Duluth Minnesota - 2011 Budget

General Fund Revenues

	2008 Actuals	2009 Actuals	2010 Budget	2011 Approved
Category 40 - Charges for Services continued				
4315 Fleet Administrative Service	105,100	108,200	108,200	108,200
4315 Golf Administrative Service	64,900	66,800	66,800	66,800
4315 Group Health Admin Service	163,200	250,000	405,000	250,000
4315 Self Insurance Admin Service	275,000	283,200	283,200	283,200
4315 Spirit Mt. Administrative Service	36,600	37,700	37,700	37,700
4315 Parking Administrative Service	22,600	23,300	23,300	23,300
4320 MIS Services	2,135	2,766	2,500	1,500
4322 Animal Shelter Fees	18,351	20,084	16,000	20,000
4323 Garnishment Fees	45	165	100	100
4324 Miscellaneous Services	41,081	5,322	1,000	1,000
4325 Radio Services	6,600	6,500	6,500	6,500
4326 Criminal History Checks	14,272	6,190	17,000	17,000
4328 Pawnbroker Transaction Charge	49,668	55,044	45,000	50,000
4329 False Alarm Fees & Penalties			-	5,000
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		4,970	-	4,000
4351 Building Inspection Fees	1,235,768	1,133,681	1,826,000	1,400,000
4352 Plumbing Inspection Fees	130,431	151,128	191,500	180,000
4353 Electric Inspection Fees	184,788	156,306	245,000	190,000
4354 HVAC-R Inspection Fees	144,319	121,207	172,000	150,000
4355 Signs Inspection Fees	11,774	10,214	10,000	10,500
4356 House Moving Inspection Fees	4,138	4,455	5,000	5,000
4357 Mobile Home Inspection Fees	3,752	660	2,000	2,000
4359 CAF Administrative Fee	8,390	17,390	12,000	15,000
4360 Vacant Building Fee	400		1,200	1,200
4361 RZP Registration Fee	3,248	13,396	10,000	14,000
4370 Engineering Services	252,375	341,675	300,000	270,000
4410 Adult - Zoo Admissions	362,516	5,935		
4410 Child - Zoo Admissions	61,752			
4410 School & Group Zoo Admissions	40,755			
TOTAL CHARGES FOR SERVICES	5,403,519	5,021,060	5,883,900	5,221,400
CATEGORY 50 - FINES AND FORFEITS				
4470 License Penalties	11,719	9,225	8,000	8,000
4471 Library Fines	79,634	89,430	115,000	110,000
4472 Parking Fines	550,327	1,168,883	1,740,000	1,167,500
4473 Court Fines	395,772	425,378	400,000	451,200
TOTAL FINES AND FORFEITS	1,037,452	1,692,916	2,263,000	1,736,700

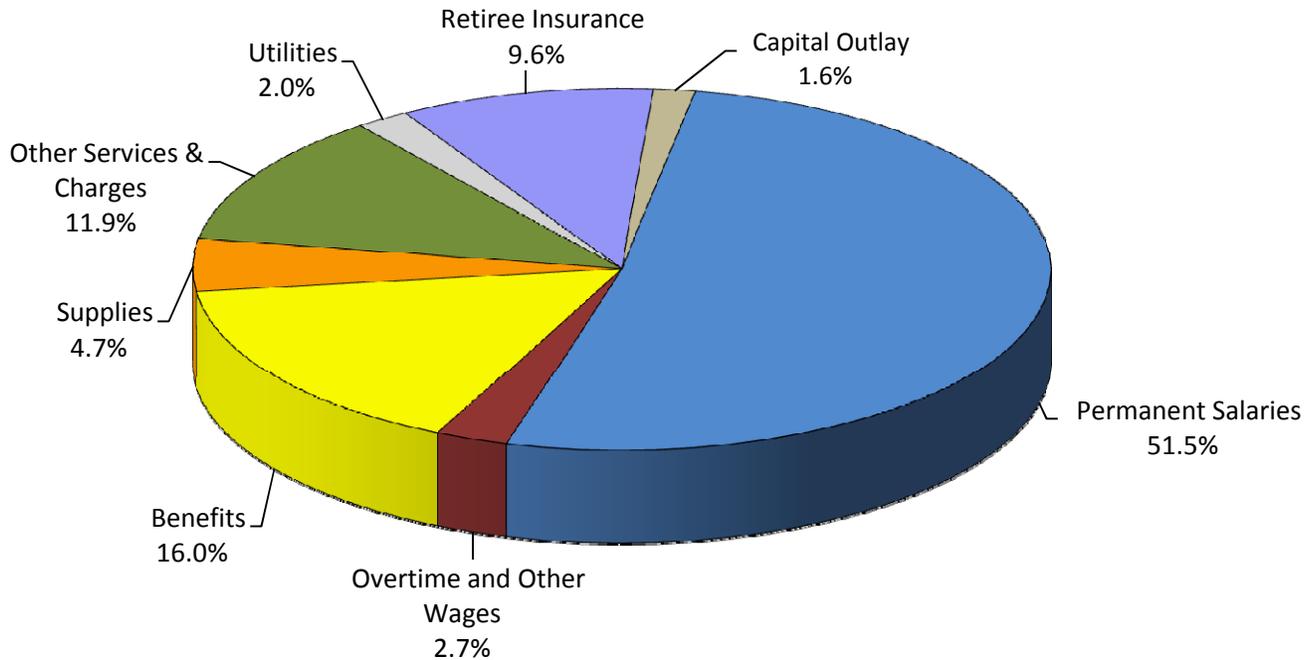
City of Duluth Minnesota - 2011 Budget

General Fund Revenues

	2008 Actuals	2009 Actuals	2010 Budget	2011 Approved
CATEGORY 60 - SPECIAL ASSESSMENTS				
4500 Assessments	90,774	138,789	113,900	125,100
4500 Assessments - Service Charge	280,895	277,128	300,000	300,000
4501 Assessments - Penalty & Interest	35,207	38,289	31,500	30,300
TOTAL SPECIAL ASSESSMENTS	406,876	454,206	445,400	455,400
CATEGORY 70 - MISCELLANEOUS				
4601 Earnings on Investments	1,557,437	1,943,811	840,000	465,000
4620 Telecommunications Space Rental	9,713	8,780	7,800	8,400
4622 Rent of Buildings	81,200	99,880	64,700	97,700
4623 Rent of Land	8,388	5,860	8,300	5,900
4624 Rent of Equipment		180	500	300
4626 Indian Point Campground	35,090	33,121	35,000	30,000
4627 Concessions & Commissions	20,215	12,527	10,800	10,200
4631 Media Sales	27,561	31,936	33,400	36,400
4636 Sale of Materials	23,205	1,873	1,600	6,500
4639 Sale of Equipment	123,343	98,753	120,000	100,000
4640 Sale of Land	1,562,150	284,372	280,000	50,000
4644 Miscellaneous Sales	95,522	127,245	64,200	87,200
4650 Salary Reimbursement	33,758	90,501	43,700	20,000
4651 Extra Duty Employment Reimbursement			-	120,000
4654 Other Reimbursements	231,503	189,081	33,500	34,500
4660 Gifts & Donations	60,616	16,877	2,500	4,700
4680 Damages Recovered	49,551	13,369	1,000	-
4700 Other Sources	78,429	572	500	500
4701 2% Retention Surtax	1,287	1,653	1,500	1,500
TOTAL MISCELLANEOUS	3,998,968	2,960,391	1,549,000	1,078,800
CATEGORY 80 - OTHER FINANCING SOURCES				
4730 Transfer from Special Revenue		55,813		
4730 Transfer from Tourism Tax Fund	1,180,967	782,288	737,900	737,900
4730 Transfer from Comm Invest Fund	2,384,080	1,895,146	805,000	510,000
4730 Transfer from Police Grant Funds	295,052	522,339	471,300	628,600
4730 Transfer from Public Utility Funds	951,819	864,250	990,600	990,600
4730 Transfer from Parking Fund	1,268,941	1,178,838	1,382,500	1,452,200
4730 Transfer from Capital Projects		26,211		
4730 Transfer from Permanent Improvement	29,316	5,067	160,000	100,000
4730 Transfer from Special Assessment		7,541	20,000	20,000
4730 Transfer from Fleet Fund	240,000			
4730 Transfer from Steam (sale)		2,500,000		
4998 Prior Year Revenue	201,795	66,067		
TOTAL OTHER FINANCING SOURCES	6,551,970	7,903,560	4,567,300	4,439,300
GENERAL FUND TOTAL	75,476,178	79,663,849	75,535,400	74,948,000

City of Duluth Minnesota - 2011 Budget

GENERAL FUND APPROVED EXPENSES Percent of Total by Major Category



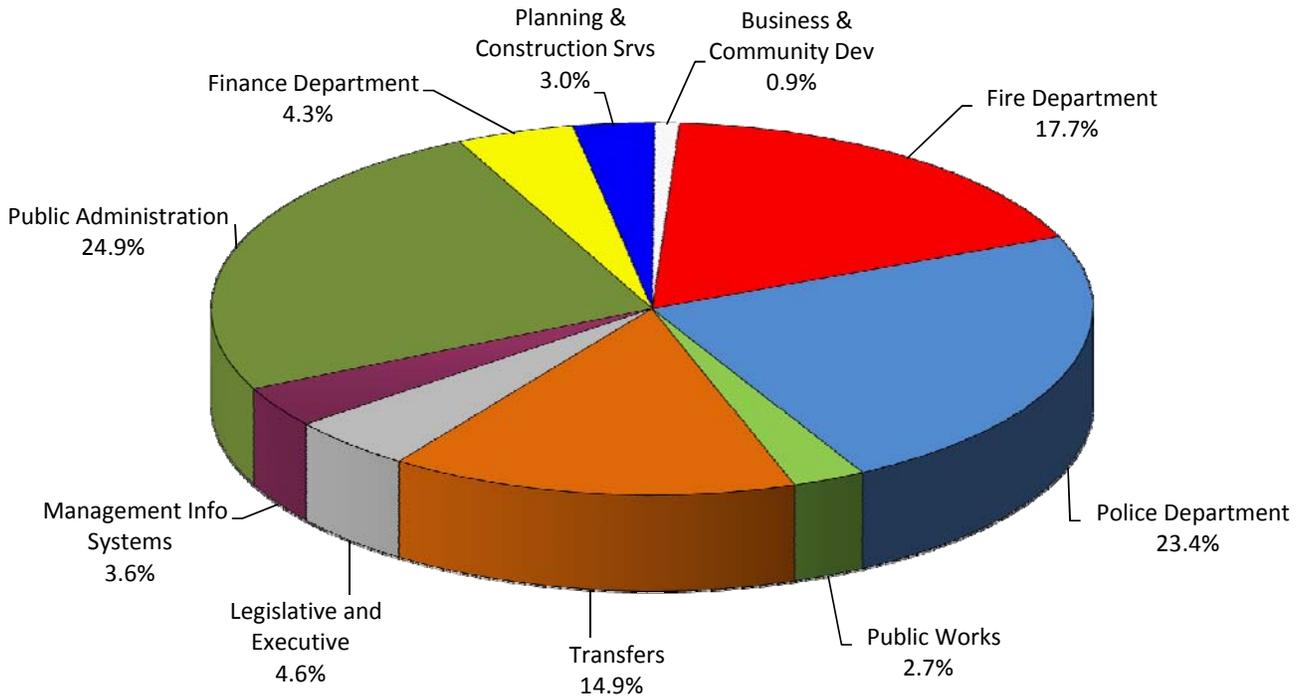
Permanent Salaries	\$	38,612,100
Overtime and Other Wages	\$	2,050,600
Benefits	\$	11,982,700
Supplies	\$	3,496,200
Other Services & Charges	\$	8,912,200
Utilities	\$	1,513,700
Retiree Insurance	\$	7,204,000
Capital Outlay	\$	1,176,500
TOTAL 2011 EXPENDITURES	\$	74,948,000

This graph shows the General Fund budget by expense category. The largest single category of expense is Permanent Salaries at 51.5% of all expenses. When the cost of benefits, overtime and other wages is added, the total is 70.2% of all budgeted expenses. Other Services and Charges comprises 11.9% of the total; followed by Retiree Insurance at 9.6%; Supplies at 4.7%; Utilities at 2.0%; and Capital Outlay in the General Fund at 1.6% of the total proposed expenses.

City of Duluth Minnesota - 2011 Budget

GENERAL FUND APPROVED EXPENSES

Percent of Total by Department



Legislative and Executive	\$	3,464,900
Management Info Systems	\$	2,675,700
Public Administration	\$	18,638,000
Finance Department	\$	3,244,900
Planning & Construction Svcs	\$	2,226,400
Business & Community Dev	\$	677,600
Fire Department	\$	13,254,900
Police Department	\$	17,558,600
Public Works	\$	2,006,400
Transfers	\$	11,200,600
TOTAL 2011 EXPENDITURES	\$	74,948,000

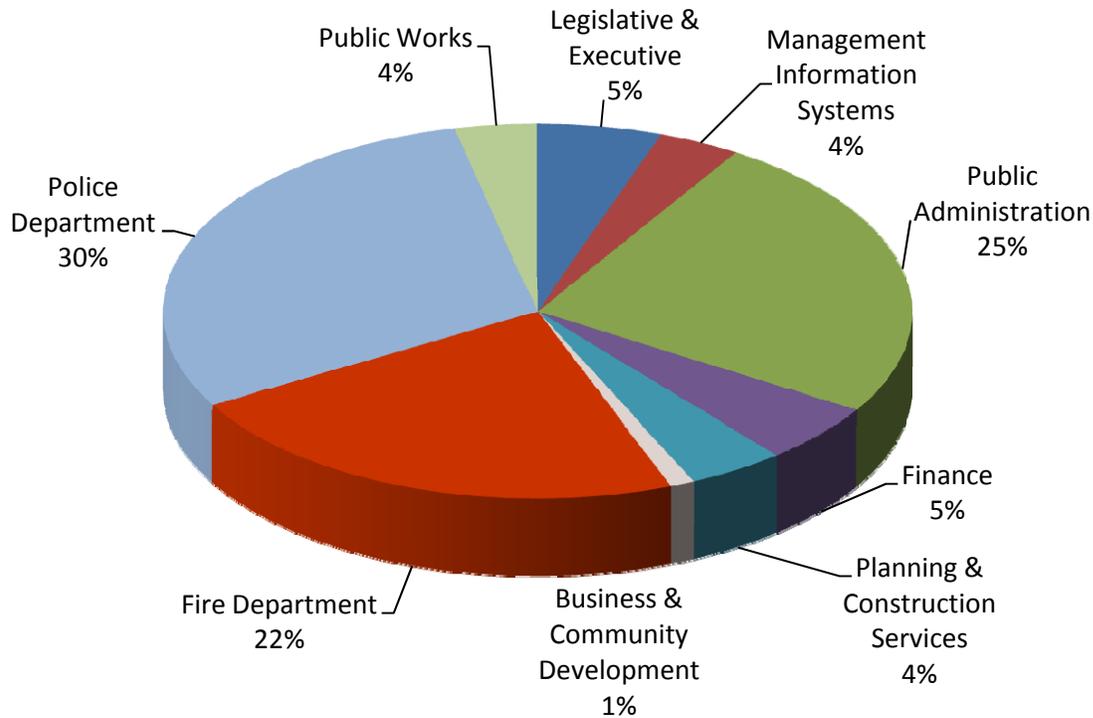
This graph shows the General Fund Departmental budgets as a percent of the total General Fund expenditures for budget fiscal year 2011. The largest category of expense is public safety with the Police and Fire Departments comprising 41.10% of the total; followed by the Public Administration Department which includes the past departments of Library and Parks, as well as the Maintenance Operations division and City Clerk at 24.9%. The Transfers Department comprises 14.9% of the total. The remaining six departments totaled together are 19.1%, with no department exceeding 5%.

General Fund - 2011 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	6,400	46,800	0	143,200
Mayor's Office	198,800	0	0	54,200	14,600	0	267,600
Administrative Assistant	194,200	0	0	51,200	10,600	0	256,000
Attorney's Office	1,424,400	0	0	356,600	48,300	5,000	1,834,300
Human Resources	704,400	0	0	213,500	45,900	0	963,800
DEPARTMENT TOTAL	2,521,800	0	90,000	681,900	166,200	5,000	3,464,900
MANAGEMENT INFO SYSTEMS	1,436,000	19,000	0	429,400	791,300	0	2,675,700
PUBLIC ADMINISTRATION							
City Clerk's	476,400	1,000	60,000	150,700	41,500	0	729,600
Maintenance Operations	4,968,100	169,000	323,100	1,609,400	6,456,000	0	13,525,600
Library Services	2,312,500	3,000	63,000	672,500	301,800	264,500	3,617,300
Parks & Recreation	464,600	0	0	132,300	168,600	0	765,500
DEPARTMENT TOTAL	8,221,600	173,000	446,100	2,564,900	6,967,900	264,500	18,638,000
FINANCE							
Budget Office	324,200	0	17,500	94,000	6,100	0	441,800
Assessor's Office	561,300	6,500	0	166,100	85,500	0	819,400
Auditor's Office	817,100	11,000	0	242,400	271,800	0	1,342,300
Purchasing	153,300	0	9,000	53,900	10,500	0	226,700
Treasurer's Office	266,900	0	0	83,800	64,000	0	414,700
DEPARTMENT TOTAL	2,122,800	17,500	26,500	640,200	437,900	0	3,244,900
PLANNING & CONST. SRVS.							
Physical Planning	397,300	0	0	139,900	68,500	0	605,700
Const. Srvs & Inspection	1,075,600	9,000	0	335,600	200,500	0	1,620,700
DEPARTMENT TOTAL	1,472,900	9,000	0	475,500	269,000	0	2,226,400
BUSINESS & COMM RSRCS.	512,400	0	0	133,800	31,400	0	677,600
FIRE DEPARTMENT							
Fire Administration	311,700	0	0	77,200	78,400	0	467,300
Fire Operations	8,290,400	520,000	0	2,624,700	546,500	0	11,981,600
Life Safety	561,300	7,500	0	161,900	75,300	0	806,000
DEPARTMENT TOTAL	9,163,400	527,500	0	2,863,800	700,200	0	13,254,900
POLICE DEPARTMENT							
Police Admin/Investigation	5,402,500	110,000	0	1,683,600	1,168,500	0	8,364,600
Patrol Division	6,422,800	540,000	0	2,091,000	140,200	0	9,194,000
DEPARTMENT TOTAL	11,825,300	650,000	0	3,774,600	1,308,700	0	17,558,600
PUBLIC WORKS							
Director's Office	36,000	0	0	8,100	900	0	45,000
Transportation Engineering	1,299,900	80,000	12,000	410,500	159,000	0	1,961,400
DEPARTMENT TOTAL	1,335,900	80,000	12,000	418,600	159,900	0	2,006,400
TRANSFERS	0	0	0	0	10,293,600	907,000	11,200,600
DEPARTMENT TOTAL	0	0	0	0	10,293,600	907,000	11,200,600
2011 Approved General Fund	38,612,100	1,476,000	574,600	11,982,700	21,126,100	1,176,500	74,948,000
2010 Approved Budget	38,767,900	1,349,900	470,600	11,558,600	22,273,900	1,114,500	75,535,400
Difference 2010 to 2011	(155,800)	126,100	104,000	424,100	(1,147,800)	62,000	(587,400)

City of Duluth Minnesota - 2011 Budget

General Fund Personnel Summary



Department	2010 Budget	2011 Approved
Legislative & Executive	33.00	33.50
Management Information Systems	24.00	22.00
Public Administration	160.60	154.60
Finance	31.00	32.00
Planning & Construction Services	24.00	26.00
Business & Community Development	6.00	6.50
Fire Department	140.00	140.00
Police Department	187.00	185.00
Public Works	21.20	22.00
TOTAL	626.80	621.60

City of Duluth Minnesota - 2011 Budget

General Fund Personnel Summary

	2010 Budget	2011 Approved	Difference	Narrative
LEGISLATIVE/EXECUTIVE				
City Council	0.00	0.00	0.00	
Mayor	3.00	3.00	0.00	
Chief Administrative Officer	2.00	2.50	0.50	Shared .5 Information Technician
City Attorney	17.00	17.00	0.00	
Human Resources	11.00	11.00	0.00	
Department Total	33.00	33.50	0.50	
MANAGEMENT INFORMATION SYSTEMS				
Mgmt Information Systems	24.00	22.00	-2.00	Eliminated 1 System Administrator and 1 Business Analyst
Department Total	24.00	22.00	-2.00	
PUBLIC ADMINISTRATION				
City Clerk	7.00	7.00	0.00	
Maintenance Operations	102.60	96.60	-6.00	Added 9 Mtce Wkrs, 1 Park Mtce Wkr, 2 Street and 2 Bldg & Grnd Supervisors, 1 Facility Project Specialist, 1 Carpenter; Eliminated 3 Mtce Op Leadwks, 5 Heavy Equip Operators, 1 Parks & Gardens Lead, 1 Athletic Turf Coord, 1 Sr Sec Specialist, 3 Janitors, 8 Mtce Wkr Helpers;
Library Services	43.50	43.50	0.00	
Recreation & Sr. Services	7.50	7.50	0.00	
Department Total	160.60	154.60	-6.00	
FINANCE				
Finance Administration	3.00	4.00	1.00	Added 1 Contract Administrator
Assessor	10.00	9.00	-1.00	Eliminated 1 Appraiser
Auditor	12.00	13.00	1.00	Added Asst City Auditor, 1 Financial Specialist, eliminated 1 Financial Analyst
Purchasing	2.00	2.00	0.00	Transition for announced retirement
Treasurer	4.00	4.00	0.00	
Department Total	31.00	32.00	1.00	
PLANNING & CONSTRUCTION SERVICES				
Physical Planning	6	7	1.00	Added 1 Planner II
Construction Svcs & Inspection	18	19	1.00	Added 1 Plans Examiner
Department Total	24	26	2.00	
BUSINESS AND COMMUNITY DEVELOPMENT				
Business & Comm Develop.	6.00	6.50	0.50	Added 1 Financial Analyst, share .5 Information Technician with CAO
Department Total	6.00	6.50	0.50	
FIRE				
Fire Administration	4.00	4.00	0.00	
Firefighting Operations	127.00	127.00	0.00	
Life Safety	9.00	9.00	0.00	
Department Total	140.00	140.00	0.00	
POLICE				
Police Administration/Patrol	187.00	185.00	-2.00	Added 1 Sergeant, 1 Criminal Intel Analyst, and 1 Animal Shelter Tech; eliminated 4 police officer and 1 Investigator position;
Department Total	187.00	185.00	-2.00	
PUBLIC WORKS				
Director's Office	0.40	0.40	0.00	
Engineering	20.80	21.60	0.80	Added 1 Transportation Planner and .2 Information Technician; eliminated .4 Sr Engineering Tech
Department Total	21.20	22.00	0.80	
TOTAL GENERAL FUND FTE'S	626.80	621.60	-5.20	

Legislative and Executive

City Council
Mayor's Office
Chief Administrative Officer
City Attorney
Human Resources

Legislative and Executive Department

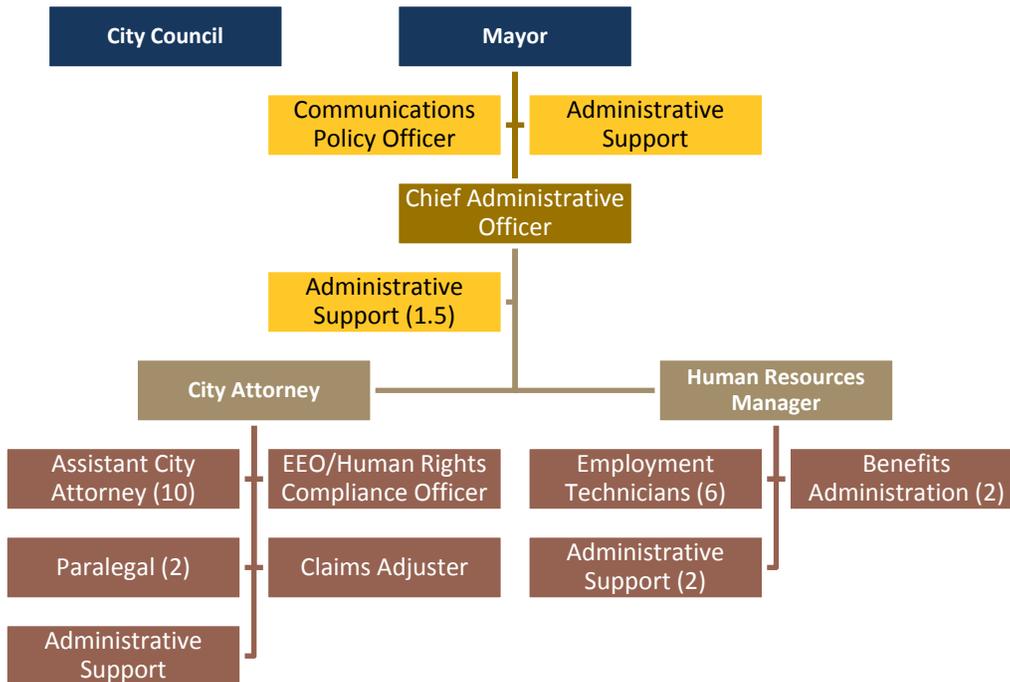
Mission and Vision

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

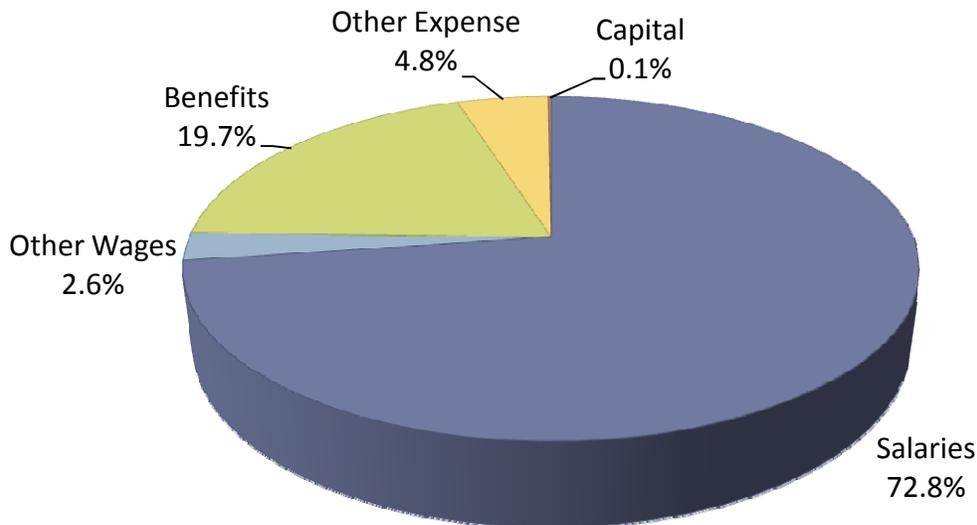
The divisions in this department are responsible for the legislative activity pursuant to City Charter; administration of the organization; enforcement and execution of city ordinances; legal defense of the city; and management of human resources.

Legislative & Executive Department Organization Chart



City of Duluth Minnesota - 2011 Budget

Legislative & Executive Department 2011 Approved Budget by Expense Category



Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Permanent Salaries	2,223,751	2,142,118	2,486,900	2,521,800	34,900
Overtime	1,650	3,833	0	0	0
Other Wages	102,916	102,110	90,000	90,000	0
Total Personal Services	2,328,317	2,248,061	2,576,900	2,611,800	34,900
Benefits	593,848	547,896	651,300	681,900	30,600
Other Expense	138,622	139,549	160,500	166,200	5,700
Capital Outlay	2,265	7,950	5,000	5,000	0
Department Total	3,063,052	2,943,456	3,393,700	3,464,900	71,200

Expenditures by Division	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
City Council	138,458	128,019	150,000	143,200	(6,800)
Mayor's Office	228,634	149,952	282,500	267,600	(14,900)
Chief Admin Officer	461,381	239,974	222,800	256,000	33,200
Attorney's Office	1,612,946	1,649,190	1,808,500	1,834,300	25,800
Human Resources	621,633	776,321	929,900	963,800	33,900
Department Total	3,063,052	2,943,456	3,393,700	3,464,900	71,200

	2008	2009	2010	2011	Difference
Budgeted FTE's	29.00	33.00	33.00	33.50	0.50

City of Duluth Minnesota - 2011 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	2008	2009	2010	2011	Difference
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There are no fulltime, permanent employees assigned to this division.

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	-	-	-	-	-
Overtime	-	-	-	-	-
Other Wages	93,796	90,947	90,000	90,000	-
Total Salaries	93,796	90,947	90,000	90,000	-
Benefits	7,972	7,326	13,200	6,400	(6,800)
Other Expense					
Materials & Supplies	1,631	542	2,800	2,800	-
Services	22,179	17,136	32,000	32,000	-
Utilities & Maintenance	500	183	800	800	-
Other	12,380	11,885	11,200	11,200	-
Total Other Expense	36,690	29,746	46,800	46,800	-
Division Total	138,458	128,019	150,000	143,200	(6,800)

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
City Council - 110-110-1101				
PERSONAL SERVICES				
5103 Other Wages	93,796	90,947	90,000	90,000
TOTAL	93,796	90,947	90,000	90,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	1,093	1,000	6,300	2,000
5122 FICA - Social Security	5,526	5,010	5,600	3,100
5123 FICA - Medicare	1,353	1,316	1,300	1,300
TOTAL	7,972	7,326	13,200	6,400
OTHER EXPENDITURES				
5200 Office Supplies	751	300	1,000	1,000
5201 Computer Supplies/Software	-	168	1,000	1,000
5202 Audiovisual & Photography	277	-	500	500
5219 Other Miscellaneous Supplies	603	74	300	300
5319 Other Professional Services	11,665	10,750	10,000	10,000
5331 Travel/Training	2,495	210	12,000	12,000
5355 Printing & Copying	8,019	6,176	10,000	10,000
5404 Equipment/Machinery Repair & Mtc	500	183	800	800
5433 Dues & Subscription	533	1,254	1,000	1,000
5441 Other Services & Charges	8,454	7,924	8,000	8,000
5443 Board & Meeting Expenses	3,393	2,707	2,200	2,200
TOTAL	36,690	29,746	46,800	46,800
DIVISION TOTAL	138,458	128,019	150,000	143,200

City of Duluth Minnesota - 2011 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	2008	2009	2010	2011	Difference
Mayor	1.0	1.0	1.0	1.0	-
1105 Comm/Policy Officer	-	-	-	1.0	1.0
135 Public Info Coordinator	1.0	1.0	1.0	-	(1.0)
6 Senior Secretary Spec.	1.0	1.0	1.0	-	(1.0)
126 Information Technician	-	-	-	1.0	1.0
Division Total	3.0	3.0	3.0	3.0	-

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	169,976	108,009	213,400	198,800	(14,600)
Overtime	691	-	-	-	-
Other Wages	-	250	-	-	-
Total Salaries	170,667	108,259	213,400	198,800	(14,600)
Benefits	45,864	27,607	57,100	54,200	(2,900)
Other Expense					
Materials & Supplies	1,526	941	1,000	1,700	700
Services	3,252	654	3,100	3,100	-
Utilities & Maintenance	4,600	6,247	1,000	2,000	1,000
Other	2,725	6,244	6,900	7,800	900
Total Other Expense	12,103	14,086	12,000	14,600	2,600
Division Total	228,634	149,952	282,500	267,600	(14,900)

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Mayor's Office - 110-110-1102				
PERSONAL SERVICES				
5100 Permanent Salaries	169,976	108,009	213,400	198,800
5101 Premium Pay	691	-	-	-
5103 Other Wages	-	250	-	-
TOTAL	170,667	108,259	213,400	198,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	8,972	3,947	14,500	12,900
5122 FICA - Social Security	9,973	6,531	13,200	12,300
5123 FICA - Medicare	2,332	1,527	3,100	2,900
5124 Medical Insurance	21,889	13,610	22,600	22,600
5125 Dental Insurance	986	784	1,200	1,200
5126 Life Insurance	364	221	500	500
5127 Health Care Savings Plan (HCSP)	1,348	987	2,000	1,800
TOTAL	45,864	27,607	57,100	54,200
OTHER EXPENDITURES				
5200 Office Supplies	1,247	214	1,000	1,000
5219 Other Miscellaneous Supplies	-	535	-	500
5241 Small Equip-Office/Operating	279	192	-	200
5322 Postage	-	-	100	100
5331 Travel/Training	3,252	654	3,000	3,000
5355 Printing & Copying	4,600	6,247	1,000	2,000
5433 Dues & Subscription	198	225	500	300
5441 Other Services & Charges	82	1,713	400	1,500
5443 Board & Meeting Expenses	495	971	1,000	1,000
5444 Mayor's Contingent Account	1,950	3,335	5,000	5,000
TOTAL	12,103	14,086	12,000	14,600
DIVISION TOTAL	228,634	149,952	282,500	267,600

City of Duluth Minnesota - 2011 Budget

Chief Administrative Officer

The Chief Administrative Officer serves as the city under the guidelines established by the home rule charter. The Chief Administrative Officer (CAO) is appointed by and serves at the pleasure of the Mayor. The CAO appoints the department directors, other than the city attorney, who is appointed by the Mayor. The CAO's 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.

The city reorganizations have impacted this division in 2009 and 2010. The business development function was moved into Community Resources in 2009 and is it's own department called Business and Community Development Resources in 2010. Also, the positions of Chief Financial Officer, Public Administration Director are now budgeted in their respective departments and the Chief Operations Officer position was eliminated.

Budgeted FTE's	2008	2009	2010	2011	Difference
Res Chief Admin Officer	1.0	1.0	1.0	1.0	-
1170 Chief Financial Officer	-	1.0	-	-	-
1145 Chief Optns Officer	-	1.0	-	-	-
1135 Comm Rscs Director	-	1.0	-	-	-
1135 Public Admin Director	-	1.0	-	-	-
9 Executive Assistant	-	-	-	1.0	1.0
129 Admin Info Specialist	-	1.0	1.0	-	(1.0)
1125 Mgr. Business Dev.	1.0	-	-	-	-
142 Business Developer	1.0	-	-	-	-
126 Information Technician	2.0	-	-	0.5	0.5
Division Total	5.0	6.0	2.0	2.5	0.5

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	358,628	171,048	171,200	194,200	23,000
Overtime	-	304	-	-	-
Other Wages	-	10,000	-	-	-
Total Salaries	358,628	181,352	171,200	194,200	23,000
Benefits	84,456	42,351	44,500	51,200	6,700
Other Expense					
Materials & Supplies	2,538	643	2,000	2,000	-
Services	3,972	4,505	2,000	2,000	-
Utilities & Maintenance	3,797	-	300	300	-
Other	7,990	11,123	2,800	6,300	3,500
Total Other Expense	18,297	16,271	7,100	10,600	3,500
Division Total	461,381	239,974	222,800	256,000	33,200

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Chief Administrative Officer - 110-110-1103				
PERSONAL SERVICES				
5100 Permanent Salaries	358,628	171,048	171,200	194,200
5101 Premium Pay	-	304	-	-
5103 Other Wages	-	10,000	-	-
TOTAL	358,628	181,352	171,200	194,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	21,927	12,276	11,500	13,100
5122 FICA - Social Security	21,601	11,220	10,600	12,000
5123 FICA - Medicare	6,440	2,624	2,500	2,800
5124 Medical Insurance	28,714	13,037	16,900	19,800
5125 Dental Insurance	1,832	1,072	1,000	1,200
5126 Life Insurance	728	325	400	500
5127 Health Care Savings Plan (HCSP)	3,214	1,797	1,600	1,800
TOTAL	84,456	42,351	44,500	51,200
OTHER EXPENDITURES				
5200 Office Supplies	2,022	643	1,000	1,000
5201 Computer Supplies/Software	-	-	500	500
5219 Other Miscellaneous Supplies	516	-	500	500
5331 Travel/Training	3,621	4,505	2,000	2,000
5335 Local Mileage Reimbursement	351	-	-	-
5404 Equipment/Machinery Repair & Mtc	-	-	300	300
5418 Vehicle/Equip Lease (Long-term)	3,797	4,899	300	300
5433 Dues & Subscription	1,000	126	500	500
5435 Books & Pamphlets	-	199	500	500
5441 Other Services & Charges	4,093	4,660	1,000	4,000
5443 Board & Meeting Expenses	2,897	1,239	500	1,000
TOTAL	18,297	16,271	7,100	10,600
DIVISION TOTAL	461,381	239,974	222,800	256,000

City of Duluth Minnesota - 2011 Budget

City Attorney's Office

Provides legal advice and services, as needed, to the City and related agencies. In the citywide reorganization, the Human Rights Office was merged into the Attorney's Office in 2008. Duties associated with that function includes providing advice, education, and enforcement of the city's Human Rights ordinance and related regulations.

Budgeted FTE's	2008	2009	2010	2011	Difference
Res City Attorney	1.0	1.0	1.0	1.0	-
5 Assistant Attorney	7.0	7.0	10.0	10.0	-
10 Claims Adjuster	1.0	1.0	1.0	1.0	-
131 Paralegal	1.0	1.0	2.0	2.0	-
Res EEO Compliance Officer	1.0	1.0	1.0	1.0	-
6 Sr Secretarial Spec	2.0	2.0	1.0	1.0	-
129 Admin Legal Assistant	-	-	-	1.0	1.0
126 Information Technician	2.0	2.0	1.0	-	(1.0)
Division Total	15.0	15.0	17.0	17.0	-

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	1,231,266	1,278,998	1,398,000	1,424,400	26,400
Overtime	155	30	-	-	-
Other Wages	9,120	913	-	-	-
Total Salaries	1,240,541	1,279,941	1,398,000	1,424,400	26,400
Benefits	323,680	319,607	356,800	356,600	(200)
Other Expense					
Materials & Supplies	5,026	6,699	4,200	4,200	-
Services	16,867	6,982	9,500	10,600	1,100
Utilities & Maintenance	462	4,243	3,000	4,500	1,500
Other	24,105	23,768	32,000	29,000	(3,000)
Total Other Expense	46,460	41,692	48,700	48,300	(400)
Capital Outlay	2,265	7,950	5,000	5,000	-
Division Total	1,612,946	1,649,190	1,808,500	1,834,300	25,800

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
City Attorney's Office - 110-110-1104				
PERSONAL SERVICES				
5100 Permanent Salaries	1,231,266	1,278,998	1,398,000	1,424,400
5101 Premium Pay	155	30	-	-
5103 Other Wages	9,120	913	-	-
TOTAL	1,240,541	1,279,941	1,398,000	1,424,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	72,283	76,250	89,400	99,100
5122 FICA - Social Security	74,746	77,530	86,700	88,300
5123 FICA - Medicare	17,725	18,132	20,300	20,700
5124 Medical Insurance	121,950	101,946	113,300	113,300
5125 Dental Insurance	5,869	6,000	6,800	6,800
5126 Life Insurance	2,389	2,340	3,100	3,100
5127 Health Care Savings Plan (HCSP)	28,718	37,409	37,200	25,300
TOTAL	323,680	319,607	356,800	356,600
OTHER EXPENDITURES				
5200 Office Supplies	4,839	6,609	4,000	4,000
5241 Small Equip-Office/Operating	187	90	200	200
5304 Legal Services	3,558	1,322	3,000	3,000
5319 Other Professional Services	635	-	-	-
5331 Travel/Training	10,720	3,910	5,400	5,400
5335 Local Mileage Reimbursement	1,901	1,477	1,000	2,000
5355 Printing & Copying	53	273	100	200
5404 Equipment/Machinery Repair & Mtc	462	-	3,000	500
5418 Vehicle/Equip Lease (Long-term)		4,243		4,000
5433 Dues & Subscription	23,160	21,700	21,000	21,000
5441 Other Services & Charges	945	2,068	11,000	8,000
TOTAL	46,460	41,692	48,700	48,300
CAPITAL OUTLAY				
Library Materials	2,265	7,950	5,000	5,000
TOTAL	2,265	7,950	5,000	5,000
DIVISION TOTAL	1,612,946	1,649,190	1,808,500	1,834,300

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
City Attorney's Office - 110-110-1104				
REVENUE SOURCE				
4209 Miscellaneous Federal Grants	128,500	145,485	14,000	21,600
4654 Other Reimbursements	2,423	1,069		
4730 Transfer from Police Grant Fund			72,100	78,300
DIVISION TOTAL	130,923	146,554	86,100	99,900

City of Duluth Minnesota - 2011 Budget

Human Resources

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

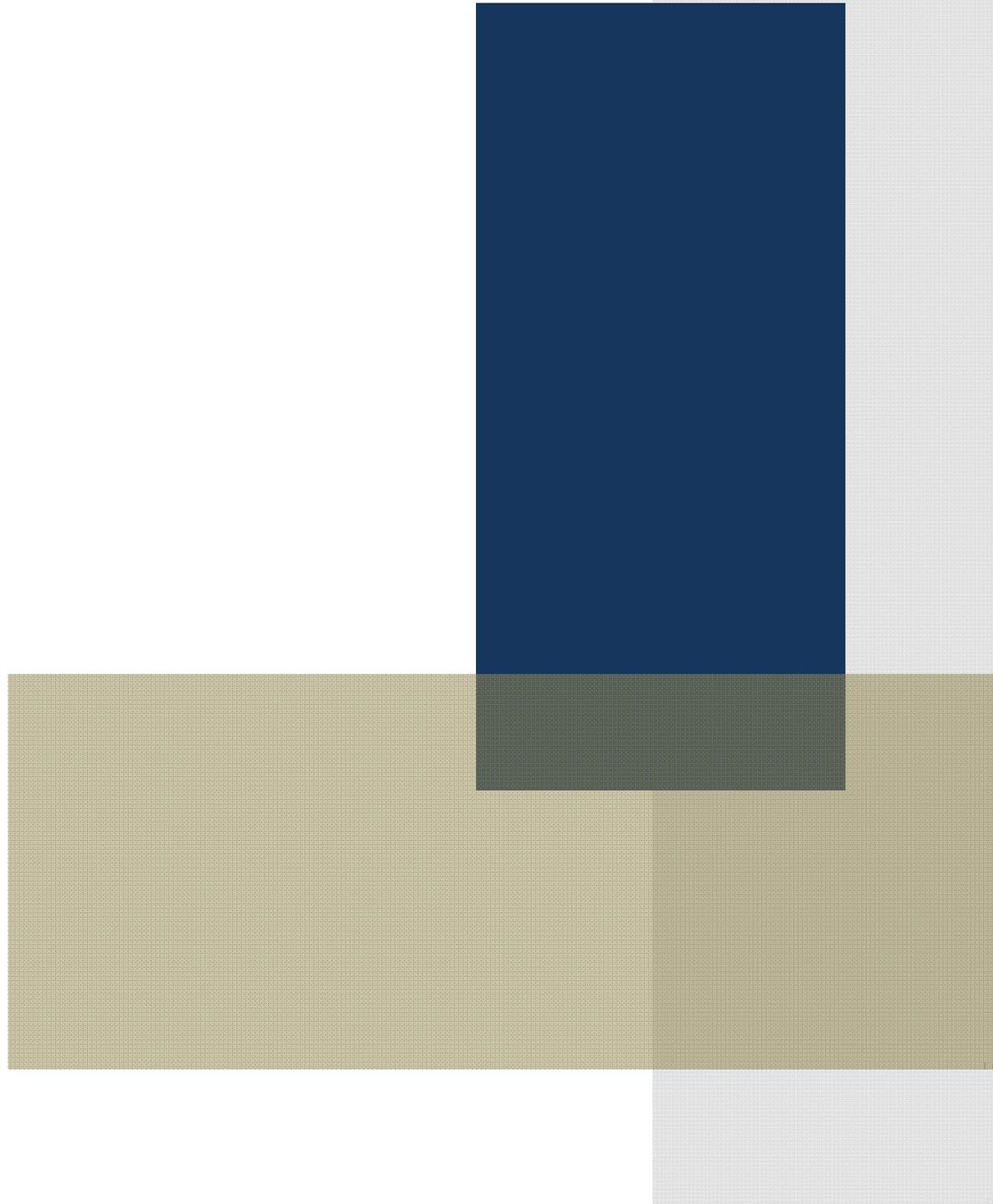
Budgeted FTE's	2008	2009	2010	2011	Difference
1140 Mgr, Human Resources	-	1.0	1.0	1.0	-
11 Labor Relations Spec.	1.0	2.0	-	1.0	1.0
10A Sr HR Generalist	-	-	-	1.0	1.0
10 HR Generalist	-	-	-	1.0	1.0
137 Personnel Tech II	1.0	1.0	1.0	-	(1.0)
9 HR Technician	-	-	-	2.0	2.0
131 Personnel Analyst	1.0	1.0	3.0	1.0	(2.0)
10A Employee Benefit Admin	-	-	-	1.0	1.0
136 Employee Benefits Spec	1.0	1.0	1.0	-	(1.0)
10 Employee Benefits Rep	-	-	-	1.0	1.0
9 Employee Benefits Tech	2.0	2.0	2.0	-	(2.0)
6 Sr Secretarial Specialist	-	1.0	1.0	1.0	-
127 HR Assistant	-	-	-	1.0	1.0
121 Clerical Support Tech	-	2.0	2.0	-	(2.0)
Division Total	6.0	11.0	11.0	11.0	-

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	463,881	584,063	704,300	704,400	100
Overtime	804	3,499	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	464,685	587,562	704,300	704,400	100
Benefits	131,876	151,005	179,700	213,500	33,800
Other Expense					
Materials & Supplies	3,006	6,796	10,000	10,000	-
Services	5,161	10,608	14,900	14,900	-
Utilities & Maintenance	4,779	5,108	10,500	10,500	-
Other	12,126	15,242	10,500	10,500	-
Total Other Expense	25,072	37,754	45,900	45,900	-
Division Total	621,633	776,321	929,900	963,800	33,900

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Human Resources - 110-110-1106				
PERSONAL SERVICES				
5100 Permanent Salaries	463,881	584,063	704,300	704,400
5101 Premium Pay	804	3,499	-	-
5103 Other Wages	-	-	-	-
TOTAL	464,685	587,562	704,300	704,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	25,531	33,895	43,600	48,300
5122 FICA - Social Security	27,536	35,455	40,600	43,700
5123 FICA - Medicare	5,052	8,292	9,500	10,200
5124 Medical Insurance	55,748	62,375	73,800	85,400
5125 Dental Insurance	3,464	4,176	4,200	5,400
5126 Life Insurance	1,040	1,274	2,000	2,000
5127 Health Care Savings Plan (HCSP)	13,505	5,538	6,000	18,500
TOTAL	131,876	151,005	179,700	213,500
OTHER EXPENDITURES				
5200 Office Supplies	2,022	5,441	6,000	6,000
5201 Computer Supplies/Software	984	1,355	2,000	2,000
5219 Other Miscellaneous Supplies	-	-	2,000	2,000
5319 Other Professional Services	-	3,960	5,000	5,000
5321 Phone Service	1,146	199	900	900
5331 Travel/Training	3,620	4,931	5,000	5,000
5355 Printing & Copying	395	1,518	4,000	4,000
5404 Equipment/Machinery Repair & Mtc	4,779	-	4,500	4,500
5418 Vehicle/Equip Lease (Long-term)	-	5,108	6,000	6,000
5433 Dues & Subscription	496	1,569	3,000	3,000
5435 Books & Pamphlets	-	-	2,500	2,500
5441 Other Services & Charges	3,000	4,626	5,000	5,000
5446 Tuition Reimbursement	8,630	9,047	-	-
TOTAL	25,072	37,754	45,900	45,900
DIVISION TOTAL	621,633	776,321	929,900	963,800

Management Information Systems



Management Info Systems Department

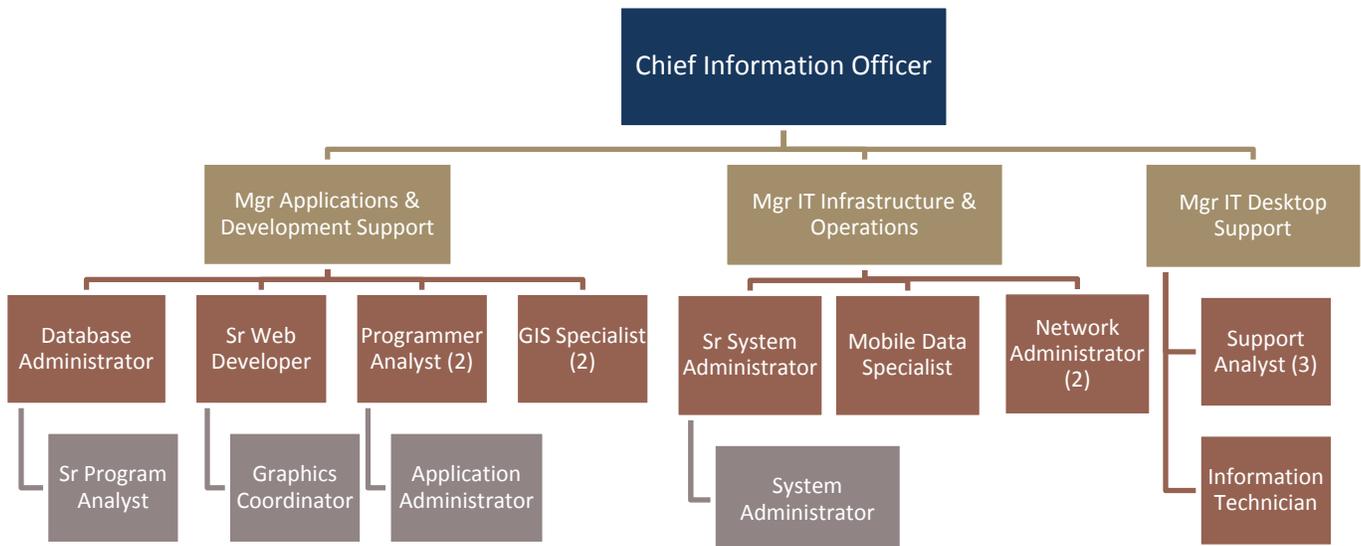
Mission and Vision

- Our mission is to provide a customer-focused environment that integrates people, processes, and technology to increase the efficiency and effectiveness of the City’s services and technology solutions. To align technology investments throughout the City’s departments, building standards and developing clear benefits; maintaining a technology infrastructure capable of providing a resilient, scalable, and secure environment, ensuring a stable architecture for future growth. The services we provide are the management, maintenance, and support of all City wide technology assets. We will use those assets to make City government transparent, accessible and secure by enhancing the capabilities of City services and making information available anywhere, anytime.
- To strive for a culture of continuous improvement by maintaining our greatest asset, a well-educated staff who enables us to provide vision, leadership, and a framework for evaluating emerging technologies and implementing proven information technology solutions. To raise the level of technical experience throughout the City’s staff so they are empowered to employ modern technologies to maximize their organizational benefits.
- To provide leadership for effective strategic and tactical planning with the use of all forms of technology, providing a comprehensive unified cost effective solution.
- To maintain public trust and safe guard the City’s reputation we must secure private information through the creation of proper data access polices, standards, and tools.

The MIS Departments vision is to lead the City of Duluth with fiscally responsible, innovative ways of delivering timely, efficient, forward-looking, effective, and secure technology solutions and services.

Structure

MIS is a customer centric organization, requiring close collaboration with its customers to understand the services needed to support them while striving to stay in alignment with their maturing needs. MIS provides technology services and support to internal City departments. Fundamentally, the three divisions all performing similar general tasks, which are managing the systematic change of our technological environments and providing end users support, however each division has different area of expertise in those processes.

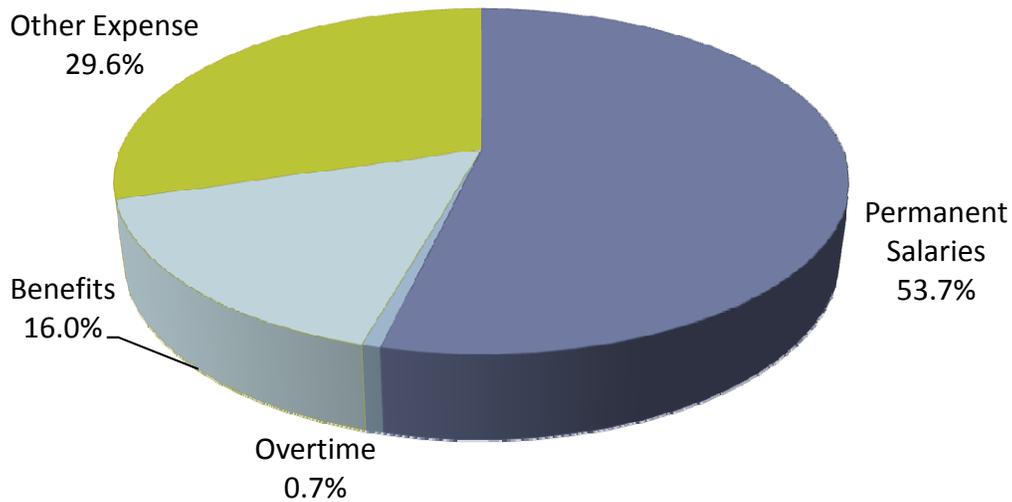


City of Duluth Minnesota - 2011 Budget

2011 Goals and Objectives

Goal	Objective	Tactics	Measurement
Infrastructure Modernization	100% migration off of Novell NOS 100% Migration off Novell GroupWise Stable environment to build on	Entering into a MS Enterprise Agreement Migrate to the Microsoft Network Operating System (NOS) Leveraging external Consulting to assist in transition Online Training to familiarize the staff on the new NOS Training internal staff	Percent Complete against total migration
Helpdesk & Change Management System	Improve Customer Service and response time Automate the change process Manage configuration of it resources Single system to audit and enforce security configurations ITIL Service desk to improve service delivery Employee self service & knowledgebase	Purchase a ITIL Compliant helpdesk system Implement phase of functionality Write policies to match capabilities and procedures to ensure proper data collection	Help Desk Metrics Auditable Documentation of environmental changes
Network Refresh	Replace all network equipment at or beyond end of life status Redesign connectivity Improve performance High availability, resilient	Inventory Equipment Assess methods current and future connectivity Design for higher bandwidth requirements and increase fault tolerances	Measure Replacement against equipment life cycle
Business Continuity Plan	Provide a single application to perform backups and data de-duplication Disaster Recovery (DR) Site Build RTO & RPO Enterprise Backup	Leverage the New Police HQ's as our DR site Implement software to ensure the completeness and robustness of backups Improved	Monthly Backup Audits Backup policies and procedures DR site on line New Backup Application on line
IT Governance	Adopt a subset of COBIT standards Adopt ITIL best practices framework	Began Training on Frameworks Began documenting Processes and remediation points	Remediation List Created against Percent complete
Gov 2.0	Provide applications and presence that enables transparent, accessible, and secure access to the City's services and information. Web accessible GIS Map	Implementation of a hosted web content management system Customer portal	Site On-Line
Automation Tools	Reduce administrative and support time Increase response time Remote Desktop Control Centrally manage patches, software deployments, virus protection, & images Automated system level inventory of hardware & software License Management	Deploy as part of our Microsoft EA, a tool called SCCM Implement an new virus protection suite	License Reports Hardware Reports Software Usage Reports Metrics – Update, Patch, and Definitions

Management Info Systems Department 2011 Approved Budget by Expense Category



Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Permanent Salaries	954,616	1,039,148	1,457,300	1,436,000	(21,300)
Overtime	2,603	10,812	6,000	19,000	13,000
Other Wages	1,164	-	-	-	-
Total Personal Services	958,383	1,049,960	1,463,300	1,455,000	(8,300)
Benefits	281,079	294,201	390,700	429,400	38,700
Other Expense	219,556	276,141	343,200	791,300	448,100
Capital Outlay	-	-	-	-	-
Department Total	1,459,018	1,620,302	2,197,200	2,675,700	478,500
Budgeted FTE's	2008 16.0	2009 18.0	2010 24.0	2011 22.0	Difference (2.0)

City of Duluth Minnesota - 2011 Budget

Management Information Services

Provides services for city departments and authorities in the area of financial accounting, payroll, special assessments, sales tax, purchasing, building inspections, city clerk, utility billing/receivables, and assessor's data base. Serves as a clearinghouse for personal computer questions, configurations, installations, in addition to advisors in most software and hardware acquisitions and local area (LAN) development. Mapping and geographical information (GIS) development is also a major program.

Budgeted FTE's	2008	2009	2010	2011	Difference
1145 Chief Info Officer	-	-	-	1.0	1.0
1135 Manager, MIS	1.0	1.0	1.0	1.0	-
1125 Manager, IT/Desktop	-	-	-	2.0	2.0
1085 Assistant Manager, MIS	-	1.0	1.0	-	(1.0)
138 Sr System Admin	-	-	-	1.0	1.0
137 Sr Programmer Analyst	3.0	3.0	3.0	2.0	(1.0)
137 Various Administrators	2.0	3.0	4.0	5.0	1.0
136 Programmer Analyst	2.0	2.0	2.0	2.0	-
131 Graphics Coordinator	1.0	1.0	1.0	1.0	-
136 GIS Specialist	2.0	2.0	2.0	2.0	-
133 Mobile App Specialist	-	-	1.0	1.0	-
133 Prgm/Web Devlpmnt	-	-	1.0	-	(1.0)
131 Support Analyst	2.0	3.0	5.0	3.0	(2.0)
32 Project Coordinator	-	-	1.0	-	(1.0)
129 Quality Analyst	2.0	1.0	1.0	-	(1.0)
126 Information Technician	1.0	1.0	1.0	1.0	-
Division Total	16.0	18.0	24.0	22.0	(2.0)

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	954,616	1,039,148	1,457,300	1,436,000	(21,300)
Overtime	2,603	10,812	6,000	19,000	13,000
Other Wages	1,164	-	-	-	-
Total Salaries	958,383	1,049,960	1,463,300	1,455,000	(8,300)
Benefits	281,079	294,201	390,700	429,400	38,700
Other Expense					
Materials & Supplies	126,093	150,135	153,600	424,000	270,400
Services	19,148	44,765	98,500	269,600	171,100
Utilities & Maintenance	72,476	81,125	90,800	90,800	-
Other	1,839	116	300	6,900	6,600
Total Other Expense	219,556	276,141	343,200	791,300	448,100
Division Total	1,459,018	1,620,302	2,197,200	2,675,700	478,500

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Management Information Systems - 110-117-1107				
PERSONAL SERVICES				
5100 Permanent Salaries	954,616	1,039,148	1,457,300	1,436,000
5101 Premium Pay	2,603	10,812	6,000	19,000
5103 Other Wages	1,164	-	-	-
TOTAL	958,383	1,049,960	1,463,300	1,455,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	58,619	66,362	92,100	103,000
5122 FICA - Social Security	57,135	62,565	86,100	92,400
5123 FICA - Medicare	13,362	14,632	20,100	21,600
5124 Medical Insurance	132,759	129,948	167,000	186,300
5125 Dental Insurance	5,460	6,144	8,600	8,400
5126 Life Insurance	2,366	2,496	4,100	4,000
5127 Health Care Savings Plan (HCSP)	11,378	12,054	12,700	13,700
TOTAL	281,079	294,201	390,700	429,400
OTHER EXPENDITURES				
5200 Office Supplies	1,729	2,094	1,800	1,800
5201 Computer Supplies/Software	115,330	141,716	145,800	413,200
5203 Paper/Stationery/Forms	8,106	4,826	4,000	4,000
5241 Small Equip-Office/Operating	928	1,499	2,000	5,000
5309 MIS Services	11,067	17,850	2,200	2,200
5319 Other Professional Services	2,483	14,755	24,000	99,500
5320 Data Services	-	266	42,000	129,400
5321 Phone Service	257	-	2,500	6,000
5331 Travel/Training	3,360	7,374	21,000	25,000
5335 Local Mileage Reimbursement	652	905	800	1,500
5355 Printing & Copying	1,329	3,615	6,000	6,000
5404 Equipment/Machinery Repair & Mtc	72,476	81,125	90,800	90,800
5433 Dues & Subscription	275	70	300	6,900
5441 Other Services & Charges	1,564	46	-	-
TOTAL	219,556	276,141	343,200	791,300
DIVISION TOTAL	1,459,018	1,620,302	2,197,200	2,675,700

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Management Information Systems - 110-117-1107				
REVENUE SOURCE				
4310 Assessment Cost Services	1,629	3,864	2,500	2,500
4320 MIS Services	2,135	2,766	2,500	1,500
DIVISION TOTAL	3,764	6,630	5,000	4,000

Public Administration

City Clerk
Maintenance Operations
Library Services
Parks and Recreation

Public Administration Department

Mission and Vision

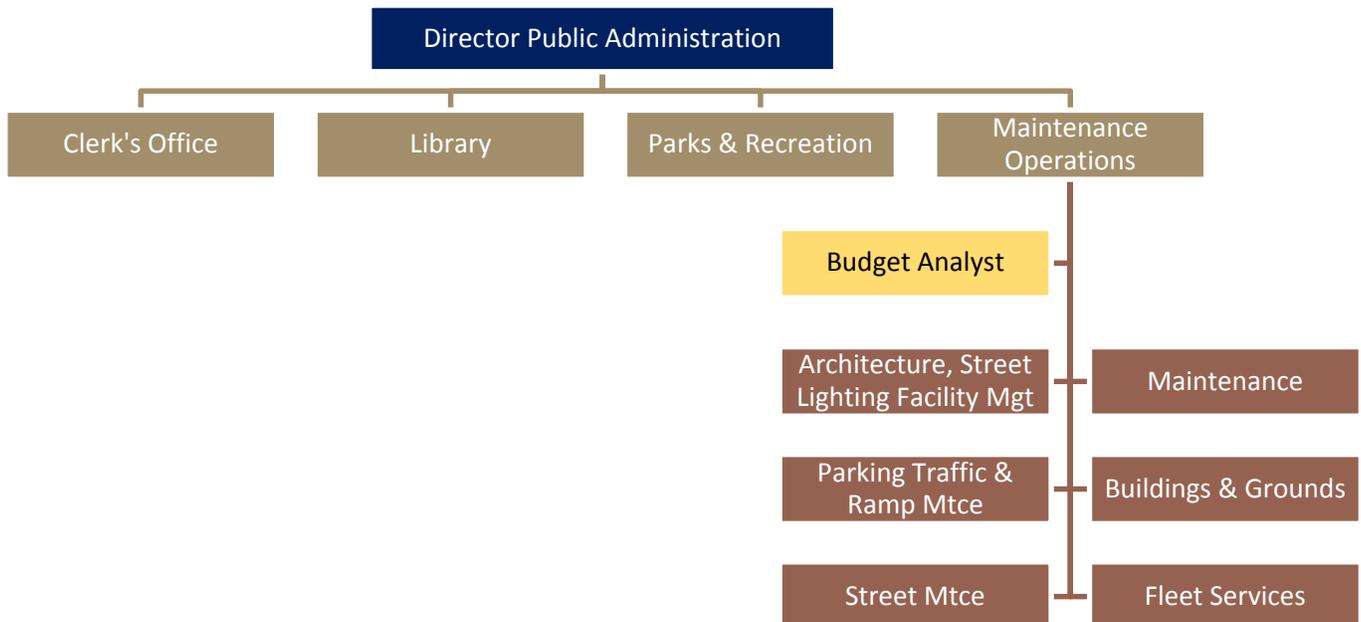
While the Department of Public Administration has a disparate number of services and responsibilities, the department has a common mission and vision to provide the quality services expected by Duluth citizens and visitors. Specifically, each division has created its own mission and vision statements describing the unique nature of their operations. These may be found in their respective business plans in the Business Plan section of this document.

Structure

The department was originally formed in 2008 by transferring staff and operations that were previously in separate departments (Library, Parks & Rec), located in Administration (City Clerk), or in Public Works (Maintenance Operations) into one department. The purpose of the restructure (at that time) was to reduce the number departments and department directors in an effort to streamline city government and to better utilize staff and resources.

The department is organized into four divisions: City Clerk's Office, Maintenance Operations, Library, and Parks and Recreation. The four divisions have direct contact with the public on a daily basis, administering services that citizens expect from city government. Our responsibility is to provide the best services in the most efficient, cost effective manner. Our focus is on providing exceptional service at all times.

Public Administration Department Organization Chart



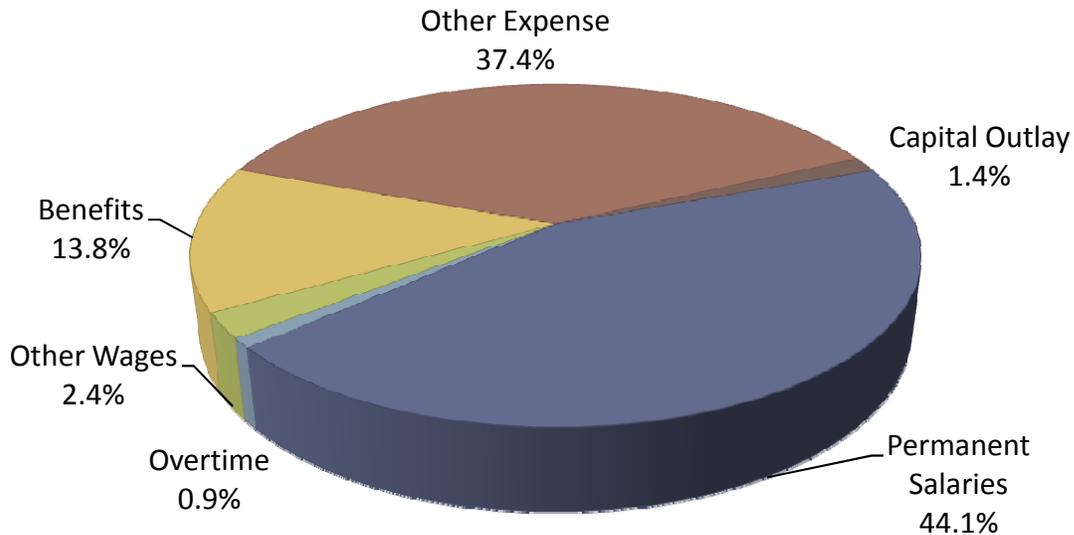
City of Duluth Minnesota - 2011 Budget

2011 Goals and Objectives

Listed below are a sample of the goals and objectives for the department. Each division has prepared its own comprehensive list which may be found in their respective business plans in the Business Plan section of the book.

Goal	Objective	Tactics	Measurement
Implement paperless agenda packets for council and staff	Cost efficiencies in the areas of paper, staff time and mailing Meet Council and public demand for this service	1. Implement new software 2. Begin to prepare electronic agenda 3. Enable total electronic access in the council chambers.	If preparation time of the agenda is reduced. If Council gains efficiencies through less/no paper.
Implement Library's operation plan, focusing on increasing public's free access to internet and technology	Increase number of public access computers. Strengthen staff ability to provide technology assistance.	1. Put Gates Foundation and Knight Foundation computers into service. 2. Provide technology training for staff members and staff the computer lab during all open hours.	Public access computer utilization numbers. Measure change/increase in staff computer skills after training. Survey computer lab users.
Continue to improve communication by the Parks Division by improving the Parks website.	Add links to partner organizations. Develop park map similar to trail map. Add more pictures, virtual tours and improved maps. Maintain data. Become the "go to" website for recreation and sport opportunities provided by other organizations.	1. Determine partners, obtain permissions; work with MIS to accomplish. 2. Work with MIS to develop. 3. Obtain pictures, virtual tours and maps from staff and volunteers; work with MIS to install. 4. Determine system for staff. 5. Coordinate efforts with Friends of the Parks, Fit City, and other agencies.	Number of links added. Successful additions to website. No outdated information and data remaining on the website for more than one week; new information added before start date. Positive customer feedback.
Maintenance Projects <ul style="list-style-type: none"> - Renovate and repair Enger Tower, including lighting, grounds and structural renovations. - Install new windows in City Hall, two facades replaced in 2011, and the remaining two in 2012. - Implement the required retro-reflectivity program for signs, including developing an action plan to GPS and map all street signs. - Implement salt reduction program. - Expand street crack sealing efforts with a goal of at least 20 miles of residential streets. - Work on every street in the city to fill potholes. 			

Public Administration Department
2011 Approved Budget by Expense Category



Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Permanent Salaries	7,629,537	8,169,056	8,305,800	8,221,600	(84,200)
Overtime	236,779	180,678	173,700	173,000	(700)
Other Wages	542,217	62,703	380,600	446,100	65,500
Total Personal Services	8,408,533	8,412,437	8,860,100	8,840,700	(19,400)
Benefits	2,445,795	2,459,052	2,552,200	2,564,900	12,700
Other Expense	6,460,335	6,275,642	6,796,000	6,967,900	171,900
Capital Outlay	356,044	359,019	264,500	264,500	-
Department Total	17,670,707	17,506,150	18,472,800	18,638,000	165,200

Expenditures by Division	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
City Clerk	544,779	611,920	706,400	729,600	23,200
Maintenance Operations	11,223,794	12,421,833	13,328,600	13,525,600	197,000
Library Services	3,519,617	3,502,158	3,626,300	3,617,300	(9,000)
Parks & Recreation	1,243,204	918,037	811,500	765,500	(46,000)
Zoo	1,139,313	52,202	-	-	-
Department Total	17,670,707	17,506,150	18,472,800	18,638,000	165,200

	2008	2009	2010	2011	Difference
Budgeted FTE's	29.00	33.00	33.00	33.50	0.50

City of Duluth Minnesota - 2011 Budget

City Clerk

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

Budgeted FTE's	2008	2009	2010	2011	Difference
1165 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	-
129 Admin Info Specialist	2.0	2.0	3.0	3.0	-
126 Information Tech	2.0	2.0	1.0	1.0	-
Division Total	7.0	7.0	7.0	7.0	-

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	344,499	373,763	481,800	476,400	(5,400)
Overtime	1,482	460	1,000	1,000	-
Other Wages	59,977	46,307	55,000	60,000	5,000
Total Salaries	405,958	420,530	537,800	537,400	(400)
Benefits	118,742	125,912	138,100	150,700	12,600
Other Expense					
Materials & Supplies	2,207	3,783	4,600	4,600	-
Services	4,643	37,539	12,000	22,000	10,000
Utilities & Maintenance	7,969	7,970	9,000	10,000	1,000
Other	5,260	16,186	4,900	4,900	-
Total Other Expense	20,079	65,478	30,500	41,500	11,000
Capital Outlay	-	-	-	-	-
Division Total	544,779	611,920	706,400	729,600	23,200

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
City Clerk - 110-121-1211				
PERSONAL SERVICES				
5100 Permanent Salaries	344,499	373,763	481,800	476,400
5101 Premium Pay	1,482	460	1,000	1,000
5103 Other Wages	59,977	46,307	55,000	60,000
TOTAL	405,958	420,530	537,800	537,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	20,514	23,282	32,200	32,800
5122 FICA - Social Security	21,070	22,682	33,300	33,300
5123 FICA - Medicare	4,928	5,305	7,800	7,800
5124 Medical Insurance	60,555	56,338	56,500	56,500
5125 Dental Insurance	2,073	2,304	2,700	2,700
5126 Life Insurance	898	936	1,300	1,300
5127 Health Care Savings Plan (HCSP)	8,704	15,065	4,300	16,300
TOTAL	118,742	125,912	138,100	150,700
OTHER EXPENDITURES				
5200 Office Supplies	2,025	3,422	2,100	2,100
5201 Computer Supplies/Software	-	-	500	500
5219 Other Miscellaneous Supplies	182	361	2,000	2,000
5331 Travel/Training	737	828	2,000	2,000
5355 Printing & Copying	3,906	36,711	10,000	20,000
5404 Equipment/Machinery Repair & Mtc	7,969	7,970	9,000	10,000
5412 Building Rental	1,000	940	1,000	1,000
5433 Dues & Subscription	295	330	400	400
5441 Other Services & Charges	3,965	14,916	3,500	3,500
TOTAL	20,079	65,478	30,500	41,500
DIVISION TOTAL	544,779	611,920	706,400	729,600

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
City Clerk - 110-121-1211				
REVENUE SOURCE				
4101 Liquor License	394,354	386,126	385,000	385,000
4102 Beer License	13,877	13,957	14,000	14,000
4105 Hotel License	6,572	6,232	6,500	6,500
4106 Garbage Collection	14,877	13,850	14,000	14,000
4107 Horse & Carriage	697	497	700	700
4108 Emergency Wrecker License	6,256	6,225	5,000	5,000
4109 Gas Station License	8,669	9,514	8,500	8,500
4111 Pawnbroker License	1,356	1,626	1,300	1,300
4112 Peddler's License	619	726	500	500
4113 Precious Metal Dealer	2,008	2,010	1,200	1,200
4114 Pet Shop License	516	234	500	500
4115 Dog & Cat Hospitals License	458	237	300	300
4116 Dog Kennels License	563	200	400	400
4117 Massage Parlor	5,268	6,983	5,000	5,000
4118 Cigarette License	14,125	13,875	15,000	15,000
4119 Motor Vehicle - Dealer	4,438	4,650	4,400	4,400
4119 Motor Vehicle - Rental	1,645	1,750	1,600	1,600
4120 Taxi Permit	5,022	9,257	5,300	5,300
4121 Coin Operating Device	9,924	4,034	9,000	9,000
4122 Pool & Bowling	2,058	2,160	2,000	2,000
4150 Pet License	20,433	24,537	18,000	18,000
4170 Misc. Permits & Licenses	4,214	5,315	55,700	700
4307 Planning/Zoning Fees	11,992	12,166	8,000	8,000
4470 License Penalties	11,719	9,225	8,000	8,000
4644 Miscellaneous Sales	39,897	85,821	10,000	45,000
4700 Other Sources		44		
DIVISION TOTAL	581,557	621,251	579,900	559,900

City of Duluth Minnesota - 2011 Budget

Maintenance Operations

Maintenance Operations Division consists of the following functions: Facilities Management and Architecture; Buildings and Grounds; Radio Shop; Traffic Maintenance; Street Maintenance; and Parks Maintenance. Other maintenance functions reporting to this division outside of the General Fund are Fleet Services, Parking, and Street Lighting.

Budgeted FTE's	2008	2009	2010	2011	Difference
1115 Mgr, Fleet Services	0.8	0.8	0.8	0.8	-
1080 St Mtce Supervisor	1.0	1.0	1.0	3.0	2.0
1080 City Forester	1.0	1.0	1.0	1.0	-
1115 City Architect	1.0	1.0	1.0	1.0	-
1135 Property Mgr/Bldg Mtce	2.0	2.0	-	-	-
1075 Spvsr FacOptn/Traf/Bldgs	1.0	1.0	2.0	4.0	2.0
33 Proj Arch/Fac Prjt Spec	1.0	-	-	1.0	1.0
32 Mtc Optns Leadwkr	4.0	5.0	5.0	1.0	(4.0)
30 Athletic Turf Coordntor	1.0	1.0	1.0	-	(1.0)
27 Heavy Equip Operator	25.0	23.0	32.0	27.0	(5.0)
27 Park Mtceworker	12.0	9.0	11.0	12.0	1.0
26 Traffic Mtceperson	4.0	4.0	4.0	3.0	(1.0)
22 Maintenanceworker	6.0	8.0	10.0	20.0	10.0
31 Master Plumber/Elect	2.0	2.0	2.0	2.0	-
29 Trades Positions	5.0	5.0	6.0	7.0	1.0
26 Building Mtceperson	3.0	2.0	3.0	3.0	-
33 Elec Tech Leadworker	-	1.0	1.0	1.0	-
31 Electronics Technician	-	1.0	1.0	1.0	-
25 Janitorial Supervisor	1.0	2.0	2.0	2.0	-
16 Mtce Worker Helper	-	-	8.0	-	(8.0)
133 Budget Analyst	-	-	0.8	0.8	-
121/122 Janitor I and II	5.0	7.0	9.0	6.0	(3.0)
7 Admin Sec Specialist	1.0	1.0	1.0	-	(1.0)
Division Total	78.0	77.8	102.6	96.6	(6.0)

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	3,986,488	4,961,241	5,051,600	4,968,100	(83,500)
Overtime	204,722	174,649	169,000	169,000	-
Other Wages	140,352	2,701	262,600	323,100	60,500
Total Salaries	4,331,562	5,138,591	5,483,200	5,460,200	(23,000)
Benefits	1,276,064	1,511,413	1,614,500	1,609,400	(5,100)
Other Expense					
Materials & Supplies	1,761,069	2,103,879	2,026,900	2,215,200	188,300
Services	362,207	315,042	425,000	411,000	(14,000)
Utilities & Maintenance	2,662,218	2,560,883	2,929,700	2,958,700	29,000
Other	830,674	792,025	849,300	871,100	21,800
Total Other Expense	5,616,168	5,771,829	6,230,900	6,456,000	225,100
Division Total	11,223,794	12,421,833	13,328,600	13,525,600	197,000

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Maintenance Operations - 110-121-1217				
PERSONAL SERVICES				
5100 Permanent Salaries	3,986,488	4,961,241	5,051,600	4,968,100
5101 Premium Pay	204,722	174,649	169,000	169,000
5103 Other Wages	140,352	2,701	262,600	323,100
TOTAL	4,331,562	5,138,591	5,483,200	5,460,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	249,929	306,144	341,400	348,700
5122 FICA - Social Security	261,572	311,553	340,000	338,500
5123 FICA - Medicare	61,202	72,821	79,500	79,300
5124 Medical Insurance	599,607	690,479	753,200	744,300
5125 Dental Insurance	27,803	35,661	38,500	37,100
5126 Life Insurance	11,833	14,314	17,600	17,400
5127 Health Care Savings Plan (HCSP)	64,118	80,441	44,300	44,100
TOTAL	1,276,064	1,511,413	1,614,500	1,609,400
OTHER EXPENDITURES				
5200 Office Supplies	7,003	5,770	8,100	8,100
5201 Computer Supplies/Software	3,010	7,720	3,400	8,500
5202 Audiovisual & Photography	274	1,794	700	400
5205 Safety & Training Materials	4,155	8,814	5,300	8,900
5210 Plant/Operating Supplies	5,861	5,612	5,500	5,500
5211 Cleaning/Janitorial Supplies	52,083	65,261	43,100	53,800
5212 Motor Fuels	328,542	251,113	313,800	277,000
5215 Shop Materials	-	-	25,000	25,000
5218 Uniforms	12,963	20,954	22,200	19,900
5219 Other Miscellaneous Supplies	28,315	51,141	27,800	43,900
5220 Repair & Maintenance Supplies	243,270	337,792	184,700	288,900
5222 Blacktop	276,502	316,293	382,800	288,100
5223 Salt & Sand	537,504	676,591	754,000	898,000
5224 Gravel & Other Mtce Materials	112,688	132,229	128,800	135,200
5225 Park/Landscape Materials	45,699	52,743	33,000	40,000
5226 Sign & Signal Materials	55,298	70,242	57,600	69,000
5228 Painting Supplies	14,459	20,405	12,800	14,900
5240 Small Tools	15,914	34,334	11,300	19,100
5241 Small Equip-Office/Operating	17,529	45,071	7,000	11,000
5305 Medical Svcs/Testing Fees	5,012	245	3,800	1,300
5310 Contract Services	100,826	37,337	69,500	90,000

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Maintenance Operations - 110-120-1217 continued				
5319 Other Professional Services	56,727	81,878	118,000	100,000
5320 Data Services	1,640	2,160	2,900	2,900
5321 Phone Service	146,085	143,519	155,000	155,100
5331 Travel/Training	2,888	5,802	8,800	9,900
5335 Local Mileage Reimbursement	48,197	41,867	62,800	47,800
5355 Printing & Copying	832	2,234	4,200	4,000
5381 Electricity	463,321	408,881	593,000	593,000
5382 Water, Gas & Sewer	727,112	565,208	867,700	742,700
5384 Refuse Disposal	68,223	74,753	72,000	73,500
5385 Oil	4,515	359	8,000	8,000
5386 Steam	142,753	153,359	170,000	170,000
5399 Skywalk Expenses	-	28,038	28,000	28,000
5401 Bldg/Structure Repair & Mtc	44,065	120,631	78,500	125,000
5403 Street Repair & Mtc	598	4,982	-	-
5404 Equipment/Machinery Repair & Mtc	27,202	24,567	22,500	23,500
5409 Fleet Services Charges	1,184,429	1,180,105	1,090,000	1,195,000
5411 Land Rental/Easements	2,410	1,967	1,600	1,600
5412 Building Rental	243,209	225,258	225,000	225,300
5415 Vehicle/Equip Rent (Short-term)	453,521	447,131	446,000	446,700
5418 Vehicle/Equip Lease (Long-term)	24,568	6,978	20,600	18,800
5419 Other Rentals	2,400	26,946	29,700	28,300
5433 Dues & Subscription	1,477	1,743	3,700	2,700
5435 Books & Pamphlets	-	484	500	500
5438 Licenses	355	1,041	900	10,900
5441 Other Services & Charges	60,878	60,412	27,900	42,900
5450 Laundry	9,519	4,197	3,400	3,400
5454 Contract Tree Services	32,337	15,868	30,000	30,000
5700 Interfund Transfers Out	-	-	60,000	60,000
TOTAL	5,616,168	5,771,829	6,230,900	6,456,000
DIVISION TOTAL	11,223,794	12,421,833	13,328,600	13,525,600

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Maintenance Operations - 110-121-1217				
REVENUE SOURCE				
4220 State of Minnesota		1,000		
4225 Ski Trails Grant	5,000		6,000	5,000
4226 Snowmobile Trails Grant	20,277	25,275	20,000	18,000
4240 Municipal State Aid - Maintenance	974,403	1,141,465	1,212,800	1,212,800
4260 St. Louis County	131,017	131,017	131,000	131,000
4324 Miscellaneous Services		1,526		
4620 Telecommunication Rental Fees	9,713	8,780	7,800	8,400
4622 Rent of Buildings	59,160	79,632	46,200	82,200
4623 Rent of Land	8,388	5,860	8,300	5,900
4627 Concessions & Commissions	10,071	10,962	9,000	9,000
4636 Sale of Scrap	23,196	1,864	1,500	1,500
4644 Miscellaneous Sales	1,391	1,234	2,700	2,700
4650 Salaries Reimbursement		68,176		
4654 Other Reimbursements	79,713	92,028	31,000	31,000
4680 Damages Recovered	4,228	3,119		
4730 Transfer from Tourism Tax	310,000	332,962	316,600	312,200
4730 Transfer from Special Assessment		13,752	20,000	20,000
4730 Transfer from Permanent Improvement	29,316	5,067	160,000	100,000
4730 Transfer from Public Utilities	951,819	864,250	990,600	990,600
DIVISION TOTAL	2,617,692	2,787,969	2,963,500	2,930,300

City of Duluth Minnesota - 2011 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	2008	2009	2010	2011	Difference
1105 Mgr, Library Services	1.0	1.0	1.0	1.0	-
136 Librarian III	5.8	5.8	5.0	5.0	-
133 Librarian II	6.0	5.0	4.0	4.0	-
128 Librarian I	12.0	10.0	11.0	11.0	-
128 Sr. Library Tech	6.0	6.0	6.0	6.0	-
124 Library Technician	20.5	18.5	16.5	15.5	(1.0)
119 Library Assistant II	1.0	1.0	-	1.0	1.0
25 Head Janitor	1.0	-	-	-	-
22 Library Custodian	1.0	-	-	-	-
121 Janitor I	2.0	-	-	-	-
121 Clerical Support Tech	1.0	-	-	-	-
Division Total	57.3	47.3	43.5	43.5	-

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	2,164,740	2,209,268	2,305,200	2,312,500	7,300
Overtime	7,673	2,918	3,000	3,000	-
Other Wages	51,197	-	63,000	63,000	-
Total Salaries	2,223,610	2,212,186	2,371,200	2,378,500	7,300
Benefits	651,593	622,844	667,600	672,500	4,900
Other Expense					
Materials & Supplies	41,599	41,648	47,500	38,000	(9,500)
Services	36,231	38,229	33,000	23,500	(9,500)
Utilities & Maintenance	41,938	52,640	50,200	47,000	(3,200)
Other	168,602	175,592	192,300	193,300	1,000
Total Other Expense	288,370	308,109	323,000	301,800	(21,200)
Capital Outlay	356,044	359,019	264,500	264,500	-
Division Total	3,519,617	3,502,158	3,626,300	3,617,300	(9,000)

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Library Services - 110-121-1218				
PERSONAL SERVICES				
5100 Permanent Salaries	2,164,740	2,209,268	2,305,200	2,312,500
5101 Premium Pay	7,673	2,918	3,000	3,000
5103 Other Wages	51,197	-	63,000	63,000
TOTAL	2,223,610	2,212,186	2,371,200	2,378,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	130,396	138,172	150,700	156,700
5122 FICA - Social Security	135,642	134,875	147,000	147,500
5123 FICA - Medicare	31,723	31,543	34,400	34,500
5124 Medical Insurance	306,295	276,985	289,700	289,700
5125 Dental Insurance	15,736	15,746	17,300	16,500
5126 Life Insurance	6,903	6,572	8,100	7,800
5127 Health Care Savings Plan (HCSP)	24,898	18,951	20,400	19,800
TOTAL	651,593	622,844	667,600	672,500
OTHER EXPENDITURES				
5200 Office Supplies	12,348	10,193	11,000	10,000
5201 Computer Supplies/Software	1,045	1,588	4,000	1,000
5211 Cleaning/Janitorial Supplies	3,538	4,086	5,000	5,000
5212 Motor Fuels	1,889	1,039	1,500	1,500
5219 Other Miscellaneous Supplies	20,516	19,249	19,000	17,500
5220 Repair & Maintenance Supplies	766	1,484	1,000	1,000
5241 Small Equip-Office/Operating	1,497	4,009	6,000	2,000
5319 Other Professional Services	2,014	9,272	3,000	2,000
5321 Phone Service	11,271	11,384	11,000	11,000
5322 Postage	10,031	5,205	8,000	6,000
5355 Printing & Copying	9,907	9,535	8,000	1,500
5384 Refuse Disposal	3,008	2,833	3,000	3,000
5404 Equipment/Machinery Repair & Mtc	38,585	49,285	47,200	46,000
5409 Fleet Services Charges	3,353	3,355	3,000	1,000
5412 Building Rental	127,473	136,560	140,000	135,000
5413 Library Materials/Svcs Rental	36,972	34,557	40,000	49,100
5418 Vehicle/Equip Lease (Long-term)	-	-	6,000	5,500
5433 Dues & Subscription	-	210	200	200
5441 Other Services & Charges	4,157	4,265	6,100	3,500
TOTAL	288,370	308,109	323,000	301,800
CAPITAL OUTLAY				
5590 Library Materials	356,044	359,019	264,500	264,500
TOTAL	356,044	359,019	264,500	264,500
DIVISION TOTAL	(1,372,340)	3,502,158	3,626,300	3,617,300

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Library Services - 110-121-1218				
REVENUE SOURCE				
4261 ISD 709		1,000	1,000	
4270 Other Grants		2,055		47,000
4471 Library Fines	79,634	89,430	115,000	110,000
4622 Rent of Buildings	2,014	1,680	3,500	2,500
4631 Media Sales	11,571	10,399	15,200	15,200
4644 Miscellaneous Sales	3,457	4,955	7,500	7,500
4654 Other Reimbursements	46,961	44,161		
4660 Gifts and Donations	6,959	2,262		
DIVISION TOTAL	150,596	155,942	142,200	182,200

City of Duluth Minnesota - 2011 Budget

Parks and Recreation Services

Recreation and Senior Services provides year round recreational and social opportunities. Recreation and Senior Services changed dramatically in 2008. Most noticeably to the public were changes in the delivery of senior services, in particular senior dining. The operation was contracted out with the city no longer involved in this activity. Also, recreation programs were either contracted out, or provided by different agencies including volunteer groups. It is anticipated in the coming years, the City will redefine recreation services provided to the community.

Budgeted FTE's	2008	2009	2010	2011	Difference
1130 Mgr, Parks and Rec	1.0	1.0	1.0	1.0	-
1075 Associate Dir, Rec.	1.0	-	-	-	-
1075 Mgr, Golf Division	1.0	1.0	1.0	1.0	-
135 Public Info Coor	1.0	1.0	1.0	1.0	-
129 Special Events Coor.	1.5	1.0	1.0	1.5	0.5
124 Sr. Center Coor	2.5	-	1.5	1.0	(0.5)
26 Recreation Specialist	6.0	1.0	1.0	1.0	-
14 Van Driver	0.6	-	-	-	-
129 Admin Info Specialist	1.0	1.0	1.0	1.0	-
121 Clerical Technician	2.0	-	-	-	-
Division Total	17.6	6.0	7.5	7.5	-

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	651,935	624,784	467,200	464,600	(2,600)
Overtime	3,115	2,651	700	-	(700)
Other Wages	246,745	13,695	-	-	-
Total Salaries	901,795	641,130	467,900	464,600	(3,300)
Benefits	225,691	198,883	132,000	132,300	300
Other Expense					
Materials & Supplies	30,225	9,385	33,300	15,500	(17,800)
Services	60,109	54,658	69,500	57,300	(12,200)
Utilities & Maintenance	13,129	4,965	9,000	5,000	(4,000)
Other	12,255	9,016	99,800	90,800	(9,000)
Total Other Expense	115,718	78,024	211,600	168,600	(43,000)
Division Total	1,243,204	918,037	811,500	765,500	(46,000)

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Parks and Recreation - 110-121-1219				
PERSONAL SERVICES				
5100 Permanent Salaries	651,935	624,784	467,200	464,600
5101 Premium Pay	3,115	2,651	700	-
5103 Other Wages	246,745	13,695	-	-
TOTAL	901,795	641,130	467,900	464,600
EMPLOYEE BENEFITS				
5121 PERA Retirement	38,941	38,843	30,800	31,700
5122 FICA - Social Security	54,694	38,463	29,000	28,800
5123 FICA - Medicare	12,791	8,996	6,800	6,700
5124 Medical Insurance	101,642	88,546	56,700	56,700
5125 Dental Insurance	4,446	4,265	3,100	2,900
5126 Life Insurance	1,993	1,733	1,400	1,400
5127 Health Care Savings Plan (HCSP)	11,184	18,037	4,200	4,100
TOTAL	225,691	198,883	132,000	132,300
OTHER EXPENDITURES				
5200 Office Supplies	3,717	870	2,000	1,200
5202 Audiovisual & Photography	-	-	100	100
5211 Cleaning/Janitorial Supplies	10,531	5,253	8,000	2,500
5212 Motor Fuels	4,954	53	1,200	200
5218 Uniforms	1,457	-	1,000	500
5219 Other Miscellaneous Supplies	8,721	3,209	20,000	10,000
5241 Small Equip-Office/Operating	845	-	1,000	1,000
5319 Other Professional Services	22,984	24,938	30,000	20,000
5320 Data Services	1,012	568	-	300
5321 Phone Service	2,622	2,459	2,500	2,500
5331 Travel/Training	425	254	1,000	1,000
5335 Local Mileage Reimbursement	4,935	3,346	6,000	3,500
5355 Printing & Copying	493	261	5,000	5,000
5384 Refuse Disposal	27,638	22,832	25,000	25,000
5404 Equipment/Machinery Repair & Mtc	950	1,182	4,000	3,000
5409 Fleet Services Charges	12,179	3,783	5,000	2,000
5418 Vehicle/Equip Lease (Long-term)	916	1,439	-	-
5419 Other Rentals	4,908	1,947	5,000	5,000
5433 Dues & Subscription	614	2,231	4,000	5,000
5441 Other Services & Charges	5,454	2,888	90,000	80,000
5443 Board & Meeting Expenses	363	511	800	800
TOTAL	115,718	78,024	211,600	168,600
DIVISION TOTAL	1,243,204	918,037	811,500	765,500

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Parks & Recreation - 110-121-1219				
REVENUE SOURCE				
4170 Misc. Permits & Licenses	34,600	28,403	30,000	30,000
4622 Rent of Buildings	20,026	18,568	15,000	13,000
4626 Indian Point Campground	35,090	33,121	35,000	30,000
4627 Concessions & Commissions	2,183	1,565	1,800	1,200
4644 Miscellaneous Sales	10,430	116	10,000	500
4654 Other Reimbursements	2,415	8,378		1,000
4730 Transfer from Special Revenue		9,816		
DIVISION TOTAL	104,744	99,967	91,800	75,700

City of Duluth Minnesota - 2011 Budget

Lake Superior Zoological Gardens - Zoo

The operations for the Lake Superior Zoo were transferred to the Lake Superior Zoological Society in a new contractual relationship proposed by the City Council late in 2008. The City will subsidize operations through a transfer from Tourism Taxes.

Budgeted FTE's	2008	2009
1075 Zoo Director	1.0	-
1075 Zoo Vet/Curator	-	-
25 Zookeeper II	2.0	-
23 Zookeeper I	7.0	-
Division Total	10.0	-

Expenditures	2008 Actual	2009 Actual
Personal Services		
Permanent Salaries	481,875	-
Overtime	19,787	-
Other Wages	43,946	-
Total Salaries	545,608	-
Benefits	173,705	-
Other Expense		
Materials & Supplies	149,293	-
Services	237,414	52,202
Utilities & Maintenance	15,424	-
Other	17,869	-
Total Other Expense	420,000	52,202
Division Total	1,139,313	52,202

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Parks and Recreation - 110-121-1219 - Zoo Division				
PERSONAL SERVICES				
5100 Permanent Salaries	481,875			
5101 Premium Pay	19,787			
5103 Other Wages	43,946			
TOTAL	545,608			
EMPLOYEE BENEFITS				
5121 PERA Retirement	30,370			
5122 FICA - Social Security	32,560			
5123 FICA - Medicare	7,615			
5124 Medical Insurance	93,248			
5125 Dental Insurance	3,958			
5126 Life Insurance	1,715			
5127 Health Care Savings Plan (HCSP)	4,239			
TOTAL	173,705			
OTHER EXPENDITURES				
5200 Office Supplies	984			
5205 Safety & Training Materials	1,007			
5210 Plant/Operating Supplies	10,865			
5211 Cleaning/Janitorial Supplies	10,668			
5212 Motor Fuels	3,573			
5214 Food for Animals	82,282			
5218 Uniforms	571			
5219 Other Miscellaneous Supplies	25,635			
5220 Repair & Maintenance Supplies	1,708			
5229 Ground Mtc Supplies	3,184			
5241 Small Equip-Office/Operating	8,816			
5305 Medical Svcs/Testing Fees	11,385			
5310 Contract Services	42,667			
5319 Other Professional Services	155,404			
5321 Phone Service	3,817			
5331 Travel/Training	1,308			
5335 Local Mileage Reimbursement	944			
5384 Refuse Disposal	21,889			
5404 Equipment/Machinery Repair & Mtc	3,902			
5409 Fleet Services Charges	11,522			
5419 Other Rentals	5,255			
5433 Dues & Subscription	1,901			
5441 Other Services & Charges	10,713	52,202		
TOTAL	420,000	52,202		
DIVISION TOTAL	1,139,313	52,202		

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Parks & Recreation - 110-121-1219 Zoo Division				
REVENUE SOURCE				
4220 State of Minnesota	135,000			
4410 Zoo Admissions - Adult	362,516	5,935		
4410 Zoo Admissions - Child	61,752			
4410 Zoo Admissions - Group	40,755			
4410 Zoo Admissions - Special Events				
4627 Concessions & Commissions	7,960			
4700 Other Sources	265			
4730 Transfer from Tourism Taxes	265,000			
DIVISION TOTAL	873,248	5,935		

Finance Department

Budget
City Assessor
City Auditor
Purchasing
City Treasurer

City of Duluth Minnesota - 2011 Budget

Finance Department

Mission and Vision

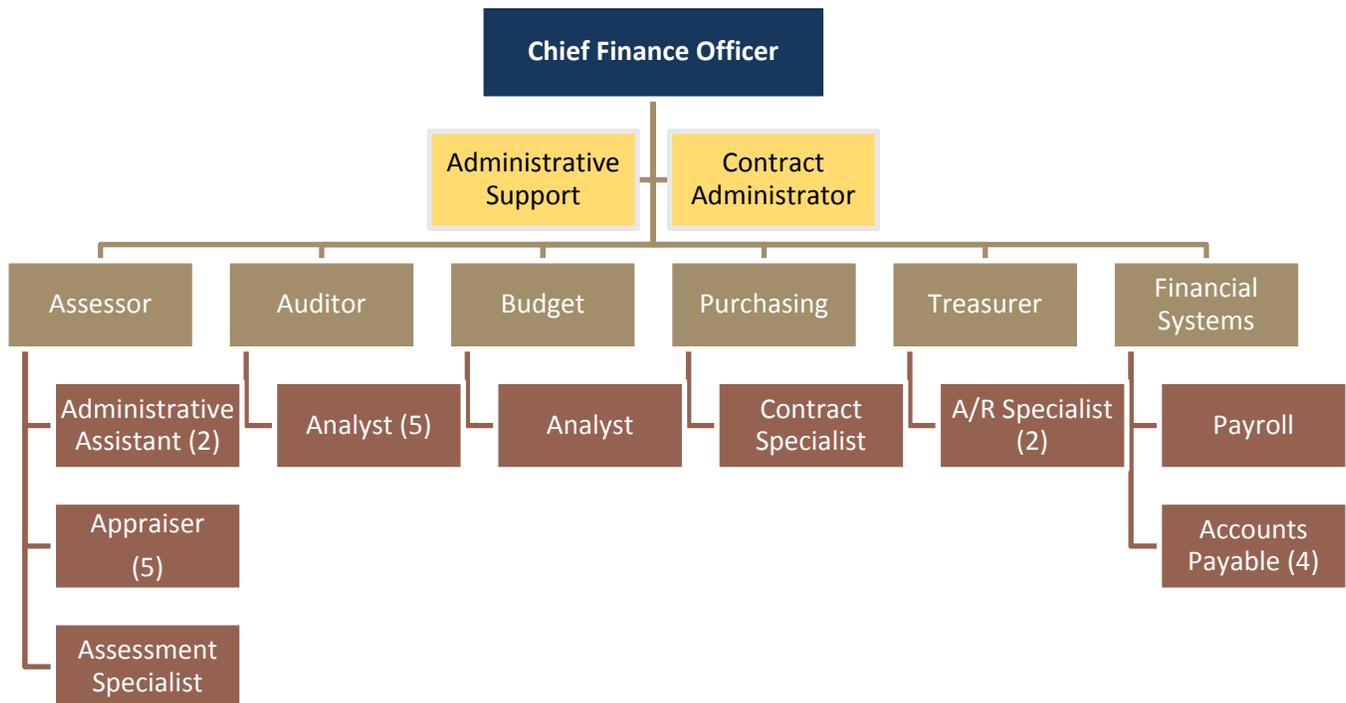
It is the Finance Department's mission to support the City of Duluth's citizens, elected officials and employees by professionally fulfilling its duties of reporting, accounting, buying, billing, assessing, safeguarding and disseminating City financial assets and information in a cost effective manner.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

Six functions within five 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 - 2011 Budget

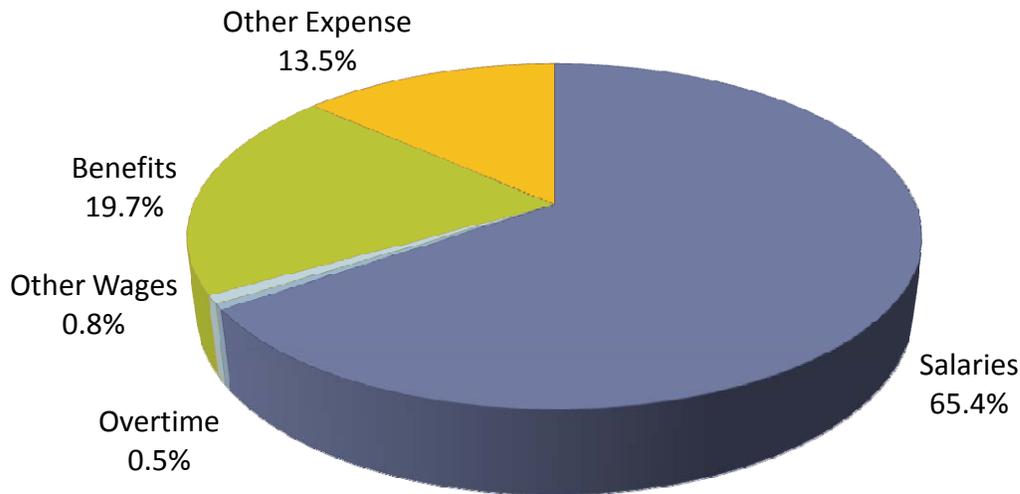
2011 Goals and Objectives

Goal	Objective	Tactics	Measurement
Goal # 1			
Move all City accounts receivable functions under Finance.	<ol style="list-style-type: none"> 1. Professionally manage and maintain customer accounts. 2. Ensure accounting knowledge and expertise is applied to decisions and procedures. 	<ol style="list-style-type: none"> 1. Analyze current structure. 2. Evaluate management capabilities. 3. Draft plan to merge all A/R functions. 4. Training & orientation of affected staff. 5. Go live. 	Whether or not all accounts receivables are under Finance.
Goal # 2			
Transform the financial reporting system into a more robust tool.	<ol style="list-style-type: none"> 1. Create project/priority based budgets and reports. 2. Create dashboard reports for many of our stakeholders. 3. Retrieve data without manual intervention. 	<ol style="list-style-type: none"> 1. Work with Finance staff to define the problem & the goal. 2. Recruit I/T to help scope the project. 3. Change chart of accounts and NewWorld account flex field. 4. Communicate change to user community. 5. Create dashboard reports. 6. Budget by priority. 	<p>Does the system track and produce the information needed?</p> <p>Can we easily retrieve and analyze information?</p> <p>Have dashboard reports been deployed?</p> <p>Are we budgeting by priority?</p>
Goal # 3			
Create 5-year Financial Plan	To provide a look into the City's financial future to ensure adequate funding and resources for City operations and its financial health.	<ol style="list-style-type: none"> 1. Determine scope. 2. Determine priorities. 3. Make assumptions. 4. Create model. 5. Run the scenarios. 6. Close the gap. 	Completion of 5-year plan.
Goal # 4			
Reduce debt by implementing more pay as you go programs	To reduce interest burden and instill a discipline to capital purchases.	<ol style="list-style-type: none"> 1. Determine funding needs. 2. Find funding sources. 3. Build phase-in schedule. 4. Implement. 	PAGO programs are implemented
Goal # 5			
Create one place for customers to go for payments of all items.	To make it easy for our customers to make any kind of purchase or payment; to create a controlled environment to collect receipts; and to gain efficiencies throughout the organization.	<ol style="list-style-type: none"> 1. Survey the organization to determine where receipts are collected. 2. Create a matrix of items purchased, systems used, payment types, and volume of customers. 3. Determine staff level needed. 4. Find, design & create an office space to work from. 5. Establish policies, train staff, and equip office. 	We go live.

City of Duluth Minnesota - 2011 Budget

Finance Department

2011 Approved Budget by Expense Category



Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Permanent Salaries	2,024,812	2,001,829	2,036,400	2,122,800	86,400
Overtime	6,130	23,491	9,700	17,500	7,800
Other Wages	2,931	-	-	26,500	26,500
Total Personal Services	2,033,873	2,025,320	2,046,100	2,166,800	120,700
Benefits	581,918	588,969	571,000	640,200	69,200
Other Expense	262,703	281,216	398,900	437,900	39,000
Capital Outlay	-	-	-	-	-
Department Total	2,878,494	2,895,505	3,016,000	3,244,900	228,900

Expenditures by Division	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Budget Office	371,501	180,306	334,000	441,800	107,800
Assessor's Office	764,706	760,163	858,200	819,400	(38,800)
Auditor's Office	1,239,049	1,340,321	1,241,600	1,342,300	100,700
Purchasing	170,477	218,461	183,200	226,700	43,500
Treasurer's Office	332,761	396,254	399,000	414,700	15,700
Department Total	2,878,494	2,895,505	3,016,000	3,244,900	228,900

Budgeted FTE's	2008	2009	2010	2011	Difference
	34	32	31	32	1

City of Duluth Minnesota - 2011 Budget

Budget Office

The division through the Chief Financial Officer provides direction to the department and the city in all financial matters. For 2011, a contract administrator position is proposed for the purpose of managing contracts.

The division provides budget and operations analysis as requested by the Administration for all city departments and performs the staff function relative to budget planning, development, forecasting and maintenance.

Budgeted FTE's	2008	2009	2010	2011	Difference
1150 Chief Financial Officer	-	-	1.0	1.0	-
1140 Director, Finance	1.0	1.0	-	-	-
1105 Manager, Fiscal Analysis	1.0	1.0	1.0	1.0	-
136 Financial Analyst	1.0	1.0	1.0	1.0	-
135 Contract Administrator	-	-	-	1.0	1.0
Division Total	3.0	3.0	3.0	4.0	1.0

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	286,711	133,016	264,800	324,200	59,400
Overtime	306	-	-	-	-
Other Wages	-	-	-	17,500	17,500
Total Salaries	287,017	133,016	264,800	341,700	76,900
Benefits	76,575	43,202	65,100	94,000	28,900
Other Expense					
Materials & Supplies	3,596	747	2,000	2,000	-
Services	4,313	3,341	2,100	4,100	2,000
Utilities & Maintenance	-	-	-	-	-
Other	-	-	-	-	-
Total Other Expense	7,909	4,088	4,100	6,100	2,000
Division Total	371,501	180,306	334,000	441,800	107,800

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Budget Office - 110-125-1212				
PERSONAL SERVICES				
5100 Permanent Salaries	286,711	133,016	264,800	324,200
5101 Premium Pay	306	-	-	-
5103 Other Wages	-	-	-	17,500
TOTAL	287,017	133,016	264,800	341,700
EMPLOYEE BENEFITS				
5121 PERA Retirement	17,406	10,374	18,100	22,600
5122 FICA - Social Security	17,346	8,308	16,400	21,200
5123 FICA - Medicare	4,118	1,943	3,800	5,000
5124 Medical Insurance	26,341	16,813	22,600	40,000
5125 Dental Insurance	1,152	768	1,200	1,500
5126 Life Insurance	499	312	500	700
5127 Health Care Savings Plan (HCSP)	9,713	4,684	2,500	3,000
TOTAL	76,575	43,202	65,100	94,000
OTHER EXPENDITURES				
5200 Office Supplies	2,616	747	1,500	1,500
5201 Computer Supplies/Software	980	-	500	500
5321 Phone Service Cellular Phone	496	-	-	-
5331 Travel/Training	305	1,905	-	2,000
5355 Printing & Copying	895	244	600	600
5433 Dues & Subscription	1,264	427	300	500
5434 Grants & Awards	1,000	635	700	600
5435 Books & Pamphlets	266	70	300	200
5441 Other Services & Charges	87	60	200	200
TOTAL	7,909	4,088	4,100	6,100
DIVISION TOTAL	371,501	180,306	334,000	441,800

City of Duluth Minnesota - 2011 Budget

City Assessor's Office

City Assessor's Office is responsible for valuing and reclassifying all real estate and personal property in the City of Duluth for the purpose of the property tax and in accordance with Minnesota State Statutes. All taxpayers are notified annually of the value and class assessed to their taxable parcels. The division also must explain and defend property valuations and classifications at the local and county boards of review and in tax court. Assessments for street improvements, sidewalks, utilities and solid waste are processed by staff. Tax analysis and projections are prepared for city departments.

Budgeted FTE's	2008	2009	2010	2011	Difference
1135 City Assessor	1.0	1.0	1.0	1.0	-
129 Assessment Sys Analyst	1.0	1.0	1.0	1.0	-
134 Appraiser Specialist	6.0	5.0	6.0	5.0	(1.0)
131 Office Coordinator	1.0	1.0	1.0	1.0	-
126 Information Technician	1.0	1.0	1.0	1.0	-
Division Total	10.0	9.0	10.0	9.0	(1.0)

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	570,534	567,872	605,300	561,300	(44,000)
Overtime	833	1,858	6,500	6,500	-
Other Wages	-	-	-	-	-
Total Salaries	571,367	569,730	611,800	567,800	(44,000)
Benefits	170,888	169,629	171,000	166,100	(4,900)
Other Expense					
Materials & Supplies	2,605	1,914	8,100	8,100	-
Services	15,642	9,881	18,000	18,000	-
Utilities & Maintenance	1,013	432	5,000	9,000	4,000
Other	3,191	8,577	44,300	50,400	6,100
Total Other Expense	22,451	20,804	75,400	85,500	10,100
Division Total	764,706	760,163	858,200	819,400	(38,800)

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
City Assessor's Office - 110-125-1213				
PERSONAL SERVICES				
5100 Permanent Salaries	570,534	567,872	605,300	561,300
5101 Premium Pay	833	1,858	6,500	6,500
5103 Other Wages	-	-	-	-
TOTAL	571,367	569,730	611,800	567,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	34,558	35,760	40,500	39,100
5122 FICA - Social Security	33,850	34,182	37,900	35,200
5123 FICA - Medicare	7,917	7,994	8,900	8,200
5124 Medical Insurance	82,436	67,671	72,600	73,400
5125 Dental Insurance	3,420	3,456	3,800	3,500
5126 Life Insurance	1,482	1,404	1,800	1,600
5127 Health Care Savings Plan (HCSP)	7,225	19,162	5,500	5,100
TOTAL	170,888	169,629	171,000	166,100
OTHER EXPENDITURES				
5200 Office Supplies	1,574	1,539	2,500	2,500
5201 Computer Supplies/Software	0	75	700	700
5202 Audiovisual & Photography	301	0	700	700
5212 Motor Fuels	730	300	4,200	4,200
5331 Travel/Training	3,282	4,228	8,400	8,400
5335 Local Mileage Reimbursement	4,096	5,080	2,000	2,000
5355 Printing & Copying	8,264	573	7,600	7,600
5404 Equipment/Machinery Repair & Mtc	48	-	-	-
5409 Fleet Services Charges	965	432	5,000	9,000
5418 Vehicle/Equip Lease (Long-term)	-	5,346	2,000	8,000
5419 Other Rentals	-	-	200	200
5433 Dues & Subscription	2,692	3,081	4,200	4,200
5435 Books & Pamphlets	-	-	200	200
5438 Licenses	485	140	700	800
5441 Other Services & Charges	14	10	37,000	37,000
TOTAL	22,451	20,804	75,400	85,500
DIVISION TOTAL	764,706	760,163	858,200	819,400

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
City Assessor's Office - 110-125-1213				
REVENUE SOURCE				
4310 Assessment Cost Services		17,175		
4312 Abatement Processing Fees	7,363	4,100	6,000	6,000
4324 Miscellaneous Services	5,865	3,734	1,000	1,000
4631 Media Sales	2,698	1,651	2,500	2,500
DIVISION TOTAL	15,926	26,660	9,500	9,500

City of Duluth Minnesota - 2011 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, processing vendor payments, 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	2008	2009	2010	2011	Difference
1115 City Auditor	1.0	1.0	1.0	1.0	-
1115 Internal Auditor	-	1.0	-	-	-
1085 Assistant City Auditor	-	1.0	-	1.0	1.0
10 Payroll Coordinator	1.0	1.0	1.0	1.0	-
136 Financial Analyst	5.0	5.0	5.0	4.0	(1.0)
129 Financial Specialist	6.0	5.0	4.0	4.0	-
129 Admin Info Specialist	1.0	1.0	1.0	2.0	1.0
Division Total	14.0	15.0	12.0	13.0	1.0

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	816,516	878,243	773,100	817,100	44,000
Overtime	4,702	21,622	3,200	11,000	7,800
Other Wages	-	-	-	-	-
Total Salaries	821,218	899,865	776,300	828,100	51,800
Benefits	225,396	242,211	220,900	242,400	21,500
Other Expense					
Materials & Supplies	6,290	9,275	8,500	9,500	1,000
Services	177,937	179,476	226,500	253,400	26,900
Utilities & Maintenance	6,902	5,954	6,900	6,900	-
Other	1,306	3,540	2,500	2,000	(500)
Total Other Expense	192,435	198,245	244,400	271,800	27,400
Division Total	1,239,049	1,340,321	1,241,600	1,342,300	100,700

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail		2008	2009	2010	2011
City Auditor's Office - 110-125-1214		Actual	Actual	Budget	Approved
PERSONAL SERVICES					
5100	Permanent Salaries	816,516	878,243	773,100	817,100
5101	Premium Pay	4,702	21,622	3,200	11,000
5103	Other Wages	-	-	-	-
	TOTAL	821,218	899,865	776,300	828,100
EMPLOYEE BENEFITS					
5121	PERA Retirement	49,952	53,272	51,600	57,000
5122	FICA - Social Security	49,706	53,662	48,100	51,300
5123	FICA - Medicare	11,625	12,601	11,300	12,000
5124	Medical Insurance	98,329	98,170	96,100	107,300
5125	Dental Insurance	4,619	4,896	4,600	5,000
5126	Life Insurance	2,001	1,989	2,200	2,300
5127	Health Care Savings Plan (HCSP)	9,164	17,621	7,000	7,500
	TOTAL	225,396	242,211	220,900	242,400
OTHER EXPENDITURES					
5200	Office Supplies	4,903	6,705	5,500	7,000
5203	Paper/Stationery/Forms	1,387	2,570	3,000	2,500
5301	Auditing Services	111,201	101,368	135,000	135,000
5309	MIS Services	60,480	67,056	75,000	104,900
5331	Travel/Training	5,121	9,990	15,000	12,000
5355	Printing & Copying	1,135	1,062	1,500	1,500
5404	Equipment/Machinery Repair & Mtc	430	250	300	300
5418	Vehicle/Equip Lease (Long-term)	6,472	5,704	6,600	6,600
5433	Dues & Subscription	900	938	1,000	1,000
5435	Books & Pamphlets	0	39	500	500
5441	Other Services & Charges	406	2,563	1,000	500
	TOTAL	192,435	198,245	244,400	271,800
DIVISION TOTAL		1,239,049	1,340,321	1,241,600	1,342,300

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail		2008	2009	2010	2011
		Actual	Actual	Budget	Approved
City Auditor's Office - 110-125-1214					
REVENUE SOURCE					
4005	Current Property Tax	4,704,663	5,959,795	11,115,100	11,319,800
4010	Delinquent Property Tax	101,206	133,401	150,000	150,000
4015	Mobile Home Tax	32,779	39,089	33,600	59,600
4070	MN Power Franchise Fee	1,100,000	1,100,000	1,100,000	1,100,000
4071	Cable Franchise Fee	739,797	779,942	774,000	791,400
4072	No. MN Utility Franchise Fee	11,609	9,854	10,600	9,900
4080	Forfeit Tax Sale	125,446	53,299	46,000	15,100
4090	Other Taxes	3,126	566,196		
4221	Local Government Aid	27,324,960	29,200,998	27,981,000	29,397,200
4222	State Property Tax Aid	406,718	476,720		
4230	PERA Aid	124,428	124,428	124,400	124,400
4300	HRA in Lieu of Taxes	32,479	35,400	32,300	43,100
4300	Ordean Foundation	16,086	16,086	16,000	16,000
4310	Assessment Cost Services	6,303	13,448	11,300	11,300
4315	Stormwater Admin Service	165,100	170,000	170,000	170,000
4315	Sewer Admin Service	321,100	330,700	330,700	330,700
4315	Steam Admin Service	48,100	49,500	49,500	49,500
4315	DECC Admin Service	24,300	25,000	25,000	25,000
4315	DTA Admin Service	10,000	10,300	10,300	10,300
4315	Grant Admin Services	71,029	83,071	46,300	46,300
4315	Airport Admin Service	45,200	45,200	32,400	32,400
4315	DEDA Admin Service	446,700	365,000	365,000	365,000
4315	Public Utility Admin Service	900,700	927,700	927,700	927,700
4315	Fleet Admin Service	105,100	108,200	108,200	108,200
4315	Golf Admin Service	64,900	66,800	66,800	66,800
4315	Group Health Admin Service	163,200	250,000	405,000	250,000
4315	Self Insurance Admin Service	275,000	283,200	283,200	283,200
4315	Spirit Mt. Admin Service	36,600	37,700	37,700	37,700
4315	Parking Admin Service	22,600	23,300	23,300	23,300
4472	Administrative Fines	550,327	1,168,883	1,740,000	1,167,500
4473	Court Fines	395,772	425,378	400,000	451,200
4500	Assessments	69,007	80,176	68,900	68,900
4501	Assessments - Penalty & Interest	30,275	35,440	30,300	30,300
4700	Other Sources	7,614	1,652	500	500
4730	Transfer from Fleet Fund	240,000			
4730	Transfer from CIT Fund	390,352	600,000	15,000	15,000
4730	Transfer from Parking Fund	1,268,941	1,178,838	1,382,500	1,452,200
4731	Gas Utility in Lieu of Taxes	3,314,101	4,091,122	3,490,600	3,493,400
4732	Steam Utility in Lieu of Taxes	108,000	117,000	121,000	121,000
4998	Prior Year Revenue	259,076	66,067		
DIVISION TOTAL		44,062,694	49,048,883	51,524,200	52,563,900

City of Duluth Minnesota - 2011 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	2008	2009	2010	2011	Difference
1100 Purchasing Agent	1.0	1.0	1.0	1.0	-
133 Senior Buyer	1.0	-	-	-	-
129 Bid & Contract Assistant	1.0	1.0	1.0	1.0	-
Division Total	3.0	2.0	2.0	2.0	-

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	111,165	151,103	115,200	153,300	38,100
Overtime	236	11	-	-	-
Other Wages	4,038	-	-	9,000	9,000
Total Salaries	115,439	151,114	115,200	162,300	47,100
Benefits	38,719	60,710	52,900	53,900	1,000
Other Expense					
Materials & Supplies	1,932	1,123	1,900	2,300	400
Services	926	993	2,100	2,200	100
Utilities & Maintenance	4,864	3,812	4,500	4,500	-
Other	1,023	709	1,500	1,500	-
Total Other Expense	8,745	6,637	10,000	10,500	500
Division Total	162,903	218,461	178,100	226,700	48,600

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail		2008 Actual	2009 Actual	2010 Budget	2011 Approved
City Purchasing Office - 110-125-1215					
PERSONAL SERVICES					
5100	Permanent Salaries	112,186	151,103	128,800	153,300
5101	Premium Pay	289	11	-	-
5103	Other Wages	2,931	-	-	9,000
	TOTAL	115,406	151,114	128,800	162,300
EMPLOYEE BENEFITS					
5121	PERA Retirement	7,215	9,650	8,600	10,600
5122	FICA - Social Security	6,674	8,961	8,000	10,100
5123	FICA - Medicare	1,561	2,096	1,900	2,300
5124	Medical Insurance	25,354	25,243	22,500	28,200
5125	Dental Insurance	738	959	800	900
5126	Life Insurance	320	390	400	400
5127	Health Care Savings Plan (HCSP)	1,097	13,411	1,200	1,400
	TOTAL	42,959	60,710	43,400	53,900
OTHER EXPENDITURES					
5200	Office Supplies	2,215	1,123	1,800	2,000
5201	Computer Supplies/Software	-	-	100	300
5219	Other Miscellaneous Supplies	35	-	-	-
5331	Travel/Training	-	833	1,900	1,000
5340	Advertising & Promotion	-	-	700	700
5355	Printing & Copying	-	160	500	500
5404	Equipment/Machinery Repair & Mtc	2,795	-	4,500	-
5418	Vehicle/Equip Lease (Long-term)	1,513	3,812	-	4,500
5433	Dues & Subscription	398	406	1,000	1,000
5441	Other Services & Charges	793	303	500	500
	TOTAL	7,749	6,637	11,000	10,500
CAPITAL OUTLAY					
	Capital Equipment	4,363	-	-	-
	TOTAL	4,363	-	-	-
DIVISION TOTAL		170,477	218,461	183,200	226,700

City of Duluth Minnesota - 2011 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, calculates and files required State and Federal taxes and manages other tax collection records. The Treasury is also the public source for recording and reporting per parcel assessment debt.

Budgeted FTE's	2008	2009	2010	2011	Difference
1100 City Treasurer	1.0	1.0	1.0	1.0	-
1085 Asst City Treasurer	1.0	1.0	1.0	1.0	-
136 Financial Analyst					
129 Admin Financial Spec.	2.0	2.0	2.0	2.0	-
126 Finance Technician					
Division Total	4.0	4.0	4.0	4.0	-

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	238,865	271,595	264,400	266,900	2,500
Overtime	-	-	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	238,865	271,595	264,400	266,900	2,500
Benefits	66,100	73,217	70,600	83,800	13,200
Other Expense					
Materials & Supplies	3,060	958	1,500	1,500	-
Services	19,995	50,330	61,000	61,000	-
Utilities & Maintenance	-	-	500	500	-
Other	4,741	154	1,000	1,000	-
Total Other Expense	27,796	51,442	64,000	64,000	-
Division Total	332,761	396,254	399,000	414,700	15,700

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
City Treasurer's Office - 110-125-1216				
PERSONAL SERVICES				
5100 Permanent Salaries	238,865	271,595	264,400	266,900
5101 Premium Pay	-	-	-	-
5103 Other Wages	-	-	-	-
TOTAL	238,865	271,595	264,400	266,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	14,298	16,742	17,500	18,400
5122 FICA - Social Security	14,472	16,458	16,400	16,500
5123 FICA - Medicare	3,385	3,849	3,800	3,900
5124 Medical Insurance	26,824	28,337	28,300	28,400
5125 Dental Insurance	1,320	1,536	1,500	1,500
5126 Life Insurance	572	624	700	700
5127 Health Care Savings Plan (HCSP)	5,229	5,671	2,400	14,400
TOTAL	66,100	73,217	70,600	83,800
OTHER EXPENDITURES				
5200 Office Supplies	3,060	958	1,500	1,500
5319 Other Professional Services	4,794	-	-	-
5331 Travel/Training	-	-	2,000	2,000
5355 Printing & Copying	978	4,334	4,000	4,000
5404 Equipment/Machinery Repair & Mtc	-	-	500	500
5430 Bank Charges	14,223	45,996	55,000	55,000
5433 Dues & Subscription	663	104	500	500
5441 Other Services & Charges	173	50	500	500
TOTAL	23,891	51,442	64,000	64,000
CAPITAL OUTLAY				
Capital Equipment	3,905	-	-	-
TOTAL	3,905	-	-	-
DIVISION TOTAL	332,761	396,254	399,000	414,700

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
City Treasurer's Office - 110-125-1216				
REVENUE SOURCE				
4040 City Sales Tax	11,563,693	10,774,603	11,315,000	11,000,000
4050 Charitable Gambling Tax	59,515	55,762	50,000	48,000
4310 Assessment Cost Services	11,568	28,094	25,000	25,000
4312 Abatement Processing Fees	24,052	42,465	30,000	30,000
4313 Garbage Handling Fee	13,200	9,920	10,000	10,000
4323 Garnishment Fees	45	165	100	100
4601 Earning on Investments	1,541,910	1,942,981	840,000	465,000
4644 Miscellaneous Fees	2,558	3,359	1,000	1,000
4730 Transfer from Tourism Taxes	81,167	78,026	73,100	77,500
DIVISION TOTAL	13,297,708	12,935,375	12,344,200	11,656,600

Planning and Construction Services

Physical Planning
Construction Services and
Inspection

Planning & Construction Services Department

Mission and Vision

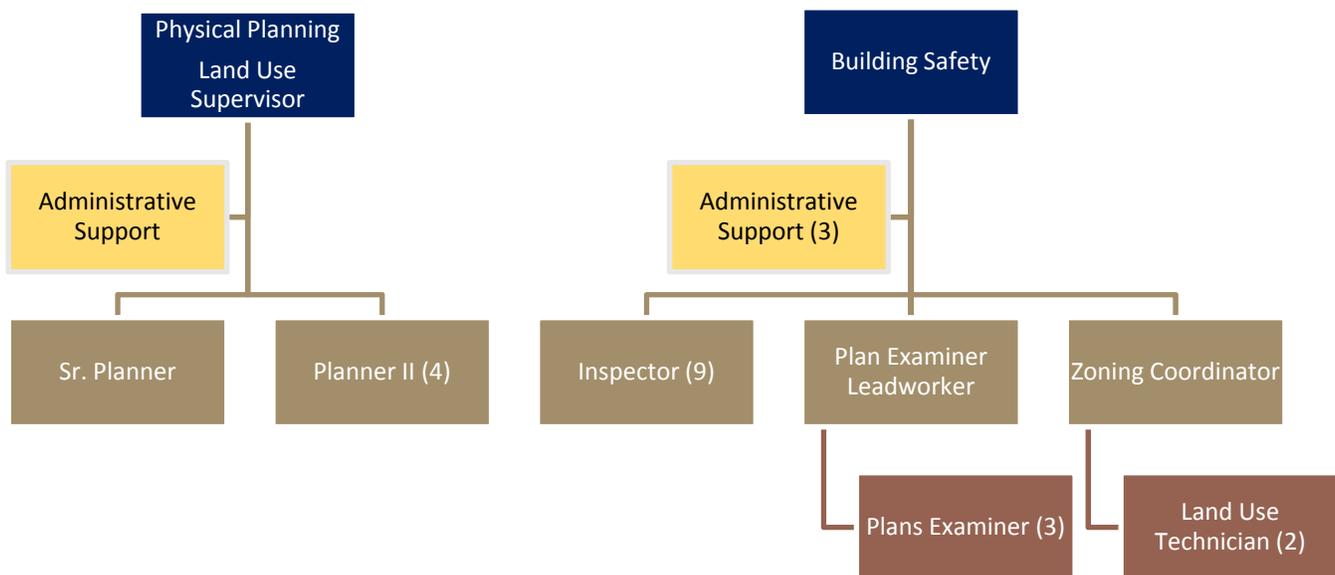
The Planning and Construction Services Department consists of the Planning Division and the Construction Services and Inspection Division working together to make the City of Duluth a desirable and safe place to live by developing and implementing plans, and land use and building regulations. The Planning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

The Department works with the community – residents, 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.

Structure

The new Department of Planning and Construction Services was created by pulling the construction services function out of Building Safety and combining it with the Physical Planning Division. The functions of the department are planning, zoning, construction permitting, and enforcing land and building regulations.

Planning & Construction Department Organization Chart

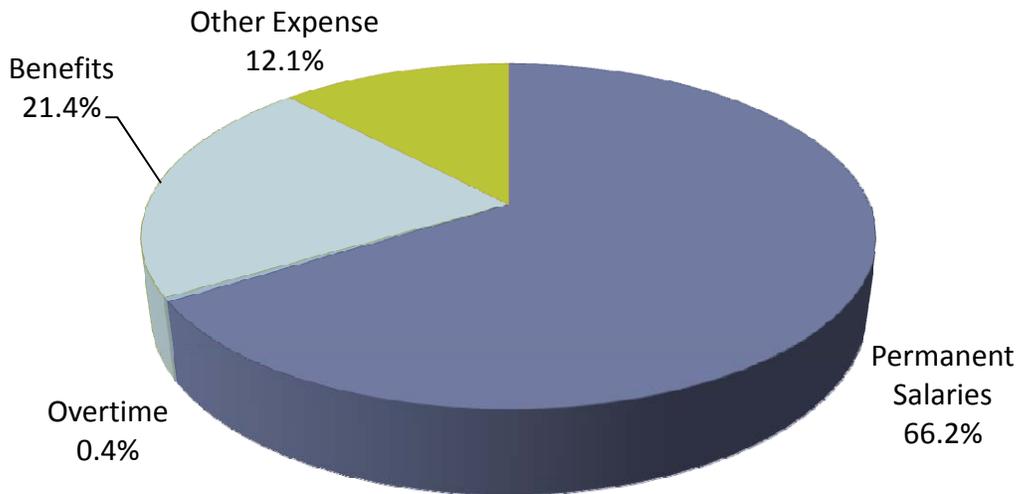


City of Duluth Minnesota - 2011 Budget

2011 Goals and Objectives

Goal	Objective	Tactics	Measurement
Implement the Unified Development Code – the UDC	Process land use applications.	Assist customers develop or redevelop their property.	# of pre-application meetings # of land use applications by type # of internal plan reviews by current staff # of staff recommendations approved by the Planning commission or City Council
Maintain the UDC	Review and update the UDC to ensure its ability to achieve the type of development prescribed in the Comprehensive Plan.	June 2011 – Conduct 6 month code update; annual thereafter. 2011/2012 – Revise sign standards.	# of participants in process Recommended approval of UDC text/map amendments by Planning Commission. Approval by City Council
Enforce the UDC	Establish zoning enforcement program.	Aug 2011 – Develop zoning enforcement program Fall 2011 – Train staff on program elements	# of sites investigated for zoning compliance. # of resolutions to zoning violations
Implement the Comprehensive Land Use Plan	Bring existing zoning into compliance with the Comprehensive Plan. Prepare Small area plans. Conduct at least one small area plan process annually.	2010 – 2012 – UDC Rezoning process 2011 – Higher Education 2012/2013 – Park Point 2014/2015 – see next tactic regarding update to comprehensive plan	# of participants in process # of UDC map amendments Recommended for approval by Planning Commission and approved by City Council.
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 Include citywide transportation element	# of participants in process. Recommended adoption of Comprehensive Plan by Planning Commission and City Council.
Implement the Comprehensive Land Use Plan	Uphold and further the plan’s principles and policies.	Continue to participated in complete streets implementation. Participate in the capital improvement program. Participate in the disposition of public land process.	Miles of new sidewalks, bike lanes and bike routes constructed or reconstructed. Amount of capital expenditures based on comp plan, conceptual staging plan, tier levels. Acres of public land sold based on comp plan future land use regulations.

Planning & Construction Services Department 2011 Approved Budget by Expense Category



Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Permanent Salaries	1,661,940	1,727,680	1,446,500	1,472,900	26,400
Overtime	6,987	13,897	9,000	9,000	-
Other Wages	6,347	300	-	-	-
Total Personal Services	1,675,274	1,741,877	1,455,500	1,481,900	26,400
Benefits	504,747	488,597	414,700	475,500	60,800
Other Expense	196,723	306,650	257,400	269,000	11,600
Capital Outlay	-	-	-	-	-
Department Total	2,376,744	2,537,124	2,127,600	2,226,400	98,800

Expenditures by Division	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Physical Planning	404,414	775,119	632,000	605,700	(26,300)
Construction Srv&Inspect	1,972,330	1,762,005	1,495,600	1,620,700	125,100
Department Total	2,376,744	2,537,124	2,127,600	2,226,400	98,800

	2008	2009	2010	2011	Difference
Budgeted FTE's	31.0	30.0	24.0	26.0	2.0

City of Duluth Minnesota - 2011 Budget

Physical Planning

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

Budgeted FTE's	2008	2009	2010	2011	Difference
1125 Dir, Plng & Develop.	1.0	-	1.0	-	(1.0)
1125 Business Dev Manager	1.0	1.0	-	-	-
1080 Land Use Supervisor	1.0	1.0	1.0	1.0	-
142 Business Developer	1.0	1.0	-	-	-
136 Senior Planner	1.0	1.0	2.0	1.0	(1.0)
133 Planner II	2.0	1.0	2.0	4.0	2.0
129 Admin Info Specialist	1.0	1.0	-	1.0	1.0
Division Total	8.0	6.0	6.0	7.0	1.0

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	271,037	449,375	423,600	397,300	(26,300)
Overtime	-	160	-	-	-
Other Wages	1,517	300	-	-	-
Total Salaries	272,554	449,835	423,600	397,300	(26,300)
Benefits	73,894	109,316	95,800	139,900	44,100
Other Expense					
Materials & Supplies	5,158	7,194	14,500	8,000	(6,500)
Services	33,879	195,704	81,100	45,000	(36,100)
Utilities & Maintenance	8,074	9,204	7,500	9,000	1,500
Other	10,855	3,866	9,500	6,500	(3,000)
Total Other Expense	57,966	215,968	112,600	68,500	(44,100)
Division Total	404,414	775,119	632,000	605,700	(26,300)

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Physical Planning - 110-132-1301				
PERSONAL SERVICES				
5100 Permanent Salaries	271,037	449,375	423,600	397,300
5101 Premium Pay	-	160	-	-
5103 Other Wages	1,517	300	-	-
TOTAL	272,554	449,835	423,600	397,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	17,258	25,509	23,400	27,200
5122 FICA - Social Security	17,044	27,268	21,700	24,600
5123 FICA - Medicare	3,986	6,377	5,000	5,800
5124 Medical Insurance	30,695	38,529	39,600	62,600
5125 Dental Insurance	1,614	2,216	1,900	2,700
5126 Life Insurance	699	900	900	1,300
5127 Health Care Savings Plan (HCSP)	2,598	8,517	3,300	15,700
TOTAL	73,894	109,316	95,800	139,900
OTHER EXPENDITURES				
5200 Office Supplies	3,980	5,040	4,000	5,000
5201 Computer Supplies/Software	644	1,655	5,500	2,000
5202 Audiovisual & Photography	-	422	-	-
5212 Motor Fuels	534	47	-	-
5219 Other Miscellaneous Supplies	-	30	-	-
5241 Small Equip-Office/Operating	-	-	5,000	1,000
5310 Contract Services	28,000	30,000	-	-
5319 Other Professional Services	4,204	159,035	60,000	35,000
5321 Phone Service	-	-	1,300	1,000
5322 Postage	144	-	300	1,000
5331 Travel/Training	1,165	6,303	16,000	6,000
5335 Local Mileage Reimbursement	310	299	2,000	500
5355 Printing & Copying	56	67	1,500	1,500
5404 Equipment/Machinery Repair & Mtc	34	-	2,500	2,500
5409 Fleet Services Charges	444	146	-	-
5418 Vehicle/Equip Lease (Long-term)	7,596	9,058	5,000	6,500
5419 Other Rentals	-	-	500	500
5433 Dues & Subscription	828	2,231	3,500	3,500
5435 Books & Pamphlets	70	-	1,000	500
5441 Other Services & Charges	8,633	568	2,000	1,000
5443 Board & Meeting Expenses	1,324	1,067	2,500	1,000
TOTAL	57,966	215,968	112,600	68,500
DIVISION TOTAL	404,414	775,119	632,000	605,700

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Planning and Development - 110-132-1301				
REVENUE SOURCE				
4307 Planning/Zoning Fees	2,472	8,786	3,000	10,000
4644 Miscellaneous Sales	24,250	24,004		
4700 Other Sources	99,296			
DIVISION TOTAL	126,018	32,790	3,000	10,000

City of Duluth Minnesota - 2011 Budget

Construction Services & Inspection

Supervised by the Building Official, this division handles all construction permitting, inspection, plan review, zoning, housing code enforcement, waste compliance, and demolition processing. Building safety's primary concern is public safety through education, review and enforcement.

Budgeted FTE's	2008	2009	2010	2011	Difference
1135 Building Official	1.0	-	-	-	-
28 Solid Waste Compliance	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	3.0	4.0	4.0	4.0	-
31 HVAC Inspector	1.0	1.0	1.0	1.0	-
32 Lead Housing Inspector	1.0	1.0	-	-	-
29 Housing Inspector	3.0	3.0	-	-	-
32 Plans Exam Leadworker	1.0	1.0	1.0	1.0	-
29 Plans Examiner	1.0	2.0	2.0	3.0	1.0
27 Plan Review Specialist	2.0	2.0	2.0	2.0	-
30 Zoning Coordinator	1.0	1.0	1.0	1.0	-
129 Admin Information Spec	2.0	2.0	1.0	1.0	-
126 Information Technician	2.0	2.0	2.0	2.0	-
Division Total	23.0	24.0	18.0	19.0	1.0

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	1,390,903	1,278,305	1,022,900	1,075,600	52,700
Overtime	6,987	13,737	9,000	9,000	-
Other Wages	4,830	-	-	-	-
Total Salaries	1,402,720	1,292,042	1,031,900	1,084,600	52,700
Benefits	430,853	379,281	318,900	335,600	16,700
Other Expense					
Materials & Supplies	23,351	17,201	20,300	18,700	(1,600)
Services	31,704	27,545	31,000	35,500	4,500
Utilities & Maintenance	13,255	13,268	9,600	13,600	4,000
Other	36,388	14,805	23,900	32,700	8,800
Building Demolition	34,059	17,863	60,000	100,000	40,000
Total Other Expense	138,757	90,682	144,800	200,500	55,700
Capital Outlay	-	-	-	-	-
Division Total	1,972,330	1,762,005	1,495,600	1,620,700	125,100

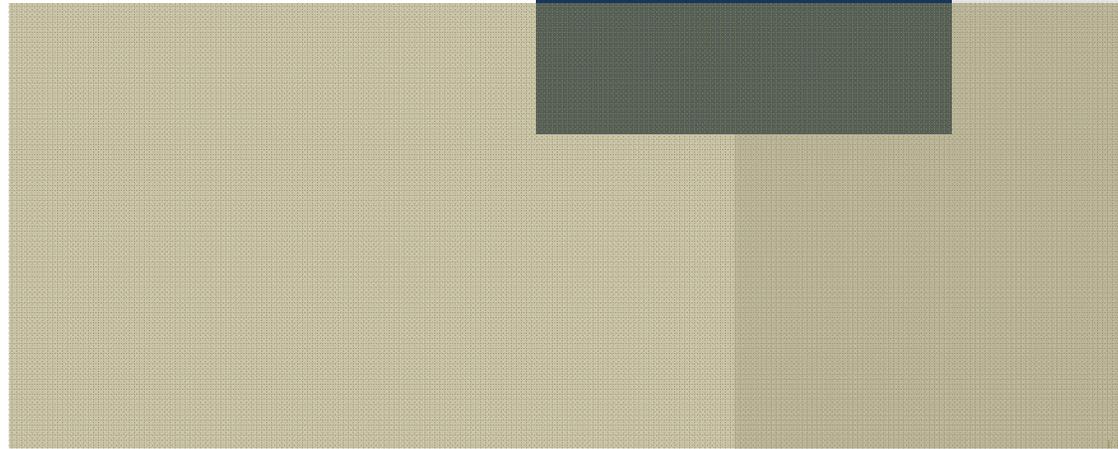
City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Construction Services & Inspection - 110-132-1304				
PERSONAL SERVICES				
5100 Permanent Salaries	1,390,903	1,278,305	1,022,900	1,075,600
5101 Premium Pay	6,987	13,737	9,000	9,000
5103 Other Wages	4,830	-	-	-
TOTAL	1,402,720	1,292,042	1,031,900	1,084,600
EMPLOYEE BENEFITS				
5121 PERA Retirement	88,203	80,577	68,200	74,200
5122 FICA - Social Security	78,577	77,494	64,000	67,200
5123 FICA - Medicare	18,388	18,124	15,000	15,700
5124 Medical Insurance	215,026	177,064	152,400	158,100
5125 Dental Insurance	8,460	8,448	6,900	7,300
5126 Life Insurance	3,666	3,432	3,200	3,400
5127 Health Care Savings Plan (HCSP)	18,533	14,142	9,200	9,700
TOTAL	430,853	379,281	318,900	335,600
OTHER EXPENDITURES				
5200 Office Supplies	4,808	6,327	3,600	5,000
5202 Audiovisual & Photography	-	-	300	300
5205 Safety & Training Materials	1,085	205	900	900
5212 Motor Fuels	14,467	9,027	12,000	9,000
5219 Other Miscellaneous Supplies	626	845	900	900
5241 Small Equip-Office/Operating	2,365	797	2,600	2,600
5321 Phone Service				4,000
5331 Travel/Training	13,939	17,175	18,000	15,000
5335 Local Mileage Reimbursement	8,333	6,045	6,500	10,000
5355 Printing & Copying	9,432	4,325	6,500	6,500
5404 Equipment/Machinery Repair & Mtc	1,308	1,695	1,600	1,600
5409 Fleet Services Charges	11,947	11,573	8,000	12,000
5418 Vehicle/Equip Lease (Long-term)	16,165	10,664	20,000	10,000
5433 Dues & Subscription	1,622	1,890	1,200	2,000
5435 Books & Pamphlets	2,084	1,862	2,000	5,000
5441 Other Services & Charges	16,485	302	500	15,500
5443 Board & Meeting Expenses	32	87	200	200
5453 Building Demolition	34,059	17,863	60,000	100,000
TOTAL	138,757	90,682	144,800	200,500
DIVISION TOTAL	1,972,330	1,762,005	1,495,600	1,620,700

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Construction Services & Inspection - 110-132-1304				
REVENUE SOURCE				
4151 Fill Permits	865	3,081	800	1,200
4153 Multiple Dwelling License - 3 or more	101,560	149,673		
4153 Multiple Dwelling License - 1 or 2	240,175	313,992		
4263 Other Local Units of Government	28,151	29,242		
4301 Zoning Appeals Fees	5,363	5,280	4,000	6,000
4303 Use Permit - Flood & Wetlands	1,586	6,151	1,500	5,000
4304 Special Use - Flood & Wetlands	156	1,404	2,000	2,000
4305 Variances - Flood & Wetlands	1,583	1,248	2,500	2,500
4350 Inspection Services		4,970		4,000
4351 Building Inspection Fees	1,235,768	1,133,681	1,826,000	1,400,000
4352 Plumbing Inspection Fees	130,431	151,128	191,500	180,000
4353 Electric Inspection Fees	184,788	156,306	245,000	190,000
4354 HVAC-R Inspection Fees	144,319	121,207	172,000	150,000
4355 Signs Inspection Fees	11,774	10,214	10,000	10,500
4356 House Moving Inspection Fee	4,138	4,455		
4357 Mobile Home Inspection Fees	3,752	660	2,000	2,000
4359 CAF Administrative Fee	8,390	17,390	12,000	15,000
4360 Vacant Building Fee	400			
4361 RZP Registration Fee	3,248	13,396	10,000	14,000
4500 Assessments	21,767	58,614	45,000	55,000
4501 Assessments - Penalty & Interest	3,828	1,232	1,200	1,200
4602 Interest - Funds Held by Others	15,526	759		
4631 Media Sales	1,811	1,955	2,200	3,700
4644 Miscellaneous Sales	2,419	438	500	500
4660 Gifts and Donations	1,650			
4680 Damages or Losses Recovered	4,619	10,250		
4701 2% Retention Surtax	1,287	1,653	1,500	1,500
DIVISION TOTAL	2,159,354	2,198,379	2,529,700	2,044,100

Business and Community Development



Business & Community Development Department

Mission and Vision

The Mission of the Business Development Department is to support economic vitality in the City of Duluth through encouraging business growth and job creation, supporting tax base growth, and investing in infrastructure and redevelopment.

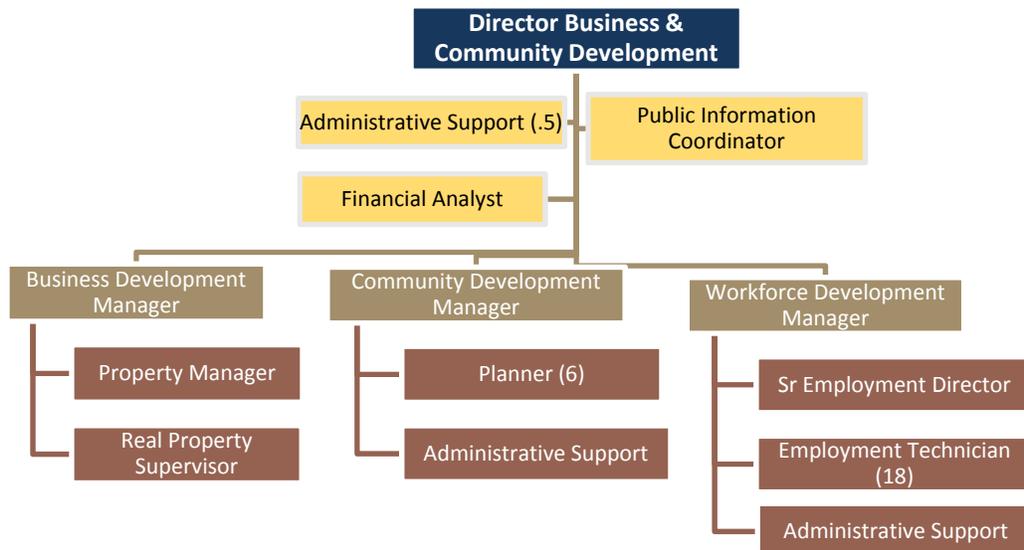
In order to accomplish this Mission, we:

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

Business Resources seeks to support business growth and facilitate access to City resources and services. This includes managing development-focused assets, making City services and programs available, and acting as a conduit to access outside financial resources and support. It also includes guiding customers through City processes surrounding zoning, permitting and land use; planning future development in the City; and advocating for progressive development policy. The variety of primary services provided, coupled with the collaborative commitment of other key City functions, will serve as the foundational basis for citizens and the business community to consider Duluth a business friendly place to grow.

Structure

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

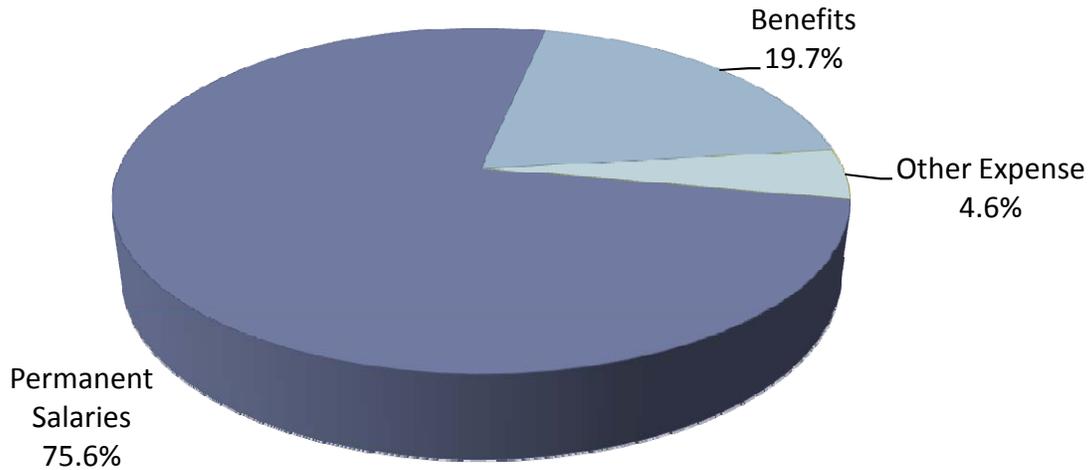


City of Duluth Minnesota - 2011 Budget

2011 Goals and Objectives

Goal	Outcome and Results	Output	Measurement
Promote and facilitate development and redevelopment within the industrial, commercial and housing sectors	<p>Leverage for other public and private funding sources</p> <p>Proactive preparation for future development</p> <p>Decrease blighted or eyesore properties</p> <p>Increase developable property base</p> <p>Increase tax base</p> <p>Reduce City resources required for ongoing maintenance</p> <p>Job growth</p>	<p>Apply for no less than 5 grants. No less than 3 funded</p> <p>20 acres identified</p> <p>10 companies assisted</p> <p>10 properties identified and reviewed. No less than one sale closed</p>	<p>Identify appropriate grant funding sources. Apply for 5 grants annually, and receive funding for at least 3</p> <p>Annually identify 20 acres of potentially developable land for environmental assessment and remediation</p> <p>Identify and assist up to 10 companies annually with expansion activities</p> <p>Annually identify and internally review 10 City or DEDA owned properties for potential sale, transfer or preservation. Lead sales process</p>
Provide leadership and facilitation framework for strategic and master planning guidance with goal of ensuring peak coordination of public resources for the maximization of public/private benefit	<p>Proactive preparation for future development</p> <p>Increase developable property base</p> <p>Identification of small parcels and large land tracts for future development use, sale or preservation</p>	<p>5 strategic/master plans</p> <p>Final disposition and report by 12/31/11</p>	<p>Facilitate the preparation of no less than 5 strategic/master plans annually</p> <p>Facilitate the finalization of Mayor's Task Force on Disposition of City Land with final disposition determined and report prepared by 12/31/11</p>
Provide quality and timely Customer Service	<p>Increased customer satisfaction</p> <p>Increased staff efficiency</p>	<p>24 hour initial response (i.e. one business day)</p>	<p>Respond to all internal and external inquiries within 24 hours and/or refer to the appropriate department or person. Additional follow up within one week if additional research or information is required</p>

Business & Community Development Department
 2011 Approved Budget by Expense Category



Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Permanent Salaries			469,300	512,400	43,100
Overtime			-	-	-
Other Wages			-	-	-
Total Personal Services			469,300	512,400	43,100
Benefits			95,100	133,800	38,700
Other Expense			8,000	31,400	23,400
Capital Outlay			-	-	-
Department Total			572,400	677,600	105,200

	2008	2009	2010	2011	Difference
Budgeted FTE's			6.0	6.5	0.5

City of Duluth Minnesota - 2011 Budget

Business and Community 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	2010	2011	Difference
1145 Dir., Business & CD	1.0	1.0	-
1125 Business Dev Manager	1.0	1.0	-
1135 Property Manager	1.0	1.0	-
1080 Supervisor, Real Property	1.0	1.0	-
136 Financial Analyst	-	1.0	1.0
135 Public Info Coordinator	-	1.0	1.0
129 Admin Info Specialist	1.0	-	(1.0)
126 Information Tech	1.0	0.5	(0.5)
Division Total	6.0	6.5	0.5

Expenditures	2010 Budget	2011 Approved	Difference
Personal Services			
Permanent Salaries	469,300	512,400	43,100
Overtime	-	-	-
Other Wages	-	-	-
Total Salaries	469,300	512,400	43,100
Benefits	95,100	133,800	38,700
Other Expense			
Materials & Supplies	2,000	3,500	1,500
Services	5,500	25,500	20,000
Utilities & Maintenance	-	-	-
Other	500	2,400	1,900
Total Other Expense	8,000	31,400	23,400
Division Total	572,400	677,600	105,200

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Business & Community Development - 110-135-1310				
PERSONAL SERVICES				
5100 Permanent Salaries			469,300	512,400
5101 Premium Pay			-	-
5103 Other Wages			-	-
TOTAL			469,300	512,400
EMPLOYEE BENEFITS				
5121 PERA Retirement			27,900	33,900
5122 FICA - Social Security			25,900	31,800
5123 FICA - Medicare			6,200	7,400
5124 Medical Insurance			28,500	52,300
5125 Dental Insurance			2,000	2,500
5126 Life Insurance			900	1,200
5127 Health Care Savings Plan (HCSP)			3,700	4,700
TOTAL			95,100	133,800
OTHER EXPENDITURES				
5200 Office Supplies			2,000	3,500
5321 Phone Service			500	3,000
5331 Travel/Training			-	8,000
5335 Local Mileage Reimbursement			-	2,900
5355 Printing & Copying			500	3,900
5418 Vehicle/Equip Lease (Long-term)			2,500	3,000
5433 Dues & Subscription			500	1,700
5441 Other Services & Charges			1,500	3,000
5443 Board & Meeting Expenses			500	2,400
TOTAL			8,000	31,400
DIVISION TOTAL			572,400	677,600

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Business & Community Development - 110-135-1310				
REVENUE SOURCE				
4644 Miscellaneous Sales			24,000	24,000
DIVISION TOTAL			24,000	24,000

Fire Department

Fire Administration
Fire Operations
Life Safety
Building Safety

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.”

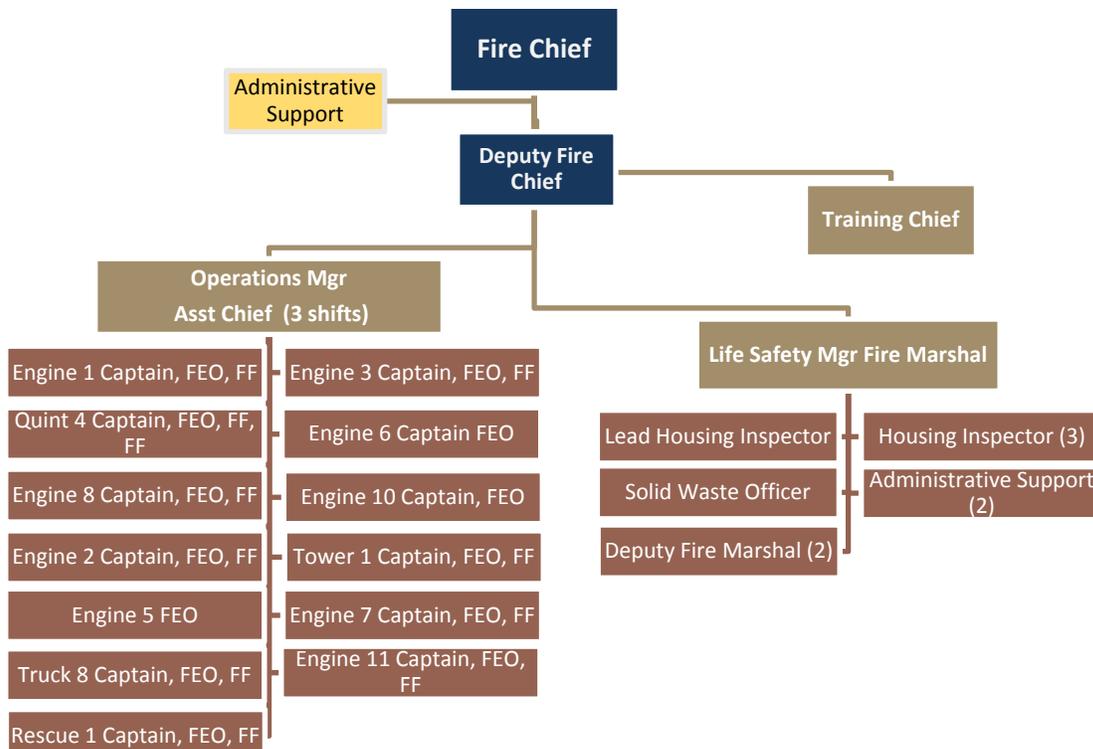
For over 140 years, the Duluth Fire Department has been responding to meet the public safety needs of our community. We provide this service through a well-trained staff, up-to-date and well-maintained equipment, and our ability to adapt to the changing emergency response expectations of our citizens. 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 120% 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 three main components: Fire Administration, Emergency Operations, and Life Safety Services (Prevention, Plan Review, and Inspection Services). 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
- *Public Safety & School Fire Safety Programs
- *Emergency Management and Preparedness
- *Fire Code Management and Inspection
- *Nuisance Abatement – Quality of life programs
- *Fire and Arson Investigation

Fire Department Organization Chart



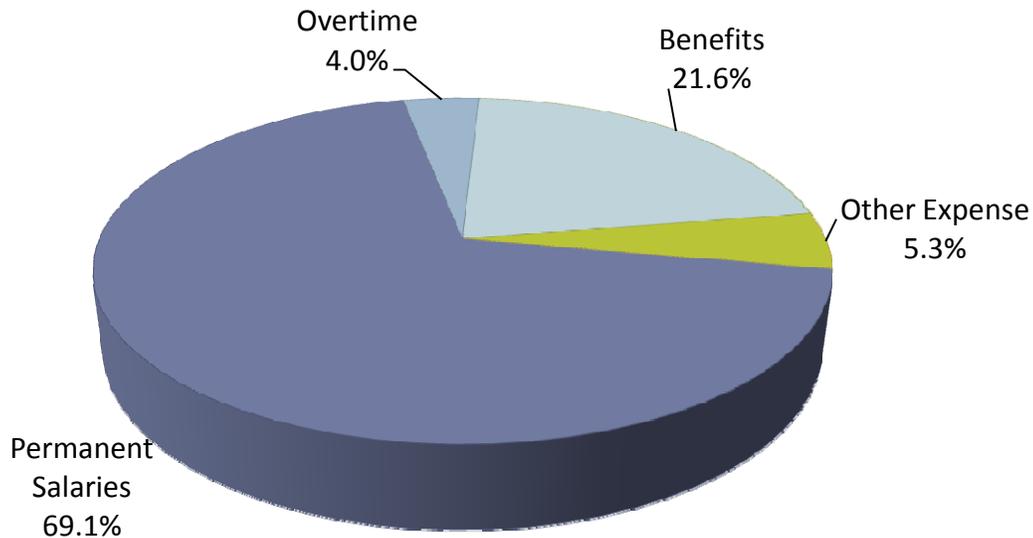
City of Duluth Minnesota - 2011 Budget

2011 Goals and Objectives

Goal	Objective	Tactics	Measure
Reduce risk to employees	Reduce firefighter injuries	<ul style="list-style-type: none"> ☐ Review all fire fighter accidents and make recommendations ☐ Review all vehicle accidents and make recommendations 	<ul style="list-style-type: none"> ☐ # of firefighter injuries ☐ # of firefighters that receive an annual health review ☐ # of Fire Department vehicle accidents ☐ # of workdays lost due to injury
Strengthen the workforce	Recruit and retain a diverse workforce	<ul style="list-style-type: none"> ☐ Review procedures for fire fighter recruiting and testing to be used for future hiring ☐ Work with HR and Human Rights office to increase under represented population candidate pool 	<ul style="list-style-type: none"> ☐ % of applicants for Fire Fighter that are women ☐ % of applicants that are from under represented population ☐ % of workforce that are women ☐ % of workforce that are from under represented population
	Prepare employees for leadership positions	<ul style="list-style-type: none"> ☐ Encourage officers to attend college courses until they complete a four-year fire-related degree 	<ul style="list-style-type: none"> ☐ % of workforce that continue their education ☐ % of workforce who receive an annual performance review
	Improve employer-employee relationships	<ul style="list-style-type: none"> ☐ Increase department wide communications ☐ Give job satisfaction survey to all employees 	<ul style="list-style-type: none"> ☐ % increase in employee job satisfaction ☐ Job evaluations
Provide good value to the taxpayers	<p>Capture revenue from sources outside the General Fund</p> <p>Cost 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 ☐ Identify best practices from around the country and bring them to Duluth ☐ Work with medical provider to have fire fighters return to work as soon as possible ☐ Improve ISO insurance rating ☐ Investigate fire department accreditation program 	<ul style="list-style-type: none"> ☐ Value of grants obtained vs. the annual budget. ☐ % of revenue derived from building permits ☐ % of revenue derived from housing inspection revenue ☐ % of revenue derived from commercial inspection program
	Measure budget against benchmark cities		<ul style="list-style-type: none"> ☐ # of fire fighters per square mile ☐ Cost per citizen for fire and EMS services ☐ # of firefighters per 1,000 ☐ Response time comparison

City of Duluth Minnesota - 2011 Budget

Fire Department 2011 Approved Budget by Expense Category



Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Permanent Salaries	8,328,238	8,937,438	9,140,100	9,163,400	23,300
Overtime	638,755	592,813	527,500	527,500	-
Other Wages	-	-	-	-	-
Total Personal Services	8,966,993	9,530,251	9,667,600	9,690,900	23,300
Benefits	5,807,666	5,866,229	2,752,100	2,863,800	111,700
Other Expense	577,355	547,432	700,200	700,200	-
Capital Outlay	-	-	-	-	-
Department Total	15,352,014	15,943,912	13,119,900	13,254,900	135,000

Expenditures by Division	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Fire Administration	382,178	495,701	467,800	467,300	(500)
Fire Operations	14,585,183	14,952,252	11,841,900	11,981,600	139,700
Life Safety	384,653	495,959	810,200	806,000	(4,200)
Department Total	15,352,014	15,943,912	13,119,900	13,254,900	135,000

	2008	2009	2010	2011	Difference
Budgeted FTE's	134.0	135.0	140.0	140.0	-

City of Duluth Minnesota - 2011 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 Duluth emergency manager and is responsible for all emergency functions and emergency preparedness.

Budgeted FTE's	2008	2009	2010	2011	Difference
1145 Fire Chief	1.0	1.0	1.0	1.0	-
1130 Deputy Fire Chief	1.0	1.0	1.0	1.0	-
129 Admin Info Specialist	1.0	1.0	1.0	1.0	-
126 Information Specialist	1.0	1.0	1.0	1.0	-
Division Total	4.0	4.0	4.0	4.0	-

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	225,371	316,856	312,900	311,700	(1,200)
Overtime	1,589	2,917	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	226,960	319,773	312,900	311,700	(1,200)
Benefits	112,417	130,644	76,500	77,200	700
Other Expense					
Materials & Supplies	15,449	18,339	20,400	26,000	5,600
Services	17,236	15,742	16,400	10,800	(5,600)
Utilities & Maintenance	3,218	1,313	5,100	5,100	-
Other	6,898	9,890	36,500	36,500	-
Total Other Expense	42,801	45,284	78,400	78,400	-
Division Total	382,178	495,701	467,800	467,300	(500)

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Fire Administration - 110-150-1501				
PERSONAL SERVICES				
5100 Permanent Salaries	225,371	316,856	312,900	311,700
5101 Premium Pay	1,589	2,917	-	-
5103 Other Wages	-	-	-	-
TOTAL	226,960	319,773	312,900	311,700
EMPLOYEE BENEFITS				
5121 PERA Retirement	21,414	35,380	35,400	36,100
5122 FICA - Social Security	5,941	6,225	6,300	6,300
5123 FICA - Medicare	1,389	1,456	1,500	1,500
5124 Medical Insurance	25,880	28,337	28,300	28,300
5125 Dental Insurance	1,140	1,536	1,500	1,500
5126 Life Insurance	494	624	700	700
5127 Health Care Savings Plan (HCSP)	9,659	10,586	2,800	2,800
5137 Fire Pension Contribution	46,500	46,500	-	-
TOTAL	112,417	130,644	76,500	77,200
OTHER EXPENDITURES				
5200 Office Supplies	2,154	2,201	3,700	3,700
5202 Audiovisual & Photography	-	-	200	200
5210 Plant/Operating Supplies	1,667	2,483	1,800	2,400
5211 Cleaning/Janitorial Supplies	7,270	7,417	5,000	7,500
5212 Motor Fuels	-	-	1,500	3,500
5219 Other Miscellaneous Supplies	2,564	3,080	4,500	4,500
5220 Repair & Maintenance Supplies	-	757	600	600
5228 Painting Supplies	394	1,146	700	700
5229 Ground Mtc Supplies	99	137	200	200
5240 Small Tools	-	-	200	200
5241 Small Equip-Office/Operating	1,301	1,118	2,000	2,500
5321 Phone Service	10,895	9,483	6,000	3,000
5322 Postage	102	268	400	400
5331 Travel/Training	1,799	662	3,000	2,400
5335 Local Mileage Reimbursement	2,034	3,153	5,500	2,500
5355 Printing & Copying	2,406	2,176	1,500	2,500
5400 Misc Repair & Mtc Service	2,773	1,313	3,100	3,100
5401 Bldg/Structure Repair & Mtc	445	-	2,000	2,000
5418 Vehicle/Equip Lease (Long-term)	1,789	6,136	4,500	4,500
5433 Dues & Subscription	2,060	2,050	3,000	2,000
5440 Emergency Management			25,000	25,000
5441 Other Services & Charges	549	1,704	1,000	2,000
5443 Board & Meeting Expenses	-	-	500	500
5490 Donations to Civic Organizations	2,500	-	2,500	2,500
TOTAL	42,801	45,284	78,400	78,400
DIVISION TOTAL	382,178	495,701	467,800	467,300

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Fire Administration - 110-150-1501				
REVENUE SOURCE				
4154 Commercial Use/Occupancy Permit	28,345	80,813		
4220 State of Minnesota		5,000		
4231 Amortization Aid	316,395	316,395		
4231 Amortization Aid - Supplemental	91,488	65,692		
4231 Amortization Aid - Additional	496,589	0		
4232 State Insurance Premium	398,711	357,249	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		180	500	300
4644 Miscellaneous Sales	4,645	5,565	8,000	6,000
4654 Other Reimbursements	2,596	2,510	2,500	2,500
4660 Gifts and Donations	1,677	6,615	2,500	4,700
4730 Transfer from Special Revenue		12,379		
DIVISION TOTAL	1,374,646	886,598	472,700	472,700

City of Duluth Minnesota - 2011 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 nine 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	2008	2009	2010	2011	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	39.0	39.0	36.0	36.0	-
227 Equipment Operator	42.0	42.0	39.0	39.0	-
226 Firefighter	42.0	42.0	48.0	48.0	-
Division Total	127.0	127.0	127.0	127.0	-

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	7,884,963	8,314,220	8,265,400	8,290,400	25,000
Overtime	629,539	576,153	520,000	520,000	-
Other Wages	-	-	-	-	-
Total Salaries	8,514,502	8,890,373	8,785,400	8,810,400	25,000
Benefits	5,553,670	5,578,917	2,510,000	2,624,700	114,700
Other Expense					
Materials & Supplies	137,430	155,021	196,500	177,300	(19,200)
Services	29,026	32,012	77,000	52,200	(24,800)
Utilities & Maintenance	311,103	257,428	240,000	275,000	35,000
Other	39,452	38,501	33,000	42,000	9,000
Total Other Expense	517,011	482,962	546,500	546,500	-
Division Total	14,585,183	14,952,252	11,841,900	11,981,600	139,700

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Fire Operations - 110-150-1502				
PERSONAL SERVICES				
5100 Permanent Salaries	7,884,963	8,314,220	8,265,400	8,290,400
5101 Premium Pay	629,539	576,153	520,000	520,000
5103 Other Wages	-	-	-	-
TOTAL	8,514,502	8,890,373	8,785,400	8,810,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	1,048,886	1,185,127	1,177,500	1,211,000
5122 FICA - Social Security	-	-	-	-
5123 FICA - Medicare	95,976	102,804	110,700	127,700
5124 Medical Insurance	1,153,403	1,059,262	1,061,400	1,111,200
5125 Dental Insurance	45,002	48,544	48,800	48,800
5126 Life Insurance	19,501	19,643	22,900	22,900
5127 Health Care Savings Plan (HCSP)	303,917	276,368	88,700	103,100
5137 Fire Pension Contribution	2,886,985	2,887,169	-	-
TOTAL	5,553,670	5,578,917	2,510,000	2,624,700
OTHER EXPENDITURES				
5205 Safety & Training Materials	2,583	10,236	5,000	5,000
5210 Plant/Operating Supplies	549	3,719	5,000	5,000
5212 Motor Fuels	79,475	52,718	90,000	65,000
5218 Uniforms	16,779	16,627	15,000	16,000
5219 Other Miscellaneous Supplies	26,765	25,277	20,000	25,000
5220 Repair & Maintenance Supplies	1,597	780	1,500	1,300
5241 Small Equip-Office/Operating	9,682	45,664	60,000	60,000
5305 Medical Svcs/Testing Fees	8,095	9,860	20,000	10,000
5319 Other Professional Services	2,790	2,750	35,000	20,000
5320 Data Services	3,899	5,044	4,000	5,000
5321 Phone Service	9,540	8,432	14,000	11,000
5322 Postage	-	173	-	200
5384 Refuse Disposal	4,702	5,753	4,000	6,000
5409 Fleet Services Charges	311,103	257,428	240,000	275,000
5441 Other Services & Charges	375	4,383	7,000	6,000
5446 Tuition Reimbursement	19,163	14,910	8,000	15,000
5450 Laundry	19,914	19,208	18,000	21,000
TOTAL	517,011	482,962	546,500	546,500
DIVISION TOTAL	14,585,183	14,952,252	11,841,900	11,981,600

City of Duluth Minnesota - 2011 Budget

Life Safety

Supervised by the Fire Marshal, this division is responsible for code enforcement, fire investigation, public education, prosecution, fire inspections, permitting, complaints, and plan review.

Budgeted FTE's	2008	2009	2010	2011	Difference
233 Fire Marshal	1.0	1.0	1.0	1.0	-
230 Deputy Fire Marshal	2.0	2.0	2.0	2.0	-
228 Fire Inspector		1.0			-
32 Lead Housing Inspector			1.0	1.0	-
29 Housing Inspector			3.0	3.0	-
28 Solid Waste Compliance			1.0	1.0	-
129 Admin Information Spec			1.0	1.0	-
Division Total	3.0	4.0	9.0	9.0	-

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	217,904	306,362	561,800	561,300	(500)
Overtime	7,627	13,743	7,500	7,500	-
Other Wages	-	-	-	-	-
Total Salaries	225,531	320,105	569,300	568,800	(500)
Benefits	141,579	156,668	165,600	161,900	(3,700)
Other Expense					
Materials & Supplies	1,066	2,742	7,800	7,800	-
Services	3,730	3,876	21,500	21,500	-
Utilities & Maintenance	-	-	12,400	12,400	-
Other	12,747	12,568	33,600	33,600	-
Total Other Expense	17,543	19,186	75,300	75,300	-
Division Total	384,653	495,959	810,200	806,000	(4,200)

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Life Safety - 110-150-1503				
PERSONAL SERVICES				
5100 Permanent Salaries	217,904	306,362	561,800	561,300
5101 Premium Pay	7,627	13,743	7,500	7,500
5103 Other Wages	-	-	-	-
TOTAL	225,531	320,105	569,300	568,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	27,779	37,427	54,500	55,600
5122 FICA - Social Security	-	472	20,200	20,100
5123 FICA - Medicare	1,826	3,372	7,400	8,200
5124 Medical Insurance	33,428	33,716	73,400	67,900
5125 Dental Insurance	958	1,184	3,500	3,500
5126 Life Insurance	415	481	1,600	1,600
5127 Health Care Savings Plan (HCSP)	7,373	10,216	5,000	5,000
5137 Fire Pension Contribution	69,800	69,800	-	-
TOTAL	141,579	156,668	165,600	161,900
OTHER EXPENDITURES				
5200 Office Supplies	317	729	1,000	1,000
5202 Audiovisual & Photography	360	1,388	1,700	1,700
5205 Safety & Training Materials	-	154	1,100	1,100
5212 Motor Fuels	-	-	2,000	2,000
5219 Other Miscellaneous Supplies	389	471	1,600	1,600
5241 Small Equipment-Office Operating	-	-	400	400
5331 Travel/Training	3,730	3,876	11,000	11,000
5335 Local Mileage Reimbursement	11,907	6,493	9,000	9,000
5355 Printing & Copying	-	-	1,500	1,500
5400 Misc Repair & Mtc Service	-	-	400	400
5409 Fleet Services Charges	-	-	2,000	2,000
5418 Vehicle/Equipment Lease	-	-	10,000	10,000
5433 Dues and Subscriptions	-	-	300	300
5435 Books & Pamphlets	-	-	3,000	3,000
5441 Other Services and Charges	-	-	30,000	30,000
5443 Board & Meeting Expenses	-	-	300	300
5459 Fire Safety Education Account	840	6,075	-	-
TOTAL	17,543	19,186	75,300	75,300
DIVISION TOTAL	384,653	495,959	810,200	806,000

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Life Safety - 110-150-1503				
REVENUE SOURCE				
4153 Multiple Dwelling License - 3 or more			75,000	115,000
4153 Multiple Dwelling License - 1 or 2			300,000	310,000
4154 Commercial Use/Occupancy Permit			140,000	90,000
4356 House Moving Inspection Fee			5,000	5,000
4360 Vacant Building Fee			1,200	1,200
DIVISION TOTAL			521,200	521,200

Police Department

Administration and
Investigation
Police Patrol

Police Department

Mission and Vision

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. The Duluth Police Department strives to provide quality, consistent, impartial police services to the diverse population and visitors to the city; build communities where all people feel safe and trust the City's public safety professionals and systems; deliver consistently high quality city services at a good value to our taxpayers and provide a safe environment in which to live, work, and visit.

Structure

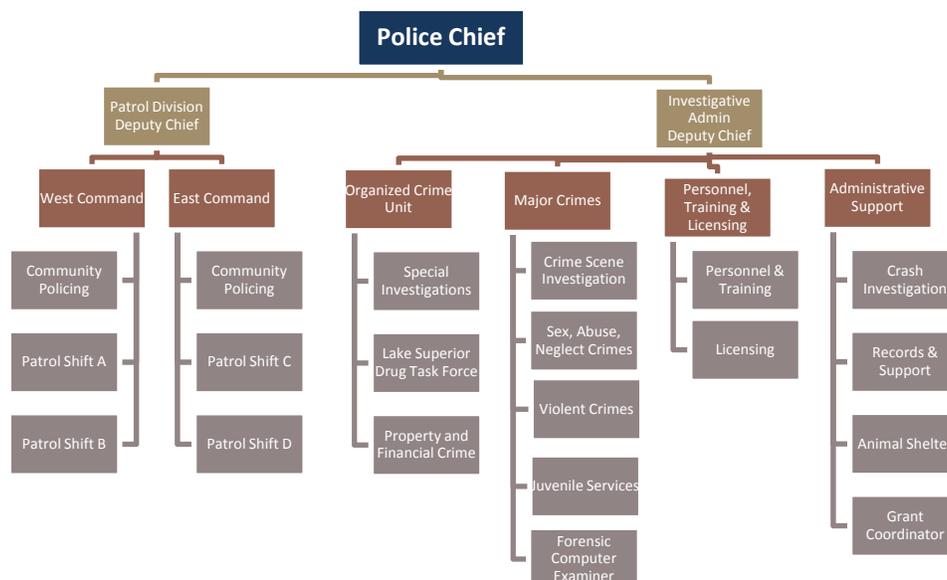
The department is divided into the Patrol Division, each managed by a Deputy Chief.

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 Unit
- Violent Crimes Unit
- Property/Financial Crimes Unit
- Crash Investigations Unit
- Lake Superior Drug and Gang Task Force
- Personnel, Training & Licensing Unit
- Juvenile Services Unit / School Resource Officers
- Records Support Unit
- Animal Shelter/Control
- Sex Crimes, Abuse, Neglect and Domestic Violence Unit
- Other division responsibilities include internal investigations, fleet, MIS, facilities, and grant management
- Forensic Computer Examiner

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 shifts
- Community Policing Teams
- K9 Units
- Traffic Enforcement

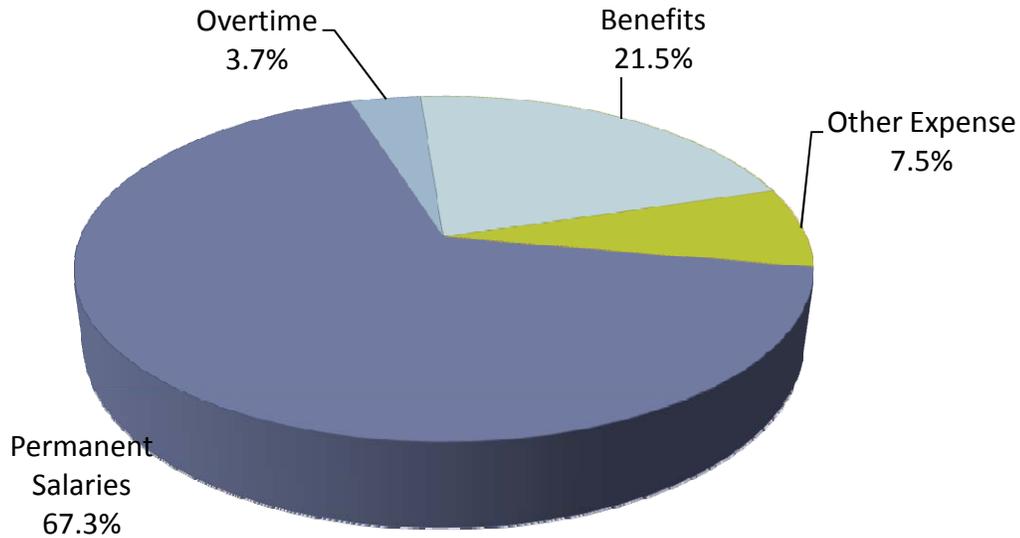


City of Duluth Minnesota - 2011 Budget

2011 Goals and Objectives

Goal	Objective	Tactics	Measurement
Staffing	Maintain & increase staffing levels	Pursue grant funding, engage community and politicians	Number of full time employees
	Increase volunteers	Develop program to utilize volunteers as needs arise	Volunteers used on a regular basis by the end of 2011
	Hire Technology Manager	Demonstrate need, Assemble Job Description, Hire Someone	Technology Manager hired by the summer of 2012
Technological advances	Add 100 cameras by the end of 2015	Identify primary areas of where cameras are needed	20 Cameras added per year until the end of 2015
	Automated License Plate Readers in all primary squads by 2015	Utilize fleet budget and or grants to purchase ALPR units	20 units in place by 2015
	Replace I-Cop with more mobile recording technology	Research and evaluate appropriate equipment	All patrol officers outfitted with recording device by the end of 2015
Regional Training Center	Build revenue	Solicit partners to bring in professional training	Regular training is scheduled and fees are collected from outside agencies
	Increase training opportunities	Utilize local subject matter experts to expand training opportunities for DPD personnel	SME's identified, regular training scheduled, expenses reduced

Police Department 2011 Approved Budget by Expense Category



Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Permanent Salaries	11,136,900	11,852,059	12,141,600	11,825,300	(316,300)
Overtime	582,553	640,418	550,000	650,000	100,000
Other Wages	22,093	4,860	-	-	-
Total Personal Services	11,741,546	12,497,337	12,691,600	12,475,300	(216,300)
Benefits	4,220,846	4,418,699	3,730,800	3,774,600	43,800
Other Expense	1,264,416	1,180,429	1,358,700	1,308,700	(50,000)
Capital Outlay	-	-	-	-	-
Department Total	17,226,808	18,096,465	17,781,100	17,558,600	(222,500)

Expenditures by Division	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Admin & Investigation	7,072,723	7,242,495	6,853,900	8,364,600	1,510,700
Patrol	10,154,085	10,853,970	10,927,200	9,194,000	(1,733,200)
Department Total	17,226,808	18,096,465	17,781,100	17,558,600	(222,500)

	2008	2009	2010	2011	Difference
Budgeted FTE's	179.0	183.0	187.0	185.0	(2.0)

City of Duluth Minnesota - 2011 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, drug and gang related activities.

Budgeted FTE's	2008	2009	2010	2011	Difference
1145 Chief of Police	1.0	1.0	1.0	1.0	-
1130 Deputy Chief	2.0	2.0	2.0	2.0	-
1100 Lieutenant	2.0	3.0	3.0	4.0	1.0
328 Sergeant	9.0	8.0	8.0	11.0	3.0
327 Police Investigator	22.0	22.0	25.0	34.0	9.0
131 Grant Writer	-	1.0	1.0	1.0	-
132 Police Records Coor.	1.0	1.0	1.0	1.0	-
129 Admin Info Specialist	4.0	4.0	3.0	3.0	-
126 Information Technician	13.0	13.0	13.0	12.0	(1.0)
121 Clerical Support Tech	-	-	4.0	5.0	1.0
32 Budget Analyst	-	-	1.0	1.0	-
33 Electronics Leadworker	1.0	-	-	-	-
31 Electronics Technician	1.0	-	-	-	-
30 Animal Shelter Leadwrkr	1.0	1.0	1.0	1.0	-
26 Sr Animal Shelter Tech	1.0	-	-	-	-
24 Animal Shelter Tech	1.0	-	1.0	2.0	1.0
131 Criminal Intell Analyst	-	-	-	2.0	2.0
22 Evidence Technician	-	-	-	2.0	2.0
18 Parking Monitor	5.0	4.0	5.0	5.0	-
Division Total	64.0	60.0	69.0	87.0	18.0

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	4,218,107	4,428,956	4,246,900	5,402,500	1,155,600
Overtime	180,170	174,449	110,000	110,000	-
Other Wages	8,431	4,860	-	-	-
Total Salaries	4,406,708	4,608,265	4,356,900	5,512,500	1,155,600
Benefits	1,507,861	1,566,316	1,278,500	1,683,600	405,100
Other Expense					
Materials & Supplies	369,722	279,004	434,500	349,500	(85,000)
Services	138,952	134,461	143,500	145,500	2,000
Utilities & Maintenance	454,649	436,066	448,700	481,700	33,000
Other	194,831	218,383	191,800	191,800	-
Total Other Expense	1,158,154	1,067,914	1,218,500	1,168,500	(50,000)
Division Total	7,072,723	7,242,495	6,853,900	8,364,600	1,510,700

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Police Admin & Investigations - 110-160-1610				
PERSONAL SERVICES				
5100 Permanent Salaries	4,218,107	4,428,956	4,246,900	5,402,500
5101 Premium Pay	180,170	174,449	110,000	110,000
5103 Other Wages	8,431	4,860	-	-
TOTAL	4,406,708	4,608,265	4,356,900	5,512,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	452,018	512,068	492,900	640,500
5122 FICA - Social Security	80,025	81,031	84,700	105,600
5123 FICA - Medicare	56,644	61,668	60,700	79,900
5124 Medical Insurance	608,270	574,035	564,900	761,600
5125 Dental Insurance	23,856	26,120	26,500	33,800
5126 Life Insurance	10,416	10,611	12,400	15,800
5127 Health Care Savings Plan (HCSP)	72,832	87,383	36,400	46,400
5136 Police Pension Contribution	203,800	213,400	-	-
TOTAL	1,507,861	1,566,316	1,278,500	1,683,600
OTHER EXPENDITURES				
5200 Office Supplies	24,041	19,380	24,000	24,000
5201 Computer Supplies/Software	4,821	14,245	2,000	2,000
5202 Audiovisual & Photography	559	560	2,000	2,000
5211 Cleaning/Janitorial Supplies	5,527	4,440	7,500	7,500
5212 Motor Fuels	307,001	212,961	365,000	280,000
5214 Food for Animals	6,092	2,631	6,000	6,000
5218 Uniforms	180	2,247	10,000	10,000
5219 Other Miscellaneous Supplies	6,032	7,816	6,000	6,000
5220 Repair & Maintenance Supplies	11,653	4,019	9,000	9,000
5241 Small Equip-Office/Operating	3,816	10,705	3,000	3,000
5305 Medical Svcs/Testing Fees	23,705	18,559	20,000	20,000
5319 Other Professional Services	9,960	11,298	30,000	30,000
5320 Data Services	3,964	2,241	2,500	2,500
5321 Phone Service	70,678	71,990	65,000	65,000
5322 Postage	199	150	1,000	1,000
5331 Travel/Training	12,551	13,148	5,000	5,000
5335 Local Mileage Reimbursement	10,314	8,525	10,000	10,000
5355 Printing & Copying	4,819	4,043	10,000	10,000

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Police Admin & Investigations - 110-160-1610 continued				
5384 Refuse Disposal	2,762	4,507	2,000	2,000
5401 Bldg/Structure Repair & Mtc	7,250	7,500	11,700	11,700
5404 Equipment/Machinery Repair & Mtc	102,030	73,785	95,000	95,000
5409 Fleet Services Charges	345,369	354,781	340,000	375,000
5412 Building Rental	15,356	13,796	8,000	8,000
5418 Vehicle/Equip Lease (Long-term)	24,278	28,648	15,000	15,000
5433 Dues & Subscription	2,621	3,473	1,500	1,500
5435 Books & Pamphlets	2,061	494	1,500	1,500
5437 Automated Pawn System	24,781	25,357	22,500	22,500
5438 Licenses	5,790	960	5,000	5,000
5441 Other Services & Charges	47,715	78,399	70,000	70,000
5443 Board & Meeting Expenses	684	128	800	800
5448 Police Training	69,045	64,628	65,000	65,000
5490 Donations to Civic Organizations	2,500	2,500	2,500	2,500
TOTAL	1,158,154	1,067,914	1,218,500	1,168,500
DIVISION TOTAL	7,072,723	7,242,495	6,853,900	8,364,600

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Police Admin & Investigations - 110-160-1610				
REVENUE SOURCE				
4209 Federal Grant	6,092	19,063		
4220 State of Minnesota	31,893	62,778		
4227 Police Training Reimbursement	54,473	55,101	54,000	50,000
4231 Amortization Aid	215,958	215,958		
4231 Amortization Aid - Supplemental	62,871	45,144		
4231 Amortization Aid - Additional	140,472	0		
4232 State Insurance Premium	1,140,043	1,172,655	1,025,000	1,025,000
4260 St. Louis County		25,000	25,000	25,000
4261 ISD 709	479,510	479,510	364,500	212,000
4262 Housing & Redevelopment Authority		16,668	29,200	55,000
4270 Other Grants		600		
4322 Animal Shelter Fees	18,351	20,084	16,000	20,000
4325 Radio Services	6,600	6,500	6,500	6,500
4326 Criminal History Checks	14,271	6,190	17,000	17,000
4328 Pawnbroker Transaction Surcharge	49,668	55,044	45,000	50,000
4329 False Alarm Fees & Penalties				5,000
4631 Media Sales	4,911	5,378	3,600	5,000
4644 Miscellaneous Sales	1,481	20	500	
4650 Salaries Reimbursement	33,124	22,324	43,700	20,000
4651 Extra Duty Employment Reimbursement				120,000
4654 Other Reimbursements	96,941	24,227		
4680 Damages or Losses Recovered	4,743	0	1,000	
4730 Transfer from Tourism Taxes	356,800	221,300	183,200	183,200
4730 Transfer from Police Grant Fund	295,052	522,339	399,200	550,300
DIVISION TOTAL	3,013,254	2,975,883	2,213,400	2,344,000

City of Duluth Minnesota - 2011 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, and community neighborhood policing and parking enforcement.

Budgeted FTE's	2008	2009	2010	2011	Difference
1100 Lieutenant	6.0	6.0	7.0	6.0	(1.0)
328 Sergeant	15.0	15.0	12.0	10.0	(2.0)
327 Police Investigator	28.0	28.0	29.0	19.0	(10.0)
326 Police Officer	65.0	65.0	66.0	63.0	(3.0)
131 Crime Intel Analyst	1.0	1.0	2.0	-	(2.0)
22 Evidence Technician	-	-	2.0	-	(2.0)
Division Total	115.0	115.0	118.0	98.0	(20.0)

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	6,918,793	7,423,103	7,894,700	6,422,800	(1,471,900)
Overtime	402,383	465,969	440,000	540,000	100,000
Other Wages	13,662	-	-	-	-
Total Salaries	7,334,838	7,889,072	8,334,700	6,962,800	(1,371,900)
Benefits	2,712,985	2,852,383	2,452,300	2,091,000	(361,300)
Other Expense					
Materials & Supplies	97,558	83,751	105,000	105,000	-
Services	8,704	28,764	35,200	35,200	-
Utilities & Maintenance	-	-	-	-	-
Other	-	-	-	-	-
Total Other Expense	106,262	112,515	140,200	140,200	-
Division Total	10,154,085	10,853,970	10,927,200	9,194,000	(1,733,200)

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Police Patrol - 110-160-1620				
PERSONAL SERVICES				
5100 Permanent Salaries	6,918,793	7,423,103	7,894,700	6,422,800
5101 Premium Pay	402,383	465,969	440,000	440,000
5102 Extra Duty Employment				100,000
5103 Other Wages	13,662	-	-	-
TOTAL	7,334,838	7,889,072	8,334,700	6,962,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	893,554	1,039,960	1,110,300	958,900
5122 FICA - Social Security	5,134	7,504	11,400	-
5123 FICA - Medicare	95,685	103,316	116,500	101,000
5124 Medical Insurance	949,624	927,608	1,021,300	862,700
5125 Dental Insurance	36,683	41,240	45,300	37,200
5126 Life Insurance	15,873	16,754	21,200	17,500
5127 Health Care Savings Plan (HCSP)	99,321	108,490	126,300	113,700
5136 Police Pension Contribution	617,111	607,511	-	-
TOTAL	2,712,985	2,852,383	2,452,300	2,091,000
OTHER EXPENDITURES				
5205 Safety & Training Materials	415	1,791	1,500	1,500
5211 Cleaning/Janitorial Supplies	11,000	660	15,000	15,000
5214 Food for Animals	1,175	747	-	-
5217 Ammunition	50,921	25,444	40,000	40,000
5218 Uniforms	31,021	47,445	30,000	30,000
5219 Other Miscellaneous Supplies	3,026	5,611	16,000	16,000
5241 Small Equip-Office/Operating	-	2,053	2,500	2,500
5384 Refuse Disposal	1,158	-	-	-
5415 Vehicle/Equip Rent (Short-term)	2,140	-	4,200	4,200
5418 Vehicle/Equip Lease (Long-term)	48	-	-	-
5441 Other Services & Charges	4,638	19,148	6,000	6,000
5448 Police Training	720	9,616	25,000	25,000
TOTAL	106,262	112,515	140,200	140,200
DIVISION TOTAL	10,154,085	10,853,970	10,927,200	9,194,000

Public Works

Director's Office
Engineering

Public Works & Utilities Department – General Operations

Mission and Vision

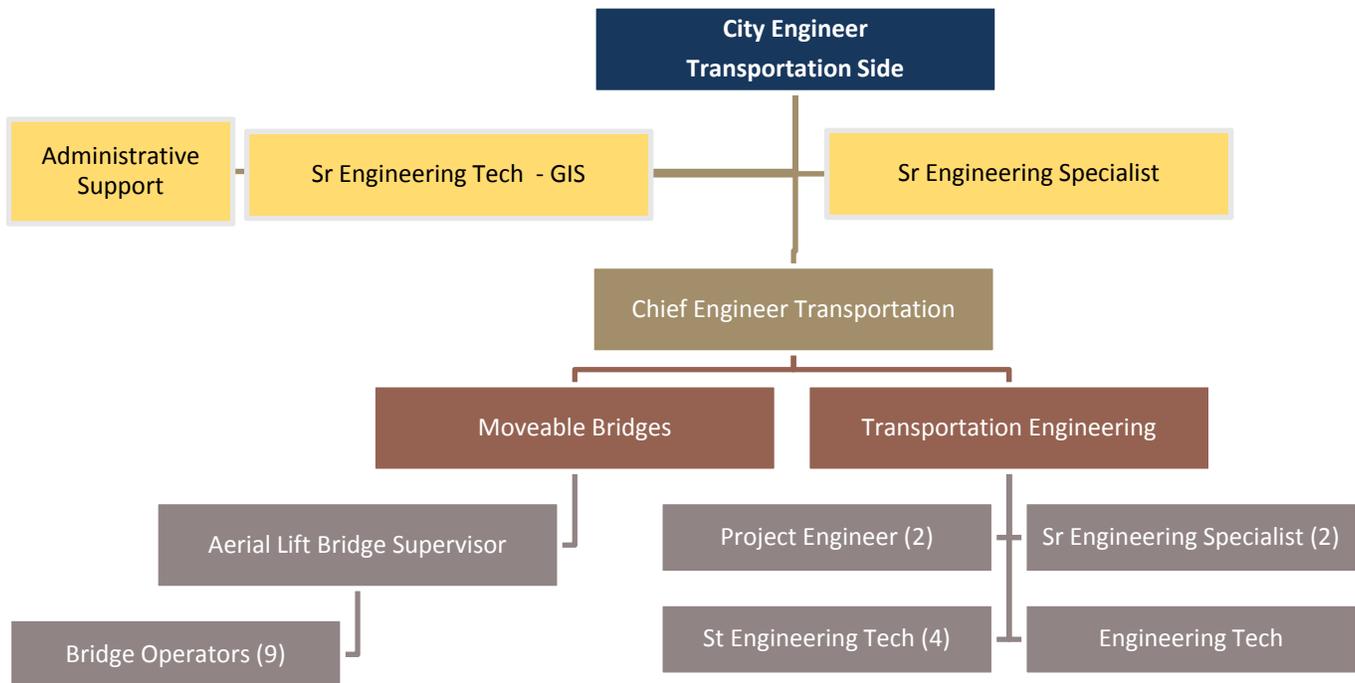
The mission of the Public Works and Utilities Department is to provide professional engineering services and water, sanitary sewer, natural gas, and storm water utilities to Duluth’s businesses and residents in a safe, cost effective and environmentally sound manner through skilled, safety oriented and customer focused employees. The Public Works Department of the General Fund accounts for the transportation side of the Engineering Division of 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. Goals and objectives are outlined in the Department’s business plan which can be found in the Business Plan section of this document.

Structure

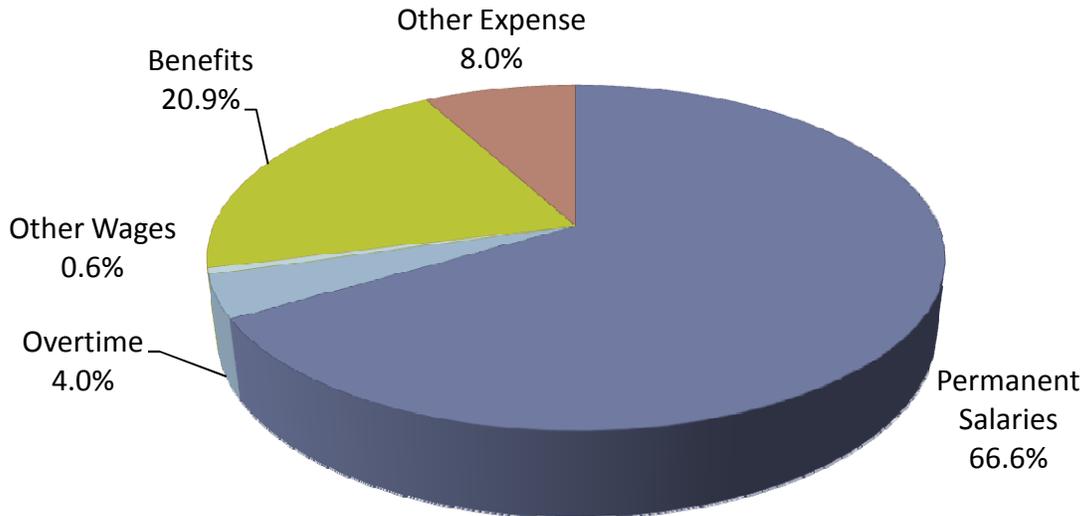
The Public Works and Utilities Department is broken into four separate divisions that span across five different funds – the utility funds of Water, Gas, Sewer and Stormwater; and the General Fund as shown here as the Director’s Office and the Transportation Engineering Divisions.

Public Works & Utilities Department – General Operations Organization Chart



Public Works & Utilities - General Operations

2011 Approved Budget by Expense Category



Expenditures by Category	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Permanent Salaries	1,481,252	1,213,062	1,284,000	1,335,900	51,900
Overtime	121,504	73,213	74,000	80,000	6,000
Other Wages	16,154	-	-	12,000	12,000
Total Personal Services	1,618,910	1,286,275	1,358,000	1,427,900	69,900
Benefits	494,316	402,675	400,700	418,600	17,900
Other Expense	819,970	134,357	160,400	159,900	(500)
Capital Outlay	-	-	-	-	-
Department Total	2,933,196	1,823,307	1,919,100	2,006,400	87,300

Expenditures by Division	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Director's Office	45,733	44,158	43,900	45,000	1,100
Engineering	2,887,463	1,779,149	1,875,200	1,961,400	86,200
Department Total	2,933,196	1,823,307	1,919,100	2,006,400	87,300

	2008	2009	2010	2011	Difference
Budgeted FTE's	28.4	22.4	21.2	22.0	0.8

City of Duluth Minnesota - 2011 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	2008	2009	2010	2011	Difference
1165 Director	0.2	0.2	0.2	0.2	-
32 Project Coordinator	0.2	0.2	0.2	0.2	-
137 Safety and Training Coor.	0.2	-	-	-	-
Division Total	0.6	0.4	0.4	0.4	-

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	35,939	34,189	35,100	36,000	900
Overtime	40	431	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	35,979	34,620	35,100	36,000	900
Benefits	9,526	9,175	7,900	8,100	200
Other Expense					
Materials & Supplies	108	-	200	200	-
Services	-	260	500	500	-
Utilities & Maintenance	-	-	-	-	-
Other	120	120	200	200	-
Total Other Expense	228	380	900	900	-
Division Total	45,733	44,175	43,900	45,000	1,100

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Public Works Director - 110-500-1900				
PERSONAL SERVICES				
5100 Permanent Salaries	35,939	34,189	35,100	36,000
5101 Premium Pay	40	431	-	-
5103 Other Wages	-	-	-	-
TOTAL	35,979	34,620	35,100	36,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	2,240	2,917	2,300	2,400
5122 FICA - Social Security	2,208	2,173	2,200	2,200
5123 FICA - Medicare	518	508	500	500
5124 Medical Insurance	2,774	3,023	2,300	2,400
5125 Dental Insurance	156	160	200	200
5126 Life Insurance	68	65	100	100
5127 Health Care Savings Plan (HCSP)	1,562	329	300	300
TOTAL	9,526	9,175	7,900	8,100
OTHER EXPENDITURES				
5200 Office Supplies	108	-	100	100
5241 Small Equip-Office/Operating	-	-	100	100
5321 Phone Service	-	-	200	200
5331 Travel/Training	-	260	300	300
5335 Local Mileage Reimbursement	-	-	100	100
5433 Dues & Subscription	120	103	100	100
TOTAL	228	363	900	900
DIVISION TOTAL	45,733	44,158	43,900	45,000

City of Duluth Minnesota - 2011 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. Signals and Lighting installs and maintains all traffic control signals and street lighting. Bridges operates and maintains the Aerial Lift Bridge and the Minnesota Slip Pedestrian Drawbridge as well as inspects the mechanical components of the bridges to assure safe and dependable operations.

Budgeted FTE's	2008	2009	2010	2011	Difference
1140 City Engineer	0.4	0.4	0.4	0.4	-
1125 Chief Eng Transportation	1.0	1.0	1.0	1.0	-
1075 Lift Bridge Supervisor	1.0	1.0	1.0	1.0	-
27 Bridge Operator	9.0	9.0	9.0	9.0	-
129 Admin Info Specialist	0.6	0.6	0.6	0.6	-
127 Information Tech	0.2	0.2	0.2	0.4	0.2
129 GIS Technician	0.2	0.2	-	-	-
36 Transportation Engineer	-	-	-	1.0	1.0
36 Project Engineer	2.0	2.0	2.0	2.0	-
34 Sr. Engineering Spec.	2.0	2.0	2.0	2.0	-
31 Sr. Engineering Tech.	6.6	4.6	3.6	3.2	(0.4)
28 Engineering Technician	1.0	1.0	1.0	1.0	-
32 Traffic Optn Leadworker	1.0	-	-	-	-
28 Signal Technician	2.0	-	-	-	-
29 Electrician	1.0	-	-	-	-
Division Total	28.0	22.0	20.8	21.6	0.8

Expenditures	2008 Actual	2009 Actual	2010 Budget	2011 Approved	Difference
Personal Services					
Permanent Salaries	1,445,313	1,178,873	1,248,900	1,299,900	51,000
Overtime	121,464	72,782	74,000	80,000	6,000
Other Wages	16,154	-	-	12,000	12,000
Total Salaries	1,582,931	1,251,655	1,322,900	1,391,900	69,000
Benefits	484,790	393,500	392,800	410,500	17,700
Other Expense					
Materials & Supplies	155,614	48,989	62,700	58,800	(3,900)
Services	21,810	17,756	22,300	23,800	1,500
Utilities & Maintenance	591,351	21,532	33,200	33,200	-
Other	50,967	45,717	41,300	43,200	1,900
Total Other Expense	819,742	133,994	159,500	159,000	(500)
Division Total	2,887,463	1,779,149	1,875,200	1,961,400	86,200

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Engineering - 110-500-1930				
PERSONAL SERVICES				
5100 Permanent Salaries	1,445,313	1,178,873	1,248,900	1,299,900
5101 Premium Pay	121,464	72,782	74,000	80,000
5103 Other Wages	16,154	-	-	12,000
TOTAL	1,582,931	1,251,655	1,322,900	1,391,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	96,950	78,959	88,000	95,000
5122 FICA - Social Security	93,941	74,664	82,000	85,600
5123 FICA - Medicare	21,970	17,462	19,200	20,000
5124 Medical Insurance	237,068	163,905	180,500	185,700
5125 Dental Insurance	8,898	7,334	7,900	8,300
5126 Life Insurance	3,856	2,980	3,700	3,900
5127 Health Care Savings Plan (HCSP)	22,107	48,196	11,500	12,000
TOTAL	484,790	393,500	392,800	410,500
OTHER EXPENDITURES				
5200 Office Supplies	3,589	4,467	3,100	4,200
5201 Computer Supplies/Software	5,750	7,298	9,200	11,300
5203 Paper/Stationery/Forms	98	227	400	400
5205 Safety & Training Materials	1,470	291	700	700
5211 Cleaning/Janitorial Supplies	2,477	210	300	300
5212 Motor Fuels	25,561	10,602	28,100	28,100
5218 Uniforms	895	-	-	-
5219 Other Miscellaneous Supplies	1,140	8,556	2,100	2,100
5220 Repair & Maintenance Supplies	6,694	7,228	10,500	8,500
5226 Sign & Signal Materials	57,991	-	-	-
5230 Street Lighting Supplies	40,631	-	-	-
5240 Small Tools	5,885	187	300	300
5241 Small Equip-Office/Operating	3,433	9,923	8,000	2,900
5303 Engineering Services	4,754	750	8,500	8,500
5319 Other Professional Services	-	-	500	500
5320 Data Services	-	-	-	-
5321 Phone Service	5,656	5,004	5,000	5,600
5322 Postage	9	64	100	100

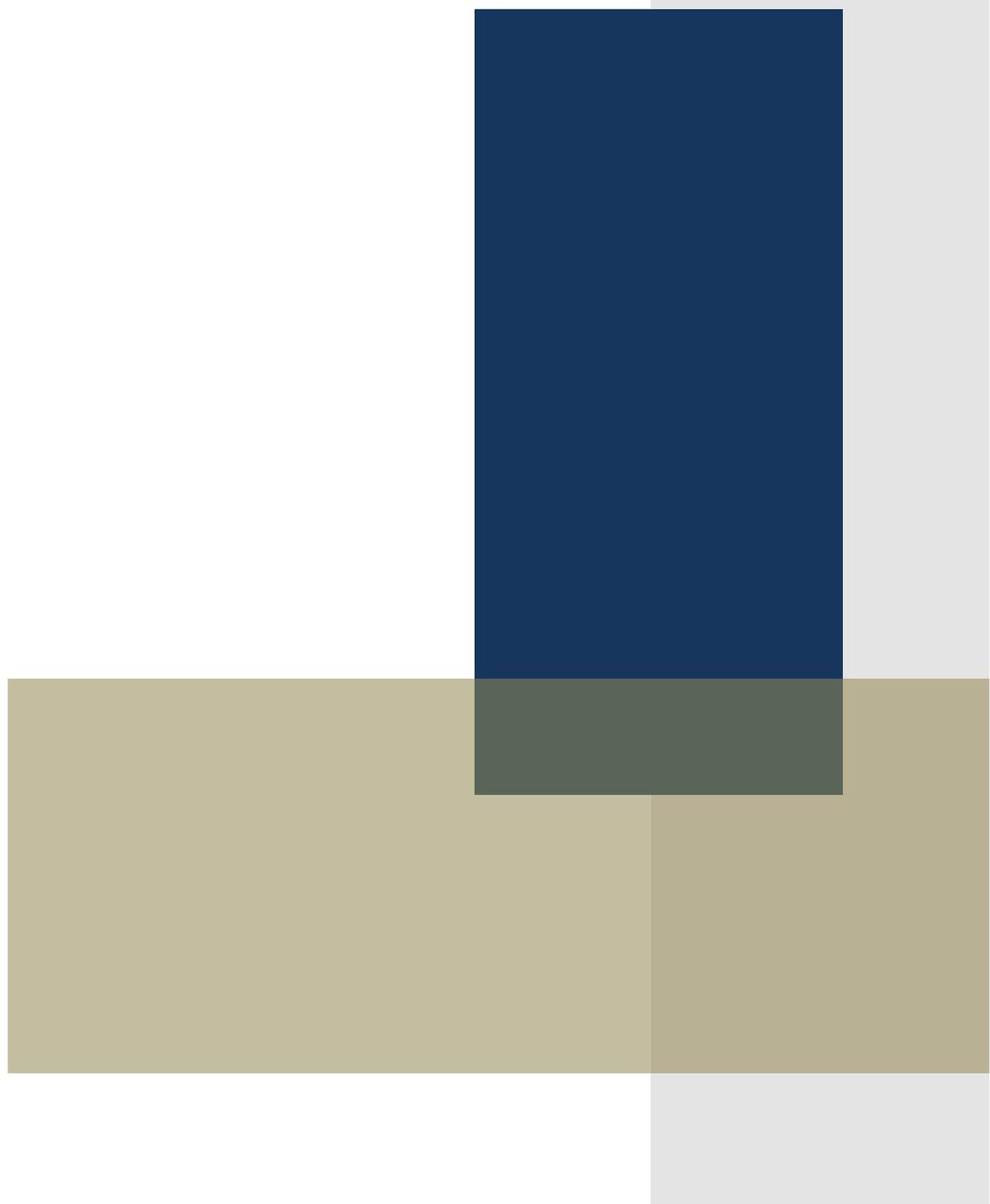
City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Engineering - 110-500-1930 continued				
5331 Travel/Training	5,662	10,557	5,600	6,200
5335 Local Mileage Reimbursement	5,178	231	1,500	1,500
5355 Printing & Copying	5	722	500	800
5384 Refuse Disposal	546	428	600	600
5389 Street Lighting	533,524	-	-	-
5404 Equipment/Machinery Repair & Mtc	3,273	2,735	19,200	19,200
5409 Fleet Services Charges	54,554	18,797	14,000	14,000
5418 Vehicle/Equip Lease (Long-term)	5,904	5,275	1,600	2,200
5433 Dues & Subscription	707	616	1,500	1,500
5435 Books & Pamphlets	87	56	700	700
5438 Licenses	204	-	400	-
5441 Other Services & Charges	7,882	4,373	2,100	2,600
5450 Laundry	2,383	1,197	800	1,200
5455 Pedestrian Bridge Operations	33,800	34,200	34,200	35,000
TOTAL	819,742	133,994	159,500	159,000
DIVISION TOTAL	2,887,463	1,779,149	1,875,200	1,961,400

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Engineering - 110-500-1930				
REVENUE SOURCE				
4152 Excavation Permits	8,625	18,570	10,000	15,000
4170 Miscellaneous Permits	53,385	40,739	50,000	40,000
4324 Miscellaneous Services	38,392	62		
4370 Engineering Services	252,375	341,675	300,000	270,000
4631 Media Sales	9,754	11,248	10,000	10,000
4636 Sale of Scrap		16,204		5,000
4680 Damages or Losses Recovered	35,961			
4730 Transfer from Tourism Taxes	120,000	114,467	105,000	105,000
DIVISION TOTAL	518,492	542,965	475,000	445,000

Transfers and Other Functions



City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
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.				
EXPENDITURES				
Citywide Dues & Lobbying	93,535	109,343	78,000	78,000
Citywide Communications	87,869	90,529	122,500	141,000
Miscellaneous	79,353	150,842	280,000	280,000
Civic Events and Awards	75,735	88,943	85,000	85,000
Business Improvement Dist.	484,210	478,746	300,000	300,000
Public Access Television	169,000	162,000	169,000	169,000
Sales Tax Administration	205,585	96,233	225,000	125,000
Parking Fine Administration	9,718	157,606	150,000	150,000
Capital Program - CIP	439,587	880,007	430,000	592,000
Facility Maintenance Program		202,693	230,000	230,000
Capital Program - CEP	218,916	249,525	185,000	85,000
Community Inv Trust Projects	177,000	177,000	176,800	181,600
Unemployment Compensation	89,101	86,604	50,000	50,000
Benefits Administration	13,954	15,390	13,000	50,000
Retiree Insurance	7,853,628	8,833,126	9,091,300	7,204,000
Accruals	-	-	250,000	380,000
Self Insurance Contribution	900,000	1,100,000	1,100,000	1,100,000
Federal Program Support	49,413	-	-	-
Street Improvement Program	4,013,585	-	-	-
Department Total	14,960,189	12,878,587	12,935,600	11,200,600

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
Transfers and Other Functions				
REVENUE SOURCE				
4005 Current Property Tax	2,199,355	2,387,430		
4010 Delinquent Property Tax	36,656	49,620		
4222 State Property Tax Aid	190,144	190,962		
4260 St Louis County		7,389		
4500 Assessments - Service Charge	281,999	278,745	300,000	300,000
4639 Sale of Equipment	123,373	98,753	120,000	100,000
4640 Sale of Land	1,562,150	284,372	280,000	50,000
4654 Other Reimbursements	3,204	2,500		
4660 Gifts and Donations	36,250	8,000		
4730 Transfer from Capital Projects		20,000		
4730 Transfer from Special Revenue		33,697		
4730 Transfer from Tourism Taxes	48,000	47,599	45,000	45,000
4730 Transfer from Steam (sale)		2,500,000		
4730 Transfer from CIT Fund	1,964,431	1,283,001	805,000	510,000
DEPARTMENT TOTAL	6,445,562	7,192,068	1,550,000	1,005,000

Special Revenue Funds

City of Duluth Minnesota - 2011 Budget

Funds

Lake Superior Zoo
 Special Projects
 Police Grants
 Capital Equipment
 Economic Development
 Community Investment Fund
 Energy Management
 Special City Excise and Sales Tax
 Home Program
 Community Development
 Community Development Admin
 Workforce Investment Act
 Senior Employment
 Senior Nutrition
 Other Post Employment Benefits
 DECC Revenue Fund

Special Revenue Funds

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

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	57,071,485	74,822,660	66,369,533	64,300,833
REVENUES				
Taxes				
Intergovernmental	6,799,359	7,537,874	7,513,900	7,450,000
Miscellaneous	11,256,866	10,275,049	10,952,800	9,817,700
TOTAL REVENUES	25,299,751	11,315,427	17,557,100	16,591,100
	43,355,976	29,128,350	36,023,800	33,858,800
EXPENSES				
Personal Services				
Other Services and Charges	2,741,634	3,098,868	2,973,900	3,035,100
Transfers	3,622,095	2,904,717	2,556,500	2,660,400
Miscellaneous	8,893,137	21,070,078	19,352,300	17,479,700
TOTAL EXPENSES	10,459,510	10,507,815	13,209,800	13,553,000
	25,716,376	37,581,477	38,092,500	36,728,200
FUND BALANCE - DECEMBER 31	74,711,085	66,369,533	64,300,833	61,431,433

City of Duluth Minnesota - 2011 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 2008. The City will subsidize operations with a transfer from The Tourism Tax Fund.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1		111,575	142,677	142,677
REVENUES				
Intergovernmental, State of Minnesota		107,500	160,000	160,000
Admissions		613,580	440,000	615,000
Concessions & Commissions, Miscellaneous		173,342	340,000	200,000
Gifts and Donations		1,460	5,000	2,000
Other Sources		36,230	25,000	25,000
Transfer from Tourism Tax		454,200	520,000	520,000
TOTAL REVENUES		<u>1,386,312</u>	<u>1,490,000</u>	<u>1,522,000</u>
EXPENSES				
Contract Services		111,574	34,000	34,000
Contract Services, Zoo Personnel		661,377	750,000	750,000
Contract Services, Operating Expenses		574,353	700,000	700,000
Bank Charges		7,906	6,000	6,000
TOTAL EXPENSES		<u>1,355,210</u>	<u>1,490,000</u>	<u>1,490,000</u>
FUND BALANCE - DECEMBER 31		142,677	142,677	174,677

City of Duluth Minnesota - 2011 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.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	357,509	138,147	494,558	494,558
REVENUES				
Intergovernmental	347,148	584,622	474,200	
Miscellaneous	242,582	281,842	190,900	209,800
TOTAL REVENUES	<u>589,730</u>	<u>866,464</u>	<u>665,100</u>	<u>209,800</u>
EXPENSES				
Personal Services	25,997		26,000	26,000
Other Services and Charges	194,570	151,444	50,700	67,200
Transfers	29,321	35,053		
Miscellaneous	65,785	149,032	114,200	116,600
Capital Equipment	493,419	174,524	474,200	
TOTAL EXPENSES	<u>809,092</u>	<u>510,053</u>	<u>665,100</u>	<u>209,800</u>
FUND BALANCE - DECEMBER 31	138,147	494,558	494,558	494,558

City of Duluth Minnesota - 2011 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.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	(71,191)	6,895	26,595	26,595
REVENUES				
Intergovernmental	995,646	1,105,113	570,000	1,130,000
Miscellaneous	3,531	16,299		4,000
Felony Forfeitures	106,550	40,875		50,000
TOTAL REVENUES	<u>1,105,727</u>	<u>1,162,287</u>	<u>570,000</u>	<u>1,184,000</u>
EXPENSES				
Personal Services	138,693	140,214		50,000
Other Services and Charges	295,052	209,389	130,000	232,500
Transfer to General Fund	351,389	522,339	385,000	628,500
Miscellaneous	242,507	185,357	50,000	266,000
Capital Equipment		85,288	5,000	7,000
TOTAL EXPENSES	<u>1,027,641</u>	<u>1,142,587</u>	<u>570,000</u>	<u>1,184,000</u>
FUND BALANCE - DECEMBER 31	6,895	26,595	26,595	26,595

City of Duluth Minnesota - 2011 Budget

Capital Equipment

250

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

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	664,643	1,461,864	2,172,484	2,172,484
REVENUES				
Other Reimbursements	17,221	4,554		
Earnings on Investments	2,320	393		
Bond Proceeds	2,585,359	2,654,479	2,400,000	4,403,000
TOTAL REVENUES	<u>2,604,900</u>	<u>2,659,426</u>	<u>2,400,000</u>	<u>4,403,000</u>
CAPITAL OUTLAY EXPENDITURES				
Bond Issuance Costs	48,520	31,178	132,000	25,000
Capital Equipment - Nonrolling	268,258	487,461	1,323,000	1,450,000
Capital Equipment - Rolling	1,490,901	1,430,167	945,000	2,928,000
TOTAL EXPENSES	<u>1,807,679</u>	<u>1,948,806</u>	<u>2,400,000</u>	<u>4,403,000</u>
FUND BALANCE - DECEMBER 31	1,461,864	2,172,484	2,172,484	2,172,484

City of Duluth Minnesota - 2011 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.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	55,072	64,150	64,150	63,050
REVENUES				
Intergovernmental Revenues	2,641,982	257,274		
Transfer from DEDA	12,975	21,286		
Other Reimbursements		250,000		
Other Miscellaneous	6,239	6,461	5,400	6,500
TOTAL REVENUES	<u>2,661,196</u>	<u>535,021</u>	<u>5,400</u>	<u>6,500</u>
EXPENSES				
Economic Development	2,259,405	285,021	6,500	6,500
Transfer to Capital Projects Funds	392,713	250,000		
TOTAL EXPENSES	<u>2,652,118</u>	<u>535,021</u>	<u>6,500</u>	<u>6,500</u>
FUND BALANCE - DECEMBER 31	64,150	64,150	63,050	63,050

City of Duluth Minnesota - 2011 Budget

Community Investment Fund

256

Fund accounts for monies received from Fond du Luth Casino in accordance with existing 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. Current policy is to pay off existing street improvement debt and finance the street improvement program.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	55,110,943	57,611,855	47,030,854	39,787,154
REVENUES				
Casino Proceeds/Misc	5,595,719	3,040,223	6,000,000	6,000,000
Investment Earnings	1,883,218	999,210	805,000	510,000
TOTAL REVENUES	<u>7,478,937</u>	<u>4,039,433</u>	<u>6,805,000</u>	<u>6,510,000</u>
EXPENSES				
Administration - (annual)	13,594	12,145		
Legal Services		78,899		
Housing Investment Fund	600,000		600,000	
Transfer to OPEB	1,200,000			
Transfer to Capital Project	1,200,000	5,200,000	6,000,000	6,000,000
Transfer to Debt Service		7,446,389	6,643,700	5,316,500
Transfer to General (Housing Redirect)		600,000		
Transfer to General Fund - BID	200,000	200,000		
Transfer to General Fund (annual)	1,764,431	1,083,001	805,000	510,000
TOTAL EXPENSES	<u>4,978,025</u>	<u>14,620,434</u>	<u>14,048,700</u>	<u>11,826,500</u>
FUND BALANCE - DECEMBER 31	57,611,855	47,030,854	39,787,154	34,470,654

City of Duluth Minnesota - 2011 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. In 2009 the City used this funding to create an Office of Environmental Sustainability. The office will be responsible for coordinating all aspects of sustainability, eco-development as well as the continuing on with the current responsibilities.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	238,522	264,799	352,519	416,419
REVENUES				
Intergovernmental Revenues		17,600	75,000	250,000
Other Reimbursements	10,515	0	12,000	3,000
From Public Utility	75,000	75,000	75,000	75,000
TOTAL REVENUES	<u>85,515</u>	<u>92,600</u>	<u>162,000</u>	<u>328,000</u>
EXPENSES				
Personal Services	36,190	0	75,000	75,000
Other Services & Charges	14,359	3,600	0	250,000
Miscellaneous	8,689	1,280	23,100	3,000
TOTAL EXPENSES	<u>59,238</u>	<u>4,880</u>	<u>98,100</u>	<u>328,000</u>
FUND BALANCE - DECEMBER 31	264,799	352,519	416,419	416,419

BUDGETED FTE'S	2008	2009	2010	2011
Energy Management Position		1	0	1

City of Duluth Minnesota - 2011 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

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	144,257	123,884	88,780	149,380
REVENUES				
Hotel Motel 3%	1,623,345	1,560,512	1,550,000	1,620,000
Hotel Motel 1%	541,115	520,170	517,000	537,000
Add'l. 2.5% Hotel Motel Tax	1,267,865	1,222,157	1,214,000	1,260,000
Food & Beverage Tax 1.5%	2,670,520	2,621,649	2,613,300	2,688,700
Food & Beverage Tax .75%	696,514	1,310,823	1,306,700	1,344,300
Prior Year		76,730		
TOTAL REVENUES	6,799,359	7,312,041	7,201,000	7,450,000
EXPENSES				
Duluth Entertainment & Convention Center	1,002,415	963,617	957,100	1,000,400
Convention & Visitors Bureau	1,432,200	1,435,506	1,428,000	1,480,800
Business Improvement District			200,000	200,000
Great Lakes Aquarium	300,000	200,000	250,000	300,000
Lake Superior Zoological Gardens		454,200	520,000	520,000
St. Louis County Heritage & Arts Center	160,000	151,800	151,800	151,800
Public Arts Commission	39,000	30,000	30,000	30,000
Sister Cities Commission	60,000	34,000	20,000	20,000
Donations	25,000			
Rail Alliance	45,834	50,000	50,000	40,000
Transfer to General Fund	1,180,967	782,288	737,900	737,900
Transfer to Capital Projects - Enger Tower		20,000	100,000	100,000
Transfer for Debt Service				
- DECC	1,411,967	2,029,423	2,223,800	2,291,300
- Lake Superior Center	535,589	490,611	196,800	201,200
- Spirit Mountain	225,000	225,000	275,000	350,000
- Bayfront	401,760	480,700		
TOTAL EXPENSES	6,819,732	7,347,145	7,140,400	7,423,400
FUND BALANCE - DECEMBER 31	123,884	88,780	149,380	175,980

City of Duluth Minnesota - 2011 Budget

Home Program

260

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

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	0	0	0	0
REVENUES				
Home Grant	943,058	885,836	820,000	733,000
TOTAL REVENUES	<u>943,058</u>	<u>885,836</u>	<u>820,000</u>	<u>733,000</u>
EXPENSES				
Tenant Based Rental Assistance	94,305	55,114	82,000	150,000
CHDO Program	360,397	71,623	307,500	110,000
Home Ownership Program	412,055	413,505	348,500	250,000
Rehabilitation		276,000		149,700
Administration	76,301	69,594	82,000	73,300
TOTAL EXPENSES	<u>943,058</u>	<u>885,836</u>	<u>820,000</u>	<u>733,000</u>
FUND BALANCE - DECEMBER 31	0	0	0	0

City of Duluth Minnesota - 2011 Budget

Community Development

262

Special Revenue fund established to account for monies received from the U.S. Department Housing and Urban Development (HUD) as a grantee under the Community Development Program. These monies are to be expended for projects considered necessary for the renewal revitalization of targeted eligible neighborhoods and low and moderate income households. 2011 budget figures represent preliminary estimates only, awaiting the allocation of HUD funds.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	1,693	11,003	11,003	11,003
REVENUES				
State of Minnesota				
Community Development	3,094,391	2,808,884	3,110,000	3,070,000
Block Grant				
Emergency Shelter Grant		263,736	500,000	30,000
CDBG-R (ARRA)	135,249	113,730	125,000	125,000
HPRP		37,617	581,400	581,400
Neighborhood Stabilization		433,245	800,000	250,000
State Legacy Grant				225,000
Transfer from SIP		10,312		
TOTAL REVENUES	3,229,640	3,667,524	5,116,400	4,281,400
EXPENSES				
Economic Development	254,406	294,993	404,300	460,500
Housing	1,262,369	1,828,672	2,006,000	1,342,300
Physical Improvements	479,829	329,063	761,000	685,500
Public Service Projects	750,337	574,528	1,195,200	1,130,700
Program Administration	473,389	640,268	749,900	662,400
TOTAL EXPENSES	3,220,330	3,667,524	5,116,400	4,281,400
FUND BALANCE - DECEMBER 31	11,003	11,003	11,003	11,003

City of Duluth Minnesota - 2011 Budget

Community Development Administration

265

Special Revenue fund established to account for the administrative costs associated with the Community Development Block Grant Program and other HUD Programs.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	0	0	0	0
REVENUES				
Community Development Block Grant	454,977	539,908	530,000	556,200
Home CDBG-R (ARRA)	71,375	69,594	80,000	68,300
HPRP		11,412	15,000	20,000
Neighborhood Stabilization		3,887	68,000	50,000
Emergency Shelter Grant	136	2,275	6,200	6,200
TOTAL REVENUES	<u>526,488</u>	<u>632,026</u>	<u>737,200</u>	<u>730,700</u>
EXPENSES				
Personal Services	486,879	579,261	626,300	619,300
OPEB	16,100	13,800	16,100	13,800
Other Services and Charges	23,509	38,965	94,800	97,600
TOTAL EXPENSES	<u>526,488</u>	<u>632,026</u>	<u>737,200</u>	<u>730,700</u>
FUND BALANCE - DECEMBER 31	0	0	0	0

BUDGETED FTE'S	2008	2009	2010	2011
1085 Manager, CD/Housing	1	1	1	1
136 Senior Planner	2	2	2	2
133 Planner II	3	3	4	3
129 Planner I	0	0	0	1
126 Information Technician	1	1	1	1
Division Total	7	7	8	8

City of Duluth Minnesota - 2011 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 2011 budget figures represent preliminary estimates only and are subject to change as grants are appropriated by the State and approved by the City Council.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	493,904	491,291	357,791	357,791
REVENUES				
Miscellaneous	1,092	14,004	5,000	0
Food Stamp Employment	60,016	7,621	0	0
MFIP	1,071,413	844,293	975,000	1,120,000
Federal Grant	561,819	829,194	800,000	846,000
Federal Grant - ARRA		621,686	385,900	0
State Grant	250,839	337,200	300,000	250,600
TOTAL REVENUES	1,945,180	2,653,998	2,465,900	2,216,600
EXPENSES				
Personal Services	1,438,561	1,956,237	1,650,000	1,667,000
OPEB	43,289	39,100	41,400	43,000
Other Services and Charges	465,943	792,160	774,500	506,600
TOTAL EXPENSES	1,947,793	2,787,497	2,465,900	2,216,600
FUND BALANCE - DECEMBER 31	491,291	357,791	357,791	357,791
BUDGETED FTE'S				
1085 Mgr, Employment & Training	1	1	1	1
134 Sr Comm Service Emp Dir	1	1	1	1
131 Employment Technician	15	14	18	18
126 Information Technician	3	2	2	2
Division Total	20	18	22	22

City of Duluth Minnesota - 2011 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.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	0	0	0	0
REVENUES				
Senior Employment Program - State	110,518	99,026	139,500	186,000
Senior Aides Program - Federal	261,784	242,373	344,000	355,000
ARRA - Sr. Empl. Program		46,473	55,600	0
TOTAL REVENUES	<u>372,302</u>	<u>387,872</u>	<u>539,100</u>	<u>541,000</u>
EXPENSES				
Personal Services	372,302	370,256	539,100	541,000
Other Services and Charges		17,616		
TOTAL EXPENSES	<u>372,302</u>	<u>387,872</u>	<u>539,100</u>	<u>541,000</u>
FUND BALANCE - DECEMBER 31	0	0	0	0

City of Duluth Minnesota - 2011 Budget

Senior Nutrition

272

Special Revenue fund established to account for monies received from the Arrowhead Regional Development Commission under the Older American Act of 1965 for providing hot meals and other services to people 60 years of age and older.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	76,133	51,311		
REVENUES				
Federal Grant	197,795			
State Grant	58,719			
Transfer from General Fund	49,413			
Other Reimbursements	68,579			
Gifts and Donations	153,552			
TOTAL REVENUES	<u>528,058</u>	<u>0</u>		
EXPENSES				
Personal Services	183,623			
Other Services and Charges	369,257	51,311		
TOTAL EXPENSES	<u>552,880</u>	<u>51,311</u>		
FUND BALANCE - DECEMBER 31	51,311	0		

City of Duluth Minnesota - 2011 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.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	0	13,789,212	14,825,759	19,877,359
REVENUES				
Property Tax Levy		302,563	312,900	
Investment Earnings	151,526	637,568	784,000	800,000
Change in Fair Value	(93,131)	(3,357,484)		
Transfer from Special Revenue Funds (Grants)		62,100	72,900	72,900
Transfer from Special Revenue Funds	10,000,000	1,200,000	1,200,000	
Transfer from Internal Service (Group	1,000,000			
Transfer from Enterprise Funds	2,730,817	2,691,800	2,691,800	1,525,600
TOTAL REVENUES	<u>13,789,212</u>	<u>1,536,547</u>	<u>5,061,600</u>	<u>2,398,500</u>
EXPENSES				
Administrative Expenses			10,000	10,000
Transfer to Internal Service (Group Health)		500,000		
TOTAL EXPENSES		<u>500,000</u>	<u>10,000</u>	<u>10,000</u>
FUND BALANCE - DECEMBER 31	13,789,212	14,825,759	19,877,359	22,265,859

City of Duluth Minnesota - 2011 Budget

DECC Revenue Fund

281

Special revenue fund established to account for the new .75% food & beverage tax and 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.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1		696,674	802,363	802,363
REVENUES				
Earnings on Investments	160	140		
Transfer from Special Revenue Funds	696,514	1,310,823	1,308,600	1,344,300
Transfer from Capital Projects Funds			676,500	
TOTAL REVENUES	<u>696,674</u>	<u>1,310,963</u>	<u>1,985,100</u>	<u>1,344,300</u>
EXPENSES				
Transfer to Debt Service		1,205,274	1,985,100	1,344,300
TOTAL EXPENSES		<u>1,205,274</u>	<u>1,985,100</u>	<u>1,344,300</u>
FUND BALANCE - DECEMBER 31	696,674	802,363	802,363	802,363

The cover features a solid olive green header at the top. Below it, the page is divided into several overlapping rectangular areas: a white area on the left, a light grey textured area on the right, a tan textured area at the bottom left, and a dark blue textured area at the bottom right. A dark blue rectangular box is centered in the white area, containing the title text in a gold, sans-serif font.

Debt Service Funds

City of Duluth Minnesota - 2011 Budget

Funds

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

Debt Service Funds

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

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	14,829,078	15,927,492	18,612,250	21,712,150
REVENUES				
Taxes	4,566,382	4,844,905	5,488,900	5,899,600
Intergovernmental	388,123	382,861		
Special Assessments	2,202,171	2,423,418	1,965,400	1,812,000
Miscellaneous	58,963	1,635,351	37,500	276,900
Other Financing Sources	11,041,388	13,787,246	10,178,100	9,547,700
TOTAL REVENUES	<u>18,257,027</u>	<u>23,073,781</u>	<u>17,669,900</u>	<u>17,536,200</u>
EXPENSES				
Debt Service Payments	15,419,662	19,001,901	13,792,400	17,296,100
Miscellaneous	1,738,951	1,387,122	777,600	771,800
TOTAL EXPENSES	<u>17,158,613</u>	<u>20,389,023</u>	<u>14,570,000</u>	<u>18,067,900</u>
FUND BALANCE - DECEMBER 31	15,927,492	18,612,250	21,712,150	21,180,450

City of Duluth Minnesota - 2011 Budget

Debt Service Funds Narrative

2010 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, 2010 as it pertains to the City of Duluth is estimated as follows:

Total Gross Bonded Debt		\$173,225,000
Less:		
City Revenue Bonds	\$	1,145,000
City - general obligation bonds paid by parking revenues		13,165,000
City - general obligation bonds paid by other revenues		43,800,000
Tax Abatement Bonds		310,000
Tax increment bonds		90,000
Utility bonds paid from Enterprise Funds		37,530,000
Special assessment bonds		36,235,900
Net Direct Bonded Debt		<u>\$40,949,100</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.

<u>Year</u>	<u>Amount (in Thousands)</u>	<u>Percent of Market Value</u>	<u>Dollars Per Capita</u>
2011	\$40,949	0.7	\$471
2010	\$41,410	0.7	\$476
2009	\$22,420	0.4	\$258
2008	\$28,986	0.5	\$333
2007	\$29,284	0.6	\$337
2006	\$26,802	0.6	\$308
2005	\$19,208	0.5	\$221
2004	\$21,365	0.6	\$245
2003	\$23,037	0.7	\$265
2002	\$24,203	0.8	\$279

The preceding table used an estimated tax capacity value of \$65,644,164, an Assessor's estimated taxable market value of \$5,494,858,600 and a population of 86,918, as reported in the 2000 census.

City of Duluth Minnesota - 2011 Budget

Debt Service Funds Narrative (continued)

During 2010, the City of Duluth will issue an estimated \$4,458,000 in bonds and retire \$13,650,000 in bond principal. The 2011 issues consist of a \$4,378,000 bond for capital equipment purchases; \$2,090,000 for capital improvements; and \$3,550,000 for water improvements.

The following table provides more detailed information concerning the changes in debt which will occur during 2010, and also the anticipated 2011 issues.

	2010 ISSUED	2010 RETIRED	ANTICIPATED ISSUE
General Obligation	\$4,458,000	\$4,655,000	\$7,192,500
Special Assessment Revenue		4,870,000 315,000	
Revenue & General Obligation		3,810,000	3,550,000
 Total Issued/Retired in 2010 and anticipated Issues for 2011	 <u>\$4,458,000</u>	 <u>\$13,650,000</u>	 <u>\$10,742,500</u>

Bonds funded by Other Financing Sources:

<u>General Fund Debt Requirements</u>	<u>Issue Date</u>	<u>Outstanding 12/31/10</u>	<u>Debt Requirements</u>
SIP-1998 Project Year (refunding)	12/19/06	1,676,000	462,900
SIP-1999 Project Year (refunding)	12/9/2008	2,041,100	453,500
SIP-2000 Project Year (refunding)	12/19/06	1,904,000	362,800
SIP-2003 Project Year	9/01/03	2,695,000	366,700
SIP-2004 Project Year	9/01/04	2,830,000	348,200
SIP-2005 Project Year	10/01/05	2,705,000	308,400
SIP-2007 Project Year	9/07/06	2,250,000	238,200
SIP-2008 Project Year	12/13/07	1,640,000	166,900
SIP-2009 Project Year	8/7/2008	1,605,000	162,300
 Funded by Community Investment Fund			 <u>\$2,869,900</u>

City of Duluth Minnesota - 2011 Budget

Debt Service Funds Narrative (continued)

<u>Transfer from Special Revenue Funds</u>	Issue Date	Outstanding 12/31/10	Debt Requirements
Duluth Entertainment Center	12/13/07	2,625,000	720,400
Duluth Entertainment Center	8/21/08	40,585,000	1,306,700
Lake Superior Center (refunding)	12/19/05	1,215,000	201,200
Funded by Tourism Taxes			<u>\$2,228,300</u>

Funded by Others

Bayfront Park Warming Facility	12/01/03	68,800	35,000
Seaway Port - Airpark	9/01/04	695,000	82,800
DECC Refunding	4/01/01	775,000	807,600
Airport - Cirrus	2/01/02	2,060,000	366,900
Funded by Others			<u>1,292,300</u>

Transfer from Capital Project Funds

Duluth Entertainment Center	8/21/08	40,585,000	695,600
Funded by DECC Capital Improvement Fund			<u>695,600</u>

Transfer from Debt Service Funds

Lakewalk Homes	10/01/05	310,000	50,000
Funded by General Obligation Debt			<u>50,000</u>

As you will notice on the revenue and expense summary for debt service funds, fund balance amounts keep increasing. This is because all required debt payments due in February of the following year are included.

City of Duluth Minnesota - 2011 Budget

Debt Service Funds Narrative (continued)

The following tables provide specific information relative to the 2010 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 12/31/10</u>	<u>2011 Levy Requirements</u>
Bayfront Park Warming Facility	12/01/03	51,200	26,500
Zoo (refunding)	12/19/05	495,000	254,800
West Michigan St.	2/01/98	589,100	149,000
Lakewalk Homes	10/01/05	310,000	50,000
Aerial Lift Bridge	8/07/08	1,350,000	183,400
DEDA - Cirrus	4/20/07	90,000	12,200
Medical District Parking Ramp	12/20/05	8,048,200	756,200
Police Station	12/17/09	18,990,000	1,029,700
Equipment	12/19/06	755,000	399,000
Equipment	12/13/07	1,240,000	450,000
Equipment	12/07/08	2,060,000	570,700
Equipment	12/17/09	2,570,000	557,400
Equipment	2010	2,318,000	498,000
Capital Improvement Projects	3/01/04	380,000	104,300
Capital Improvement Projects	6/01/05	750,000	166,800
Capital Improvement Projects	9/07/06	635,000	121,600
Capital Improvement Projects	12/13/07	1,000,000	164,800
Capital Improvement Projects	12/07/08	1,455,000	213,500
Capital Improvement Projects	2010	2,140,000	250,900
TOTAL DEBT SERVICE			5,958,800
5% Additional required by law (1)			297,900
			6,256,700
Less: Cash Reserve			(357,100)
NET DEBT LEVY - Total required by taxation			5,899,600

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

City of Duluth Minnesota - 2011 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.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	1,970,122	2,362,298	3,652,605	5,377,605
REVENUES				
Current Property Taxes	4,410,719	4,666,695	5,401,500	5,899,600
Delinquent Property Taxes	74,010	99,454		
State Property Tax Aid	381,325	376,759		
Sale of Bonds		589,118		
Bond Premium	237,540	13,225		
Other Sources	35,000	35,000	35,000	273,800
Transfer from Capital Project		551,600		
TOTAL REVENUES	<u>5,138,594</u>	<u>6,331,851</u>	<u>5,436,500</u>	<u>6,173,400</u>
EXPENSES				
Debt Service Payments:				
Bond Principal	2,302,000	2,550,000	2,420,000	3,063,100
Bond Interest	802,605	542,703	530,600	1,409,200
Payment to Escrow		589,118		
Other Expenditures:				
Transfer to SA Debt Service		190,534		
Transfer to SIP Debt Service	845,076	385,000		
Transfer to Enterprise Fund	757,300	754,700	756,100	756,200
Transfer to DEDA	9,715	11,427		
Bond Discount/Issuance	25,260	13,337		
Bond Fees	4,462	4,725	4,800	5,600
TOTAL EXPENSES	<u>4,746,418</u>	<u>5,041,544</u>	<u>3,711,500</u>	<u>5,234,100</u>
FUND BALANCE - DECEMBER 31	2,362,298	3,652,605	5,377,605	6,316,905

City of Duluth Minnesota - 2011 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.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	1,859,194	2,552,580	2,765,545	2,243,945
REVENUES				
Transfer from Special Revenue -				
Lake Superior Center	535,589	490,611	196,800	201,200
DECC Expansion and Parking	715,453	718,600	720,000	720,400
Bayfront	401,760	480,700		
DECC Improvement		1,205,274	1,308,600	1,306,700
Transfer from Capital Projects -				
DECC Improvement		698,201		695,600
Transfer from Debt Service -				
Lakewalk Homes	31,907	45,203	55,200	50,000
Funded by Others -				
Bayfront Park	180,000	180,000		
DECC Refunding			803,100	807,600
Seaway Port - Airpark	9,978	82,819	84,900	82,800
Airport - Cirrus	365,053	369,617	365,800	366,900
TOTAL REVENUES	<u>2,239,740</u>	<u>4,271,025</u>	<u>3,534,400</u>	<u>4,231,200</u>
EXPENSES				
Bond Principal	1,053,000	1,705,000	2,922,000	2,395,000
Bond Interest	450,377	2,350,260	1,129,000	2,268,000
Transfer to DEDA	40,527			
Fiscal Agents	2,450	2,800	5,000	2,800
TOTAL EXPENSES	<u>1,546,354</u>	<u>4,058,060</u>	<u>4,056,000</u>	<u>4,665,800</u>
FUND BALANCE - DECEMBER 31	2,552,580	2,765,545	2,243,945	1,809,345

City of Duluth Minnesota - 2011 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.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	286,342	227,193	228,968	238,968
REVENUES				
Current Property Taxes	78,631	76,286	87,400	
Delinquent Property Taxes	3,022	2,470		
State Property Tax Aid	6,798	6,102		
TOTAL REVENUES	<u>88,451</u>	<u>84,858</u>	<u>87,400</u>	<u>0</u>
EXPENSES				
Interest Expense	12,075	7,733	1,700	1,700
Fees & Commissions	525	350	700	200
Bond Redemption	135,000	75,000	75,000	81,600
TOTAL EXPENSES	<u>147,600</u>	<u>83,083</u>	<u>77,400</u>	<u>83,500</u>
FUND BALANCE - DECEMBER 31	227,193	228,968	238,968	155,468

City of Duluth Minnesota - 2011 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.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	885,138	1,291,312	1,637,476	1,838,876
REVENUES				
Construction Assessments	932,315	1,038,156	1,423,000	1,165,000
Construction Assessments with Taxes	285,205	367,969		
Earnings on Investments	686	651		600
Sale of Bonds		1,560,882		
Bond Premium		35,607		
Forfeited Taxes	535			
Transfer from Capital Projects	624,831	280,124		
Transfer from Debt Service Funds	119,839	190,534		
TOTAL REVENUES	<u>1,963,411</u>	<u>3,473,923</u>	<u>1,423,000</u>	<u>1,165,600</u>
EXPENSES				
Bond Principal	1,147,900	1,104,200	881,100	846,900
Bond Interest	406,800	428,171	338,000	268,300
Payment to Escrow		1,560,882		
Bond Discount/Issuance		14,947		
Fiscal Agents	2,537	2,353	2,500	2,200
Transfer to Capital Projects		17,206		
TOTAL EXPENSES	<u>1,557,237</u>	<u>3,127,759</u>	<u>1,221,600</u>	<u>1,117,400</u>
FUND BALANCE - DECEMBER 31	1,291,312	1,637,476	1,838,876	1,887,076

City of Duluth Minnesota - 2011 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.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	9,828,282	9,494,109	10,327,656	12,012,756
REVENUES				
Construction Assessments	984,651	1,017,293	542,400	647,000
Earnings on Investments	22,742	3,211	2,500	2,500
Sale of Bonds	3,055,000			
Bond Premium	46,968			
Transfer from General Fund	4,013,585			
Transfer from Special Revenue		7,446,389	6,643,700	5,316,500
Transfer from Community Develop	5,982	60,231		
Transfer from Debt Service	693,330	385,000		
Transfer from Capital Project	4,573			
TOTAL REVENUES	8,826,831	8,912,124	7,188,600	5,966,000
EXPENSES				
Fiscal Agent Fees	4,550	4,690	8,500	4,800
Payment to Escrow	3,570,023			
Bond Principal	3,981,100	6,644,800	4,272,900	5,890,000
Bond Interest	1,558,782	1,429,087	1,222,100	1,072,300
Bond Discount/Issuance	46,549			
TOTAL EXPENSES	9,161,004	8,078,577	5,503,500	6,967,100
FUND BALANCE - DECEMBER 31	9,494,109	10,327,656	12,012,756	11,011,656



Capital Project Funds

City of Duluth Minnesota - 2011 Budget

Funds

Special Assessment Capital
 Permanent Improvements
 DECC Capital Improvement
 Street Improvement Program
 Capital Improvement Fund

Capital Projects Funds

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

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	3,901,153	42,076,562	40,873,351	23,172,551
REVENUES				
Taxes	384,265	386,455	422,100	422,100
Intergovernmental	5,047,710	5,485,937	15,636,400	6,756,500
Miscellaneous	2,532,212	1,296,926	1,184,200	838,900
Other Financing Sources	47,862,049	25,046,594	9,688,000	10,412,100
TOTAL REVENUES	<u>55,826,236</u>	<u>32,215,912</u>	<u>26,930,700</u>	<u>18,429,600</u>
EXPENSES				
Current	2,698,711	2,071,331	831,700	745,600
Capital Outlay	14,952,116	31,347,792	43,799,800	35,921,919
TOTAL EXPENSES	<u>17,650,827</u>	<u>33,419,123</u>	<u>44,631,500</u>	<u>36,667,519</u>
FUND BALANCE - DECEMBER 31	42,076,562	40,873,351	23,172,551	4,934,632

City of Duluth Minnesota - 2011 Budget

Special Assessment Capital Project

410

Capital Project fund established to account for improvements which are financed by special assessments. The 2011 budget figures represent preliminary estimates only.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	942,523	292,706	(442)	(20,442)
REVENUES				
State of Minnesota		10,981		
Local Share of Improvements		195		2,600
Permanent Improvements	4,235			
Earnings on Investments	2,359	203		
Public Utility	38,049			
Transfer from Debt Service		17,206		
Bond Proceeds				
TOTAL REVENUES	<u>44,643</u>	<u>28,585</u>	<u>0</u>	<u>2,600</u>
EXPENSES				
Improvements Other Than				
Buildings	51,950	23,756		
Transfer to General Fund		7,541	20,000	20,000
Transfer to Permanent Improvement	17,679			
Transfer to Debt Service	624,831	280,124		
Transfer to Special Revenue		10,312		
TOTAL EXPENSES	<u>694,460</u>	<u>321,733</u>	<u>20,000</u>	<u>20,000</u>
FUND BALANCE - DECEMBER 31	292,706	(442)	(20,442)	(37,842)

City of Duluth Minnesota - 2011 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.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	1,165,601	2,365,347	1,772,925	1,772,925
REVENUES				
Current Property Taxes	375,454	377,048	422,100	422,100
Delinquent Property Taxes	8,811	9,407		
Miscellaneous Federal Grants	1,312,890	283,468	6,119,600	2,685,000
State of Minnesota	1,984,517	2,954,720	4,853,800	2,000,000
State Property Tax Aid	32,460	30,160		
Municipal State Aid	1,339,816	2,111,123	4,663,000	2,071,500
Other Share of Improvements	452,814	968		
Sale of Bonds	1,475,000			
Transfer from Special Assessment	17,679			
Public Utility Funds	225,828		1,448,000	1,820,000
TOTAL REVENUES	<u>7,225,269</u>	<u>5,766,894</u>	<u>17,506,500</u>	<u>8,998,600</u>
EXPENSES				
Other Professional Services	1,627,303	49,679		
Buildings and Structures	1,454,809	1,287,411		
Improvements Other Than Buildings	2,909,860	5,017,159	17,346,500	9,267,800
Transfer to General Fund	29,316	5,067	160,000	160,000
Transfer to Special Assessment	4,235			
TOTAL EXPENSES	<u>6,025,523</u>	<u>6,359,316</u>	<u>17,506,500</u>	<u>9,427,800</u>
FUND BALANCE - DECEMBER 31	2,365,347	1,772,925	1,772,925	1,343,725

* Actual amounts reflect all GASB required adjustments related to revenue recognition, such as timing and availability, while budget amounts are based on the year a project begins.

City of Duluth Minnesota - 2011 Budget

DECC Capital Improvement

436

Capital Project fund established to account for bond proceeds, transfers from other funds, and received for the DECC capital improvement project.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1		37,563,015	20,472,119	2,791,319
REVENUES				
Earnings on Investments	530,593	1,149,297	336,900	18,600
Bond Proceeds	40,635,000			
TOTAL REVENUES	<u>41,165,593</u>	<u>1,149,297</u>	<u>336,900</u>	<u>18,600</u>
CAPITAL OUTLAY EXPENDITURES				
Transfer to Debt Service		698,201	681,700	695,600
Bond Issuance Costs	316,353			
Capital Improvements	3,286,225	17,541,992	17,336,000	2,114,319
TOTAL EXPENSES	<u>3,602,578</u>	<u>18,240,193</u>	<u>18,017,700</u>	<u>2,809,919</u>
FUND BALANCE - DECEMBER 31	37,563,015	20,472,119	2,791,319	0

City of Duluth Minnesota - 2011 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.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	(317,272)	(759,458)	(372,040)	(372,040)
REVENUES				
CD Share	2,328			
Public Utility	1,294,726		847,300	817,700
Local Share of Improvements		71,361		
Transfer from Special Revenue		5,200,000	6,000,000	5,626,000
Bond Proceeds	2,343,154			
TOTAL REVENUES	<u>3,640,208</u>	<u>5,271,361</u>	<u>6,847,300</u>	<u>6,443,700</u>
EXPENSES				
Improvements Other than Buildings	3,993,112	4,883,943	6,847,300	6,443,700
Other Professional Services	84,709			
Transfer to Debt Service	4,573			
TOTAL EXPENSES	<u>4,082,394</u>	<u>4,883,943</u>	<u>6,847,300</u>	<u>6,443,700</u>
FUND BALANCE - DECEMBER 31	(759,458)	(372,040)	(372,040)	(372,040)

City of Duluth Minnesota - 2011 Budget

Capital Improvement

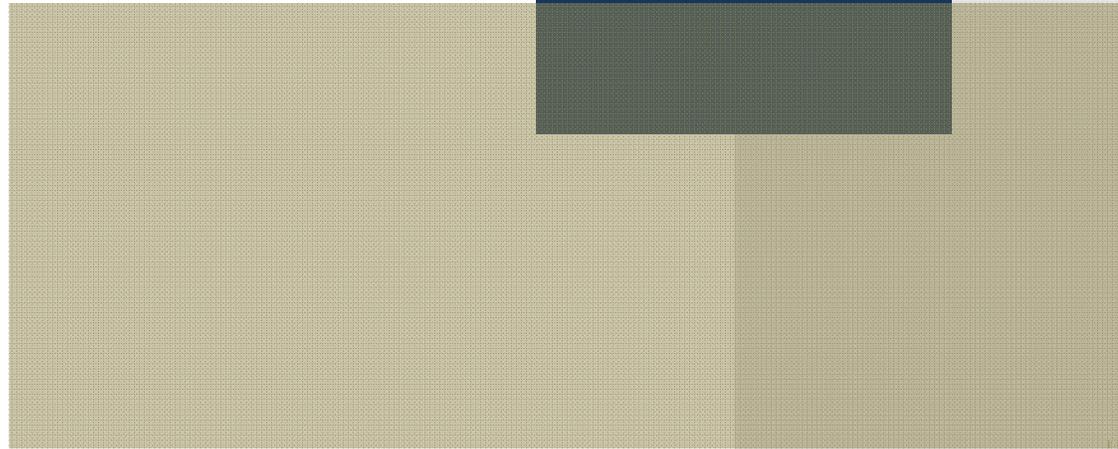
450

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

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	2,110,301	2,614,952	19,000,789	19,000,789
REVENUES				
State of Minnesota	175,000	82,485		
Federal Grant	203,027			
Other Grants		13,000		
Damages Recovered	150,000	110,472		
Gifts and Donations	56,858			
Other Reimbursements	250			
Earnings on Investments		35,791		
Transfer from General Fund	242,894	303,138		
Transfer from Special Revenue	1,316,273	20,000		100,000
Transfer from DEDA				
Bond Proceeds	1,606,221	18,990,000	2,240,000	2,866,100
Premium on bonds		444,889		
TOTAL REVENUES	<u>3,750,523</u>	<u>19,999,775</u>	<u>2,240,000</u>	<u>2,966,100</u>
CAPITAL OUTLAY EXPENDITURES				
Other Professional Services		101,603		
Transfer to Debt Service		551,600		
Bond Issuance Costs	40,181	390,124	150,000	50,000
Arbitrage Interest	761			
Capital Improvements	3,204,930	2,570,611	2,090,000	17,916,100
TOTAL EXPENSES	<u>3,245,872</u>	<u>3,613,938</u>	<u>2,240,000</u>	<u>17,966,100</u>
FUND BALANCE - DECEMBER 31	2,614,952	19,000,789	19,000,789	4,000,789

Enterprise Funds

Golf Fund



City of Duluth Minnesota - 2011 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	2008 Actual	2009 Actual	2010 Budget	2011 Approved
REVENUE				
Operating	1,879,531	1,945,446	1,956,000	1,999,800
Non-Operating	3,368	88	3,000	200
	<u>1,882,899</u>	<u>1,945,534</u>	<u>1,959,000</u>	<u>2,000,000</u>
EXPENSES				
Personal Services	3,234	330	0	0
Supplies	108,110	36,997	60,000	45,000
Other Services and Charges	1,263,921	1,325,193	1,295,300	1,454,000
Utilities	43,378	36,554	47,500	40,200
Depreciation and Amortization	152,971	152,971	153,900	132,200
Cost of Sales	282,834	316,430	301,000	316,000
Improvements - Non-Capital	0	1,700	10,000	0
Debt Service - Interest	32,428	24,987	19,400	10,200
	<u>1,886,876</u>	<u>1,895,162</u>	<u>1,887,100</u>	<u>1,997,600</u>
ESTIMATED OPERATING INCOME / (LOSS)	(3,977)	50,372	71,900	2,400

City of Duluth Minnesota - 2011 Budget

Golf Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2011 Approved
ESTIMATED UNRESTRICTED AND DEBT SERVICE CASH BALANCE JANUARY 1	0
<u>Additions</u>	
Estimated Net Income (Loss)	2,400
Depreciation	126,350
Bond Amortization	5,850
Accrual Adjustments	5,400
	<hr/>
Total Additions	140,000
	<hr/>
<u>Deductions</u>	
Bond Principal Payments	(140,000)
	<hr/>
Total Deductions	(140,000)
	<hr/>
ESTIMATED BUDGETARY CASH BALANCE DECEMBER 31	0
	<hr/> <hr/>

City of Duluth Minnesota - 2011 Budget

Lester Golf Course

503

Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
OPERATING REVENUES:				
4440 Daily Admission	249,107	275,611	265,000	270,000
4441 Unlimited Season - Golf	96,135	71,110	215,000	210,000
4441 Family Season	37,310	26,115		
4441 Restricted Season	40,950	63,080		
4441 Junior Unlimited	6,270	19,760		
4441 Junior Season-restricted	10,830	0		
4441 College Season	10,230	17,600		
4441 Junior Unlimited Upgrade	360	400		
4441 Patron Card	0	12,000		
4442 Motor Cart	125,731	132,525	130,000	135,000
4443 Driving Range Fees	24,272	26,467	28,000	28,000
4443 Other Rentals	4,312	3,824	4,000	4,200
4627 Concessions & Commissions	224,368	234,746	235,000	240,000
TOTAL OPERATING REVENUES	829,875	883,238	877,000	887,200
NON-OPERATING REVENUES				
4601 Earnings on Investments	1,684	44	1,500	100
TOTAL NON-OPERATING REVENUES	1,684	44	1,500	100
TOTAL REVENUE - LESTER	831,559	883,282	878,500	887,300

City of Duluth Minnesota - 2011 Budget

Enger Golf Course

503

Operating Revenue Detail

2008 Actual	2009 Actual	2010 Budget	2011 Approved
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OPERATING REVENUES:

4440	Daily Admission	322,500	338,757	330,000	345,000
4441	Unlimited Season - Golf	117,585	83,850	265,000	265,000
4441	Family Season	46,410	35,220		
4441	Restricted Season	59,670	74,414		
4441	Junior Unlimited	7,920	15,749		
4441	Junior Season-restricted	6,840	0		
4441	College Season	13,860	24,771		
4441	Junior Unlimited Upgrade	360	205		
4441	Patron Card	0	13,600		
4442	Motor Cart	159,619	162,526	165,000	175,000
4443	Driving Range Fees	38,576	44,746	45,000	48,000
4443	Other Rentals	4,651	4,172	4,000	4,200
4622	Rent of Buildings	400	0		400
4627	Concessions & Commissions	271,265	264,198	270,000	275,000
TOTAL OPERATING REVENUES		1,049,656	1,062,208	1,079,000	1,112,600
NON-OPERATING REVENUES					
4601	Earnings on Investments	1,684	44	1,500	100
TOTAL NON-OPERATING REVENUES		1,684	44	1,500	100
TOTAL REVENUE - ENGER		1,051,340	1,062,252	1,080,500	1,112,700

City of Duluth Minnesota - 2011 Budget

Lester Golf Course

503-400-LSTR

Operating Expense Detail

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
OTHER EXPENDITURES				
5133 Life Insurance	45	41		
5141 Unemployment Compensation	1,572	124		
5212 Motor Fuels	29,423	17,849	30,000	20,000
5285 Food & Beverage for Resale	50,843	63,288	55,000	65,000
5286 Golf Merchandise for Resale	83,838	95,904	90,000	95,000
5310 Contract Services	555,758	567,802	565,000	640,000
5321 Telephone	644	690	800	800
5381 Electricity	8,696	9,511	9,000	10,000
5384 Refuse Disposal	1,678	2,103	2,000	2,200
5385 Oil	11,129	3,972	10,000	7,000
5404 Equipment Repair & Maintenance	4,335	0		
5409 Fleet Service Charges	15	0		
5415 Equipment Rental	0	35,022		35,600
5420 Depreciation	67,835	67,835	68,000	58,600
5427 Credit Card Commissions	8,783	10,081	9,500	10,000
5441 Other Services & Charges	1,544	(513)	1,500	1,500
5493 Cost Allocation Charges	32,450	33,400	33,400	33,400
5530 Other Improvements			5,000	
5611 Bond Interest	11,437	9,542	7,600	5,100
5614 Capital Lease Interest	4,395	2,678	2,100	
5622 Bond Cost Amortization	2,925	2,925	2,900	2,900
5580 Capital Equipment	0	850		
TOTAL	877,345	923,104	891,800	987,100
TOTAL - LESTER	877,345	923,104	891,800	987,100

City of Duluth Minnesota - 2011 Budget

Enger Golf Course

503-400-ENGR

Operating Expense Detail

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
OTHER EXPENDITURES				
5133 Life Insurance	45	41		
5141 Unemployment Compensation	1,572	124		
5212 Motor Fuels	36,124	19,148	30,000	25,000
5225 Park/Landscape Supplies	1,000	0		
5284 Liquor Purchases	11,078	15,359	18,000	16,000
5285 Food & Beverage for Resale	78,622	82,475	88,000	85,000
5286 Golf Merchandise for Resale	58,453	59,404	50,000	55,000
5310 Contract Services	655,143	595,935	640,000	650,000
5321 Telephone	706	690	800	750
5381 Electricity	14,376	15,242	16,000	17,000
5384 Refuse Disposal	6,149	5,055	3,500	4,000
5385 Oil	0	671		
5404 Equipment Repair & Maintenance	5,089	0	5,500	
5415 Equipment Rental	0	35,022		35,600
5420 Depreciation	79,286	79,286	80,000	67,750
5427 Credit Card Commissions	11,368	11,628	11,500	11,500
5441 Other Services & Charges	(1,466)	2,036	1,000	1,500
5450 Laundry	15	0		
5493 Cost Allocation Charges	32,450	33,400	33,400	33,400
5530 Other Improvements	0	0	5,000	
5611 Bond Interest	11,437	9,542	7,600	5,100
5614 Capital Lease Interest	5,159	3,225	2,900	
5622 Bond Cost Amortization	2,925	2,925	2,100	2,900
5580 Capital Equipment	0	850		
TOTAL	<u>1,007,914</u>	<u>971,893</u>	<u>995,300</u>	<u>1,010,500</u>
TOTAL - ENGER	1,007,914	971,893	995,300	1,010,500

Parking Fund

City of Duluth Minnesota - 2011 Budget

Parking Fund

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

This enterprise fund was created in 2008 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	2008 Actual	2009 Actual	2010 Budget	2011 Approved
REVENUES				
Operating Revenue	2,531,769	2,523,557	2,567,100	2,569,600
Non-Operating	2,836,542	1,263,465	1,051,200	1,239,200
	<u>5,368,311</u>	<u>3,787,022</u>	<u>3,618,300</u>	<u>3,808,800</u>
EXPENSES				
Personal Services	197,208	179,127	198,600	164,600
Supplies	144,240	100,668	150,500	151,500
Other Services and Charges	271,198	254,201	270,300	282,600
Utilities	134,180	127,723	137,600	165,000
Depreciation and Amortization	495,698	505,834	512,100	512,100
Improvements - Non-Capital	56,077	15,363	85,700	85,000
Debt Service - Interest	786,880	704,586	682,900	637,200
Transfers Out	1,268,941	1,178,838	1,382,500	1,452,200
	<u>3,354,422</u>	<u>3,066,340</u>	<u>3,420,200</u>	<u>3,450,200</u>
ESTIMATED OPERATING INCOME (LOSS)	2,013,889	720,682	198,100	358,600

BUDGETED FTE'S	2008	2009	2010	2011
24 Parking Ramp Leadworker	1	1	1	1
22 Maintenance Worker	0	0	0	1
15 Parking Ramp Attendant	3	3	3	1
Division Total	4	4	4	3

City of Duluth Minnesota - 2011 Budget

Parking Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2011 Approved
ESTIMATED UNRESTRICTED AND DEBT SERVICE CASH BALANCE JANUARY 1	1,629,380
<u>Additions</u>	
Estimated Operating Income (Loss)	358,600
Depreciation and Amortization	495,200
Bond Amortization	<u>16,900</u>
Total Additions	870,700
<u>Deductions</u>	
Bond Principal Payments	790,000
Bond Interest Paid	<u>19,900</u>
Total Deductions	809,900
ESTIMATED BUDGETARY CASH BALANCE DECEMBER 31	<u><u>1,690,180</u></u>

City of Duluth Minnesota - 2011 Budget

Parking Fund

505

Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
OPERATING REVENUES:				
4371 Parking Meter Revenues	619,935	737,849	775,000	775,000
4373 Transient Parking	879,729	876,119	888,500	870,000
4374 Contract Parking	1,032,105	909,589	903,600	924,600
TOTAL OPERATING REVENUE	2,531,769	2,523,557	2,567,100	2,569,600
NON-OPERATING REVENUES:				
4308 IDB Fees	1,604,557			
4601 Earnings on Investments	33,857	27,604		
4680 Damages or Losses Recovered	208	1,124		
4730 Transfer in from DEDA	440,620	480,037	295,100	483,000
4730 Transfer in from Debt Service	757,300	754,700	756,100	756,200
TOTAL NON-OPERATING REVENUES	2,836,542	1,263,465	1,051,200	1,239,200
TOTAL REVENUE	5,368,311	3,787,022	3,618,300	3,808,800

City of Duluth Minnesota - 2011 Budget

Technology Center Parking Ramp

505-015-1480-2510

Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	67,505	65,068	70,000	57,900
5101 Permanent Employees - Overtime	2,074	427	2,500	2,500
5103 Temporary Employees - Regular	48	0		
TOTAL	69,627	65,495	72,500	60,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	4,039	3,542	4,600	4,000
5122 F.I.C.A. Social Security	4,216	3,961	4,500	3,700
5123 F.I.C.A. Medicare	986	926	1,000	900
5124 Health Insurance	13,196	10,345	14,900	11,900
5125 Dental Insurance	704	608	800	600
5126 Life Insurance	305	247	400	300
5127 Health Care Savings Plan	594	4,460	600	500
TOTAL	24,040	24,089	26,800	21,900
OPERATING EXPENSES				
5211 Cleaning and Janitorial Supplies	350	0		
5219 Other Miscellaneous Supplies	18,591	4,216	10,000	5,000
5220 Repair & Maintenance Supplies	4,151	10	5,000	1,000
5319 Other Professional Service	1,195	4,688	2,000	5,000
5320 Data Services	975	825	900	900
5321 Phone Service	139	140	100	100
5335 Mileage Reimbursement	108	112	100	100
5381 Electricity	32,590	32,733	37,200	50,000
5382 Water, Gas & Sewer	2,025	2,123	2,000	2,000
5384 Refuse Disposal	679	759	800	800
5386 Steam	5,499	6,964	5,800	8,000
5402 Snow Removal Services	804	0		
5404 Equipment Maintenance/Repair	4,990	3,367	5,000	4,000
5405 Parking Lot Maintenance	760	70	25,000	25,000
5420 Depreciation	170,040	171,629	171,600	171,600
5427 Credit Card commissions	1,751	2,168	1,800	1,800
5441 Other Services and Charges	12,235	18,261	15,000	20,000
5450 Laundry	366	377	300	400
5493 Cost Allocation	4,520	4,700	4,700	4,700
5611 Bond Interest	115,434	60,132	52,700	42,600
5620 Fiscal Agents Fees	525	204		
5622 Bond Amortization	4,485	8,411	8,400	8,400
5730 Transfer to General Fund	13,991	0		
TOTAL	396,203	321,889	348,400	351,400
2510 TOTAL - TECHNOLOGY CENTER RAMP	489,870	411,473	447,700	433,700

City of Duluth Minnesota - 2011 Budget

Casino Parking Ramp

505-015-1480-2511

Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
OPERATING EXPENSES				
5220 Repair & Maintenance Supplies	11,929	26,427	20,000	30,000
5307 Admin Management Fees	187,134	169,583	185,000	185,000
5335 Mileage Reimbursement	181	0		
5381 Electricity	11,234	12,207	12,000	15,000
5382 Water, Gas & Sewer	1,665	1,759	1,800	2,000
5405 Parking Lot Maintenance	21,008	0	10,000	10,000
5420 Depreciation	39,766	39,766	39,800	39,800
5441 Other Services and Charges	5,533	963	6,000	6,000
5493 Cost Allocation	4,520	4,700	4,700	4,700
5611 Bond Interest	9,489	5,131	4,400	3,500
5622 Bond Amortization	336	662	700	700
5730 Transfer to General Fund	53,079	303,669	310,600	303,300
TOTAL	<u>345,874</u>	<u>564,867</u>	<u>595,000</u>	<u>600,000</u>
2511 TOTAL - CASINO PARKING RAMP	345,874	564,867	595,000	600,000

City of Duluth Minnesota - 2011 Budget

Medical District Parking Ramp

505-015-1480-2512

Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	67,895	65,106	70,000	57,900
5101 Permanent Employees - Overtime	2,092	332	2,500	2,500
5103 Temporary Employees - Regular	47	0		
TOTAL	<u>70,034</u>	<u>65,438</u>	<u>72,500</u>	<u>60,400</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	4,063	3,546	4,600	4,000
5122 F.I.C.A. Social Security	4,242	3,962	4,500	3,700
5123 F.I.C.A. Medicare	992	927	1,000	900
5124 Health Insurance	13,223	10,356	14,900	11,900
5125 Dental Insurance	706	609	800	600
5126 Life Insurance	306	247	400	300
5127 Health Care Savings Plan	597	4,460	600	500
TOTAL	<u>24,129</u>	<u>24,107</u>	<u>26,800</u>	<u>21,900</u>
OPERATING EXPENSES				
5211 Cleaning and Janitorial Supplies	350	0		
5219 Other Miscellaneous Supplies	10,539	6,594	8,000	8,000
5220 Repair & Maintenance Supplies	2,394	10	3,000	3,000
5319 Other Professional Service	696	0		
5320 Data Services	825	825	900	900
5335 Mileage Reimbursement	0	89	100	100
5381 Electricity	34,985	33,881	35,000	45,000
5382 Water, Gas & Sewer	38,830	30,963	35,400	35,000
5402 Snow Removal Services	1,870	0		
5404 Equipment Maintenance/Repair	3,798	7,614	4,000	4,000
5405 Parking Lot Maintenance	1,563	7,881	25,000	25,000
5420 Depreciation	227,016	227,016	227,000	227,000
5427 Credit Card commissions	994	1,807	1,000	1,700
5441 Other Services and Charges	7,011	10,462	9,500	13,100
5450 Laundry	592	612		
5481 Property Taxes	0	0	3,500	3,500
5493 Cost Allocation	4,520	4,700	4,700	4,700
5611 Bond Interest	661,956	639,469	625,800	591,100
5620 Fiscal Agents Fees	350	350	400	400
5622 Bond Amortization	8,382	7,147	7,800	7,800
5730 Transfer to General Fund	810,730	110,043	250,000	328,900
TOTAL	<u>1,817,401</u>	<u>1,089,463</u>	<u>1,241,100</u>	<u>1,299,200</u>
2512 TOTAL - MEDICAL DISTRICT PARKING RAMF	1,911,564	1,179,008	1,340,400	1,381,500

City of Duluth Minnesota - 2011 Budget

Library and Coney Island Parking Ramps

505-015-1480-2513

Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
OPERATING EXPENSES				
5381 Electricity	6,536	7,093	7,500	8,000
5402 Snow Removal Services	2,348	0		
5405 Parking Lot Maintenance	32,747	7,411	25,700	25,000
5420 Depreciation	32,161	32,161	32,200	32,200
5493 Cost Allocation	4,520	4,600	4,600	4,600
5730 Transfer to General Fund	0	22,713	15,000	10,200
TOTAL	<u>78,312</u>	<u>73,978</u>	<u>85,000</u>	<u>80,000</u>
2513 TOTAL - LIBRARY & CONEY ISLAND PARKING RAMPS	78,312	73,978	85,000	80,000

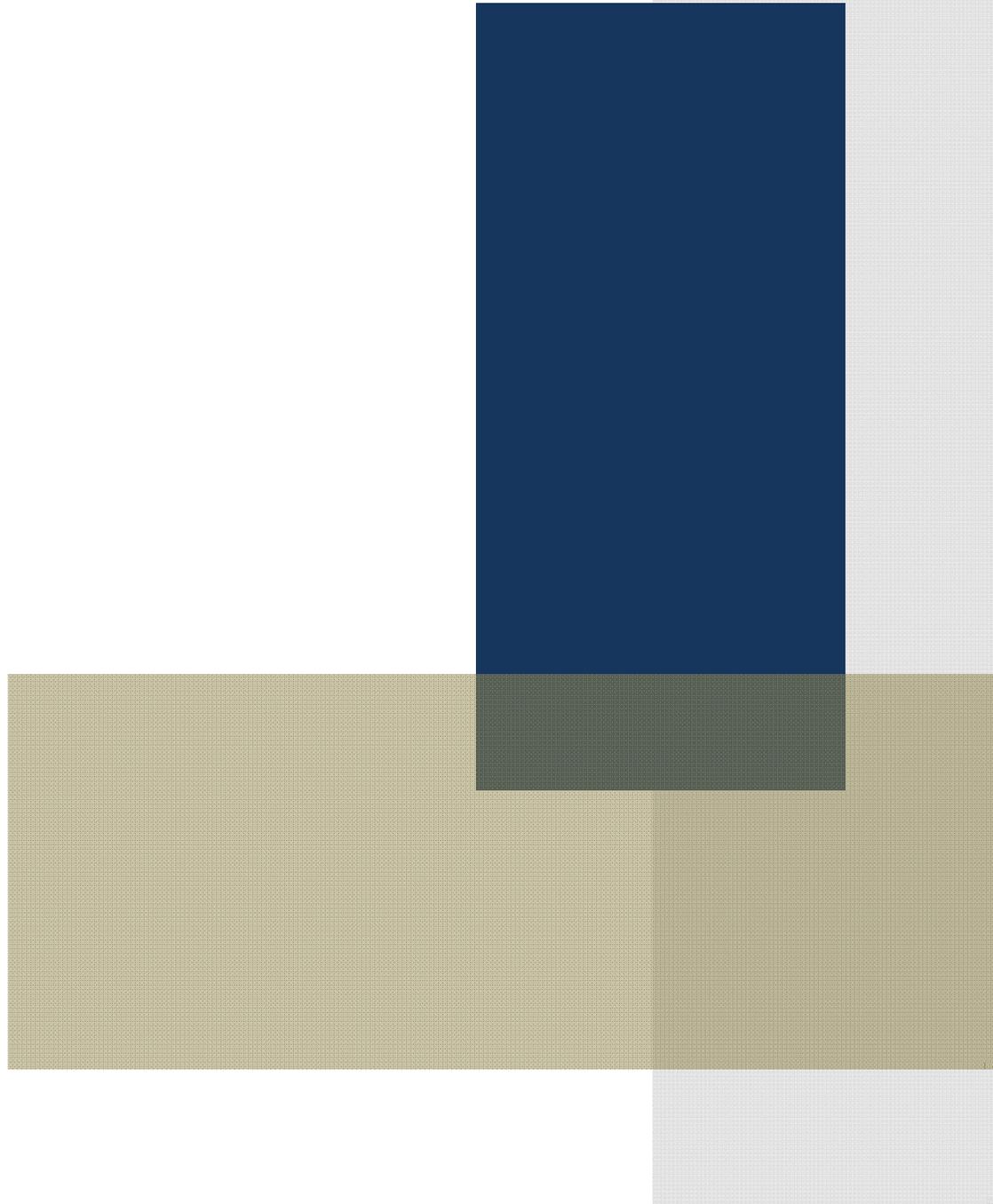
City of Duluth Minnesota - 2011 Budget

Meters & Municipal Lots

505-015-1481

Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular				
5101 Permanent Employees - Overtime				
5103 Temporary Employees - Regular	8,712	0		
TOTAL	<u>8,712</u>	<u>0</u>		
EMPLOYEE BENEFITS				
5122 F.I.C.A. Social Security	540	0		
5123 F.I.C.A. Medicare	126	0		
TOTAL	<u>666</u>	<u>0</u>		
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	4,365	4,809	4,500	4,500
5241 Small Equipment	91,262	58,601	100,000	100,000
5402 Snow Removal Services	4,603	0	0	0
5406 Downtown Parking Improvements	0	0	0	0
5409 Fleet Service Charges	1,772	641	3,000	3,000
5420 Depreciation	13,512	19,042	24,600	24,600
5441 Other Services and Charges	8,247	6,909	8,500	8,500
5493 Cost Allocation	4,520	4,600	4,600	4,600
5730 Transfer to General Fund	391,141	742,413	806,900	809,800
TOTAL	<u>519,422</u>	<u>837,015</u>	<u>952,100</u>	<u>955,000</u>
2512 TOTAL - METERS & MUNICIPAL LOTS	528,800	837,015	952,100	955,000

Utility Operations



Public Works & Utilities Department – Utilities Operations

Mission and Vision

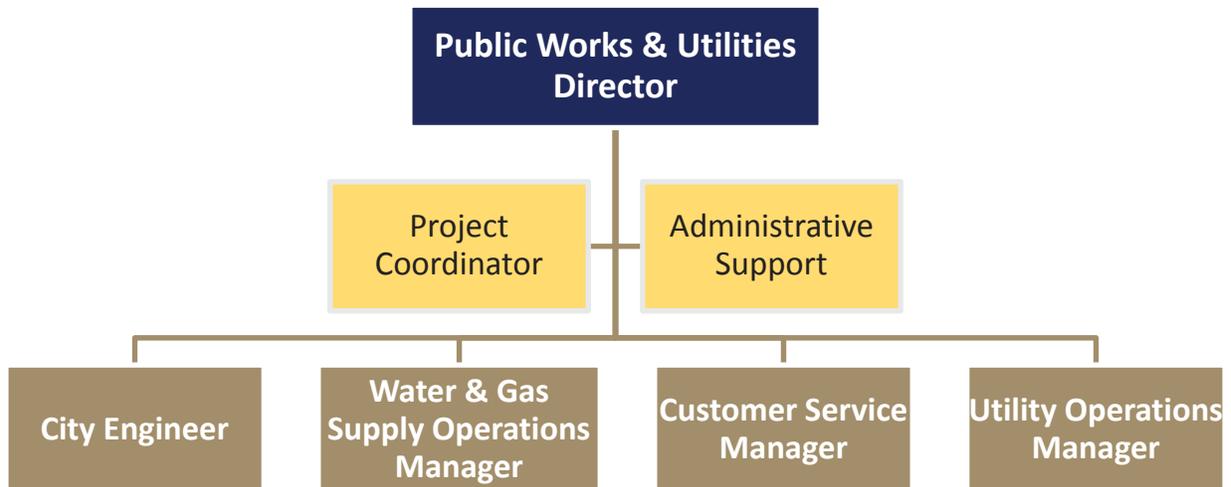
The mission of the Public Works and Utilities Department is to provide professional engineering services and water, sanitary sewer, natural gas, and storm water utilities to Duluth’s businesses and residents in a safe, cost effective and environmentally sound manner through skilled, safety oriented and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

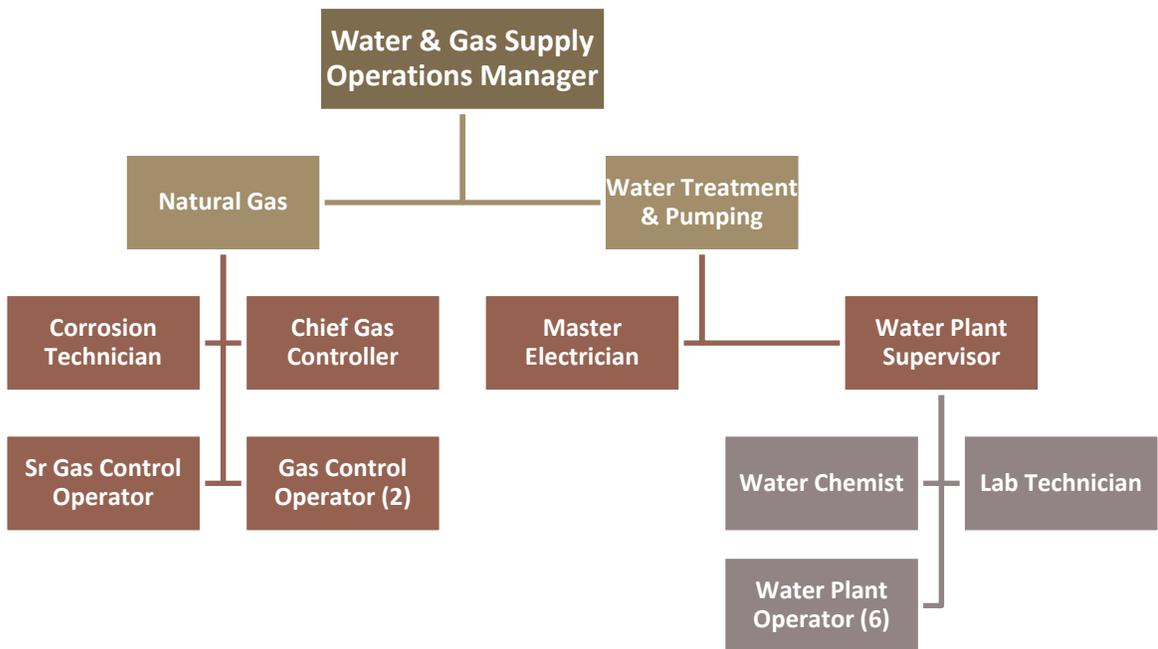
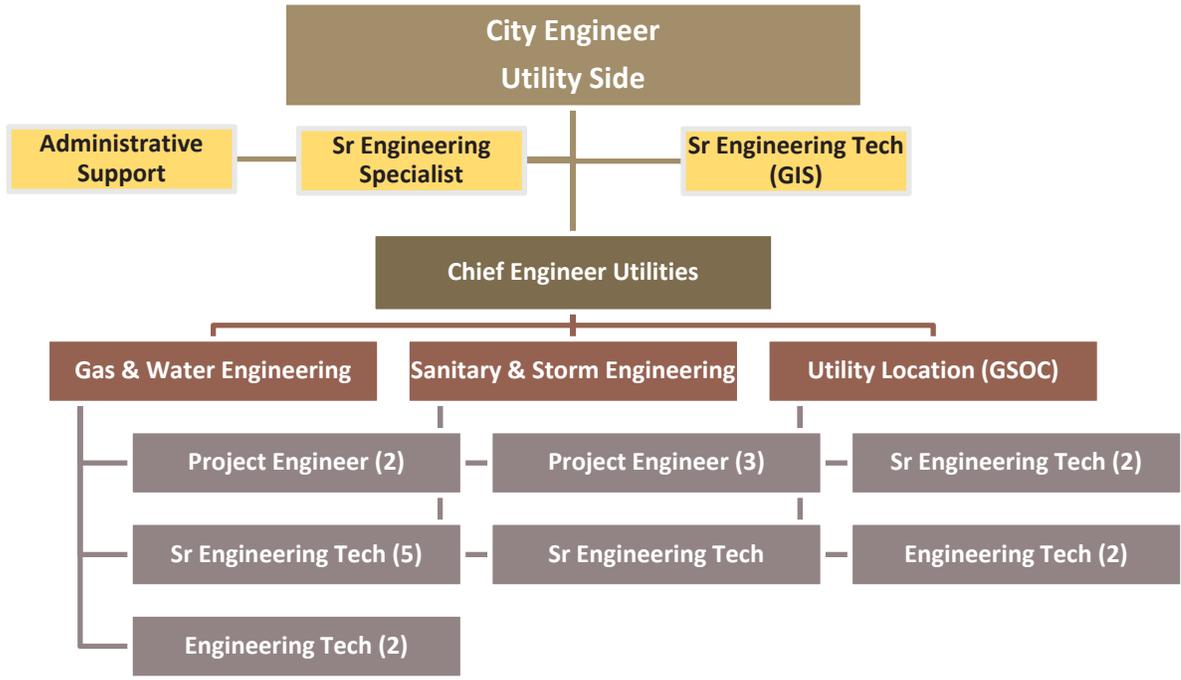
The department’s vision is to become a functionally integrated organization operating at optimum efficiencies and providing cost-effective and reliable service for all Duluthians. Goals and objectives are outlined in the Department’s business plan which can be found in the Business Plan section of this document.

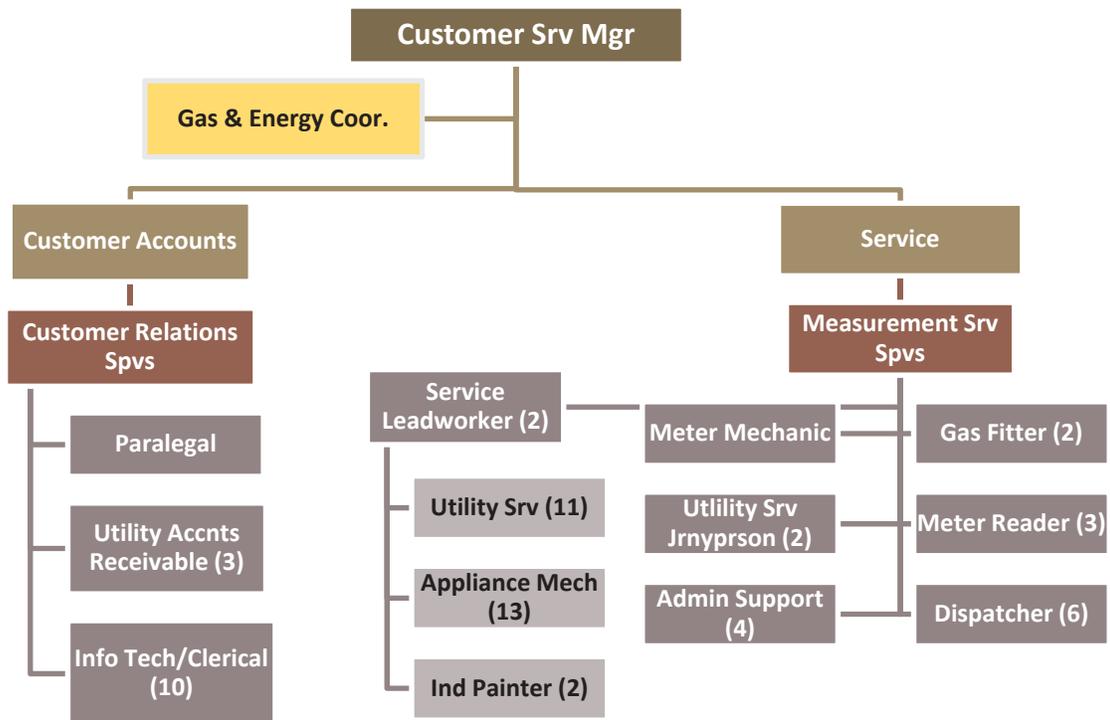
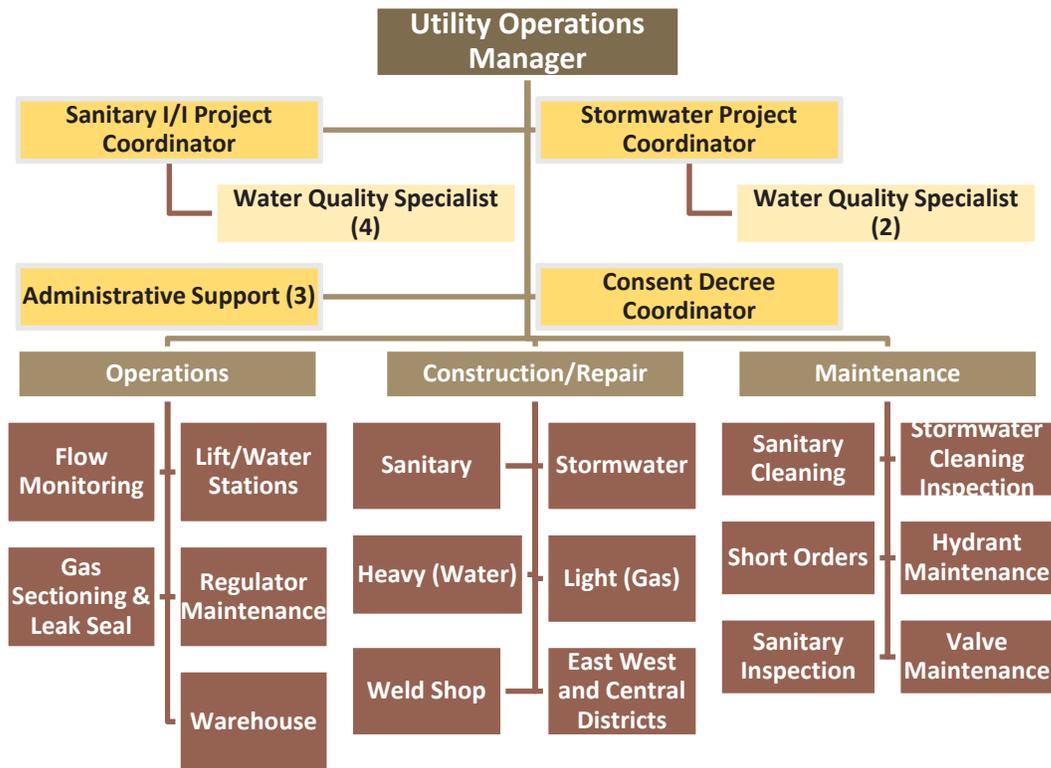
Structure

The Public Works and Utilities Department is broken into four separate divisions that span across five different funds – the utility funds of Water, Gas, Sewer and Stormwater; and the General Fund. Shown below is the utilities’ side of the department.

Public Works & Utilities Department – Utilities’ Operations Organization Charts







Five-Year Goals & Objectives

In order to achieve our vision, the department has six major goals:

- **Elimination of Sanitary Sewer Overflows:** As part of the Consent Decree, the City of Duluth has a plan to eliminate sanitary sewer overflows by the end of 2016. This will require a combined effort between the City and all the residents of Duluth. Together we will eliminate overflows by the disconnection of footing drains and the installation of sump pumps, removal of house traps, private service line rehabilitation, and the construction of 5 storage tanks.
- **Implement an Enterprise Asset Management (EAM) program:** EAM will give 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 to include bar-coding and automated purchase requests. The EAM program will enable use on remote construction sites by wireless computers. The ability for field crews to have access to required data at any time will greatly improve efficiency and cut down on costs.
- **Supervisory Control and Data Acquisition (SCADA):** In the past, City crews were required to go on site to take readings and make adjustments to various water, gas, and sanitary sewer infrastructure components. SCADA technology will allow City staff to analyze and control various aspects of the utility infrastructure from remote sites. This technology will save the City money by reducing travel time to the various sites and allowing the City to more rapidly address issues at these remote sites.
- **Infrastructure Repair/Replacement:** The Public Works and Utilities Department has a fairly aggressive infrastructure replacement and repair plan. 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.
- **Duluth Public Utilities Commission (DPUC):** The utility funds make up over half of the City's annual budget, yet due to time constraints during the budget approval process, they previously received very little discussion prior to budget approval. The City recently implemented a PUC composed of both councilors and citizens of Duluth. The commission provides oversight of the utilities. The DPUC is a new commission and is currently developing policies that will guide the utilities into the future.
- **Street Preservation Program:** The City recently converted from bonding for street improvement projects to a "pay as you go" strategy. The program utilizes casino revenue proceeds to preserve or reconstruct city streets. The goal is improve 20 miles of street per year by reconstruction, capping, or mill and overlay. Another goal is to preserve newly improved streets by crack sealing.

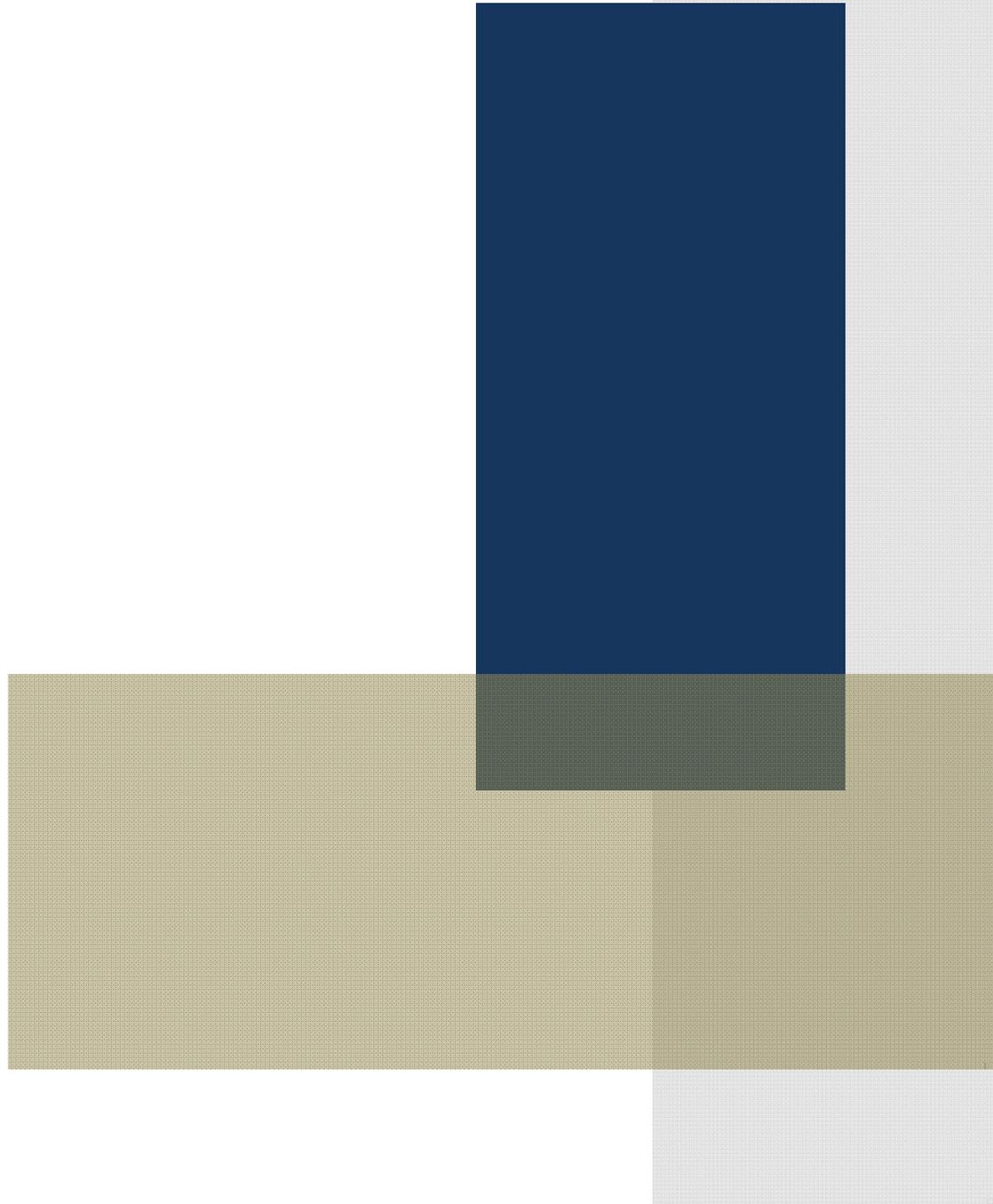
City of Duluth Minnesota - 2011 Budget

Major Issues and Recommended Solutions

The major issues within the department stem from three primary areas that are inter-related: lack of staffing, insufficient funding, and an aging infrastructure.

- **Staffing:** Staffing levels have declined over the past 14 years from 268 employees in 1998 to 213 employees in 2011. (With the reorganization of the City departments, Maintenance Operations has moved to the Public Administration Department, the numbers above have been adjusted to reflect only divisions currently under Public Works and Utilities today). This is a net loss of 55 employees or an average of four each year. The workload has not decreased over this time period, and in some cases has actually increased. The declining number of employees equates to more work per employee. This extra work is typically done on overtime or takes longer to complete. In some cases, the work is deferred and doesn't get done at all. Citizen expectations have not decreased over this period of time and complaints have risen as a result of the decreased staffing levels. Decreased staffing levels has also created a situation where a large percentage of our institutional knowledge has "walked out the door" when individuals retire and the positions are not backfilled. The majority of the technical jobs require a three to five year training period until the employee has reached a level where they are proficient at their job.
- **Insufficient Funding:** The costs for supplies and services continue to rise but funding levels have not kept pace. This has led to sacrificing infrastructure improvements for annual operations and maintenance costs. If this current trend keeps up the utilities will become an entirely reactionary organization responding to emergencies with no regard to improving the infrastructure.
- **Aging Infrastructure:** The age of the infrastructure is another major concern within Public Works and Utilities and is directly related to staffing issues and utility revenue. The older a particular part of the infrastructure is, more money and personnel are needed to maintain it. A large portion of all City of Duluth infrastructure (roads, sanitary sewers, storm sewers, water mains) are relatively old and have reached the end of their useful life. Approximately 50% of City pipes are over 80 years old. We must balance between large capital projects that will replace this aging system and keeping taxes and utility rates to a reasonable level. The current approach is to have a limited capital replacement schedule and perform emergency maintenance as necessary. The problem with this approach is that it is more costly in the long term. In addition, we will never be able to catch up to the requirements of replacing the systems at the current funding levels. However, it is most likely impractical to increase taxes and utility rates to a level that will support large-scale replacement projects.
- **Solutions:** The department must continue to find more efficient ways to operate, using technology and sharing resources across division lines. In addition, the department must actively pursue innovative funding strategies to upgrade our infrastructure, which will reduce the stress on our internal budget and staff. The Duluth Public Utilities Commission will play a large role in guiding the utilities into the future by establishing rates that will meet the long-term requirements of the City's infrastructure while balancing the financial resources of the rate payers.

Water Fund



City of Duluth Minnesota - 2011 Budget

Water Fund

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The Water Fund is a self-supporting enterprise fund which accounts for the collection, treatment, and distribution of water to the citizens of Duluth. The major funding source for this fund is metered water sales, representing 98% of total revenues for 2011. Significant categories of expense include: personnel and benefits at 44% of the 2011 total; and the combined categories of Supplies, Utilities, and Other Services and Charges representing 33% of the 2011 approved expenses.

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

Estimated Income and Expense	2008 Actual	2009 Actual	2010 Budget	2011 Approved
REVENUE				
Operating	11,353,762	11,944,995	12,484,200	12,479,000
Non-Operating	125,785	73,046	72,600	47,900
	<u>11,479,547</u>	<u>12,018,041</u>	<u>12,556,800</u>	<u>12,526,900</u>
EXPENSES				
Personal Services	5,476,469	4,803,979	5,261,200	5,434,800
Supplies	910,616	1,238,785	1,367,800	1,289,800
Other Services & Charges	1,252,272	1,453,457	1,380,800	1,462,400
Utilities	1,119,646	1,034,167	1,281,800	1,283,400
Depreciation/Amortization	1,157,899	1,252,342	1,457,300	1,599,700
Improvements -Non-Capital	514,628	51,124	100,000	117,500
Debt Service - Interest	233,581	218,917	243,000	261,000
Debt Service - Other	11,554	12,473	6,800	5,600
Capital Lease Interest	-	72,399	124,000	117,300
Transfers	1,194,519	1,160,400	1,032,400	707,100
	<u>11,871,184</u>	<u>11,298,043</u>	<u>12,255,100</u>	<u>12,278,600</u>
ESTIMATED OPERATING INCOME (LOSS)	(391,637)	719,998	301,700	248,300

City of Duluth Minnesota - 2011 Budget

Water Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2010 Projected	2011 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	2,106,624	1,013,124
Additions		
Estimated Operating Income (Loss)	387,500	248,300
Depreciation and Amortization	1,444,900	1,599,700
Bond Amortization	6,100	5,600
Other Post Employment Benefits	-	211,000
Due from Other Funds	82,500	-
Special Assessment Principal	78,900	78,900
Total Additions	1,999,900	2,143,500
Deductions		
Due to Other Funds	460,500	-
Budget Carry-Over for Encumbrances	188,400	-
Capital Improvements from Current Revenues	165,900	-
Infrastructure Improvements	1,119,700	1,626,000
Capital Equipment Purchases	246,000	390,300
Bond Principal Payments	806,000	1,003,600
AMRS Lease Principal Payments	106,900	182,100
Total Deductions	3,093,400	3,202,000
ESTIMATED BUDGETARY YEAR END CASH BALANCE	1,013,124	(45,376)

City of Duluth Minnesota - 2011 Budget

Water Fund

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Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
OPERATING REVENUES:				
4624 Equipment Rent	8,387	-	-	4,000
4636 Sale of Scrap	59	2,643	200	-
4680 Damage or Losses Recovered	458	10,366	-	-
4800 Meter Repair	11,649	14,116	16,000	8,000
4801 Off/On Charge	26,684	7,936	23,000	20,000
4802 Interest - Customer Accounts	31,061	47,362	30,000	40,000
4807 Water Tower Lease	-	89,229	130,000	135,000
4809 Miscellaneous Operating	144,327	72,283	19,000	17,000
4810 Metered Water Sales	10,112,544	10,221,495	10,019,600	9,883,400
4811 Water for Resale	1,018,593	537,540	1,065,100	1,067,500
4831 Fixed Rate Charges	-	942,025	1,181,300	1,304,100
TOTAL OPERATING REVENUES	11,353,762	11,944,995	12,484,200	12,479,000
NON-OPERATING REVENUES:				
4230 Pera Aid	16,919	16,919	16,900	16,900
4806 Connection Fees	6,384	715	8,000	8,000
4850 Earnings on Investments	9,861	920	13,000	3,000
4851 Interest Income - Bonds	27,121	24,784	34,700	20,000
4853 Gain on Sale of Assets	3,372	8,601	-	-
4854 Utility Assessment	41,128	21,107	-	-
4730 Transfers In from Internal Svc Fund	21,000	-	-	-
TOTAL NON-OPERATING REVENUES	125,785	73,046	72,600	47,900
TOTAL REVENUE	11,479,547	12,018,041	12,556,800	12,526,900

City of Duluth Minnesota - 2011 Budget

Director's Office

510-500-1900

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

Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	46,647	46,866	44,000	45,500
5101 Permanent Employees - Overtime	41	431	-	-
TOTAL	46,688	47,297	44,000	45,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	2,849	3,650	2,900	3,100
5122 F.I.C.A. Social Security	2,862	2,899	2,700	2,800
5123 F.I.C.A. Medicare	671	678	600	700
5124 Health Insurance	4,940	4,914	3,800	3,700
5125 Dental Insurance	264	275	300	200
5126 Life Insurance	114	112	100	100
5127 Health Care Savings	1,657	437	400	400
TOTAL	13,357	12,965	10,800	11,000
OPERATING EXPENSES				
5200 Office Supplies	164	115	100	100
5241 Small Equipment	74	84	-	200
5321 Telephone	235	143	100	200
5331 Training Expense	205	-	300	300
5335 Mileage Reimbursement - Local	15	-	100	100
5433 Dues and Subscriptions	225	-	-	-
5441 Other Services and Charges	-	108	-	-
TOTAL	918	450	600	900
1900 TOTAL - DIRECTOR'S OFFICE	60,963	60,712	55,400	57,400

City of Duluth Minnesota - 2011 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	2008 Actual	2009 Actual	2010 Budget	2011 Approved
OPERATING AND NON-OPERATING EXPENSES				
5420 Depreciation	1,157,899	1,252,342	1,457,300	1,599,700
5441 Other Services and Charges	171	12,638	-	-
5532 Capital Improvements - Bonds	163,835	373,819	1,500,000	3,550,000
5533 Capital Improvements - Revenue Financing	120,313	1,019,550	-	-
5535 Improvements (Non-Capital)	514,628	51,124	100,000	117,500
5536 Utility Infrastructure Replacmt Proj	1,158,972	420,487	1,275,000	1,626,000
5540 Equipment (Non-Capital)	786	5,466	-	-
5580 Capital Equipment	44,286	107,845	307,500	390,300
5611 Bond Interest	233,581	218,917	243,000	261,000
5613 Interest from Bond Amortization	7,180	5,933	1,900	1,500
5614 Capital Lease Interest	-	72,399	124,000	117,300
5620 Fiscal Agents Fee	758	729	600	800
5622 Bond Amortization	4,374	6,540	4,900	4,100
1905 TOTAL - CAPITAL	3,406,783	3,547,789	5,014,200	7,668,200

City of Duluth Minnesota - 2011 Budget

Utility General Expense

510-500-1915

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

Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,278	-	5,300	5,300
TOTAL	1,278	-	5,300	5,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	84	-	400	400
5122 F.I.C.A. Social Security	73	-	300	300
5123 F.I.C.A. Medicare	17	-	100	100
5124 Health Insurance	371	-	1,200	1,100
5125 Dental Insurance	9	-	-	-
5126 Life Insurance	2,965	2,800	-	-
5127 Health Care Savings	13	-	100	100
5134 Other Post Retirement Benefits	389,006	(462,794)	-	211,000
5135 Retiree Health Insurance	687,336	774,623	811,000	585,000
5151 Worker's Compensation	149,334	113,200	116,800	140,700
TOTAL	1,229,208	427,829	929,900	938,700
OPERATING EXPENSES				
5200 Office Supplies	1,762	729	600	600
5201 Computer Supplies/Software	13,409	30,896	8,900	19,900
5205 Safety & Training	537	330	1,500	1,000
5211 Cleaning & Janitorial Supplies	5,585	3,485	2,500	2,800
5241 Small Equipment	185	3,060	200	300
5301 Auditing Services	2,425	2,789	2,500	2,500
5305 Medical Services/Testing Fees	285	-	300	300
5310 Contract Services	10,445	16,518	-	-
5320 Data Services	-	-	2,400	8,200
5321 Telephone	11,494	11,659	6,900	6,900
5331 Training Expense	2,162	1,209	900	900
5335 Mileage Reimbursement - Local	98	104	100	100
5360 Insurance	140,374	222,899	359,800	412,000
5381 Electricity	12,456	12,817	10,400	12,000
5382 Water, Gas & Sewer	22,250	18,473	15,200	15,300
5384 Refuse Disposal	2,882	2,795	2,200	2,600
5401 Building Repair & Maintenance	7,415	10,416	7,500	7,500
5418 Vehicle/Equipment Lease	3,284	3,774	2,900	3,100
5433 Dues & Subscriptions	236	50	-	-
5438 Licenses	70	-	300	300
5441 Other Services & Charges	11,427	3,998	4,200	4,200
5450 Laundry	1,044	2,295	1,500	1,700
5457 Hydrant Maintenance	30,000	30,000	30,000	30,000
5493 Cost Allocation	396,300	408,199	408,200	408,200
5700 Transfer to General Fund	-	-	57,300	57,300
5700 Transfer to Internal Service Funds	760,300	869,000	695,100	369,800
TOTAL	1,436,425	1,655,495	1,621,400	1,367,500
1915 TOTAL - GENERAL EXPENSE	2,666,911	2,083,324	2,556,600	2,311,500

City of Duluth Minnesota - 2011 Budget

Engineering

510-500-1930

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

Expense Detail		2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	333,546	274,205	286,900	293,700
5101	Permanent Employees - Overtime	34,467	25,247	40,000	20,000
5103	Temporary Wages	-	1,074	2,000	2,000
	TOTAL	368,013	300,526	328,900	315,700
EMPLOYEE BENEFITS					
5121	P.E.R.A.	22,485	21,814	21,900	20,200
5122	F.I.C.A. Social Security	22,210	20,140	20,400	18,200
5123	F.I.C.A. Medicare	5,194	4,710	4,800	4,300
5124	Health Insurance	40,095	42,124	39,000	43,200
5125	Dental Insurance	1,872	1,933	1,900	1,900
5126	Life Insurance	811	785	700	900
5127	Health Care Savings	3,292	6,023	2,600	5,100
	TOTAL	95,959	97,529	91,300	93,800
OPERATING EXPENSES					
5200	Office Supplies	1,564	493	1,200	1,200
5201	Computer Supplies	3,379	2,744	6,300	8,000
5203	Paper, Stationery and Forms	98	150	200	200
5212	Motor Fuel	-	-	3,500	3,500
5219	Other Miscellaneous Supplies	1,993	1,653	1,900	1,900
5240	Small Tools	-	49	500	500
5241	Small Equipment	5,765	3,745	5,300	4,400
5303	Engineering Services	211	-	-	-
5321	Telephone	1,303	1,386	1,300	1,300
5322	Postage	35	56	100	100
5331	Training Expenses	982	4,449	2,000	3,300
5335	Mileage Reimbursement	125	60	200	200
5355	Printing and Copying	3,064	3,971	300	900
5404	Equipment Maintenance Repair	975	464	1,000	1,000
5409	Fleet Services	6,187	6,537	5,000	6,500
5418	Vehicle/Equipment Lease	1,771	1,371	1,600	2,200
5433	Dues and Subscriptions	289	358	600	600
5435	Books and Pamphlets	82	9	200	200
5438	Licenses	114	-	100	-
5441	Other Services and Charges	2,180	2,732	5,300	5,300
5486	One Call System	2,588	2,610	2,600	2,600
	TOTAL	32,705	32,837	39,200	43,900
1930	TOTAL - ENGINEERING	496,677	430,892	459,400	453,400

City of Duluth Minnesota - 2011 Budget

Customer Services

510-500-1940

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

Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	808,240	795,455	758,300	774,400
5101 Permanent Employees - Overtime	82,660	84,550	66,600	61,600
5103 Temporary Wages	2,024	-	-	-
TOTAL	892,924	880,005	824,900	836,000
EMPLOYEE BENEFITS				
5121 P.E.R.A.	53,717	56,468	54,400	52,600
5122 F.I.C.A. Social Security	53,788	55,017	51,100	48,000
5123 F.I.C.A. Medicare	12,580	12,868	11,900	11,200
5124 Health Insurance	134,024	122,026	110,900	119,200
5125 Dental Insurance	5,806	5,960	6,000	5,700
5126 Life Insurance	2,535	2,452	2,200	2,700
5127 Health Care Savings	9,087	14,793	6,800	7,000
TOTAL	271,537	269,584	243,300	246,400
OPERATING EXPENSES				
5200 Office Supplies	5,154	8,711	5,800	5,100
5201 Computer Supplies	1,042	20	600	700
5203 Paper/Stationery	12,447	6,024	2,600	2,500
5212 Motor Fuel	1,966	436	35,500	35,500
5218 Uniforms	4,276	3,532	2,600	2,600
5220 Repair & Maintenance Supplies	36,373	20,088	36,800	36,800
5227 Utility System	100,828	46,763	103,400	101,400
5228 Painting Supplies	1,979	2,136	3,000	3,000
5240 Small Tools	1,049	862	1,500	1,500
5241 Small Equipment	3,413	532	8,900	9,200
5310 Contract Services	5,295	12,061	11,200	32,500
5320 Data Services	2,933	2,473	3,100	2,100
5321 Telephone	1,297	1,378	1,500	1,500
5322 Postage	55,369	57,127	49,900	49,900
5331 Training Expenses	1,558	-	1,300	1,300
5339 Armored Pickup	1,163	1,124	1,100	1,100
5355 Printing & Copying	384	956	500	500
5401 Building/Structure Repair & Maint	177	124	-	-
5404 Equipment Maintenance & Repair	6,731	6,977	6,100	4,000
5409 Fleet Services	19,794	13,076	25,600	25,600
5427 Credit Card Commission	5,173	4,075	8,300	8,300
5432 Uncollectible Accounts	(9,822)	139,203	10,000	10,000
5441 Other Services & Charges	4,586	1,702	3,000	3,000
TOTAL	263,165	329,380	322,300	338,100
1940 TOTAL - CUSTOMER SERVICE	1,427,626	1,478,969	1,390,500	1,420,500

City of Duluth Minnesota - 2011 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		2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	1,190,193	1,198,621	1,274,100	1,428,700
5101	Permanent Employees - Overtime	266,196	314,060	250,000	250,000
5103	Temporary Wages	7,327	-	-	-
5118	Meal Allowance	-	-	6,000	6,000
	TOTAL	1,463,716	1,512,681	1,530,100	1,684,700
EMPLOYEE BENEFITS					
5121	P.E.R.A.	89,061	98,862	101,400	97,800
5122	F.I.C.A. Social Security	87,352	92,888	94,500	88,600
5123	F.I.C.A. Medicare	20,450	21,824	22,100	20,700
5124	Health Insurance	190,354	193,858	234,900	261,600
5125	Dental Insurance	7,627	8,456	10,300	10,300
5126	Life Insurance	3,305	3,435	3,800	4,800
5127	Health Care Savings	21,728	28,333	11,600	12,900
	TOTAL	419,877	447,656	478,600	496,700
OPERATING EXPENSES					
5200	Office Supplies	2,134	3,010	2,000	3,000
5201	Computer Supplies/Software	-	-	-	20,300
5205	Safety & Training Materials	2,412	3,516	2,600	2,600
5210	Plant/Operating Supplies	8,611	8,388	9,600	9,600
5212	Motor Fuel	63,862	48,597	60,000	60,000
5215	Shop Materials	1,253	2,120	2,600	2,600
5218	Uniforms	2,342	3,085	5,100	5,200
5220	Repair & Maintenance Supplies	4,303	2,632	2,500	2,500
5222	Paving Materials	34,797	17,773	35,000	35,000
5224	Gravel & Other Maintenance Mtls	34,249	69,239	70,000	70,000
5227	Utility Maintenance Supply	111,791	210,632	150,200	175,000
5228	Painting Supplies	679	-	500	300
5240	Small Tools	4,292	7,875	5,300	5,300
5241	Small Equipment	1,804	6,027	10,600	9,500
5310	Contract Services	39,475	30,779	15,500	15,500
5320	Data Services	-	-	-	1,200
5321	Telephone	1,846	1,808	1,300	2,200
5331	Training Expenses	2,555	5,467	8,800	8,800
5335	Mileage Reimbursement	7,279	6,225	7,800	7,800
5355	Printing and Copying	-	602	500	500
5382	Water/Sewer/Gas	5,319	8,093	10,000	8,000
5384	Refuse Disposal	3,715	7,934	5,500	7,000
5404	Equipment Maintenance/Repair	2,423	2,448	400	400
5409	Fleet Service Charges	110,721	96,178	100,000	100,000
5415	Vehicle/Equipment Rental	2,810	5,714	3,000	3,000
5438	License	234	221	500	500
5441	Other Services & Charges	4,749	261	5,000	10,000
5450	Laundry	8,981	15,051	8,300	9,000
5700	Transfer to General Fund	-	291,400	280,000	280,000
5700	Transfer to Permanent Improv	434,219	-	-	-
	TOTAL	896,855	855,075	802,600	854,800
1945	TOTAL - UTILITY OPERATIONS	2,780,448	2,815,412	2,811,300	3,036,200

City of Duluth Minnesota - 2011 Budget

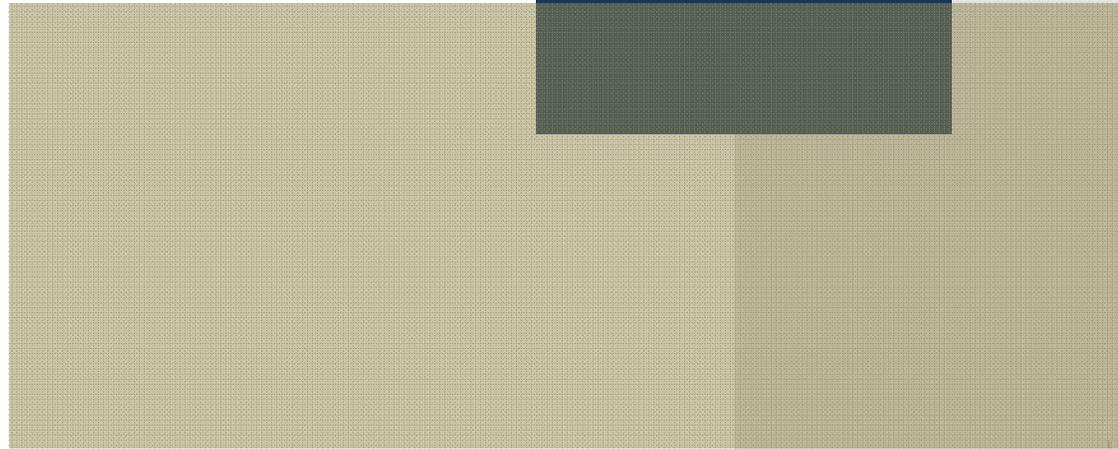
Water Treatment and Pumping

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	2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	482,611	596,622	569,800	553,500
5101 Permanent Employees - Overtime	39,134	31,001	30,000	30,000
TOTAL	521,745	627,623	599,800	583,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	31,850	37,941	39,800	38,000
5122 F.I.C.A. Social Security	30,860	35,716	37,200	34,300
5123 F.I.C.A. Medicare	7,217	8,353	8,700	8,000
5124 Health Insurance	67,867	77,827	78,000	86,800
5125 Dental Insurance	2,846	3,588	3,900	3,600
5126 Life Insurance	1,233	1,458	1,500	1,700
5127 Health Care Savings	10,294	15,401	5,200	5,100
TOTAL	152,167	180,284	174,300	177,500
OPERATING EXPENSES				
5200 Office Supplies	423	2,609	1,500	2,000
5201 Computer Supplies/Software	-	-	-	10,200
5210 Plant/Operating Supplies	-	7,989	-	10,000
5212 Motor Fuel	2,960	2,513	2,500	2,500
5216 Treatment Chemicals	372,207	632,890	666,000	517,500
5218 Uniforms	1,653	1,498	2,500	2,500
5219 Other Miscellaneous Supplies	4,469	12,955	14,000	7,000
5220 Repair & Maintenance Supplies	47,881	46,183	80,000	80,000
5228 Painting Supplies	-	1,606	2,000	2,000
5240 Small Tools	3,000	1,586	2,500	4,500
5241 Small Equipment	1,666	3,959	7,400	7,800
5310 Contract Services	1,254	7,635	50,000	50,000
5319 Other Professional Services	277	14,857	5,000	15,000
5320 Data Services	537	-	-	500
5321 Telephone	947	1,539	1,700	2,700
5322 Postage	11	79	200	200
5331 Training Expenses	3,028	4,981	6,000	8,000
5335 Local Mileage Reimbursement	-	2,393	-	3,000
5355 Printing and Copying	28	390	1,500	1,500
5381 Electricity	902,716	891,147	1,100,000	1,100,000
5382 Water & Sewer	14,156	83,266	138,500	138,500
5385 Oil	29,447	9,642	-	-
5390 Liquid Propane Gas (Heating)	126,705	-	-	-
5400 Misc. Repair & Maintenance	144	55	2,000	2,000
5401 Building Repair & Maintenance	2,942	6,111	12,000	12,000
5404 Equipment Maintenance/Repair	232,610	181,397	100,000	75,000
5409 Fleet Services	4,065	6,170	4,000	5,000
5433 Dues and Subscriptions	9,841	5,039	5,000	5,000
5438 Licenses	-	23	300	300
5441 Other Services & Charges	79,071	62,472	65,500	65,500
5450 Laundry	2,790	3,644	3,500	4,000
5483 Water Testing Fees	442	111	2,500	2,500
TOTAL	1,845,270	1,994,739	2,276,100	2,136,700
1955 TOTAL-WATER TRMT & PMPING	2,519,182	2,802,646	3,050,200	2,897,700

Gas Fund



City of Duluth Minnesota - 2011 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 2011. The major category of expense is purchased gas, representing 64% 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	2008 Actual	2009 Actual	2010 Budget	2011 Approved
REVENUE				
Operating Revenues	1,037,473	1,315,758	1,366,000	1,237,000
Gas Sales	57,434,235	44,941,587	51,702,300	43,383,600
Non-Operating Revenues	70,619	133,402	40,400	40,400
	<u>58,542,327</u>	<u>46,390,747</u>	<u>53,108,700</u>	<u>44,661,000</u>
EXPENSES				
Personal Services	6,692,020	6,167,158	6,827,200	6,801,800
Supplies	889,611	763,122	769,300	827,900
Other Services & Charges	4,814,619	5,389,913	5,134,400	5,187,700
Natural Gas Purchases	42,819,210	27,647,450	35,023,200	27,939,500
Utilities	43,260	39,714	43,600	48,700
Depreciation/Amortization	1,088,667	1,056,585	1,131,700	1,281,800
Improvements -Non-Capital	102,915	80,469	58,000	49,300
Debt Service - Interest	491,903	475,180	438,200	341,100
Debt Service - Other	15,081	14,886	15,100	10,800
Capital Lease Interest	-	66,366	113,700	107,600
Transfers	1,053,836	1,128,793	955,900	780,500
	<u>58,011,122</u>	<u>42,829,636</u>	<u>50,510,300</u>	<u>43,376,700</u>
ESTIMATED OPERATING INCOME (LOSS)	531,205	3,561,111	2,598,400	1,284,300

City of Duluth Minnesota - 2011 Budget

Gas Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2010 Projected	2011 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	4,568,394	9,024,594
Additions		
Estimated Operating Income (Loss)	5,354,600	1,284,300
Depreciation and Amortization	1,215,400	1,281,800
Bond Amortization	10,800	10,800
Due from Other Funds	60,600	-
Interfund Loan Receivable	236,200	-
Energy Fund Loan Repayment	150,000	150,000
Special Assessment Principal	13,600	13,600
Total Additions	7,041,200	2,740,500
Deductions		
Due to Other Funds	50,200	-
Interfund Loan Payable	-	-
Budget Carry-Over for Encumbrances	674,400	-
Capital Improvements from Current Revenues	921,700	820,000
Capital Equipment Purchases	188,700	292,300
Bond Principal Payments	652,000	1,054,000
AMRS Lease Principal Payment	98,000	166,900
Total Deductions	2,585,000	2,333,200
ESTIMATED BUDGETARY YEAR END CASH BALANCE	9,024,594	9,431,894

City of Duluth Minnesota - 2011 Budget

Gas Fund

520

Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
OPERATING REVENUES:				
4624 Equipment Rent	12,582	-	-	-
4636 Sale of Scrap	9,878	6,482	3,000	2,000
4680 Damages & Losses Recovered	-	-	-	-
4801 Off/On Charge	24,849	25,238	20,000	35,000
4802 Interest Earned on Customer Accts	165,872	165,476	130,000	145,000
4805 Reimbursements	13,161	330,863	475,000	300,000
4809 Miscellaneous Operating Revenue	166,620	129,393	140,000	100,000
4818 Servicing Appliances	257,556	269,088	255,000	255,000
4819 Comfort Policy	343,372	363,720	310,000	330,000
4820 Residential Firm	33,598,446	25,756,949	29,684,400	23,231,300
4821 Comm/Industrial Firm Small	14,585,536	7,307,540	15,081,000	-
4822 Comm/Industrial Firm Large	929,014	5,303,801	813,800	11,487,900
4823 Comm/Industrial Interruptible Small	2,130,221	-	-	-
4824 Comm/Industrial Interruptible Large	6,191,018	4,303,853	2,974,000	5,430,000
4825 Purchase Gas Adjustment	-	775	-	-
4826 Large Transport	16,474	4,252	15,000	-
4827 Gas-Interruptible Transport	-	-	-	50,000
4829 Two Tier Rate	27,109	21,246	18,000	20,000
4831 Fixed Rate Charges	-	2,268,669	3,149,100	3,234,400
TOTAL OPERATING REVENUES	58,471,708	46,257,345	53,068,300	44,620,600
NON-OPERATING REVENUES:				
4230 Pera Aid	23,365	23,365	23,400	23,400
4850 Earnings on Investments	12,963	3,877	12,000	10,000
4851 Interest Income - Bonds	4,451	4,916	5,000	5,000
4853 Gain on Sale of Assets	6,145	100,726	-	2,000
4854 Utility Special Assessments	2,695	518	-	-
4730 Transfer from Internal Service Fund	21,000	-	-	-
TOTAL NON-OPERATING REVENUES	70,619	133,402	40,400	40,400
TOTAL REVENUE	58,542,327	46,390,747	53,108,700	44,661,000

City of Duluth Minnesota - 2011 Budget

Director's Office

520-500-1900

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

Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	52,824	53,608	51,100	53,000
5101 Permanent Employees - Overtime	41	431	-	-
TOTAL	52,865	54,039	51,100	53,000
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,198	4,056	3,400	3,600
5122 F.I.C.A. Social Security	3,245	3,317	3,200	3,300
5123 F.I.C.A. Medicare	760	776	700	800
5124 Health Insurance	6,171	6,055	5,000	4,800
5125 Dental Insurance	336	352	400	300
5126 Life Insurance	146	143	100	200
5127 Health Care Savings	1,711	498	500	500
TOTAL	15,567	15,197	13,300	13,500
OPERATING EXPENSES				
5200 Office Supplies	141	256	100	100
5241 Small Equipment	74	84	-	500
5321 Telephone	406	115	100	200
5331 Training/Travel	605	-	300	300
5335 Mileage Reimbursement Local	15	-	100	100
5401 Building/Structure Repair Mtce	1,000	-	-	-
5438 Licenses	-	-	-	-
5441 Other Services & Charges	-	135	-	-
5452 Pipeline Safety	7,892	7,457	-	-
TOTAL	10,133	8,047	600	1,200
1900 TOTAL - DIRECTOR'S OFFICE	78,565	77,283	65,000	67,700

City of Duluth Minnesota - 2011 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	2008 Actual	2009 Actual	2010 Budget	2011 Approved
OPERATING AND NON-OPERATING EXPENSES				
5420 Depreciation	1,088,667	1,056,585	1,131,700	1,281,800
5441 Other Services and Charges	-	788	-	-
5533 Capital Improvements - Revenue Financing	528,398	1,272,710	720,000	820,000
5535 Improvements (Non-Capital)	102,915	80,469	58,000	49,300
5540 Equipment (Non-Capital)	786	5,688	-	-
5580 Capital Equipment	70,367	151,845	207,500	292,300
5611 Bond Interest	491,903	475,180	438,200	341,100
5613 Interest - Bond Amortization	13,825	13,429	13,800	4,100
5614 Capital Lease Interest	-	66,366	113,700	107,600
5620 Fiscal Agents Fee	846	1,079	1,000	800
5622 Bond Amortization	1,256	1,457	1,300	6,700
1905 TOTAL - CAPITAL	2,298,963	3,125,596	2,685,200	2,903,700

City of Duluth Minnesota - 2011 Budget

Utility General Expense

520-500-1915

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

Expense Detail		2008	2009	2010	2011
		Actual	Actual	Budget	Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	5,749	4,328	24,100	24,000
	TOTAL	5,749	4,328	24,100	24,000
EMPLOYEE BENEFITS					
5121	P.E.R.A.	376	252	1,600	1,600
5122	F.I.C.A. Social Security	328	268	1,500	1,500
5123	F.I.C.A. Medicare	77	63	300	300
5124	Health Insurance	1,667	482	5,200	5,100
5125	Dental Insurance	42	36	200	200
5126	Life Insurance	3,109	2,945	100	100
5127	Health Care Savings	60	1,237	200	200
5134	Other Post Retirement Benefits	456,430	(633,773)	-	-
5135	Retiree Health Insurance	836,264	944,183	990,000	817,400
5151	Worker's Compensation	180,144	145,800	153,000	186,800
	TOTAL	1,478,497	461,493	1,152,100	1,013,200
OPERATING EXPENSES					
5200	Office Supplies	2,649	1,626	1,000	1,400
5201	Computer Supplies/Software	14,629	40,096	11,900	32,500
5205	Safety & Training	610	435	1,200	1,100
5211	Cleaning & Janitorial Supplies	3,342	3,181	2,600	2,900
5241	Small Equipment	183	4,275	200	300
5301	Auditing Services	2,425	2,789	3,000	3,000
5305	Medical Services/Testing Fees	4,503	5,366	3,000	4,000
5319	Other Professional Services	4,809	6,925	15,000	15,000
5320	Data Services	-	-	800	6,600
5321	Telephone	22,707	28,066	7,500	7,500
5331	Training Expense	9,404	23,245	17,300	17,300
5335	Mileage Reimbursement	98	115	100	100
5360	Insurance	62,574	62,800	67,700	67,300
5381	Electricity	12,395	12,876	13,100	15,100
5382	Water, Gas & Sewer	23,399	18,369	18,200	18,400
5384	Refuse Disposal	2,567	2,545	1,800	2,200
5401	Building Repair & Maintenance	5,826	6,125	6,500	6,500
5418	Vehicle/Equipment Rental	3,061	3,545	2,700	2,900
5433	Dues and Subscriptions	14,492	6,890	7,600	8,300
5438	Licenses	40	-	700	400
5441	Other Services & Charges	35,904	26,960	32,300	32,300
5450	Laundry	1,920	2,295	1,500	1,700
5452	Pipe Line Safety	12,566	-	12,000	12,000
5493	Cost Allocation	504,400	519,500	519,500	519,500
5711	Payment in Lieu of Taxes	3,314,102	4,091,122	3,490,600	3,459,000
5700	Transfer to General Fund	-	-	41,400	41,400
5700	Transfer to Internal Service Funds	1,006,700	1,108,700	894,500	719,100
	TOTAL	5,065,305	5,977,846	5,173,700	4,997,800
1915	TOTAL - GENERAL EXPENSE	6,549,551	6,443,667	6,349,900	6,035,000

City of Duluth Minnesota - 2011 Budget

Engineering

520-500-1930

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

Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	350,176	454,389	439,300	489,400
5101 Permanent Employees - Overtime	35,949	48,389	32,000	50,000
5103 Temporary Wages	-	1,074	2,000	2,000
TOTAL	386,125	503,852	473,300	541,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	23,546	30,594	31,500	33,700
5122 F.I.C.A. Social Security	23,264	29,457	29,300	30,300
5123 F.I.C.A. Medicare	5,441	6,889	6,900	7,100
5124 Health Insurance	43,619	58,456	62,700	66,300
5125 Dental Insurance	1,977	2,601	2,900	3,000
5126 Life Insurance	857	1,057	1,100	1,400
5127 Health Care Savings	3,430	7,305	4,000	9,200
TOTAL	102,134	136,359	138,400	151,000
OPERATING EXPENSES				
5200 Office Supplies	1,688	589	1,200	1,200
5201 Computer Supplies	3,379	8,311	6,800	8,500
5203 Paper, Stationery and Forms	98	193	200	200
5205 Safety & Training Materials	180	52	-	-
5212 Motor Fuel	12,839	9,942	3,500	5,000
5219 Other Miscellaneous Supplies	2,173	4,508	2,700	2,700
5240 Small Tools	37	49	500	500
5241 Small Equipment	6,185	5,505	9,700	5,200
5303 Engineering Services	-	630	-	-
5321 Telephone	1,317	1,386	1,300	1,300
5322 Postage	35	40	100	100
5331 Training Expenses	4,446	6,078	5,900	4,100
5335 Mileage Reimbursement	131	60	200	200
5355 Printing and Copying	333	1,005	300	1,100
5404 Equipment Maintenance Repair	687	464	1,000	1,000
5409 Fleet Services	6,218	8,437	5,000	5,000
5418 Vehicle/Equipment Lease	1,771	1,371	1,600	2,200
5433 Dues and Subscriptions	187	358	400	400
5435 Books and Pamphlets	223	15	200	200
5438 Licenses	147	-	100	-
5441 Other Services and Charges	1,205	1,827	1,700	2,100
5486 One Call System	2,600	2,612	2,600	2,600
TOTAL	45,879	53,432	45,000	43,600
1930 TOTAL - ENGINEERING	534,138	693,643	656,700	736,000

City of Duluth Minnesota - 2011 Budget

Customer Services

520-500-1940

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

Expense Detail		2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	2,051,500	2,137,299	2,246,700	2,218,300
5101	Permanent Employees - Overtime	202,310	219,065	155,000	162,900
5103	Temporary Wages	2,774	-	-	-
	TOTAL	2,256,584	2,356,364	2,401,700	2,381,200
EMPLOYEE BENEFITS					
5121	P.E.R.A.	136,863	146,698	158,700	151,200
5122	F.I.C.A. Social Security	136,087	141,365	149,000	137,600
5123	F.I.C.A. Medicare	31,827	33,061	34,800	32,100
5124	Health Insurance	323,609	300,259	335,800	343,000
5125	Dental Insurance	13,910	14,595	17,100	15,700
5126	Life Insurance	6,082	5,975	6,400	7,300
5127	Health Care Savings	23,351	32,480	20,300	20,000
	TOTAL	671,729	674,433	722,100	706,900
OPERATING EXPENSES					
5200	Office Supplies	5,548	11,777	6,900	5,800
5201	Computer Supplies/Software	1,694	67	1,300	1,900
5203	Paper/Stationery	16,758	8,102	3,900	3,800
5210	Plant/Operating Supplies	3,713	7,044	7,500	7,500
5212	Motor Fuel	85,101	60,012	56,600	56,400
5215	Shop Materials	4,198	6,494	7,000	7,000
5218	Uniforms	6,023	5,343	5,600	5,600
5219	Other Miscellaneous Supplies	16,703	58,880	71,000	71,000
5220	Repair & Maintenance Supplies	76,369	14,993	22,000	22,000
5227	Utility System Maintenance Supply	209,225	146,063	163,800	159,200
5228	Painting Supplies	2,624	3,799	7,500	7,500
5240	Small Tools	11,496	6,566	8,000	8,000
5241	Small Equipment	16,940	2,634	29,800	29,400
5310	Contract Services	7,128	16,220	16,800	48,800
5320	Data Services	11,734	10,029	12,500	8,300
5321	Telephone	3,530	3,286	3,900	3,900
5322	Postage	74,787	76,827	74,900	74,900
5331	Training / Travel	6,934	2,563	8,500	8,800
5339	Armored Pickup	1,564	1,512	1,600	1,600
5340	Advertising and Promotion	104,552	100,123	133,600	133,800
5355	Printing & Copying	568	1,433	1,100	1,100
5404	Equipment Maintenance & Repair	8,939	9,340	9,300	6,100
5409	Fleet Services	63,529	80,083	56,200	56,200
5427	Credit Card Commissions	23,866	21,508	28,000	28,000
5432	Uncollectible Accounts	248,076	30,444	75,000	75,000
5433	Dues and Subscriptions	445	225	900	900
5438	Licenses	-	-	100	100
5441	Other Services & Charges	7,551	2,387	4,700	4,700
5487	Conservation Improvement	9,106	55,502	334,600	368,900
5615	Customer Deposit Refund Interest	-	7,083	-	-
	TOTAL	1,028,701	750,339	1,152,600	1,206,200
1940	TOTAL - CUSTOMER SRVS	3,957,014	3,781,136	4,276,400	4,294,300

City of Duluth Minnesota - 2011 Budget

Utility Operations

520-500-1945

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

Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	830,378	909,572	903,700	963,300
5101 Permanent Employees - Overtime	206,682	238,582	155,000	150,000
5103 Temporary Wages	3,205	-	-	-
5118 Meal Allowance	-	-	1,200	1,200
TOTAL	1,040,265	1,148,154	1,059,900	1,114,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	63,785	72,546	70,300	65,800
5122 F.I.C.A. Social Security	62,220	68,339	65,600	59,700
5123 F.I.C.A. Medicare	14,571	16,188	15,400	14,000
5124 Health Insurance	121,544	119,118	143,200	164,400
5125 Dental Insurance	5,117	5,782	7,100	7,000
5126 Life Insurance	2,218	2,349	2,600	3,300
5127 Health Care Savings	21,290	14,902	8,200	8,700
TOTAL	290,745	299,224	312,400	322,900
OPERATING EXPENSES				
5200 Office Supplies	2,570	2,190	2,300	2,300
5201 Computer Supplies/Software	-	-	-	20,300
5205 Safety & Training Materials	4,990	4,338	3,000	4,500
5210 Plant Operations Supplies	5,285	9,093	6,000	7,000
5212 Motor Fuel	94,211	70,627	100,000	85,000
5215 Shop Materials	4,638	1,988	2,500	2,500
5218 Uniforms	3,661	4,155	3,500	3,700
5219 Other Miscellaneous Supplies	118	134	-	-
5220 Repair and Maintenance Supplies	5,700	4,953	3,300	3,300
5222 Paving Materials	14,067	7,505	5,000	5,000
5224 Gravel & Other Maintenance Supplies	21,997	15,145	4,000	12,000
5227 Utility Maintenance Supply	185,562	156,860	130,000	150,000
5228 Painting Supplies	-	352	400	400
5240 Small Tools	6,680	13,252	5,300	5,300
5241 Small Equipment	2,682	9,850	7,400	6,300
5310 Contract Services	3,317	2,666	3,600	3,600
5320 Data Services	-	-	-	600
5321 Telephone	2,159	2,428	1,900	3,000
5331 Training Expense	4,618	5,423	8,000	8,000
5335 Mileage Reimbursement	5,618	4,779	5,900	5,900
5355 Printing and Copying	-	13	200	500
5382 Water, Gas & Sewer	-	-	1,500	1,500
5384 Refuse Disposal	1,645	2,119	500	3,000
5404 Equipment Maintenance/Repair	1,291	2,861	1,000	1,000
5409 Fleet Service Charges	97,924	56,368	90,000	85,000
5415 Vehicle/Equipment Rental	9,094	6,488	3,000	3,000
5441 Other Services & Charges	3,400	3,521	1,000	6,000
5450 Laundry	4,333	15,051	5,200	5,800
5700 Transfer to General Fund	-	20,093	20,000	20,000
5700 Transfer to Permanent Improv.	47,136	-	-	-
TOTAL	532,696	422,252	414,500	454,500
1945 TOTAL - UTILITY OPERATIONS	1,863,706	1,869,630	1,786,800	1,891,900

City of Duluth Minnesota - 2011 Budget

Natural Gas

520-500-1960

This cost center 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	2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	291,288	390,481	354,400	358,200
5101 Permanent Employees - Overtime	12,175	13,563	15,000	15,000
TOTAL	303,463	404,044	369,400	373,200
EMPLOYEE BENEFITS				
5121 P.E.R.A. Contribution	18,473	23,276	24,600	24,700
5122 F.I.C.A. Social Security	18,242	22,600	22,900	22,200
5123 F.I.C.A. Medicare	4,266	5,285	5,400	5,200
5124 Health Insurance	39,689	47,622	50,000	48,500
5125 Dental Insurance	1,605	2,093	2,400	2,200
5126 Life Insurance	695	850	900	1,000
5127 Health Care Savings	5,327	7,945	3,200	3,200
TOTAL	88,297	109,671	109,400	107,000
OPERATING EXPENSES				
5200 Office Supplies	555	305	2,500	2,500
5201 Computer Supplies/Software	5,400	-	6,500	16,700
5210 Plant Operations Supplies	15,135	15,146	21,000	21,000
5212 Motor Fuel	5,234	2,956	6,500	6,500
5218 Uniforms	604	230	1,200	1,200
5219 Other Miscellaneous Supplies	389	5,065	2,000	2,000
5220 Repair & Maintenance Supplies	2,388	10,168	20,000	20,000
5228 Painting Supplies	-	-	500	500
5241 Small Equipment	2,360	12,246	3,900	2,700
5280 Natural Gas Purchases	42,819,210	27,647,450	35,023,200	27,939,500
5310 Contract Services	63,600	29,149	-	-
5319 Other Professional Services	-	1,000	3,500	5,000
5320 Data Services	-	-	500	10,400
5321 Telephone	2,036	2,139	3,800	3,800
5331 Training Expense	1,455	3,293	8,600	12,600
5335 Local Mileage Reimbursement	-	-	-	1,500
5355 Printing and Copying	252	87	800	800
5381 Electricity	3,254	3,805	4,500	4,500
5382 Water/Sewer/Gas	-	-	4,000	4,000
5400 Miscellaneous Repair & Maint	1,960	2,969	3,000	3,000
5404 Equipment Maintenance Repair	699	5,255	12,000	12,000
5409 Fleet Services Charges	4,097	2,941	6,000	5,000
5433 Dues and Subscriptions	3,950	4,170	4,000	4,000
5441 Other Services & Charges	3,612	1,147	1,000	1,000
TOTAL	42,936,190	27,749,521	35,139,000	28,080,200
1960 TOTAL - NATURAL GAS	43,327,950	28,263,236	35,617,800	28,560,400

Sewer Fund

City of Duluth Minnesota - 2011 Budget

Sewer Fund and Clean Water Fund

530 & 532

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

The major expense category is for contractual services and charges paid to the Sanitary District of WLSSD, constituting 44% of total Approved expenses. Presented below is a summary of the major categories of revenues and expenses over a four year period.

Estimated Income and Expense	2008 Actual	2009 Actual	2010 Budget	2011 Approved
REVENUE				
Operating Revenue	17,216,417	20,312,094	20,872,000	21,356,500
Non-Operating Revenue	308,814	3,454,954	38,800	4,020,000
	<u>17,525,231</u>	<u>23,767,048</u>	<u>20,910,800</u>	<u>25,376,500</u>
EXPENSES				
Personal Services	3,305,245	3,011,218	3,393,200	3,264,300
Supplies	307,788	312,287	436,000	366,000
Other Services & Charges	2,861,959	2,569,354	2,506,500	2,633,100
WLSSD Treatment	7,805,462	8,469,042	8,161,000	8,063,200
Utilities	116,623	113,738	116,800	124,200
Depreciation/ Amortization	908,116	1,070,762	1,267,600	1,734,400
Clean Water -Grants & Awards	-	733,656	1,000,000	1,000,000
Improvements -Non-Capital	555,224	253,836	50,000	50,000
Debt Service - Interest	622,316	633,511	653,800	807,500
Debt Service - Other	29,141	30,025	19,300	15,600
Capital Lease Interest	-	62,344	106,800	101,000
Transfers	669,005	567,000	508,900	337,400
	<u>17,180,879</u>	<u>17,826,773</u>	<u>18,219,900</u>	<u>18,496,700</u>
ESTIMATED OPERATING INCOME (LOSS)	344,352	5,940,275	2,690,900	6,879,800

City of Duluth Minnesota - 2011 Budget

Sewer Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2010 Projected	2011 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	2,454,188	3,191,013
Additions		
Estimated Operating Income (Loss)		
-excluding Clean Water Surcharge Fund	2,381,225	1,541,200
Depreciation and Amortization	1,216,500	1,313,800
Bond Amortization	15,400	14,600
Due from Other Funds	207,500	-
Special Assessment Principal	23,300	23,300
Total Additions	3,843,925	2,892,900
Deductions		
Capital Grants	46,500	-
Due to Other Funds	18,600	-
Budget Carry-Over for Encumbrances	98,800	-
Capital Improvements from Current Revenues	7,000	-
Infrastructure Improvements	930,000	1,420,300
Capital Equipment Purchases	424,000	341,000
Bond Principal Payments	1,490,100	1,476,800
AMRS Lease Principal Payment	92,100	156,800
Total Deductions	3,107,100	3,394,900
ESTIMATED BUDGETARY YEAR END CASH BALANCE	<u>3,191,013</u>	<u>2,689,013</u>

City of Duluth Minnesota - 2011 Budget

Clean Water Fund Estimated Unrestricted Cash Balance

<u>OPERATING FUND</u>	2010 Projected	2011 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	988,767	1,412,067
<u>Additions</u>		
Estimated Operating Income (Loss)	4,538,400	5,338,600
Depreciation and Amortization	210,300	420,600
Bond Amortization	900	1,000
Total Additions	4,749,600	5,760,200
<u>Deductions</u>		
Capital Grants	3,094,000	4,000,000
Capital Improvements from Current Revenues	862,200	-
Infrastructure Improvements	135,600	-
Capital Equipment Purchases	167,100	-
Bond Principal Payments	67,400	981,400
Total Deductions	4,326,300	4,981,400
ESTIMATED BUDGETARY YEAR END CASH BALANCE	<u>1,412,067</u>	<u>2,190,867</u>

City of Duluth Minnesota - 2011 Budget

Sewer Fund **530**

Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
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OPERATING REVENUES:

4833	Sewer Revenues	16,547,628	16,395,339	16,020,700	16,280,500
4809	Misc. Operating Revenue	10,045	5,943	8,000	4,500
4802	Interest Earned on Customer Accounts	53,992	81,165	45,000	62,000
4831	Fixed Rate Charges	-	1,367,013	1,926,500	1,940,000
4834	Fond du Lac Grinder Pump Surcharge	-	10,914	-	14,500
4836	I & I Surcharge	-	5,500	-	-
4839	Point of Sale Inspection Fee	-	23,034	-	45,000

TOTAL OPERATING REVENUES	16,611,665	17,888,908	18,000,200	18,346,500
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NON-OPERATING REVENUES:

4210	Federal Grants	1,680	-	-	-
4220	State of Minnesota Grant	215,592	75,363	-	-
4230	Pera Aid	8,283	8,283	8,200	8,200
4806	Connection Fees	15,200	-	-	5,000
4850	Earnings on Investments	13,095	641	30,000	1,500
4851	Interest Income - Other Sources	43,872	7,141	-	5,000
4853	Gain on Sale of Assets	1,900	2,160	-	-
4854	Utility Special Assessments	-	46,155	-	-
4730	Transfer from Internal Service Fund	9,000	-	-	-

TOTAL NON-OPERATING REVENUES	308,622	139,743	38,200	19,700
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TOTAL REVENUE	16,920,287	18,028,651	18,038,400	18,366,200
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City of Duluth Minnesota - 2011 Budget

Director's Office

530-500-1900

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

Expense Detail		2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	61,484	43,494	40,400	41,700
5101	Permanent Employees - Overtime	40	431	-	-
	TOTAL	61,524	43,925	40,400	41,700
EMPLOYEE BENEFITS					
5121	P.E.R.A.	3,699	3,446	2,700	2,900
5122	F.I.C.A. Social Security	3,719	2,689	2,500	2,600
5123	F.I.C.A. Medicare	871	629	600	600
5124	Health Insurance	8,089	4,345	3,200	3,100
5125	Dental Insurance	336	237	200	200
5126	Life Insurance	146	96	100	100
5127	Health Care Savings	1,793	407	400	400
	TOTAL	18,653	11,849	9,700	9,900
OPERATING EXPENSES					
5200	Office Supplies	165	28	100	100
5205	Safety & Training Materials	-	84	-	-
5241	Small Equipment	74	-	-	200
5321	Telephone	-	294	100	100
5331	Training Expense	2,215	-	300	300
5335	Mileage Reimbursement	-	-	100	100
5441	Other Services & Charges	-	108	-	-
	TOTAL	2,454	514	600	800
1900	TOTAL - DIRECTOR'S OFFICE	82,631	56,288	50,700	52,400

City of Duluth Minnesota - 2011 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	2008 Actual	2009 Actual	2010 Budget	2011 Approved
OPERATING AND NON-OPERATING EXPENSES				
5420 Depreciation	908,116	1,070,762	1,183,500	1,313,800
5441 Other Services and Charges	-	788	-	-
5532 Capital Improvements - Bonds	1,559,562	678,150	-	-
5533 Capital Improvements - Revenue	2,300	145,595	-	-
5535 Improvements (Non-Capital)	555,224	253,836	50,000	50,000
5536 Utility Infrastructure Replace. Proj.	624,662	10,943	1,003,000	1,420,300
5540 Equipment (Non-Capital)	786	1,426	-	-
5580 Capital Equipment	230,308	1,369	395,300	341,000
5611 Bond Interest	622,316	632,614	622,300	568,000
5613 Interest - from Amortization	17,396	12,713	5,200	100
5614 Capital Lease Interest	-	62,344	106,800	101,000
5620 Fiscal Agents Fee	1,983	2,217	2,000	2,100
5622 Bond Amortization	11,745	17,036	14,100	14,500
5700 Transfer to Permanent Improv.	-	-	-	-
1905 TOTAL - CAPITAL	4,534,398	2,889,793	3,382,200	3,810,800

City of Duluth Minnesota - 2011 Budget

Utility General Expense

530-500-1915

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

Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,278	4,328	5,300	5,300
5101 Permanent Employees - Overtime	-	-	-	-
TOTAL	1,278	4,328	5,300	5,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	84	252	400	400
5122 F.I.C.A. Social Security	73	268	300	300
5123 F.I.C.A. Medicare	17	63	100	100
5124 Health Insurance	371	482	1,200	1,100
5125 Dental Insurance	9	36	-	-
5126 Life Insurance	405	421	-	-
5127 Health Care Savings	13	1,237	100	100
5134 Other Post Retirement Benefits	62,557	(295,055)	-	-
5135 Retiree Health Insurance	298,904	334,081	360,000	132,100
5151 Worker's Compensation	127,191	127,700	62,900	89,100
TOTAL	489,624	169,485	425,000	223,200
OPERATING EXPENSES				
5200 Office Supplies	1,268	712	600	600
5201 Computer Supplies/Software	9,155	25,424	7,200	21,100
5205 Safety & Training	453	378	1,000	800
5211 Cleaning & Janitorial Supplies	3,467	3,125	2,500	2,800
5241 Small Equipment	96	2,933	200	300
5301 Auditing Services	5,774	2,789	2,500	2,500
5305 Medical Services/Testing Fees	2,954	2,392	2,000	2,000
5310 Contract Services	4,850	16,079	6,000	6,000
5320 Data Services	-	-	800	6,600
5321 Telephone	14,530	14,656	7,200	7,200
5331 Training / Travel	3,724	1,286	900	900
5335 Mileage Reimbursement - Local	-	-	100	100
5360 Insurance	156,938	248,799	163,700	226,700
5381 Electricity	12,222	13,718	12,600	14,600
5382 Water, Gas & Sewer	18,437	14,244	17,700	17,800
5384 Refuse Disposal	2,289	2,406	1,700	2,200
5401 Building/structure Repair & Maint	5,158	4,865	6,300	6,300
5418 Vehicle/Equipment Lease	2,955	3,423	2,600	2,700
5433 Dues and Subscriptions	236	155	-	-
5438 Licenses	-	-	300	300
5439 Special Projects	-	-	1,500	1,500
5441 Other Services & Charges	12,008	3,848	4,400	4,400
5450 Laundry	1,350	2,295	1,500	1,700
5493 Cost Allocation	321,100	330,700	330,700	330,700
5700 Transfer to General Fund	-	-	26,000	26,000
5700 Transfer to Internal Service Funds	603,400	517,000	432,900	261,400
TOTAL	1,182,364	1,211,227	1,032,900	947,200
1915 TOTAL - UTILITY GENERAL	1,673,266	1,385,040	1,463,200	1,175,700

City of Duluth Minnesota - 2011 Budget

Engineering

530-500-1930

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

Expense Detail		2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	215,220	262,673	295,000	309,200
5101	Permanent Employees - Overtime	9,172	14,646	12,000	15,000
5103	Temporary Wages	-	1,074	2,000	2,000
	TOTAL	224,392	278,393	309,000	326,200
EMPLOYEE BENEFITS					
5121	P.E.R.A.	13,747	16,841	20,500	21,200
5122	F.I.C.A. Social Security	13,130	16,017	19,200	19,200
5123	F.I.C.A. Medicare	3,071	3,746	4,500	4,500
5124	Health Insurance	35,433	32,912	41,000	44,000
5125	Dental Insurance	1,239	1,491	1,900	2,000
5126	Life Insurance	537	606	700	900
5127	Health Care Savings	2,290	6,620	2,700	5,200
	TOTAL	69,447	78,233	90,500	97,000
OPERATING EXPENSES					
5200	Office Supplies	1,602	507	900	900
5201	Computer Supplies	3,134	5,402	5,900	7,600
5203	Paper, Stationary & Forms	98	98	200	200
5212	Motor Fuels	-	-	1,200	1,200
5219	Other Miscellaneous Supplies	1,389	1,403	1,600	1,600
5240	Small Tools	-	49	200	200
5241	Small Equipment	1,674	1,953	5,900	4,200
5321	Telephone	519	606	800	800
5322	Postage	146	60	100	100
5331	Training Expenses	3,072	4,406	3,500	4,500
5335	Mileage Reimbursement - Local	108	60	100	100
5355	Printing and Copying	5	709	300	700
5404	Equipment Maintenance/Repair	861	464	600	600
5409	Fleet Services Charges	9,580	1,421	1,200	1,200
5418	Vehicle/Equipment Lease	1,181	1,267	1,600	2,200
5433	Dues & Subscriptions	295	516	600	600
5435	Books & Pamphlets	82	9	200	200
5438	Licenses	234	-	200	-
5441	Other Services and Charges	777	6,758	1,900	1,900
5486	One Call System	2,588	-	2,600	2,600
	TOTAL	27,345	25,688	29,600	31,400
1930	TOTAL - ENGINEERING	321,184	382,314	429,100	454,600

City of Duluth Minnesota - 2011 Budget

Customer Services

530-500-1940

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

Expense Detail		2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	243,896	271,172	242,000	249,800
5101	Permanent Employees - Overtime	25,305	23,134	5,800	2,300
5103	Temporary Wages	1,609	-	-	-
	TOTAL	270,810	294,306	247,800	252,100
EMPLOYEE BENEFITS					
5121	P.E.R.A.	16,074	17,421	16,200	16,900
5122	F.I.C.A. Social Security	16,278	17,741	15,400	15,500
5123	F.I.C.A. Medicare	3,807	4,149	3,600	3,600
5124	Health Insurance	43,007	40,162	35,900	39,500
5125	Dental Insurance	1,843	2,017	2,000	2,000
5126	Life Insurance	810	838	800	900
5127	Health Care Savings	2,826	6,259	2,200	2,200
	TOTAL	84,645	88,587	76,100	80,600
OPERATING EXPENSES					
5200	Office Supplies	824	4,602	2,100	1,400
5201	Computer Supplies	196	-	300	300
5203	Paper/Stationery	9,842	4,778	2,400	2,300
5212	Motor Fuel	-	-	300	300
5241	Small Equipment	493	130	1,800	2,100
5310	Contract Services	4,203	9,566	9,900	28,800
5321	Telephone	164	134	300	300
5322	Postage	43,909	45,308	44,300	44,300
5331	Training Expense	36	-	400	400
5335	Mileage Reimbursement	1,271	-	-	-
5339	Armored Pickup	922	892	1,000	1,000
5404	Equipment Maintenance & Repair	5,111	4,688	5,000	3,100
5409	Fleet Services	995	656	500	500
5427	Credit Card Commission	7,625	6,218	11,200	11,200
5432	Uncollectible Accounts	27,798	142,912	30,000	30,000
5441	Other Services & Charges	2,195	846	1,400	1,400
5451	Pay Station	738	-	-	-
	TOTAL	106,322	220,730	110,900	127,400
1940	TOTAL-CUSTOMER SERVICES	461,777	603,623	434,800	460,100

City of Duluth Minnesota - 2011 Budget

Utility Operations

530-500-1945

Operates, maintains and monitors a system of pumping stations and pipelines to dependably 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	2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	983,182	894,632	986,000	993,500
5101 Permanent Employees - Overtime	172,868	185,186	160,000	150,000
5103 Temporary Wages	18,496	-	-	-
5118 Meal Allowance	-	-	1,000	1,000
TOTAL	1,174,546	1,079,818	1,147,000	1,144,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	70,658	69,684	75,800	67,900
5122 F.I.C.A. Social Security	71,133	67,213	71,000	61,600
5123 F.I.C.A. Medicare	16,636	15,719	16,600	14,400
5124 Health Insurance	148,003	116,447	160,800	192,400
5125 Dental Insurance	6,467	6,272	8,100	7,400
5126 Life Insurance	2,867	2,652	3,000	3,500
5127 Health Care Savings	11,890	16,904	8,900	9,000
5141 Unemployment Compensation	21,828	12,515	-	-
TOTAL	349,482	307,406	344,200	356,200
OPERATING EXPENSES				
5200 Office Supplies	4,584	7,495	4,500	4,500
5201 Computer Supplies	949	2,536	2,300	22,300
5205 Safety & Training Materials	11,564	7,992	6,000	6,000
5210 Plant Operations Supplies	17,605	23,067	20,400	20,400
5212 Motor Fuel	61,834	37,823	65,000	60,000
5215 Shop Materials	248	900	1,500	1,500
5218 Uniforms	5,672	7,771	5,300	6,300
5220 Repair and Maintenance Supplies	15,538	11,964	13,300	13,300
5222 Paving Materials	22,302	14,820	10,000	10,000
5224 Gravel and other Mtc Materials	31,066	44,565	50,000	50,000
5227 Utility Maintenance Supply	75,407	51,637	49,000	49,000
5240 Small Tools	6,760	11,888	5,500	5,500
5241 Small Equipment	2,506	16,259	25,200	26,400
5310 Contract Services	17,997	40,248	13,000	13,000
5320 Data Services	-	-	-	1,600
5321 Telephone	908	698	9,300	9,300
5331 Training Expense	14,792	14,918	13,800	13,800
5333 Freight/Delivery Charges	5	39	500	500
5335 Mileage Reimbursement	23,621	31,666	6,600	6,600
5355 Printing and Copying	200	764	1,000	1,000
5381 Electricity	54,158	51,095	45,200	54,000
5382 Water, Gas & Sewer	17,774	19,699	24,000	20,000
5384 Refuse Disposal	11,743	12,576	15,600	15,600
5404 Equipment Maintenance/Repair	2,272	2,341	3,600	3,600
5409 Fleet Service Charges	110,419	95,424	130,000	130,000
5410 Fond Du Lac Grinder Pump	-	-	2,500	2,500
5415 Vehicle/Equipment Rental	545	1,873	3,000	3,000
5433 Dues and Subscriptions	316	350	500	500
5438 Licenses	142	161	400	400
5441 Other Services & Charges	10,436	3,207	5,500	13,000
5450 Laundry	11,132	9,480	8,900	10,000
5700 Transfer to General Fund	-	50,000	50,000	50,000
5700 Transfer to Permanent Improv.	65,605	-	-	-
TOTAL	598,100	573,256	591,400	623,600
1945 TOTAL - UTILITY OPERATIONS	2,122,128	1,960,480	2,082,600	2,124,300

City of Duluth Minnesota - 2011 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	2008 Actual	2009 Actual	2010 Budget	2011 Approved
5484 Western Lake Superior Sanitary District Srv Charge	7,805,462	8,469,042	8,161,000	8,063,200
5485 Western Lake Superior Sanitary District Testing	101,130	204,419	205,000	217,000
0575 TOTAL- SEWER TREATMENT	7,906,592	8,673,461	8,366,000	8,280,200

City of Duluth Minnesota - 2011 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		2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	409,080	465,117	511,200	530,800
5101	Permanent Employees - Overtime	34,564	50,394	30,000	45,000
	TOTAL	443,644	515,511	541,200	575,800
EMPLOYEE BENEFITS					
5121	P.E.R.A.	27,074	32,454	35,800	36,300
5122	F.I.C.A. Social Security	27,047	31,385	33,600	32,900
5123	F.I.C.A. Medicare	6,326	7,340	7,800	7,700
5124	Health Insurance	49,466	53,872	69,900	65,100
5125	Dental Insurance	2,520	3,008	3,800	3,500
5126	Life Insurance	1,092	1,222	1,400	1,600
5127	Health Care Savings	3,675	10,096	4,700	4,700
	TOTAL	117,200	139,377	157,000	151,800
OPERATING EXPENSES					
5200	Office Supplies	1,411	1,595	1,000	1,000
5201	Computer Supplies	-	-	500	500
5205	Safety & Training	26	100	300	300
5212	Motor Fuels	-	-	-	3,000
5218	Uniforms	109	497	1,500	1,500
5220	Repair & Maintenance Supplies	592	723	1,500	1,500
5227	Utility System Maintenance Supplies	1,591	960	2,000	2,000
5240	Small Tools	295	114	500	500
5241	Small Equipment	13,013	16,549	36,300	32,300
5320	Data Services	-	1,236	500	2,900
5319	Other Professional Services	-	1,933	20,000	20,000
5321	Telephone	4,509	5,474	3,500	5,200
5322	Postage	-	13	500	500
5331	Training Expense	5,152	3,655	6,100	6,100
5333	Freight/Delivery Charges	-	-	300	-
5335	Mileage Reimbursement	13,794	6,474	37,800	37,800
5355	Printing & Copying	1,161	263	1,500	1,500
5404	Equipment Maintenance Repair	5,035	-	2,500	4,500
5409	Fleet Services	2,529	2,627	3,500	3,500
5441	Other Services and Charges	229	620	-	-
5482	Private Property Sewer Grants	985,844	1,229,469	1,376,000	1,376,000
5535	Improvements (Non-Capital)	897,704	29,050	-	-
	TOTAL	1,932,994	1,301,352	1,495,800	1,500,600
1970	TOTAL INFLOW & INFILTRATION	2,493,838	1,956,240	2,194,000	2,228,200

City of Duluth Minnesota - 2010 Budget

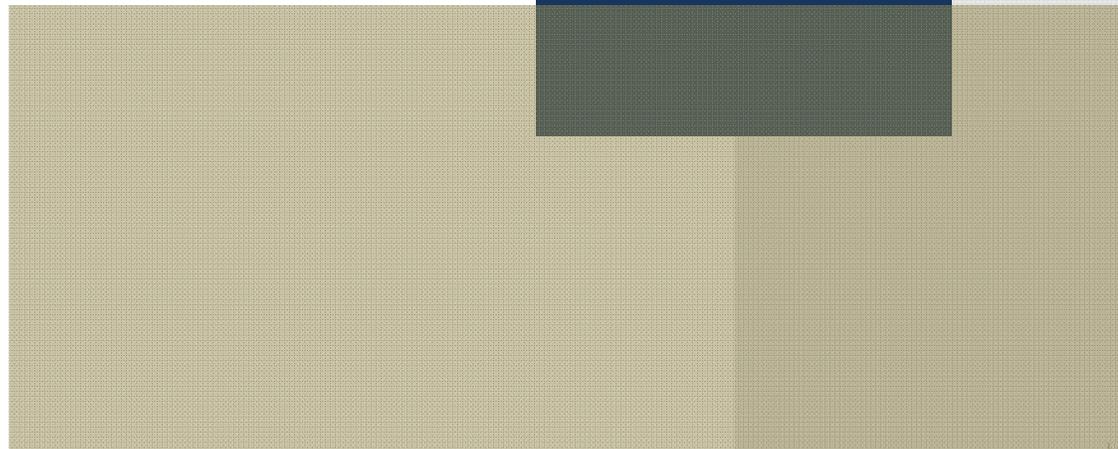
Clean Water Surcharge Fund

532

The Clean Water Surcharge Fund accounts for revenues generated by a monthly surcharge on utility customer accounts to fund a clean water program to prevent sewage overflows into Lake Superior. The surcharge commenced July 1, 2008 and terminates June 30, 2028. All revenues are dedicated towards designing, constructing and maintaining structures or facilities for the purpose of attaining compliance with federal and state sewage inflow and infiltration standards.

Estimated Income and Expense		2008 Actual	2009 Actual	2010 Budget	2011 Approved
OPERATING REVENUES					
4836	I & I Surcharge	-	-	-	100,000
4837	Clean Water Surcharge	604,752	2,423,186	2,871,800	2,910,000
TOTAL		604,752	2,423,186	2,871,800	3,010,000
NON-OPERATING REVENUES					
4209	Federal Grants - Capital	-	835,207	-	4,000,000
4209	Federal Grants - Capital (ARRA)	-	2,479,799	-	-
4850	Earnings on Investments	192	205	600	300
TOTAL		192	3,315,211	600	4,000,300
TOTAL REVENUES		604,944	5,738,397	2,872,400	7,010,300
OPERATING EXPENSES					
5201	Computer Supplies/Software	-	-	100,000	-
5420	Depreciation	-	-	84,100	420,600
5427	Credit Card Commissions	-	-	-	600
5432	Uncollectible Accounts	-	15,579	-	10,000
5434	Grants & Awards	-	733,656	1,000,000	1,000,000
5441	Other Services & Charges	-	5,183	-	-
5481	Property Taxes	1,897	-	-	-
5611	Bond Interest	-	897	31,500	239,500
5622	Bond Amortization	-	276	-	1,000
TOTAL		1,897	755,591	1,215,600	1,671,700
NON-OPERATING EXPENSES					
5532	Capital Improvements-Bond	-	219,306	-	-
5533	Capital Improvements-Revenue	-	1,679,569	500,000	-
5536	Utility Infrastructure Replacement	2,999	2,751,515	-	-
TOTAL		2,999	4,650,390	500,000	-
TOTAL EXPENSES		4,896	5,405,981	1,715,600	1,671,700
TOTAL - CLEAN WATER SURCHARGE FUND		600,048	332,416	1,156,800	5,338,600

Stormwater Fund



City of Duluth Minnesota - 2011 Budget

Stormwater Utility Fund

535

The Stormwater Utility 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 utility was created mid 1998 and began operations as a self supporting utility. The primary funding source is user charges to all residential and business property owners.

Estimated Income and Expense	2008 Actual	2009 Actual	2010 Budget	2011 Approved
REVENUE				
Stormwater Sewer Service	4,503,161	5,120,945	4,801,000	4,650,000
Miscellaneous Revenue	11,593	28,328	13,000	19,000
Non-Operating	65,556	101,616	11,000	34,000
	<u>4,580,310</u>	<u>5,250,889</u>	<u>4,825,000</u>	<u>4,703,000</u>
EXPENSES				
Personal Services	1,343,532	1,754,200	1,874,600	1,657,100
Supplies	263,652	172,543	198,600	230,600
Other Services and Charges	430,225	615,413	574,100	600,500
Utilities	27,782	30,863	43,200	45,000
Depreciation and Amortization	337,823	365,612	456,900	559,500
Improvements - Non-Capital	245,402	191,006	241,000	343,000
Debt Service - Interest	106,373	100,623	96,700	89,800
Bond Amortization	3,018	6,706	3,100	2,700
Transfers Out	803,933	699,858	713,000	691,200
	<u>3,561,740</u>	<u>3,936,824</u>	<u>4,201,200</u>	<u>4,219,400</u>
ESTIMATED OPERATING INCOME (LOSS)	1,018,570	1,314,065	623,800	483,600

City of Duluth Minnesota - 2011 Budget

Stormwater Utility Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2010 Projected	2011 Approved
ESTIMATED UNRESTRICTED CASH BALANCE JANUARY 1	2,528,833	1,334,608
<u>Additions</u>		
Estimated Operating Income (Loss)	749,875	483,600
Depreciation and Amortization	436,200	559,500
Bond Amortization	2,700	2,700
Due from Other Funds	22,000	-
Special Assessment Principal	17,800	17,800
Total Additions	1,228,575	1,063,600
<u>Deductions</u>		
Capital Grants	-	32,500
Due to Other Funds	94,600	-
Budget Carry-Over for Encumbrances	20,000	-
Capital Improvements from Current Revenues	1,757,600	820,000
Capital Equipment Purchases	371,600	676,000
Bond Principal Payments	179,000	187,000
Total Deductions	2,422,800	1,715,500
ESTIMATED UNRESTRICTED CASH BALANCE DECEMBER 31	<u>1,334,608</u>	<u>682,708</u>

City of Duluth Minnesota - 2011 Budget

Stormwater Utility Fund

535

Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
OPERATING REVENUES:				
4835 Stormwater Revenues	4,503,161	5,120,945	4,801,000	4,650,000
4802 Interest Earned on Customer Accounts	11,593	22,867	13,000	15,000
4809 Miscellaneous Operating Revenues	-	5,461	-	4,000
TOTAL OPERATING REVENUE	4,514,754	5,149,273	4,814,000	4,669,000
NON-OPERATING REVENUES:				
4210 Federal Grants - Operating	8,849	62,797	-	-
4220 State of Minnesota Grant - Capital	-	10,981	-	32,500
4220 State of Minnesota Grant - Operating	39,894	10,847	-	-
4850 Earnings on Investments	7,653	1,241	11,000	1,500
4851 Interest - Other Sources	-	462	-	-
4853 Gain/Loss - Sales of Fixed Assets	160	960	-	-
4854 Utility Assessments	-	14,328	-	-
4730 Transfer from Internal Service Fund	9,000	-	-	-
TOTAL NON-OPERATING REVENUES	65,556	101,616	11,000	34,000
TOTAL REVENUE	4,580,310	5,250,889	4,825,000	4,703,000

City of Duluth Minnesota - 2011 Budget

Director's Office

535-500-1900

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

Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	43,558	43,494	40,400	41,700
5101 Permanent Employees - Overtime	40	431	-	-
TOTAL	<u>43,598</u>	<u>43,925</u>	<u>40,400</u>	<u>41,700</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	2,675	3,446	2,700	2,900
5122 F.I.C.A. Social Security	2,672	2,690	2,500	2,600
5123 F.I.C.A. Medicare	626	629	600	600
5124 Health Insurance	4,327	4,346	3,200	3,100
5125 Dental Insurance	228	237	200	200
5126 Life Insurance	99	96	100	100
5127 Health Care Savings	1,631	407	400	400
TOTAL	<u>12,258</u>	<u>11,851</u>	<u>9,700</u>	<u>9,900</u>
OPERATING EXPENSES				
5200 Office Supplies	160	-	100	100
5321 Telephone	-	148	100	100
5241 Small Equipment	-	84	-	100
5331 Training Expense	-	-	300	300
5335 Mileage Reimbursement-Local	18	22	100	100
5441 Other Services & Charges	-	108	-	-
TOTAL	<u>178</u>	<u>362</u>	<u>600</u>	<u>700</u>
1900 TOTAL - DIRECTOR'S OFFICE	56,034	56,138	50,700	52,300

City of Duluth Minnesota - 2011 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	2008 Actual	2009 Actual	2010 Budget	2011 Approved
OPERATING AND NON-OPERATING EXPENSES				
5420 Depreciation	322,823	365,612	456,900	559,500
5421 Amortization	15,000	-	-	-
5441 Other Services and Charges	752	778	-	-
5532 Capital Improvements - Bond	-	-	-	-
5533 Capital Improvements - Revenue	227,972	442,360	935,000	820,000
5535 Improvements (Non-Capital)	245,402	191,006	241,000	343,000
5540 Equipment (Non-Capital)	786	2,324	-	-
5580 Capital Equipment	315,527	189,169	307,800	676,000
5611 Bond Interest	106,373	100,623	96,700	89,800
5613 Interest from Amortization	661	305	700	700
5622 Bond Amortization	2,357	6,401	2,400	2,000
5620 Fiscal Agent Fees	438	438	400	400
5700 Transfer to Permanent Improv.	1,845	-	-	-
1905 TOTAL - CAPITAL	1,239,936	1,299,016	2,040,900	2,491,400

City of Duluth Minnesota - 2011 Budget

Utility General Expense

535-500-1915

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

Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,278	2,164	5,300	5,300
TOTAL	1,278	2,164	5,300	5,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	84	126	400	400
5122 F.I.C.A. Social Security	73	134	300	300
5123 F.I.C.A. Medicare	17	31	100	100
5124 Health Insurance	371	241	1,200	1,100
5125 Dental Insurance	9	18	-	-
5126 Life Insurance	4	7	-	-
5127 Health Care Savings	13	619	100	100
5134 Other Post Retirement Benefits	(81,230)	(21,765)	-	-
5151 Worker's Compensation	607	800	1,500	1,800
TOTAL	(80,052)	(19,789)	3,600	3,800
OPERATING EXPENSES				
5200 Office Supplies	1,081	675	600	600
5201 Computer Supplies/Software	3,582	12,808	3,000	9,300
5205 Safety & Training Materials	331	292	800	700
5211 Cleaning and Janitorial Supplies	3,252	3,079	1,800	2,000
5241 Small Equipment	1,390	2,895	200	300
5301 Auditing Services	808	1,308	1,200	1,200
5305 Medical Services/Testing Fees	-	-	600	400
5310 Contract Services	4,810	5,079	-	-
5320 Data Services	-	-	800	6,600
5321 Telephone	4,049	5,003	5,100	5,100
5331 Training Expenses	999	273	900	900
5335 Mileage Reimbursement - Local	-	-	100	100
5360 Insurance	11,562	35,500	23,800	2,200
5381 Electricity	8,802	10,167	9,000	10,400
5382 Water & Gas	11,310	9,721	13,400	13,500
5384 Refuse Disposal	4,230	3,435	4,300	4,600
5401 Bldg/Structure Repair & Maint	3,860	4,150	4,600	4,600
5418 Vehicle/Equipment Lease	2,111	2,445	1,800	1,900
5433 Dues and Subscriptions	1,851	1,750	1,700	1,700
5439 Special Projects	49,896	61,747	9,500	9,500
5441 Other Services and Charges	22,231	41,509	22,400	22,400
5450 Laundry	1,350	2,295	1,500	1,700
5493 Cost Allocation Charges	165,100	170,000	170,000	170,000
5700 Transfer to General Fund	-	-	5,300	5,300
5700 Transfer to Internal Service Funds	321,400	197,100	197,100	175,300
TOTAL	624,005	571,231	479,500	450,300
1915 TOTAL - UTILITY EXPENSE	545,231	553,606	488,400	459,400

City of Duluth Minnesota - 2011 Budget

Engineering

535-500-1930

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

Expense Detail		2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	198,586	223,958	319,300	325,600
5101	Permanent Employees - Overtime	7,597	12,572	15,000	13,000
5103	Temporary Wages	-	1,074	2,000	2,000
	TOTAL	206,183	237,604	336,300	340,600
EMPLOYEE BENEFITS					
5121	P.E.R.A.	11,669	14,263	22,300	22,300
5122	F.I.C.A. Social Security	11,208	13,529	20,800	20,200
5123	F.I.C.A. Medicare	2,621	3,164	4,900	4,700
5124	Health Insurance	27,179	26,446	41,000	49,600
5125	Dental Insurance	1,038	1,248	2,100	2,100
5126	Life Insurance	450	507	800	1,000
5127	Health Care Savings	2,000	6,269	3,000	5,400
	TOTAL	56,165	65,426	94,900	105,300
OPERATING EXPENSES					
5200	Office Supplies	1,805	477	900	900
5201	Computer Supplies	7,873	7,350	13,400	15,100
5203	Paper, Stationery and Forms	98	98	-	100
5205	Safety & Training Materials	128	52	-	-
5212	Motor Fuel	-	-	1,200	1,200
5219	Other Miscellaneous Supplies	847	646	1,400	1,400
5240	Small Tools	-	49	200	200
5241	Small Equipment	1,674	2,122	5,000	4,700
5303	Engineering Services	(15,794)	9,584	105,000	105,000
5310	Contract Services	-	-	5,000	5,000
5321	Telephone	480	658	800	800
5322	Postage	35	40	100	100
5331	Training Expenses	2,497	7,001	3,800	4,800
5335	Mileage Reimbursement	108	180	200	200
5355	Printing and Copying	5	13	300	300
5404	Equipment Maintenance Repair	861	464	600	600
5409	Fleet Services	1,974	1,805	1,200	1,800
5418	Vehicle/Equipment Lease	1,181	1,267	1,600	2,200
5433	Dues and Subscriptions	295	516	400	400
5435	Books and Pamphlets	82	9	200	200
5438	Licenses	114	-	200	-
5441	Other Services and Charges	777	170	30,900	30,900
5486	One Call system	2,588	-	2,600	2,600
	TOTAL	7,628	32,501	175,000	178,500
1930	TOTAL - ENGINEERING	269,976	335,531	606,200	624,400

City of Duluth Minnesota - 2011 Budget

Customer Services

535-500-1940

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

Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	91,745	86,903	106,300	106,900
5101 Permanent Employees - Overtime	6,807	8,460	2,500	1,200
5103 Temporary Wages	-	-	-	-
TOTAL	98,552	95,363	108,800	108,100
EMPLOYEE BENEFITS				
5121 P.E.R.A.	5,955	5,823	7,100	7,200
5122 F.I.C.A. Social Security	5,927	5,909	6,700	6,600
5123 F.I.C.A. Medicare	1,386	1,382	1,600	1,500
5124 Health Insurance	15,751	13,899	18,200	17,900
5125 Dental Insurance	683	656	900	800
5126 Life Insurance	301	275	300	400
5127 Health Care Savings	1,126	2,226	1,000	1,000
TOTAL	31,129	30,170	35,800	35,400
OPERATING EXPENSES				
5200 Office Supplies	265	1,821	900	700
5201 Computer Supplies	77	-	200	200
5203 Paper/Stationery	3,856	1,870	1,200	1,200
5212 Motor Fuels	-	-	100	100
5241 Small Equipment	161	19	1,000	1,100
5310 Contract Services	1,648	3,743	5,200	15,000
5321 Telephone	64	52	100	100
5322 Postage	17,178	17,729	23,100	23,100
5331 Training Expense	361	-	200	200
5339 Armored Pickup	1,667	349	500	500
5404 Equipment Maintenance & Repair	46	1,728	2,700	500
5409 Fleet Services	-	98	100	100
5427 Credit Card Commission	2,051	1,686	2,500	2,500
5432 Uncollectible Accounts	6,225	83,363	-	-
5441 Other Services & Charges	873	10	800	800
5451 Pay Station	289	-	-	-
TOTAL	34,761	112,468	38,600	46,100
1940 TOTAL - CUSTOMER SERVICES	164,442	238,001	183,200	189,600

City of Duluth Minnesota - 2011 Budget

Utility Operations

535-500-1945

Maximizes the efficiency of the stormwater system through inspection, cleaning, preventive maintenance and repairs.

Expense Detail		2008	2009	2010	2011
		Actual	Actual	Budget	Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	698,153	915,003	880,800	709,100
5101	Permanent Employees - Overtime	74,264	119,171	70,000	70,000
5103	Temporary Wages	-	-	-	-
5118	Meal Allowance	-	-	500	500
	TOTAL	772,417	1,034,174	951,300	779,600
EMPLOYEE BENEFITS					
5121	P.E.R.A.	46,156	60,769	62,800	48,500
5122	F.I.C.A. Social Security	47,313	59,322	59,000	44,000
5123	F.I.C.A. Medicare	11,065	13,873	13,800	10,300
5124	Health Insurance	82,745	101,747	135,400	110,900
5125	Dental Insurance	4,423	5,695	6,900	4,900
5126	Life Insurance	1,917	2,314	2,600	2,300
5127	Health Care Savings	8,385	9,592	8,000	6,500
	TOTAL	202,004	253,312	288,500	227,400
OPERATING EXPENSES					
5200	Office Supplies	972	2,901	2,000	2,000
5201	Computer Supplies/Software	678	12	500	20,500
5205	Safety & Training Materials	9,754	4,414	3,600	3,600
5210	Plant Operating Supplies	11,875	8,052	12,600	12,600
5212	Motor Fuels	32,048	26,484	30,000	35,000
5218	Uniforms	1,950	1,623	3,500	2,900
5219	Other Miscellaneous Supplies	-	512	-	-
5220	Repair and Maintenance Supplies	9,827	4,533	4,800	4,800
5222	Paving Materials	18,769	5,423	5,000	5,000
5224	Gravel and Other Maintenance Materials	34,539	22,326	14,900	14,900
5227	Utility Maintenance Supplies	97,078	40,195	60,500	60,500
5240	Small Tools	3,017	3,011	6,000	6,000
5241	Small Equipment	15,779	16,480	23,200	22,900
5310	Contract Services	8,151	3,922	2,500	2,500
5320	Data Services	557	364	2,000	2,900
5321	Telephone	1,017	699	1,200	1,500
5322	Postage	-	-	200	200
5331	Training Expense	519	4,265	10,700	10,700
5333	Freight and Delivery Charges	-	-	500	500
5335	Mileage Reimbursement	16,377	13,403	19,900	34,900
5355	Printing & Copying	1,220	3,056	5,500	5,500
5382	Water /Sewer/Gas	1,728	-	4,500	4,500
5384	Refuse Disposal	1,712	7,540	12,000	12,000
5404	Equipment/Maintenance Repair	2,204	684	6,300	6,300
5409	Fleet Services	93,702	116,040	75,000	90,000
5415	Vehicle/Equip Rent	6,110	6,938	7,000	7,000
5433	Dues and Subscriptions	114	967	500	500
5438	Licenses	-	-	500	500
5441	Other Services & Charges	45	628	400	5,400
5450	Laundry	4,769	1,345	8,900	5,100
5700	Transfer to General Fund	480,688	502,758	510,600	510,600
	TOTAL	855,199	798,575	834,800	891,300
1945	TOTAL - UTILITY OPERATIONS	1,829,620	2,086,061	2,074,600	1,898,300

Steam Fund



City of Duluth Minnesota - 2011 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	2008 Actual	2009 Actual	2010 Budget	2011 Approved
REVENUE				
Operating	5,702,230	5,885,868	6,202,500	7,058,500
Miscellaneous	257,606	266,400	265,500	272,900
	<u>5,959,836</u>	<u>6,152,268</u>	<u>6,468,000</u>	<u>7,331,400</u>
EXPENSES				
Duluth Steam Co-op				
Management Contract	1,732,753	1,881,600	1,975,700	2,150,500
Fuel Expense	2,425,940	2,320,320	2,542,100	3,194,900
Other Operating &				
Maintenance Expense	497,619	578,259	449,600	503,600
Depreciation	962,589	918,090	988,200	994,200
In Lieu of Taxes	108,000	117,000	120,000	128,400
Bond Interest	320,941	301,566	292,400	262,000
	<u>6,047,842</u>	<u>6,116,835</u>	<u>6,368,000</u>	<u>7,233,600</u>
ESTIMATED OPERATING INCOME/(LOSS)	(88,006)	35,433	100,000	97,800

City of Duluth Minnesota - 2011 Budget

Steam Utility Fund

540

Revenue Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
4801 Off/On Charge	346	360	400	400
4840 Energy Charge	2,698,888	2,585,084	2,514,600	3,163,400
4841 Steam Flat Rate	216	144	100	100
4842 Capacity Charge	2,772,375	3,069,251	3,448,300	3,637,500
4843 Steam Repair - Labor	2,786	2,901	3,600	2,400
4844 Steam Repair - Materials	3,802	4,510	1,200	2,400
4845 Hot Water Sales	66,520	73,480	78,000	84,000
4846 Chilled Water Capacity Charge	170,467	170,467	168,000	186,000
4847 Chilled Water Energy Charge	60,500	61,066	71,600	71,600
4855 DECC Capacity Charge	161,806	159,575	159,600	160,600
4850 Earnings on Investments	-	-	800	-
4802 Interest Earned on Customer Accounts	11,808	15,548	12,000	13,200
4809 Misc Non-Operating Income	10,322	9,882	9,800	9,800
TOTAL REVENUE	5,959,836	6,152,268	6,468,000	7,331,400

City of Duluth Minnesota - 2011 Budget

Steam Utility Fund

540

Expense Detail by Division	2008 Actual	2009 Actual	2010 Budget	2011 Approved
1490 Production	2,425,940	2,320,320	2,542,000	3,194,900
1491 Chiller Production	37,958	37,015	44,100	46,700
1492 Production Maintenance	178,707	175,446	163,300	170,100
1493 Transmission & Distribution	182,436	135,940	139,500	139,500
1494 Customer Accounting	2,400	4,876	2,700	2,700
1495 Administration & General	2,899,460	3,141,672	3,184,000	3,417,700
1499 Debt Service	320,941	301,566	292,400	262,000
TOTAL EXPENSES	6,047,842	6,116,835	6,368,000	7,233,600

City of Duluth Minnesota - 2011 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	2008 Actual	2009 Actual	2010 Budget	2011 Approved
5216 Chemicals	37,122	44,305	41,100	41,100
5310 Contract Services	7,565	892	0	0
5311 Security Services	0	204	200	300
5220 Repair and Mtc Supplies	2,920	124	0	0
5381 Electricity	151,507	162,851	184,400	184,400
5382 Water, Gas and Sewer	156,001	187,740	188,300	280,800
5383 Natural Gas	151,516	7,995	134,500	174,500
5384 Refuse Disposal	723	713	1,000	1,200
5385 Oil	43,224	24,408	34,400	34,400
5387 Coal	1,757,426	1,778,101	1,831,400	2,412,200
5388 Ash Handling	117,936	112,987	126,700	66,000
1490 TOTAL - PRODUCTION	2,425,940	2,320,320	2,542,000	3,194,900

City of Duluth Minnesota - 2011 Budget

Chiller Production

540-1491

Records the variable cost of producing and distributing chilled water.

Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
5216 Chemicals	7,996	5,575	4,400	4,400
5310 Contract Services	5,690	6,311	9,600	9,600
5381 Electricity	17,413	17,876	21,800	21,800
5382 Water, Gas & Sewer	6,859	7,253	8,300	10,900
1491 TOTAL - PRODUCTION	37,958	37,015	44,100	46,700

City of Duluth Minnesota - 2011 Budget

Production Maintenance

540-1492

reliable, and safe supply
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	2008 Actual	2009 Actual	2010 Budget	2011 Approved
5205 Safety Equipment & Supplies	2,806	11,023	4,800	4,800
5220 Repair Materials & Supplies	86,672	77,699	108,000	108,000
5310 Contract Services	<u>89,229</u>	<u>86,724</u>	<u>50,500</u>	<u>57,300</u>
1492 TOTAL - PRODUCTION MAINTENANCE	178,707	175,446	163,300	170,100

City of Duluth Minnesota - 2011 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		2008 Actual	2009 Actual	2010 Budget	2011 Approved
5220	Repair Materials & Supplies	72,095	62,732	60,500	60,500
5310	Contract Services	110,341	73,208	79,000	79,000
1493	TOTAL - TRANSMISSIONS & DISTRIBUTION	182,436	135,940	139,500	139,500

City of Duluth Minnesota - 2011 Budget

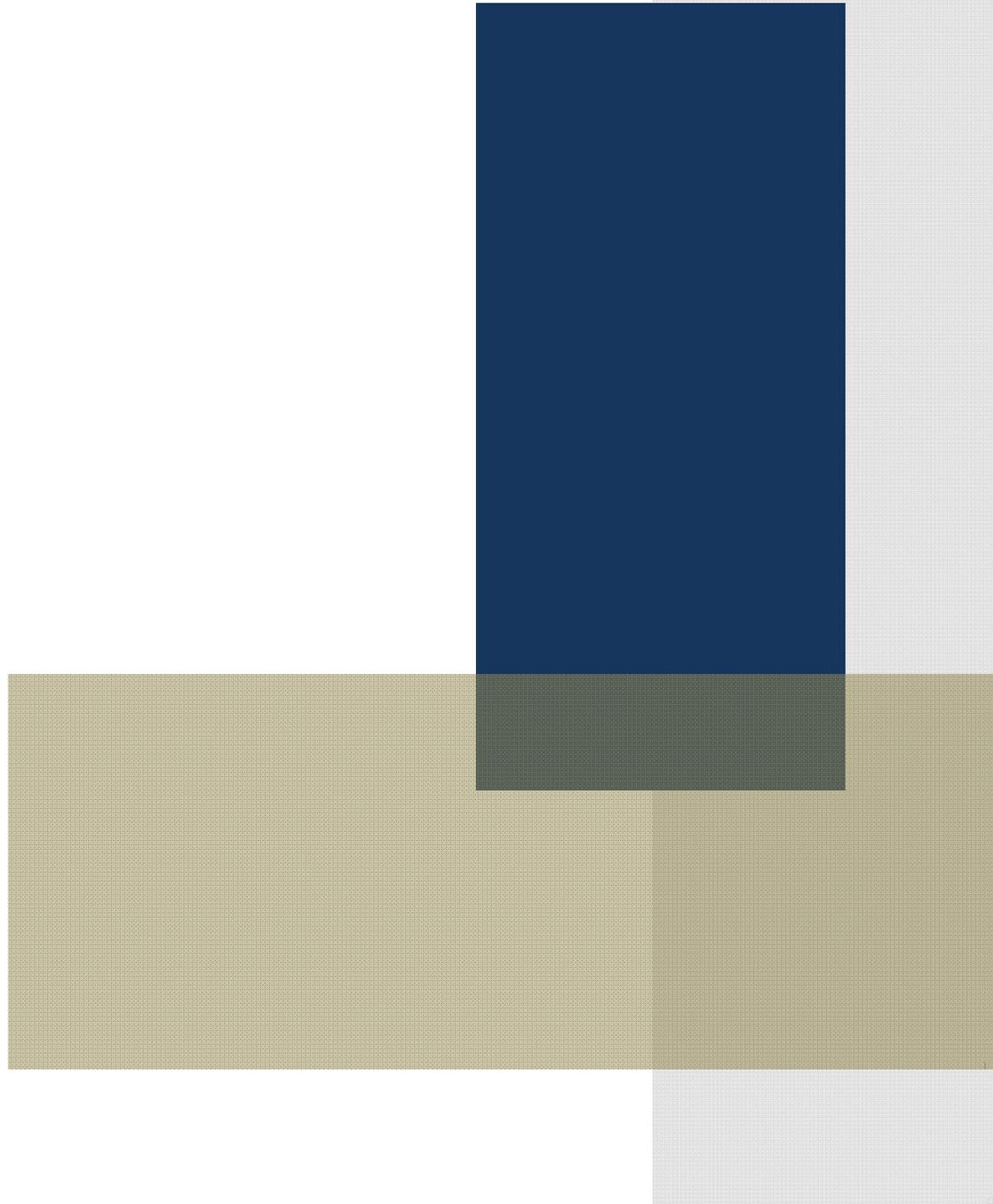
Customer Accounting

540-1494

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

Expense Detail	2008 Actual	2009 Actual	2010 Budget	2011 Approved
5200 Office Supplies	0	0	300	300
5432 Uncollectible Accounts	2,400	4,876	2,400	2,400
1494 TOTAL - CUSTOMER ACCOUNTING	2,400	4,876	2,700	2,700

Street Lighting



City of Duluth Minnesota - 2011 Budget

Street Lighting Utility

550

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

Estimated Revenues/Expenses	2009 Actual	2010 Budget	2011 Approved
REVENUE			
Operating Revenue	1,209,061	1,185,000	2,479,500
Non-Operating	62,563		5,000
	1,271,624	1,185,000	2,484,500
EXPENSE			
Personal Services	362,763	341,200	396,200
Supplies	109,240	97,200	131,200
Other Services and Charges	43,241	36,100	106,100
Cost Allocation	0	0	100,000
Utilities	604,615	640,000	961,000
Depreciation	220,490	0	225,000
Capital Equipment	51,633	72,900	150,000
	1,391,982	1,187,400	2,069,500
ESTIMATED OPERATING INCOME / (LOSS)	(120,358)	(2,400)	415,000

BUDGETED FTE'S	2008	2009	2010	2011
32 Traffic Operations Leadworker		1	1	1
30 Electrician		1	1	1
30 Signal Technician		2	2	2
16 Maintenance Worker Helper		0	0	1
Division Total		4	4	5

City of Duluth Minnesota - 2011 Budget

Street Lighting Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2010 Projected	2011 Approved
ESTIMATED UNRESTRICTED CASH BALANCE JANUARY 1	(120,358)	(263,258)
<u>Additions</u>		
Estimated Net Income (Loss)	(295,000)	415,000
Depreciation	<u>225,000</u>	<u>225,000</u>
Total Additions	<u>(70,000)</u>	<u>640,000</u>
<u>Deductions</u>		
Capital Equipment Purchases	<u>(72,900)</u>	<u>(150,000)</u>
Total Deductions	<u>(72,900)</u>	<u>(150,000)</u>
ESTIMATED BUDGETARY CASH BALANCE DECEMBER 31	<u><u>(263,258)</u></u>	<u><u>226,742</u></u>

City of Duluth Minnesota - 2011 Budget

Street Lighting Utility

550

Revenue Detail	2009 Actual	2010 Budget	2011 Approved
OPERATING REVENUES:			
4838 Street Lighting Utility Fee	1,209,061	1,185,000	2,479,500
TOTAL OPERATING REVENUES	1,209,061	1,185,000	2,479,500
NON-OPERATING REVENUES:			
4636 Sale of Scrap	865		
4680 Damages or Losses Recovered	58,477		
4802 Interest Earned	3,222		5,000
TOTAL NON-OPERATING REVENUES	62,564	-	5,000
TOTAL REVENUE	1,271,625	1,185,000	2,484,500

City of Duluth Minnesota - 2011 Budget

Street Lighting Utility

550

Operating Expense Detail		2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES				
5100	Permanent Employees - Regular	244,462	239,000	273,500
5101	Permanent Employees - Overtime	34,857	25,000	25,000
5103	Temporary Employees - Regular	0	0	0
	TOTAL	279,319	264,000	298,500
EMPLOYEE BENEFITS				
5121	P.E.R.A.	17,438	17,600	20,500
5122	F.I.C.A. Social Security	16,843	16,400	18,500
5123	F.I.C.A. Medicare	3,939	3,800	4,300
5131	Health Insurance	34,907	34,900	49,100
5132	Dental Insurance	1,558	1,700	1,900
5133	Life Insurance	633	600	900
5141	Unemployment Compensation	8,125	2,200	2,500
	TOTAL	83,443	77,200	97,700
OTHER EXPENDITURES				
5200	Office Supplies	1,561	1,000	1,000
5201	Computer Supplies	337	900	900
5205	Safety & Training	1,407	1,500	1,500
5211	Cleaning/Janitorial Supplies	2,008	1,000	1,000
5212	Motor Fuels	20	6,000	20,000
5218	Uniforms	445	1,000	1,000
5219	Other Miscellaneous Supplies	1,580	1,800	1,800
5226	Sign & Signal Supplies	47,286	30,000	50,000
5230	Street Lighting Supplies	45,610	50,000	50,000
5240	Small Tools	8,182	3,000	3,000
5241	Small Equipment	803	1,000	1,000
5321	Telephone	574	500	500
5321	Other Professional Services	0	0	30,000
5331	Travel/Training	1,232	1,000	1,000
5335	Mileage Reimbursement - Local	4,868	5,200	5,200
5389	Electricity	604,615	640,000	961,000
5389	Street Lighting	0	0	15,000
5401	Bldg/Structure Repair & Maintenance	317	1,000	1,000
5404	Equipment Repair & Maintenance	70	500	500

City of Duluth Minnesota - 2011 Budget

Street Lighting Utility

550

Operating Expense Detail	2009 Actual	2010 Budget	2011 Approved
OTHER EXPENDITURES - continued			
5409 Fleet Service Charges	22,253	25,000	50,000
5415 Equipment Rental	0	500	500
5420 Depreciation	220,490	0	225,000
5432 Uncollectible Accounts	10,027	0	0
5433 Dues & Subscriptions	70	100	100
5435 Books	0	100	100
5438 Licenses	110	200	200
5493 Cost Allocation	0	0	100,000
5441 Other Services & Charges	562	100	100
5450 Laundry	3,160	1,900	1,900
5580 Capital Equipment	51,633	72,900	150,000
TOTAL	1,029,220	846,200	1,673,300
TOTAL STREET LIGHT UTILITY	1,391,982	1,187,400	2,069,500

The background features a white base with several overlapping rectangular blocks. A solid olive-green block is at the top left. A light grey block with a fine halftone dot pattern is on the right side. A dark blue block is in the center-right, containing the text. A light tan block with a fine halftone dot pattern is at the bottom left, partially overlapping the dark blue block.

Internal Service Funds

City of Duluth Minnesota - 2011 Budget

Funds

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

Internal Service Funds

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

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	6,536,862	9,346,770	10,447,597	10,214,897
REVENUES				
Participation from Other Funds	18,761,230	19,980,845	20,335,400	17,355,000
Charges for Services	3,693,975	3,186,585	3,489,500	3,570,100
Miscellaneous	3,785,585	3,898,721	2,949,700	2,825,600
TOTAL REVENUES	26,240,790	27,066,151	26,774,600	23,750,700
EXPENSES				
Personal Services	1,793,412	1,904,639	1,810,600	1,826,500
Other Expenditures	3,375,539	2,770,310	3,356,600	3,304,300
Claims	18,261,931	21,290,375	21,840,100	20,120,200
TOTAL EXPENSES	23,430,882	25,965,324	27,007,300	25,251,000
FUND BALANCE - DECEMBER 31	9,346,770	10,447,597	10,214,897	8,714,597

City of Duluth Minnesota - 2011 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.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	(272,676)	115,481	588,381	553,681
REVENUES				
Transfer from City Funds:				
General	600,000	700,000	900,000	700,000
Public Utility	457,200	1,114,300	334,200	418,400
Spirit Mountain	28,500	20,100	17,800	16,600
Duluth Airport	239,200	120,500	117,900	83,600
Other Reimbursements	68,276	221,100		
TOTAL REVENUES	<u>1,393,176</u>	<u>2,176,000</u>	<u>1,369,900</u>	<u>1,218,600</u>
EXPENSES				
Personal Services	342,033	505,100	355,000	339,300
Claims:				
Worker's Compensation	312,530	846,600	722,600	421,500
Other Services and Charges	350,456	351,400	327,000	434,300
TOTAL EXPENSES	<u>1,005,019</u>	<u>1,703,100</u>	<u>1,404,600</u>	<u>1,195,100</u>
FUND BALANCE - DECEMBER 31	115,481	588,381	553,681	577,181

City of Duluth Minnesota - 2011 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.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	463,979	252,134	422,972	398,672
REVENUES				
Transfer from City Funds:				
General	300,000	400,000	200,000	400,000
Public Utility	371,447	570,000	615,000	708,200
Duluth Steam	1,162	1,162	1,200	1,200
Spirit Mountain	22,163	21,413	22,200	22,200
Duluth Airport	59	59	100	100
DEDA	6,500	14,993	15,000	18,900
Other Reimbursements	16,819	14,643		
TOTAL REVENUES	<u>718,150</u>	<u>1,022,270</u>	<u>853,500</u>	<u>1,150,600</u>
EXPENSES				
Claims: Liability	599,903	455,998	510,500	798,000
Property/Boiler Insurance	111,996	101,937	101,700	101,000
Other Services and Charges	218,096	293,497	265,600	238,200
TOTAL EXPENSES	<u>929,995</u>	<u>851,432</u>	<u>877,800</u>	<u>1,137,200</u>
FUND BALANCE - DECEMBER 31	252,134	422,972	398,672	412,072

City of Duluth Minnesota - 2011 Budget

Medical Health

630

Accounts for collection of premiums and the payment of health care costs for current and retired employees of the City and other authorities or outside agencies. A labor/management committee representing all bargaining units and the City's administration are contractually obligated to decide fundamental issues concerning the financing of the fund.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	5,455,615	8,272,893	8,583,026	8,690,026
REVENUES				
Transfer from City Funds	16,454,949	16,738,268	17,792,000	14,669,000
Sub-Groups	1,382,221	1,344,709	1,430,000	1,327,000
Miscellaneous	1,970,852	1,970,852	1,138,000	1,094,000
TOTAL REVENUES	<u>19,808,022</u>	<u>20,053,829</u>	<u>20,360,000</u>	<u>17,090,000</u>
EXPENSES				
Personal Services	163,200	250,000	250,000	250,000
Claims	16,795,564	19,433,843	19,953,000	18,215,700
Other Services and Charges	31,980	59,853	50,000	50,000
Transfer to OPEB Fund				
TOTAL EXPENSES	<u>16,990,744</u>	<u>19,743,696</u>	<u>20,253,000</u>	<u>18,515,700</u>
FUND BALANCE - DECEMBER 31	8,272,893	8,583,026	8,690,026	7,264,326

City of Duluth Minnesota - 2010 Budget

Dental Health

633

To account for the collection of premiums and the payment of dental costs for employees of the City of Duluth and various outside agencies.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	169,316	200,226	231,136	232,836
REVENUES				
Transfer from City Funds	280,050	280,050	320,000	316,800
Sub-Groups	55,258	55,258	60,000	60,000
Miscellaneous	292,159	292,159	321,700	344,600
TOTAL REVENUES	<u>627,467</u>	<u>627,467</u>	<u>701,700</u>	<u>721,400</u>
EXPENSES				
Claims	553,934	553,934	654,000	685,000
Other Services and Charges	42,623	42,623	46,000	47,000
TOTAL EXPENSES	<u>596,557</u>	<u>596,557</u>	<u>700,000</u>	<u>732,000</u>
FUND BALANCE - DECEMBER 31	200,226	231,136	232,836	222,236

City of Duluth Minnesota - 2011 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.

	2008 Actual	2009 Actual	2010 Budget	2011 Approved
FUND BALANCE - JANUARY 1	720,628	506,036	622,082	339,682
REVENUES				
Fleet Services				
General Fund	2,702,591	2,368,260	2,526,300	2,566,500
Golf Fund	65,576	36,997	60,000	60,000
Parking Fund	1,772	641	3,000	3,000
Water and Gas	578,708	464,873	559,900	542,700
Sewer	185,356	137,951	201,700	199,700
Stormwater	127,770	144,428	107,600	128,200
Street Light Utility		22,273	31,000	70,000
Other	32,202	11,162		
TOTAL REVENUES	3,693,975	3,186,585	3,489,500	3,570,100
EXPENSES				
Personal Services	991,633	882,419	937,000	945,200
Benefits	296,546	267,120	268,600	292,000
Other Expenses	2,605,869	1,921,000	2,566,300	2,433,800
Capital Outlay	14,519			
TOTAL EXPENSES	3,908,567	3,070,539	3,771,900	3,671,000
FUND BALANCE - DECEMBER 31	506,036	622,082	339,682	238,782
BUDGETED FTE'S				
1115 Fleet Manager	1	0.2	0.2	0.2
1085 Vehicle Center Supervisor	1	0	0	0
1050 Mgr, Maintenance & Supply	1	1	1	1
133 Senior Buyer			0.2	0.2
32 Fleet Services Leadworker	1	1	2	2
28 Mechanic	5	5	5	5
28 Welder	2	2	2	2
27 Storekeeper	1	1	1	1
27 Industrial Equipment Technician	1	1	1	1
25 Equipment Maintenance Spec	5	3	2	2
24 Assistant Storekeeper	2	1	2	2
22 Maintenance Worker		1	1	1
Division Total	20	16.2	17.4	17.4

Fleet Services (continued)
660-015

EXPENSE DETAIL	2008 Actual	2009 Actual	2010 Budget	2011 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	983,874	869,288	929,500	930,200
5101 Permanent Employees - Overtime	7,759	13,131	7,500	15,000
5103 Temporary Employees - Regular	0	0		
TOTAL	<u>991,633</u>	<u>882,419</u>	<u>937,000</u>	<u>945,200</u>
5121 P.E.R.A.	56,681	56,614	58,400	63,700
5122 F.I.C.A. Social Security	59,569	53,836	55,200	58,600
5123 F.I.C.A. Medicare	14,114	12,591	12,900	13,700
5124 Health Insurance	140,830	123,271	124,800	138,000
5125 Dental Insurance	6,407	6,214	6,900	6,700
5126 Life Insurance	3,708	3,366	2,500	3,100
5127 Health Care Savings Plan	15,237	11,228	7,900	8,200
TOTAL	<u>296,546</u>	<u>267,120</u>	<u>268,600</u>	<u>292,000</u>
OTHER EXPENDITURES				
5200 Office Supplies	3,749	2,240	4,000	4,000
5201 Computer Supplies/Software	877	0	2,500	5,000
5205 Safety & Training Materials	2,709	1,362	4,000	4,000
5210 Plant/Operating Supplies	38,237	19,756	30,000	15,000
5212 Motor Fuel	1,131,023	780,979	1,265,000	1,065,000
5215 Shop Materials		0	8,000	13,000
5219 Other Miscellaneous Supplies	17,267	18,345	7,000	17,000
5221 Equipment Repair Supplies	741,788	753,546	800,000	864,000
5240 Small Tools	4,118	2,958	7,000	7,000
5241 Small Equipment	3,072	5,913	5,000	5,000
5405 Medical Services/Testing Fees		2,771	500	500
5319 Other Professional Services	99	0	1,500	1,500
5320 Data Services	4,440	3,511	4,000	4,000
5321 Telephone	1,861	2,094	1,000	1,000
5334 Training Expense	1,948	3,174	4,500	4,500
5335 Mileage Reimbursement	6,970	4,911	6,000	6,000
5381 Electricity	12,571	13,592	15,000	20,000
5382 Water, Gas and Sewer	18,888	14,266	25,000	20,000
5384 Refuse Disposal	293	1,263	1,200	1,600
5401 Building Structure Repair	580	0	2,500	2,500
5404 Equipment Repair & Maintenance	93,150	83,292	125,500	125,500
5418 Vehicle/Equipment Lease	5,452	3,532	0	3,600
5419 Other Rental	15,123	0	1,500	1,500
5420 Depreciation	50,841	60,714	41,000	41,000
5438 Licenses	5,980	2,670	7,000	4,000
5441 Other Services and Charges	17,530	13,387	30,000	30,000
5450 Laundry	9,536	11,134	12,000	12,000
5493 Cost Allocation Charges	105,100	108,200	108,200	108,200
5604 Capital Lease Principle			33,100	33,100
5615 Capital Lease Interest	12,667	7,390	14,300	14,300
5580 Capital Equipment	14,519	0		
5700 Transfers	300,000	0		
TOTAL	<u>2,620,388</u>	<u>1,921,000</u>	<u>2,566,300</u>	<u>2,433,800</u>
TOTAL EXPENSES	3,908,567	3,070,539	3,771,900	3,671,000

CAPITAL PROGRAM

CAPITAL IMPROVEMENTS

Capital Improvements
Street Improvements
Street Reconstruction & Bridges
Capital Utility Improvements

CAPITAL BUDGET AND PLAN

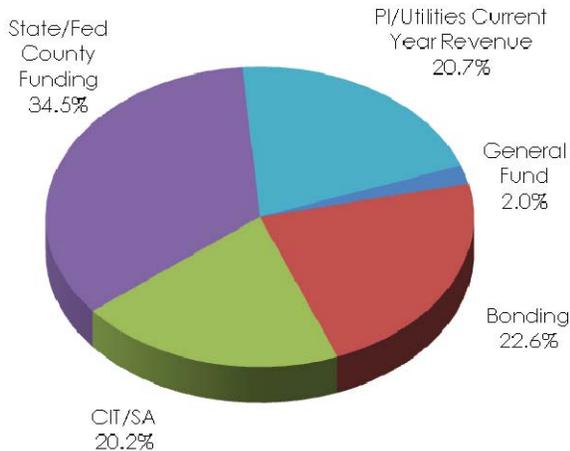
The City of Duluth's Capital Improvement Plan (CIP) is a plan for the development and maintenance of the city's "physical plant" covering items thought of as infrastructure – street, water, gas and sewer lines, bridges etc. as well as city facilities and property. Also included in this plan is the city's 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 2011 Capital Budget and the 2012 through 2015 Capital Improvement Plan, as well as a summary of the Capital Equipment Budget and Plan.

2011 Proposed Improvements

The 2011 CIP outlines projects funded in the Capital Projects Funds of Special Assessment, Permanent Improvement, Capital Improvement and Street Improvements. Also included are projects for the Water, Gas, Sewer and Stormwater utilities. The total proposed budget is \$29,391,600 consisting of an array of projects and funding sources. The chart below shows the breakdown of funding for the 2011 program.

Capital improvements funded by the General Fund for 2011 total \$592,000; with additional funding from the sale of a capital improvement bond in the amount of \$2,164,500; a federal grant of \$1,806,500; and a matching grant bond of \$651,600 for a combined program total of \$5,214,600.



The Street Preservation Program totals \$6,443,700 and is funded through the Community Investment Trust Fund, assessments and the utilities. The program targets streets that are in moderate to fair condition to extend the street's useful life.

Other infrastructure projects total \$17,733,100 and are funded from various sources including state and federal funding, permanent improvement funds, special assessments and utilities. The funding breakdown for the participating utilities is as follows: Stormwater,

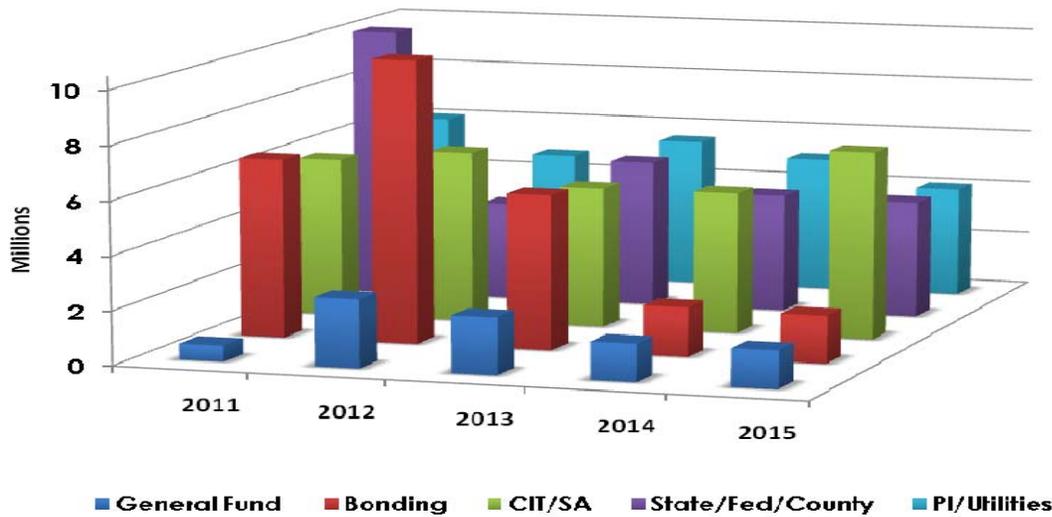
Sewer and Gas utilities will fund all improvements from current year revenue in the amounts of \$1.138 million; \$1.470 million; and \$869,300 respectively. The Water utility is proposing funding from both current year revenue and bonds. For current year funding, \$1.713 million is proposed, with an additional \$1.5 million from the sale of bonds.

General Fund	\$ 592,000
Bonding - CIP; Grant Match; Utility	\$ 6,650,400
Community Investment Fund/SA	\$ 5,917,000
State/Federal/County Funding	\$ 10,141,000
PI/Utilities Current Year Revenue	\$ 6,091,000
Total 2011 Funding	\$ 29,391,400

Five Year Improvement Plan

The City has identified \$118.532 million in improvements along with funding sources over the course of the next five years. The General Fund contribution will total \$8.0 million over the five year period. In addition, the City will bond for certain types of improvements as allowed in State Statute, as well as for trail improvements using grant money as the required match. For 2011, the City is proposing to bond \$2.16 million for capital improvements and \$651,600 for trails; for 2012, the figures are \$2.63 million and \$494,100 respectively. The proposed bond amounts for the remaining three years are \$1.83 million in both 2013 and 2014; and \$1.76 million in 2015 for a combined five year total of \$11.38 million for improvements and trail bonds. Other sources include property tax dollars levied in the Permanent Improvement Fund for street and bridge projects totaling \$2.63 million with \$2.11 million to come from current year property tax revenues and the balance from prior year balances. The Utility Funds will finance \$23 million utilizing current year operating revenues, with an additional \$15.7 million to be financed with bonds over the five year period for a combined total of \$38.7 million for utilities.

The funding for the Neighborhood Street Improvement Program has changed from bonding annually to using Community Investment Trust Fund dollars for the annual program. This continues to be an important piece in the City’s financial recovery as proposed by Mayor Ness. It moves the program away from bonding to pay as you go. Over the five year period represented by this plan, the city will use \$22,363,300 for this purpose. State funding is available for infrastructure projects, in the forms of municipal state aid and state bonding dollars for a five year total of \$18.23 million. Federal funding in the amount of \$8.78 million is part of the plan in the forms of Federal Recovery Act dollars, enhancement money and general dollars for trails, streets and infrastructure. Shown in the chart below are the various funding sources by year for the plan.



	2011	2012	2013	2014	2015	Total
General Fund	592,000	2,525,000	2,105,000	1,400,000	1,400,000	8,022,000
Bonding	6,650,400	11,128,100	5,735,000	1,835,000	1,765,000	27,113,500
CIT/SA	5,917,000	6,374,800	5,226,600	5,254,300	6,982,100	29,754,800
State/Federal/County	10,141,000	3,656,300	5,474,500	4,400,000	4,350,000	28,021,800
PI & Utilities	6,091,000	4,822,600	5,558,600	5,054,900	4,093,400	25,620,500
Total Plan	29,391,400	28,506,800	24,099,700	17,944,200	18,590,500	118,532,600

2011 Capital Improvement Program Funding Sources

	CIP/Grant Bond	General	PI/ Prior Yr PI	Aids/ Grants	CIF/ SA	Utility Bond	Utility Revenue	Total
Capital Improvement Program								
Buildings City-Wide	445,000	250,000						695,000
City Hall	789,000							789,000
Fire	630,500							630,500
Lakewalk & Munger Trails	651,600			1,806,500				2,458,100
Library	300,000							300,000
Parks & Recreation		342,000						342,000
	2,816,100	592,000		1,806,500				5,214,600
Street Preservation Program								
4th Avenue West					210,000		12,500	222,500
88th Avenue West					1,513,000		12,500	1,525,500
Arrowhead Rd					947,500		12,500	960,000
East First Street					824,000		12,500	836,500
Ivanhoe Street					830,000		535,200	1,365,200
Riverside Design					100,000		220,000	320,000
Swan Lake Road					560,000			560,000
Yosemite Street					144,000		12,500	156,500
Street Mtce Caps					350,000			350,000
Contingency					147,500			147,500
					5,626,000		817,700	6,443,700
Street Reconstruction & Bridge Projects								
Misc Annual Infrastructure			270,000	100,000	30,000			400,000
2nd Street at 13th Bridge 93402				750,000				750,000
36th Avenue East				517,000	73,000		363,000	953,000
26th Avenue East Signals			40,000					40,000
46th Avenue West Signals			40,000					40,000
27th Avenue West Bridge 69812				1,300,000				1,300,000
Anderson Road				1,522,500	188,000		570,000	2,280,500
East First Street Retaining Wall				400,000				400,000
Fairmont Street Bridge L8516			250,000	250,000				500,000
Glenwood Street				980,000			222,300	1,202,300
Joshua Avenue			50,000	200,000				250,000
Lincoln Park Bridge L8476			150,000	550,000				700,000
Old Piedmont Avenue				600,000				600,000
Oxford/Livingston/Glenwood				250,000				250,000
Rice Lake Road				915,000				915,000
Seven Bridges Road			100,000					100,000
			900,000	8,334,500	291,000		1,155,300	10,680,800
Capital Utility Projects								
Lakewood Switchgear						300,000		300,000
Main Loop Construction							25,000	25,000
Highland Storage Tank						3,534,300		3,534,300
Water Main Replacements							700,000	700,000
Gas Main Replacements							50,000	50,000
Gas Main Extensions							320,000	320,000
Meter Set Painting							48,000	48,000
Other Projects							450,000	450,000
Manhole Adjustments							100,000	100,000
Sanitary Sewer Rehabilitation							450,000	450,000
Lift Station Improvements - Sewer							400,000	400,000
Storm Sewer Replacement							250,000	250,000
Miscellaneous Projects							175,000	175,000
Brewery & Greys Creek							250,000	250,000
						3,834,300	3,218,000	7,052,300
GRAND TOTALS	2,816,100	592,000	900,000	10,141,000	5,917,000	3,834,300	5,191,000	29,391,400

2011- 2015 Capital Improvement Program Project Summary

	2011	2012	2013	2014	2015	TOTAL
Capital Improvement Program						
Roof Replacement	50,000	200,000	200,000	200,000	200,000	850,000
ADA Compliance	50,000	100,000	100,000	100,000	100,000	450,000
Furnace/Boiler Replacements	50,000	25,000		280,000	325,000	680,000
Masonry Repair		150,000	150,000			300,000
Skywalk Repairs	25,000	725,000				750,000
Storage Buildings	120,000	190,000	75,000			385,000
Security/Entry Systems	125,000	125,000				250,000
Consolidations/Dispositions	75,000	175,000	175,000	175,000	175,000	775,000
Facility Needs Assessment		225,000				225,000
Facility Needs Priorities (ARRA)	200,000	255,000	1,000,000	1,150,000	1,255,000	3,860,000
Modernization/Remodeling	80,400	110,000	110,000	110,000	110,000	520,400
Window Replacement	525,000	450,000				975,000
MIS Office Space	33,600					33,600
Data Closet Wiring	110,000					110,000
Data Center Air Conditioning	40,000					40,000
Firehall #1 Masonry				50,000		50,000
Firehall #1 Remodel			250,000			250,000
Firehall #1,4,7 Overlays		35,000				35,000
Firehall #2 Repair/remodel	90,500					90,500
Firehall #2 Roof Replacement				250,000		250,000
Firehall #4 Window Replace	60,000					60,000
Firehall #4 & 7 Brick Repair				100,000		100,000
Carpet Replacement		54,000				54,000
Communication System	480,000	720,000				1,200,000
Furnace Replacements					50,000	50,000
Roof Replacements					250,000	250,000
Keyless Entry System				100,000		100,000
Overhead Doors		100,000		75,000	120,000	295,000
Ventilation		100,000		50,000	60,000	210,000
Lakewalk	200,000	1,470,400				1,670,400
Lakewalk Restroom Replace		125,000				125,000
Lakewalk Resurfacing		120,000				120,000
Munger Trail	2,258,100	200,000	900,000	800,000	400,000	4,558,100
Mechanical Systems	300,000	250,000	250,000			800,000
Solar and Green Roof		95,000				95,000
Baywalk Phase IV Design	50,000					50,000
Buddy Ball Fields	75,000				50,000	125,000
Chambers Grove Trail Repair	75,000					75,000
Lester Park Trail Repair	37,000					37,000
Longview Tennis Court Resurfacing					120,000	120,000
Lower Chester Garden Center		350,000				350,000
Multipurpose Court Resurfacing		20,000	20,000	20,000	40,000	100,000
Observation Park					150,000	150,000
Playground Replacement	45,000	45,000	30,000	30,000	30,000	180,000
Playground Replace Lester Park	60,000					60,000
Soccer Field Improvements		50,000	50,000	50,000	50,000	200,000
Soccer Field Irrigation		120,000				120,000
Wade Stadium Field Renovation			220,000			220,000
Wade Stadium Restoration		235,000				235,000
Washington Center-Add'l Gym			600,000			600,000
Washington Pool to multipurpose			300,000			300,000
Wheeler Backstops		10,000	10,000	10,000		30,000
Wheeler Field Storage Building				100,000		100,000
Wheeler Field Renovation				60,000		60,000
Wheeler Retaining Wall Repair				25,000		25,000
Capital Improvement Program Total	5,214,600	6,829,400	4,440,000	3,735,000	3,485,000	23,704,000

2011- 2015 Capital Improvement Program Project Summary

	2011	2012	2013	2014	2015	TOTAL
Street Preservation Program						
4th Avenue West	222,500					222,500
88th Avenue West	1,525,500					1,525,500
Arrowhead Road	960,000					960,000
East First Street	836,500					836,500
Ivanhoe Street	1,365,200					1,365,200
Riverside	320,000					320,000
Swan Lake Road	560,000					560,000
Yosemite Street	156,500					156,500
Street Maintenance Caps	350,800					350,800
Contingency	146,700					146,700
47th Avenue East		675,500				675,500
52nd Avenue East		587,500				587,500
59th Avenue West		684,000				684,000
63rd Avenue West		430,000				430,000
Chambersburg Avenue		684,000				684,000
Riverside		5,161,300				5,161,300
Street Maintenance Caps		350,000				350,000
21st Avenue East			352,500			352,500
40th Avenue West			233,500			233,500
Decker Road			1,085,000			1,085,000
Hawthorne Road			575,000			575,000
Lakeside Lower West			1,674,600			1,674,600
Maxwell Avenue			360,500			360,500
Redwing Street			556,500			556,500
West Superior Street			440,000			440,000
Street Maintenance Caps			350,000			350,000
45th Avenue East				773,500		773,500
Fairmont Park North 2				989,300		989,300
Piedmont East Lower				1,786,300		1,786,300
Concrete Pavement Repairs				1,500,000		1,500,000
Street Maintenance Caps				350,000		350,000
Tree Planting				100,000		100,000
Cody Street Southwest					674,000	674,000
Congdon Park West Lower 4					991,400	991,400
Downtown Area Brick Reconstruction					6,900,000	6,900,000
Street Maintenance Caps					350,000	350,000
Tree Planting					100,000	100,000
Street Preservation Total	6,443,700	8,572,300	5,627,600	5,499,100	9,015,400	35,158,100

2011- 2015 Capital Improvement Program Project Summary

	2011	2012	2013	2014	2015	TOTAL
Street Reconstruction & Bridge Projects						
Misc Annual Infrastructure	400,000	292,100	386,600	572,100	572,100	2,222,900
2nd Street at 13th Bridge 93402	750,000					750,000
3rd Street Bridge 91143				680,000		680,000
9th Street Reconstruction					300,000	300,000
10th Avenue East		200,000	3,812,500			4,012,500
26th Avenue East Signals	40,000		350,000			390,000
27th Avenue West Bridge 69812	1,300,000					1,300,000
27th Avenue West			250,000	2,620,000		2,870,000
36th Avenue East	953,000					953,000
43rd Avenue East		50,000	895,000			945,000
46th Avenue West Signals	40,000	350,000				390,000
63rd Avenue West Bridge L3140				420,000		420,000
Anderson Road	2,280,500					2,280,500
Bristol Street Bridge L8485			300,000			300,000
Central Avenue Bridge L88550				450,000		450,000
Chris Jensen Road		560,000				560,000
Downtown Area Brick Reconstruction				500,000		500,000
East 1st Street Retaining Wall	400,000					400,000
Fairmont Street Bridge L8516	500,000					500,000
Glenwood Street	1,202,300					1,202,300
Joshua Avenue	250,000					250,000
Lincoln Park Bridge L8476	700,000					700,000
Old Piedmont Avenue at W First	600,000					600,000
Oxford Street Bridge L9419			310,000			310,000
Oxford/Livingston/Glenwood	250,000	2,335,000				2,585,000
Rice Lake Road	915,000					915,000
Seven Bridges Road	100,000					100,000
Toledo Avenue Bridge L8496			140,000			140,000
Triggs Avenue Bridge L5833			140,000			140,000
West First Street Reconstruct				250,000	2,000,000	2,250,000
Street Reconstruction & Bridge Total	10,680,800	3,787,100	6,584,100	5,492,100	2,872,100	29,416,200

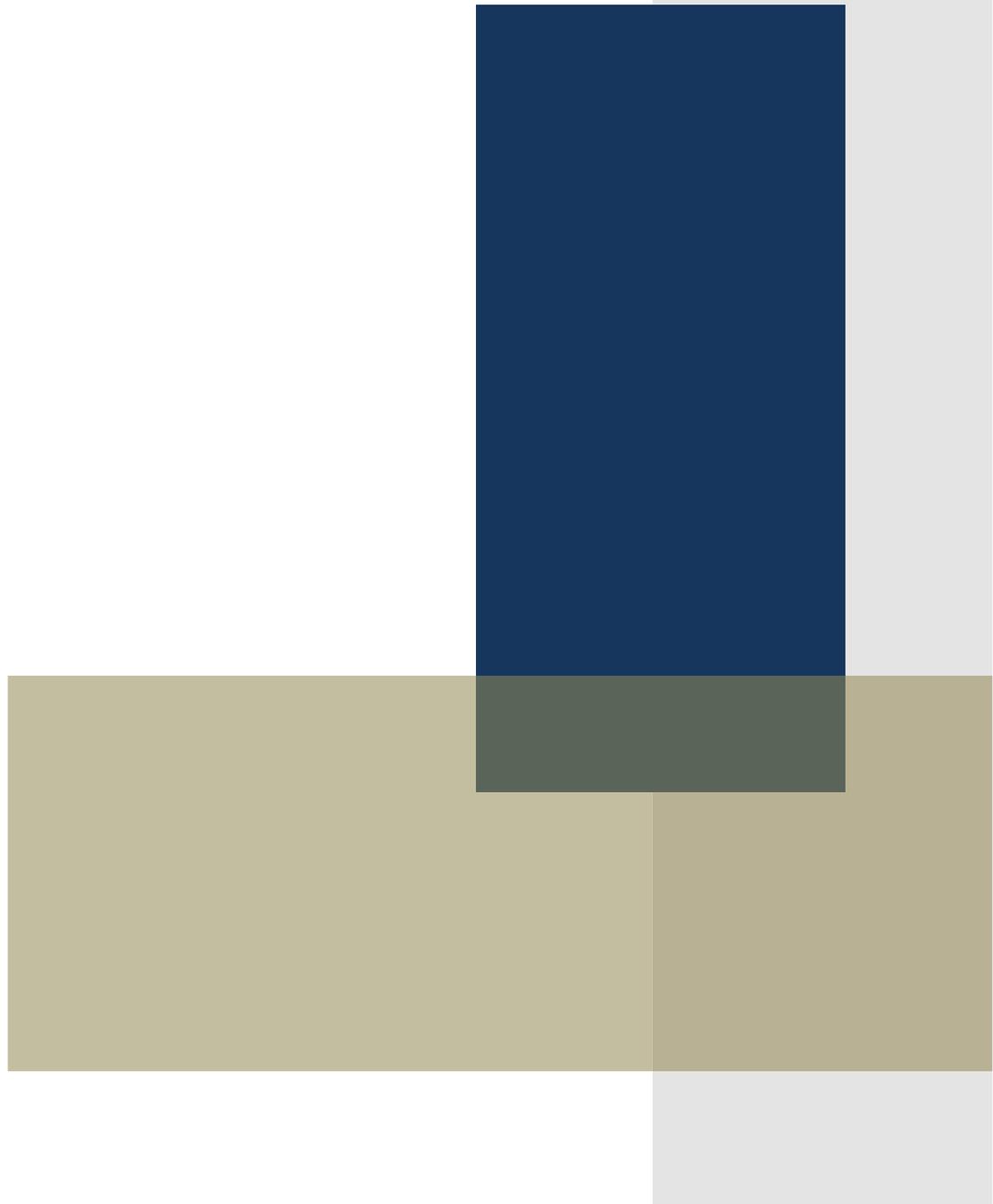
2011- 2015 Capital Improvement Program Project Summary

	2011	2012	2013	2014	2015	TOTAL
Capital Utility Projects						
Booster Station Studies		50,000				50,000
Main Loop Construction	25,000	25,000	25,000	25,000	25,000	125,000
Lakewood Switchgear	300,000					300,000
Highland Storage Tank	3,534,300					3,534,300
Water Main Replacement	700,000	450,000	700,000	700,000	700,000	3,250,000
Reservoir Security		100,000	100,000			200,000
Pump Station		2,000,000	2,000,000			4,000,000
Transmission Line		3,700,000	1,900,000			5,600,000
Miscellaneous Projects		180,000				180,000
Gas Main Replacements	50,000	50,000	50,000	50,000	50,000	250,000
Gas Main Extensions	320,000	320,000	320,000	320,000	320,000	1,600,000
Meter Set Painting	48,000	48,000	48,000	48,000	48,000	240,000
Miscellaneous Projects	450,000	460,000	400,000	200,000	200,000	1,710,000
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
Sanitary Sewer Rehab/Reline	450,000	450,000	750,000	750,000	750,000	3,150,000
Lift Station Improvements	400,000	350,000	350,000	350,000	350,000	1,800,000
Miscellaneous Projects		180,000				180,000
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
Miscellaneous Projects	175,000	355,000	205,000	175,000	175,000	1,085,000
Storm Sewer Replacement	250,000	250,000	250,000	250,000	250,000	1,250,000
Brewery & Gray's Creek	250,000	250,000	250,000	250,000	250,000	1,250,000
Capital Utility Projects Total	7,052,300	9,318,000	7,448,000	3,218,000	3,218,000	30,254,300
GRAND TOTAL	29,391,400	28,506,800	24,099,700	17,944,200	18,590,500	118,532,600

Five Year Capital Improvement Program by Funding Source

	2011	2012	2013	2014	2015	TOTAL
Capital Improvement Bond	2,164,500	2,634,000	1,835,000	1,835,000	1,765,000	10,233,500
Matching Grant Bond	651,600	494,100				1,145,700
General Fund	592,000	2,525,000	2,105,000	1,400,000	1,400,000	8,022,000
Permanent Improvement	422,100	422,100	422,100	422,100	422,100	2,110,500
Prior Year Perm Improvement	477,900		50,000			527,900
Federal Grants	4,304,500	1,276,300	1,550,000	600,000	1,050,000	8,780,800
State Funding						
MSA	3,104,500	2,100,000	3,182,500	2,946,000	3,300,000	14,633,000
State Bonding	2,000,000		742,000	854,000		3,596,000
St Louis County	732,000	280,000				1,012,000
Community Investment Trust	4,336,400	4,774,200	3,928,000	3,990,800	5,333,900	22,363,300
Special Assessment	1,580,600	1,600,600	1,298,600	1,263,500	1,648,200	7,391,500
Utilities - Bonding						
Water	3,834,300	7,000,000	3,900,000			14,734,300
Sewer		1,000,000				1,000,000
Utilities - Current Year Revenue						
Water	1,713,400	1,117,500	1,638,500	1,156,200	841,400	6,467,000
Gas	869,300	878,000	868,000	631,000	618,000	3,864,300
Sewer	1,470,300	1,330,000	1,690,000	1,760,600	1,419,900	7,670,800
Stormwater	1,138,000	1,075,000	890,000	1,085,000	792,000	4,980,000
TOTAL ALL FUNDING SOURCES	29,391,400	28,506,800	24,099,700	17,944,200	18,590,500	118,532,600

Capital Improvement Program



City of Duluth 2011-2015 Capital Improvement Program

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 funding from general obligation bonds for city hall, public safety facilities, libraries and public works facilities. General Fund supported CIP is used in funding those structures not eligible for bond support, typically Parks & Recreation structures. The City maintains 150 structures and 93 parks. It has approximately 49 miles of trails, walkways, and paths also requiring services for improvements and maintenance. With an average age of over 40 years, these structures require continued accessibility and code compliance efforts. The program is funded through the sale of general obligation bonds, current year operating revenues from the General Fund, Federal and State grants awarded for specific projects.

Projects	2011	2012	2013	2014	2015	Total
Buildings City-Wide	695,000	2,170,000	1,700,000	1,905,000	2,055,000	8,525,000
City Hall	789,000	560,000	110,000	110,000	110,000	1,679,000
Fire	630,500	1,009,000	250,000	625,000	480,000	2,994,500
Lakewalk & Munger Trail	2,458,100	1,915,400	900,000	800,000	400,000	6,473,500
Library	300,000	250,000	250,000			800,000
Maintenance Shop		95,000				95,000
Parks & Recreation	342,000	830,000	1,230,000	295,000	440,000	3,137,000
Total	5,214,600	6,829,400	4,440,000	3,735,000	3,485,000	23,704,000

Funding	2011	2012	2013	2014	2015	Total
General Fund	592,000	2,525,000	2,105,000	1,400,000	1,400,000	8,022,000
Capital Improvement Bond	2,164,500	2,634,000	1,835,000	1,835,000	1,765,000	10,233,500
Matching Grant Bond	651,600	494,100				1,145,700
Federal Grants	1,806,500	1,176,300	500,000	500,000	320,000	4,302,800
Total	5,214,600	6,829,400	4,440,000	3,735,000	3,485,000	23,704,000

Buildings City-Wide

Description:

It is important to maintain a city-wide program of roof replacements and accessibility compliance for not eligible for bond support. With our diminished funding support and re-organization of personnel, it is important to establish a program of consolidation and disposition of outlying Parks and Recreation structures. Whether this plan develops into citizen based management of a structure, or the City declares a structure uninhabitable and slated for closure, funds need to be consistently allocated to fund either condition. funding limits for city wide reroofing support allows the replacement of shingles to two structures annually or EPDM replacement. Escalating petroleum based products and labor are the primary reasons. Many remote sites need masonry tuck pointing. This is our primary point of water migration into finished spaces. We have damaged window heads, sills and parapets which need repairs under this funding.

Additionally, many remote sites are being heated with boilers or furnaces which are 20 years old. Replacing these with modern, high efficient units with electronic controls can realize 15% annual energy savings over the continued life of the structure.

There is a city wide need for a cold storage facility to serve all departments. Consolidation and centralization files, equipment and facility furnishings will allow development of standardized filing and reduce staff time on recovering same.

Project	2011	2012	2013	2014	2015	Total
Roof Replacement	50,000	200,000	200,000	200,000	200,000	850,000
ADA Compliance	50,000	100,000	100,000	100,000	100,000	450,000
Furnace/Boiler Replacements	50,000	25,000		280,000	325,000	680,000
Masonry Repair		150,000	150,000			300,000
Skywalk Repairs	25,000	725,000				750,000
Storage Buildings	120,000	190,000	75,000			385,000
Security/Entry Systems	125,000	125,000				250,000
Consolidations/Dispositions	75,000	175,000	175,000	175,000	175,000	775,000
Facility Needs Assessment		225,000				225,000
Facility Needs Priorities (ARRA)	200,000	255,000	1,000,000	1,150,000	1,255,000	3,860,000
Total	695,000	2,170,000	1,700,000	1,905,000	2,055,000	8,525,000

Funding	2011	2012	2013	2014	2015	Total
General Fund	250,000	1,450,000	475,000	805,000	880,000	3,860,000
Capital Improvement Bond	445,000	720,000	1,225,000	1,100,000	1,175,000	4,665,000
Total	695,000	2,170,000	1,700,000	1,905,000	2,055,000	8,525,000

City Hall

Description:

City Hall windows were installed in the mid 1970's under less than optimal window manufacturing conditions. sashes are warped and require staff to manually close during the fall season change.

Projects include:

- Continuing four year plan to replace 32 year old windows
- Modernize to accommodate reorganizations and department consolidations
- MIS office space remodeling
- Data Closet Wiring
- Data Center Air Conditioning

Project	2011	2012	2013	2014	2015	Total
Modernization/Remodeling	80,400	110,000	110,000	110,000	110,000	520,400
Window Replacement	525,000	450,000				975,000
MIS Office Space	33,600					33,600
Data Closet Wiring	110,000					110,000
Data Center Air Conditioning	40,000					40,000
Total	789,000	560,000	110,000	110,000	110,000	1,158,600

Funding	2011	2012	2013	2014	2015	Total
Capital Improvement Bond	789,000	560,000	110,000	110,000	110,000	1,679,000

City of Duluth 2011-2015 Capital Improvement Program

Fire Department

Description:

Over the next five years, the City is proposing to invest almost \$1.8 million in repair and maintenance and energy improvements at firehalls throughout the City. Repair and maintenance projects consist of and brick repair; remodeling and carpeting; and driveway overlays as necessary. Energy improvements consist of installing new windows and overhead doors, as well as replacing furnaces and roofs. Improvements in the ventilation systems in various firehalls continues the effort to install capture at source systems to reclaim diesel exhaust from apparatus upon start.

\$1.2 million is proposed for the purchase of a new communication system as mandated by the FCC. The City is moving to the ARMER communication system (a state system) to meet the narrow band compliance deadline of January 1, 2013.

Project	2011	2012	2013	2014	2015	Total
Firehall #1 Masonry				50,000		50,000
Firehall #1 Remodel			250,000			250,000
Firehall #1,4,7 Overlays		35,000				35,000
Firehall #2 Repair/remodel	90,500					90,500
Firehall #2 Roof Replacement				250,000		250,000
Firehall #4 Window Replace	60,000					60,000
Firehall #4 & 7 Brick Repair				100,000		100,000
Carpet Replacement		54,000				54,000
Communication System	480,000	720,000				1,200,000
Furnace Replacements					50,000	50,000
Roof Replacements					250,000	250,000
Keyless Entry System				100,000		100,000
Overhead Doors		100,000		75,000	120,000	295,000
Ventilation		100,000		50,000	60,000	210,000
Total	630,500	1,009,000	250,000	625,000	480,000	2,994,500

Funding	2011	2012	2013	2014	2015	Total
Capital Improvement Bond	630,500	1,009,000	250,000	625,000	480,000	2,994,500

Lakewalk and Munger Trails

Description:

Lakewalk is a combination of a \$1.2 million federal grant and the City's match for engineering, right of way acquisition, and construction. This continues the successful extension of this vital recreation and commuting trail from 60th Avenue East to Brighton Beach, following the North Shore Railroad right of way.

The 2011 Munger Trail project is a combination of a \$1.8 million federal grant and the City's match for engineering, right of way acquisition, and construction of the trail from Recycle Way to Jenswold.

There is a need for a new restroom on Lakewalk and older portions of the trail are in need of resurfacing, will be done in house.

Project	2011	2012	2013	2014	2015	Total
Lakewalk	200,000	1,470,400				1,670,400
Lakewalk Restroom		125,000				125,000
Lakewalk Resurfacing		120,000				120,000
Munger Trail	2,258,100	200,000	900,000	800,000	400,000	4,558,100
Total	2,458,100	1,915,400	900,000	800,000	400,000	6,473,500

Funding	2011	2012	2013	2014	2015	Total
Federal Grant	1,806,500	1,176,300	500,000	500,000	320,000	4,302,800
Matching Grant Bond	651,600	494,100				1,145,700
General Fund		245,000	400,000	300,000	80,000	1,025,000
Total	2,458,100	1,915,400	900,000	800,000	400,000	6,473,500

Library

Description:

The main library mechanical system is the original installation and has not seen major energy modifications maintenance upgrades since its installation. Current energy demands, coupled with increased air quality concerns necessitate a review, cleaning and upgrade to mechanical equipment, controls and delivery components.

An estimated savings of 10% annually in fuel/energy consumption at this building alone will result in savings of approximately \$14,000 annually, based on today's energy costs and current consumption.

Project	2011	2012	2013	2014	2015	Total
Mechanical Systems	300,000	250,000	250,000			800,000
Total	<u>300,000</u>	<u>250,000</u>	<u>250,000</u>			<u>800,000</u>

Funding	2011	2012	2013	2014	2015	Total
Capital Improvement Bond	300,000	250,000	250,000			800,000
Total	<u>300,000</u>	<u>250,000</u>	<u>250,000</u>			<u>800,000</u>

Maintenance Shop

Description:

In our city's ongoing effort to honor commitments to Cities for Climate Protection (CCP) and Early Adopters (EAP), and continued efforts to move toward sustainable maintenance models, we are replacing the aged EPDM roof (delayed the last 4 years due to funding limits) with the "Green Roof" concept of

Solar energy would be added to take care of this buildings domestic hot water needs. This would be the step in modernizing our HVAC system in this structure and compliments the high efficiency, modulating condensing boilers added in 2010.

Project	2011	2012	2013	2014	2015	Total
Solar and Green Roof		95,000				95,000
Total		95,000				95,000

Funding	2011	2012	2013	2014	2015	Total
Capital Improvement Bond		95,000				95,000

Parks & Recreation

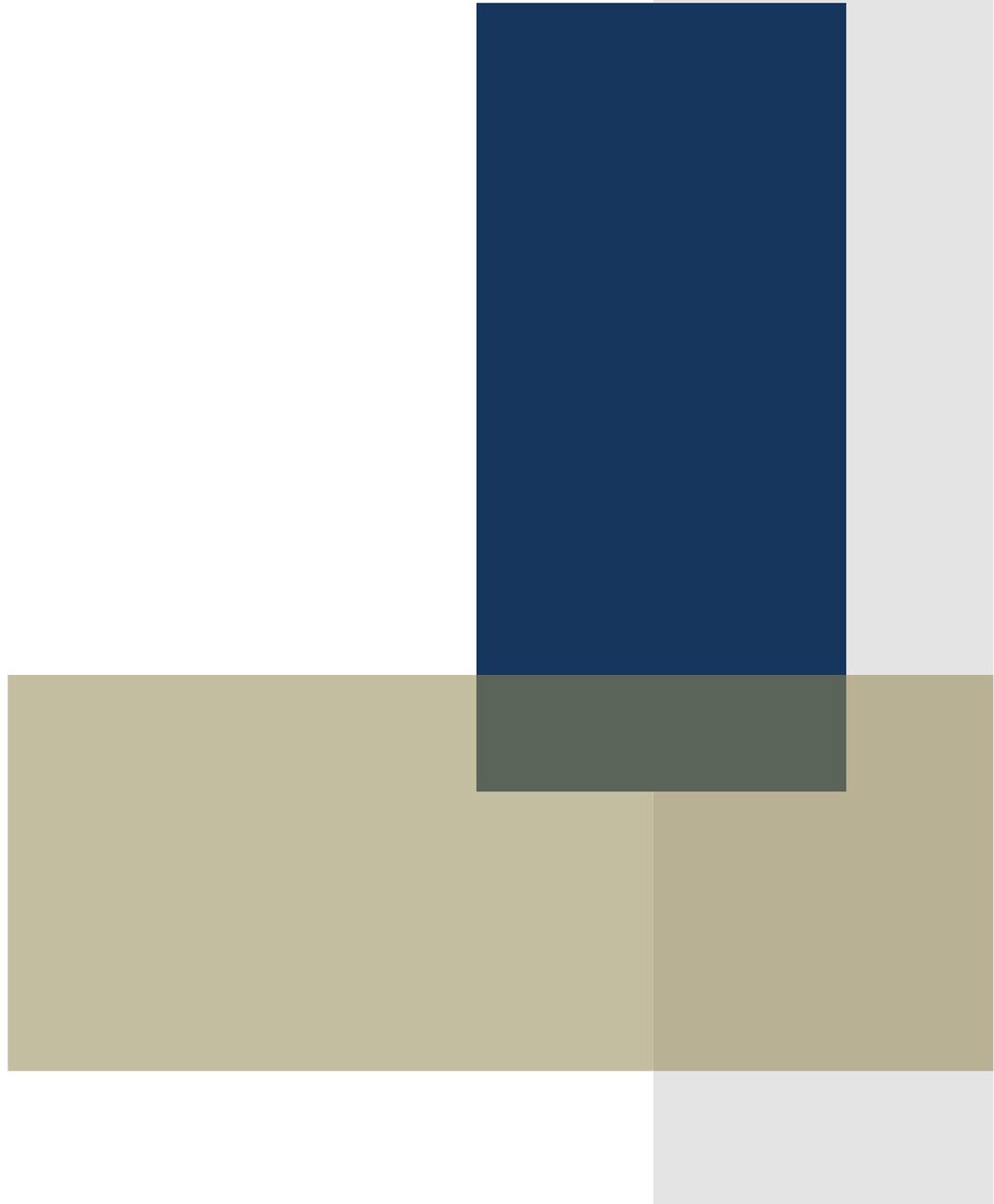
Description:

With over 90 park sites and depleted staff resources, the need for CIP support to maintain trails and improve accessible recreation is more important than ever. 2011 needs are continued support of accessible ball field surfaces; trail repair at Lester Park; shore line and trail repair at Chambers Grove; a new playground at Lester Park; and the continuation of the City's matching grant program for playgrounds.

Wade Stadium is on the list of historic sites and needs brick tuck pointing, washroom modernization, accessibility upgrades as well as irrigation to the field.

Project	2011	2012	2013	2014	2015	Total
Baywalk Phase IV Design	50,000					50,000
Buddy Ball Fields	75,000				50,000	125,000
Chambers Grove Trail Repair	75,000					75,000
Lester Park Trail Repair	37,000					37,000
Longview Tennis Court Resurfacing					120,000	120,000
Lower Chester Garden Center		350,000				350,000
Multipurpose Court Resurfacing		20,000	20,000	20,000	40,000	100,000
Observation Park					150,000	150,000
Playground Replacement	45,000	45,000	30,000	30,000	30,000	180,000
Playgrnd Replace Lester Park	60,000					60,000
Soccer Field Improvements		50,000	50,000	50,000	50,000	200,000
Soccer Field Irrigation		120,000				120,000
Wade Stadium Field Renovation			220,000			220,000
Wade Stadium Restoration		235,000				235,000
Washington Center-Add'l Gym			600,000			600,000
Washington Pool to multipurpose			300,000			300,000
Wheeler Backstops		10,000	10,000	10,000		30,000
Wheeler Field Storage Building				100,000		100,000
Wheeler Field Renovation				60,000		60,000
Wheeler Retaining Wall Repair				25,000		25,000
Total	342,000	830,000	1,230,000	295,000	440,000	3,137,000
Funding	2011	2012	2013	2014	2015	Total
General Fund	342,000	830,000	1,230,000	295,000	440,000	3,137,000
Total	342,000	830,000	1,230,000	295,000	440,000	3,137,000

Street Improvement Program



City of Duluth 2011-2015 Capital Improvement Program

Street Improvement Program Summary

The street improvement program consists of two types of capital improvements; street reconstruction preservation.

Reconstruction consists of removal of existing road and sub grade, and placement of new granular base surface, including new curb and gutter and sidewalk. The existing utilities are also replaced as depending on age and condition.

Preservation of existing surfaces can include one of several techniques depending on the surface type, pavement and condition, and the sub grade material. These techniques include mill and overlay, or concrete pavement rehabilitation. The preservation program is a strategically planned, engineering program to arrest light deterioration, retard progressive failures, reduce the need for routine maintain the existing roadway system. It is a series of cost effective maintenance strategies to delay the of predicted distress and prolong pavement life.

Project	2011	2012	2013	2014	2015	Total
Street Program	6,443,700	8,572,300	5,627,600	5,499,100	9,015,400	35,158,100
Total	6,443,700	8,572,300	5,627,600	5,499,100	9,015,400	35,158,100

Funding	2011	2012	2013	2014	2015	Total
Community Investment Fund	4,336,400	4,774,200	3,928,000	3,990,800	5,333,900	22,363,300
Special Assessment	1,289,600	1,335,600	996,100	713,500	1,598,200	5,933,000
Community Develop Block Grant					130,000	130,000
Municipal State Aid					1,500,000	1,500,000
Sewer Bond		1,000,000				1,000,000
Sewer	300,000		165,000	310,600	269,900	1,045,500
Storm	120,000	100,000	55,000	290,000	67,000	632,000
Water Bond		1,300,000				1,300,000
Water	397,700	62,500	483,500	181,200	116,400	1,241,300
Gas				13,000		13,000
Total	6,443,700	8,572,300	5,627,600	5,499,100	9,015,400	35,158,100

2011 Street Improvement Program

Project	2011	Funding	2011
4th Avenue West	222,500	Community Investment Fund	4,336,400
88th Avenue West	1,525,500	Special Assessment	1,289,600
Arrowhead Road	960,000	Sewer	300,000
East First Street	836,500	Storm	120,000
Ivanhoe Street	1,365,200	Water	397,700
Riverside	320,000		
Swan Lake Road	560,000		
Yosemite Street	156,500		
Street Maintenance Caps	350,800		
Contingency	146,700		
Total	6,443,700	Total	6,443,700

Project Title:
4th Avenue West

Funding Source:

	FY 2011
CIF	157,500
SA	52,500
Water	12,500
PROJECT TOTAL:	\$222,500



City of Duluth 2011-2015 Capital Improvement Program

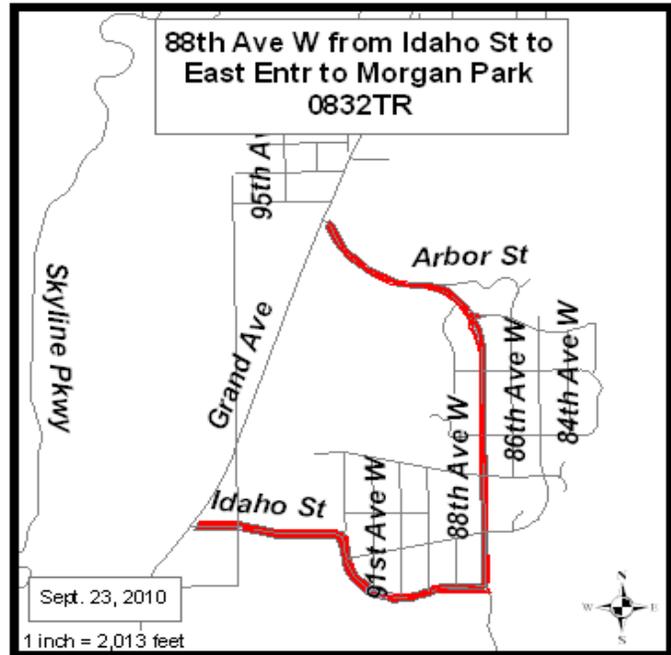
2011 Street Improvement Program

Project Title:

88th Avenue West

Funding Source:

	FY 2011
CIF	1,134,800
SA	378,200
Water	12,500
PROJECT TOTAL:	\$1,525,500



Project Title:

Arrowhead Road

Funding Source:

	FY 2011
CIF	703,100
SA	244,400
Water	12,500
PROJECT TOTAL:	\$960,000



2011 Street Improvement Program

Project Title:

East First Street

Funding Source:

FY 2012

CIF	618,000
SA	206,000
Water	12,500

PROJECT TOTAL: \$836,500



Project Title:

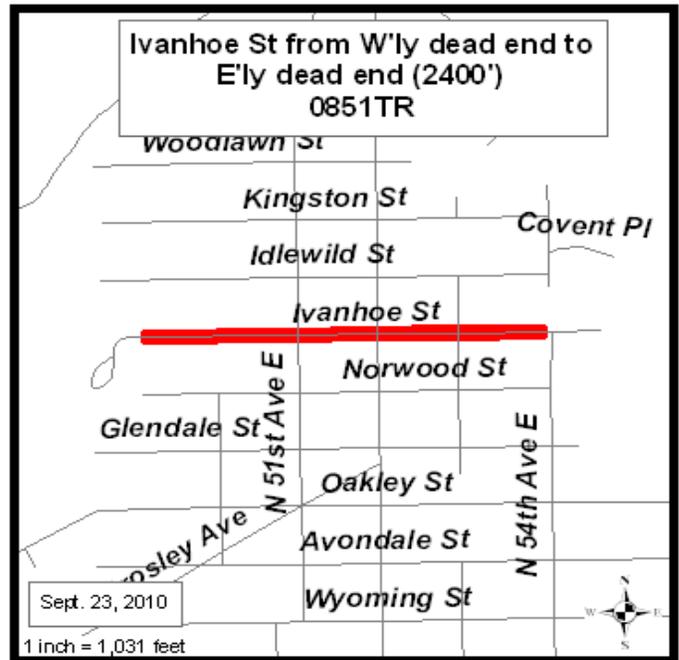
Ivanhoe Street

Funding Source:

FY 2011

CIF	622,500
SA	207,500
Water	235,200
Sewer	200,000
Storm	100,000

PROJECT TOTAL: \$1,365,200



City of Duluth 2011-2015 Capital Improvement Program

2011 Street Improvement Program

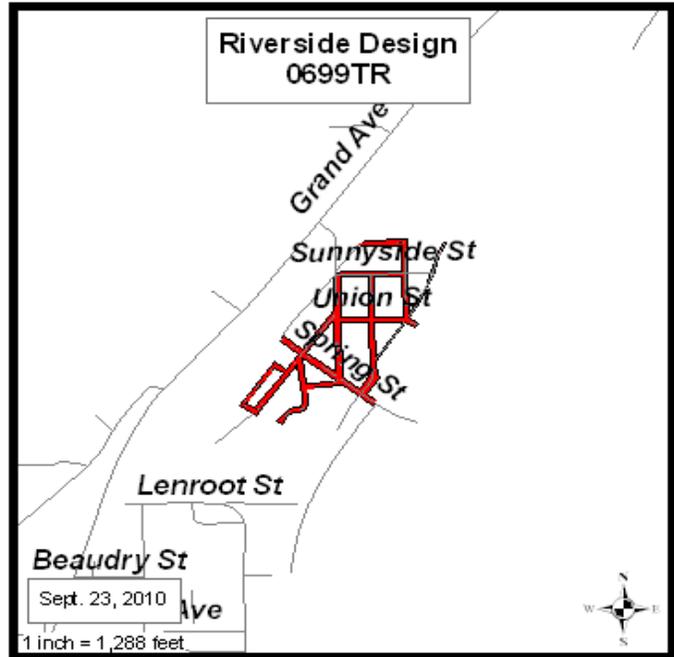
Project Title:

Riverside

Funding Source:

	FY 2011
CIF	75,000
SA	25,000
Water	100,000
Sewer	100,000
Storm	20,000

PROJECT TOTAL: \$320,000



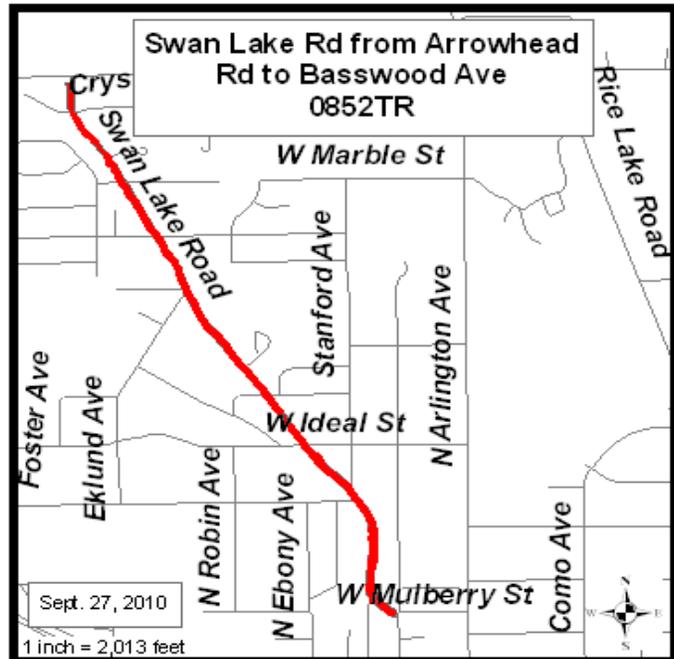
Project Title:

Swan Lake Road

Funding Source:

	FY 2011
CIF	420,000
SA	140,000

PROJECT TOTAL: \$560,000



City of Duluth 2011-2015 Capital Improvement Program

2011 Street Improvement Program

Project Title:

Yosemite Street

Funding Source:

	<u>FY 2011</u>
CIF	108,000
SA	36,000
Water	12,500
PROJECT TOTAL:	\$156,500



City of Duluth 2011-2015 Capital Improvement Program

2012 Street Improvement Program

Project	2012	Funding	2012
47th Avenue East	675,500	Community Investment Fund	4,774,200
52nd Avenue East	587,500	Special Assessment	1,335,600
59th Avenue West	684,000	Sewer Bond	1,000,000
63rd Avenue West	430,000	Storm	100,000
Chambersburg Avenue	684,000	Water Bond	1,300,000
Riverside	5,161,300	Water	62,500
Street Maintenance Caps	350,000		
Total	8,572,300	Total	8,572,300

Project Title:

47th Avenue East

Funding Source:

	FY 2012
CIF	497,200
SA	165,800
Water	12,500

PROJECT TOTAL:

\$675,500



City of Duluth 2011-2015 Capital Improvement Program

2012 Street Improvement Program

Project Title:

52nd Avenue East

Funding Source:

	FY 2012
CIF	431,300
SA	143,700
Water	12,500
PROJECT TOTAL:	\$587,500



Project Title:

59th Avenue West

Funding Source:

	FY 2012
CIF	503,600
SA	167,900
Water	12,500
PROJECT TOTAL:	\$684,000



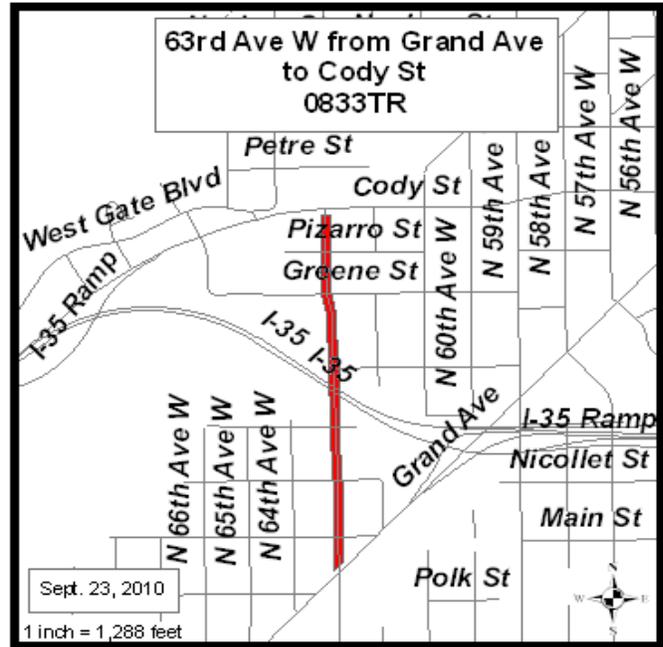
2012 Street Improvement Program

Project Title:

63rd Avenue West

Funding Source:

	FY 2012
	<hr/>
CIF	417,500
Water	12,500
	<hr/>
PROJECT TOTAL:	\$430,000

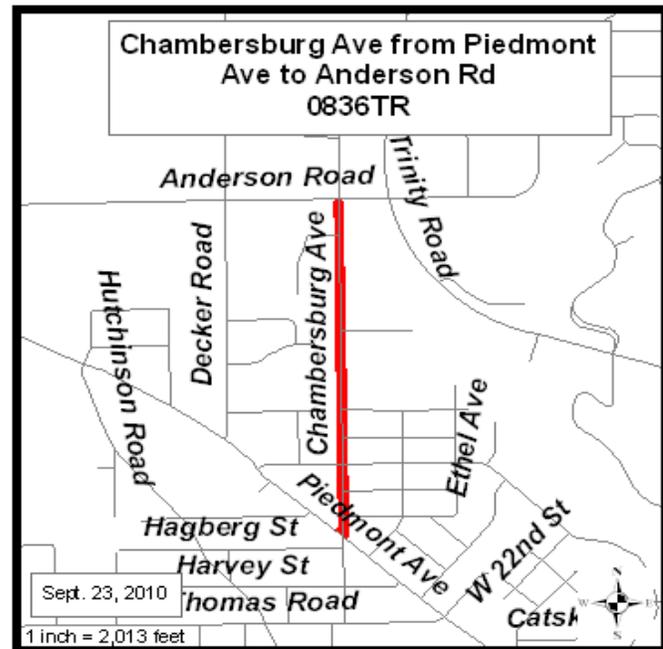


Project Title:

Chambersburg Avenue

Funding Source:

	FY 2012
	<hr/>
CIF	503,600
SA	167,900
Water	12,500
	<hr/>
PROJECT TOTAL:	\$684,000



City of Duluth 2011-2015 Capital Improvement Program

2012 Street Improvement Program

Project Title:

Riverside

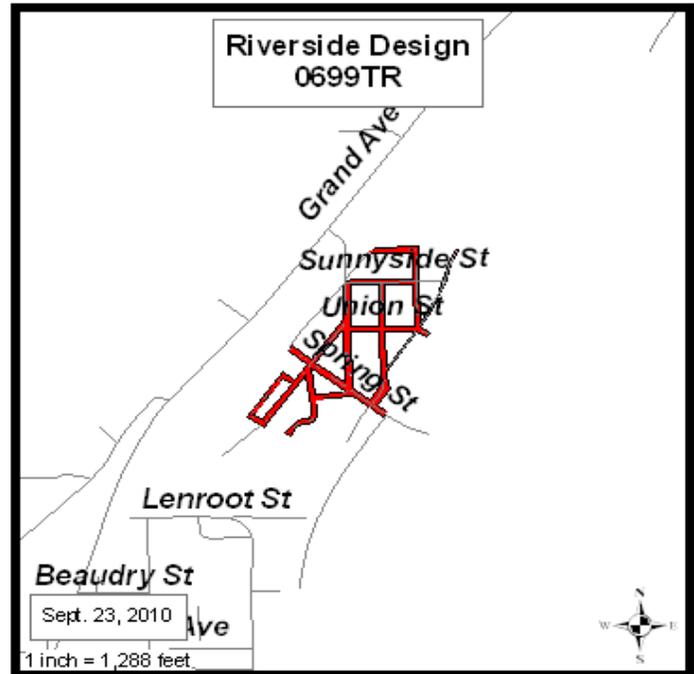
Funding Source:

FY 2012

CIF	2,071,000
SA	690,300
Water Bond	1,300,000
Sewer Bond	1,000,000
Storm	100,000

PROJECT TOTAL:

\$5,161,300



City of Duluth 2011-2015 Capital Improvement Program

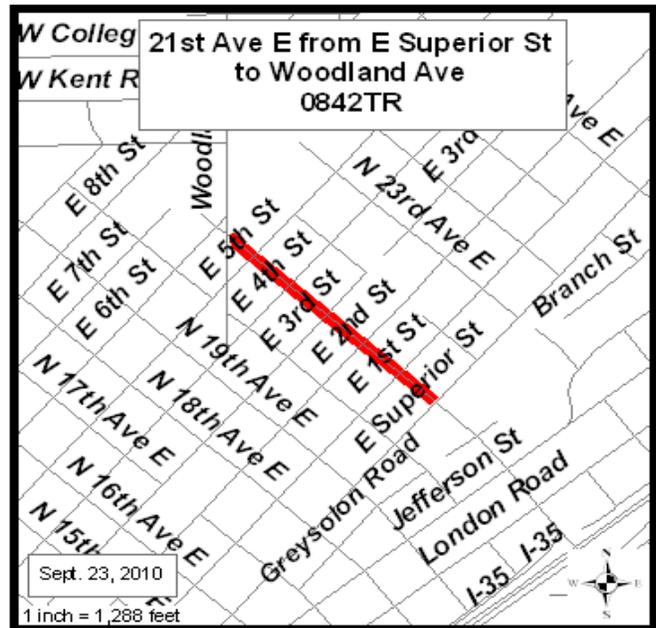
2013 Street Improvement Program

<u>Project</u>	<u>2013</u>	<u>Funding</u>	<u>2013</u>
21st Avenue East	352,500	Community Investment Fund	3,928,000
40th Avenue West	233,500	Special Assessment	996,100
Decker Road	1,085,000	Sewer	165,000
Hawthorne Road	575,000	Storm	55,000
Lakeside Lower West	1,674,600	Water	483,500
Maxwell Avenue	360,500		
Redwing Street	556,500		
West Superior Street	440,000		
Street Maintenance Caps	350,000		
Total	5,627,600	Total	5,627,600

Project Title:
21st Avenue East

Funding Source:

	<u>FY 2013</u>
CIF	255,000
SA	85,000
Water	12,500
PROJECT TOTAL:	\$352,500



City of Duluth 2011-2015 Capital Improvement Program

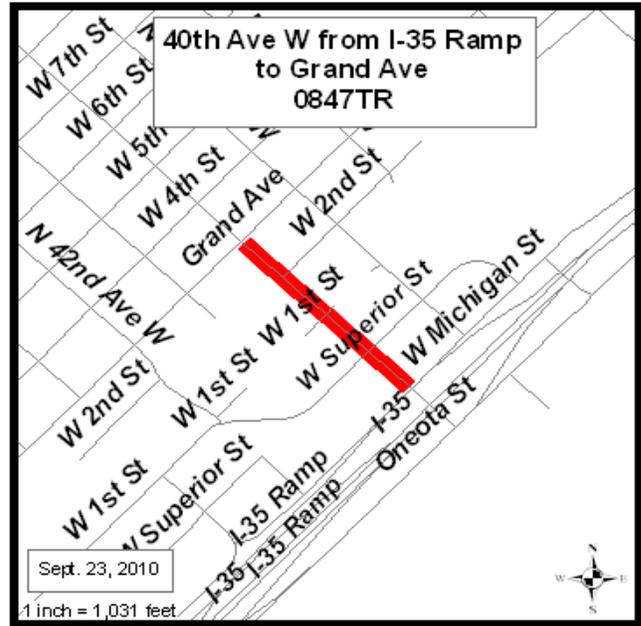
2013 Street Improvement Program

Project Title:

40th Avenue West

Funding Source:

	FY 2013
CIF	165,700
SA	55,300
Water	12,500
PROJECT TOTAL:	\$233,500

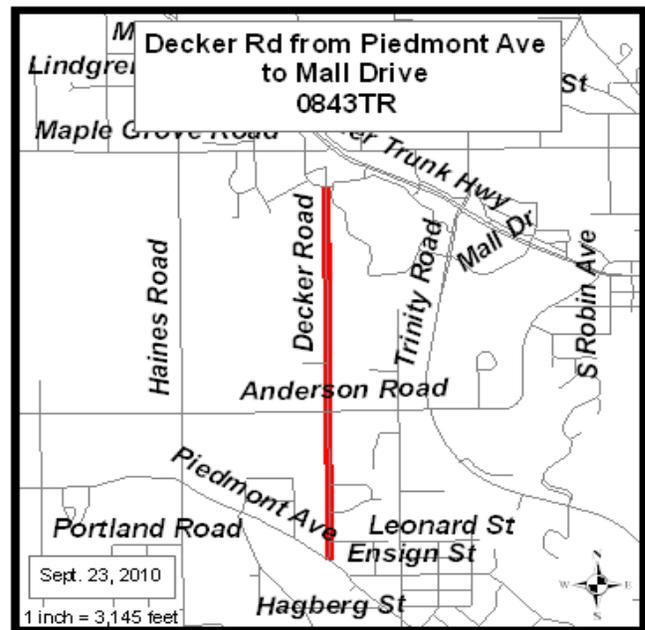


Project Title:

Decker Road

Funding Source:

	FY 2013
CIF	804,400
SA	268,100
Water	12,500
PROJECT TOTAL:	\$1,085,000



City of Duluth 2011-2015 Capital Improvement Program

2013 Street Improvement Program

Project Title:

Hawthorne Road

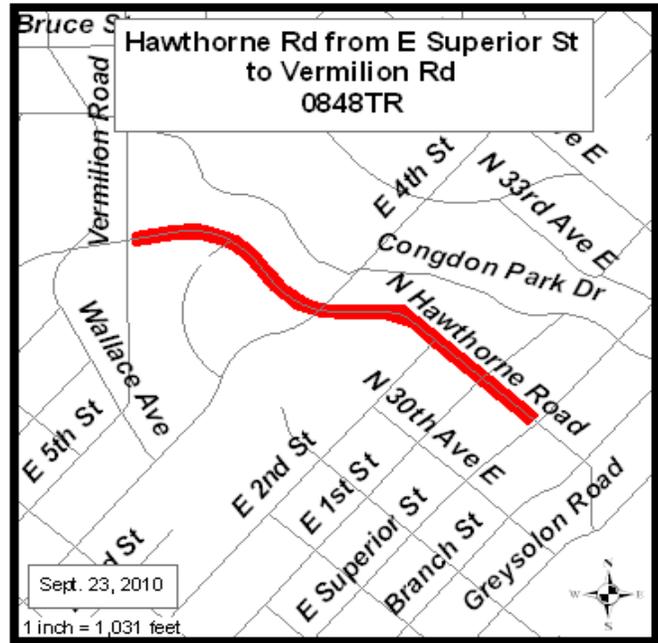
Funding Source:

FY 2013

CIF	562,500
Water	12,500

PROJECT TOTAL:

\$575,000



Project Title:

Lakeside Lower West

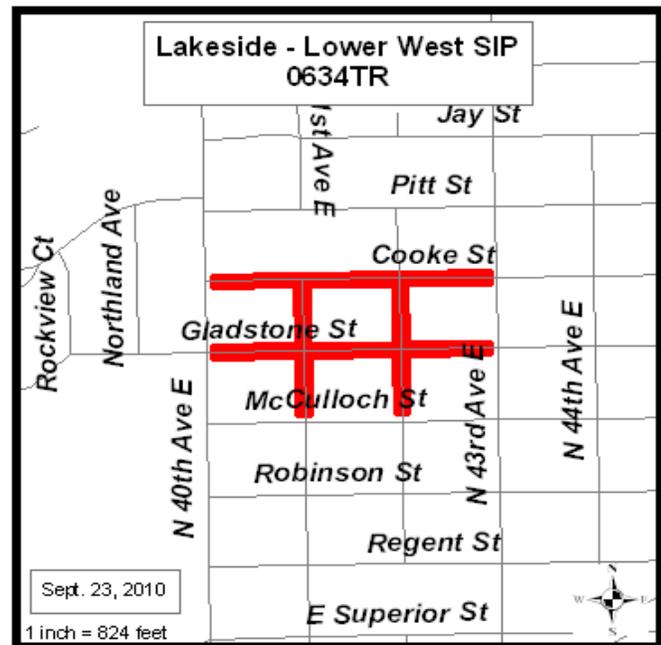
Funding Source:

FY 2013

CIF	794,000
SA	264,600
Water	396,000
Sewer	165,000
Storm	55,000

PROJECT TOTAL:

\$1,674,600



City of Duluth 2011-2015 Capital Improvement Program

2013 Street Improvement Program

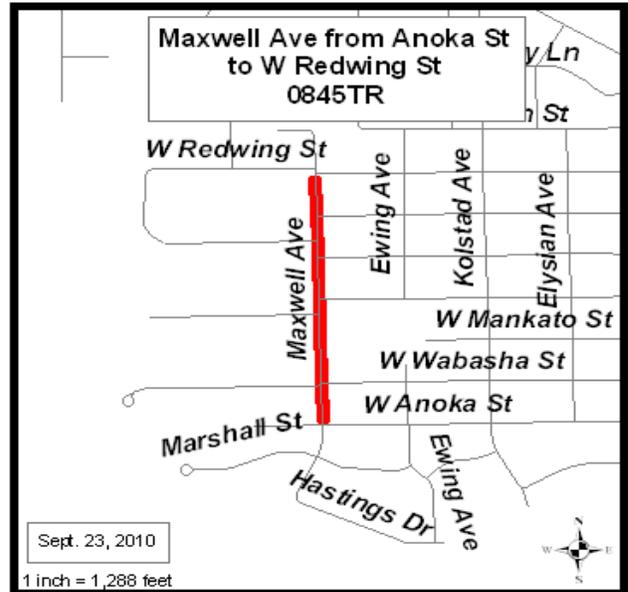
Project Title:

Maxwell Avenue

Funding Source:

	FY 2013
CIF	267,800
SA	80,200
Water	12,500

PROJECT TOTAL: \$360,500



Project Title:

Redwing Street

Funding Source:

	FY 2013
CIF	408,000
SA	136,000
Water	12,500

PROJECT TOTAL: \$556,500



2013 Street Improvement Program

Project Title:

West Superior Street

Funding Source:

FY 2013

CIF	320,600
SA	106,900
Water	12,500

PROJECT TOTAL:

\$440,000



City of Duluth 2011-2015 Capital Improvement Program

2014 Street Improvement Program

Project	2014	Funding	2014
45th Avenue East	773,500	Community Investment Fund	3,990,800
Fairmont Park North 2	989,300	Special Assessment	713,500
Piedmont East Lower	1,786,300	Sewer	310,600
Concrete Pavement Repairs	1,500,000	Storm	290,000
Street Maintenance Caps	350,000	Water	181,200
Tree Planting	100,000	Gas	13,000
Total	5,499,100	Total	5,499,100

Project Title:

45th Avenue East

Funding Source:

	FY 2014
CIF	580,100
SA	193,400

PROJECT TOTAL:

\$773,500



City of Duluth 2011-2015 Capital Improvement Program

2014 Street Improvement Program

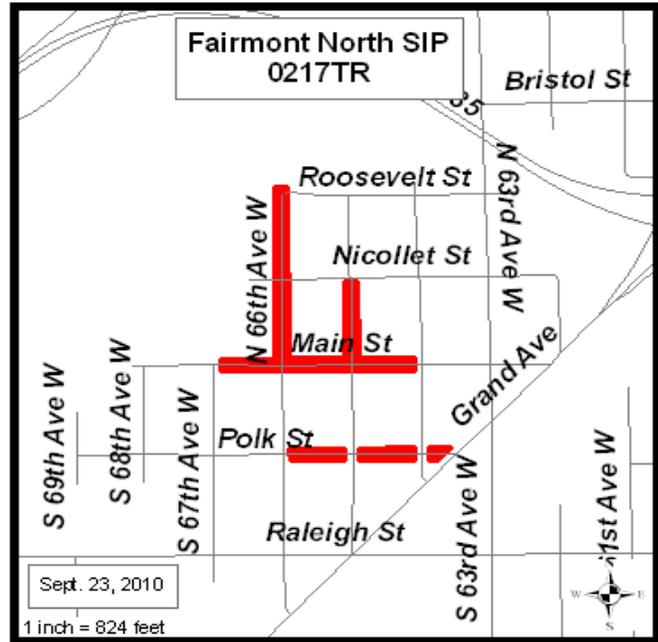
Project Title:

Fairmont Park North 2

Funding Source:

	FY 2014
CIF	567,400
SA	189,100
Water	69,200
Sewer	118,600
Storm	40,000
Gas	5,000

PROJECT TOTAL: \$989,300



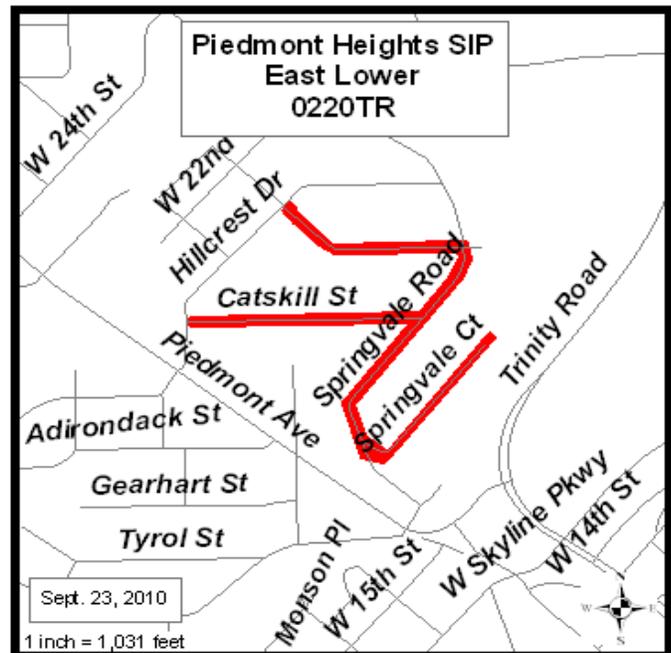
Project Title:

Piedmont East Lower

Funding Source:

	FY 2014
CIF	918,300
SA	306,000
Water	112,000
Sewer	192,000
Storm	250,000
Gas	8,000

PROJECT TOTAL: \$1,786,300



City of Duluth 2011-2015 Capital Improvement Program

2015 Street Improvement Program

Project	2015	Funding	2015
Cody Street Southwest	674,000	Community Investment Fund	5,333,900
Congdon Park West Lower 4	991,400	Special Assessment	1,598,200
Downtown Reconstruction	6,900,000	Community Develop Block Grant	130,000
Street Maintenance Caps	350,000	Municipal State Aid	1,500,000
Tree Planting	100,000	Sewer	269,900
		Storm	67,000
		Water	116,400
Total	9,015,400	Total	9,015,400

Project Title:

Cody Street Southwest

Funding Source:

	FY 2015
CIF	389,000
CDBG	130,000
Water	47,000
Sewer	81,000
Storm	27,000
PROJECT TOTAL:	\$674,000



City of Duluth 2011-2015 Capital Improvement Program

2015 Street Improvement Program

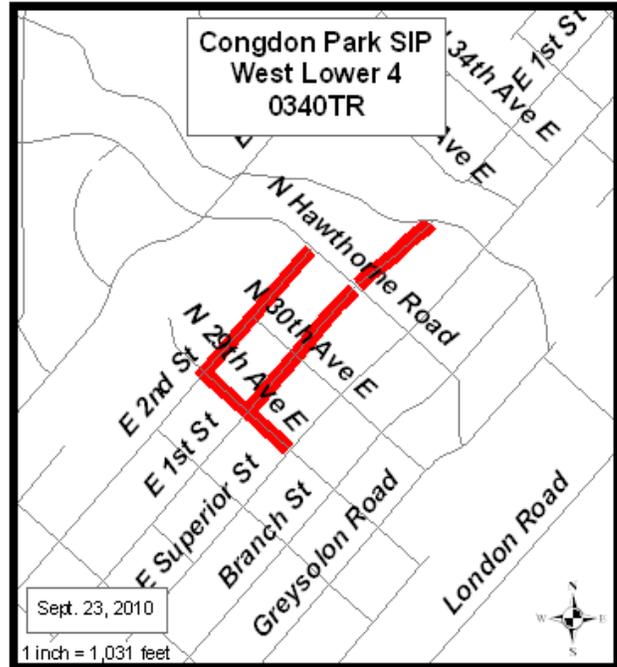
Project Title:

Congdon Park West Lower 4

Funding Source:

	FY 2015
CIF	519,900
SA	173,200
Water	47,000
Sewer	188,900
Storm	40,000

PROJECT TOTAL: \$969,000



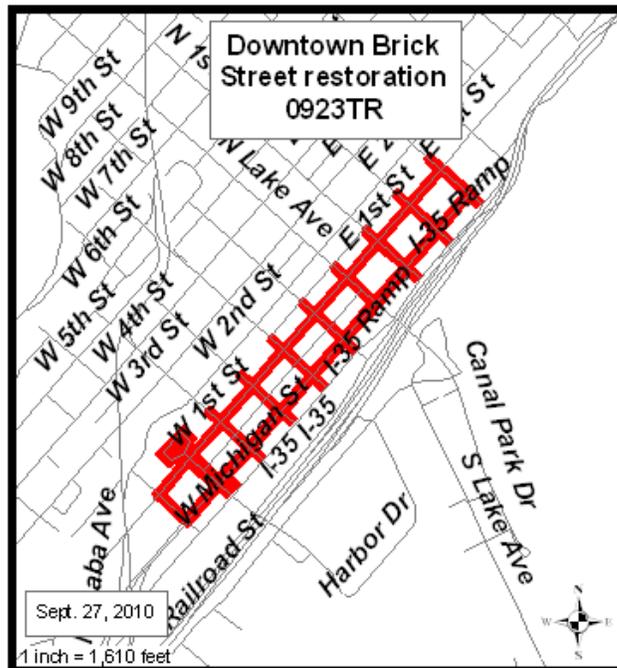
Project Title:

Downtown Area Brick Reconstruction

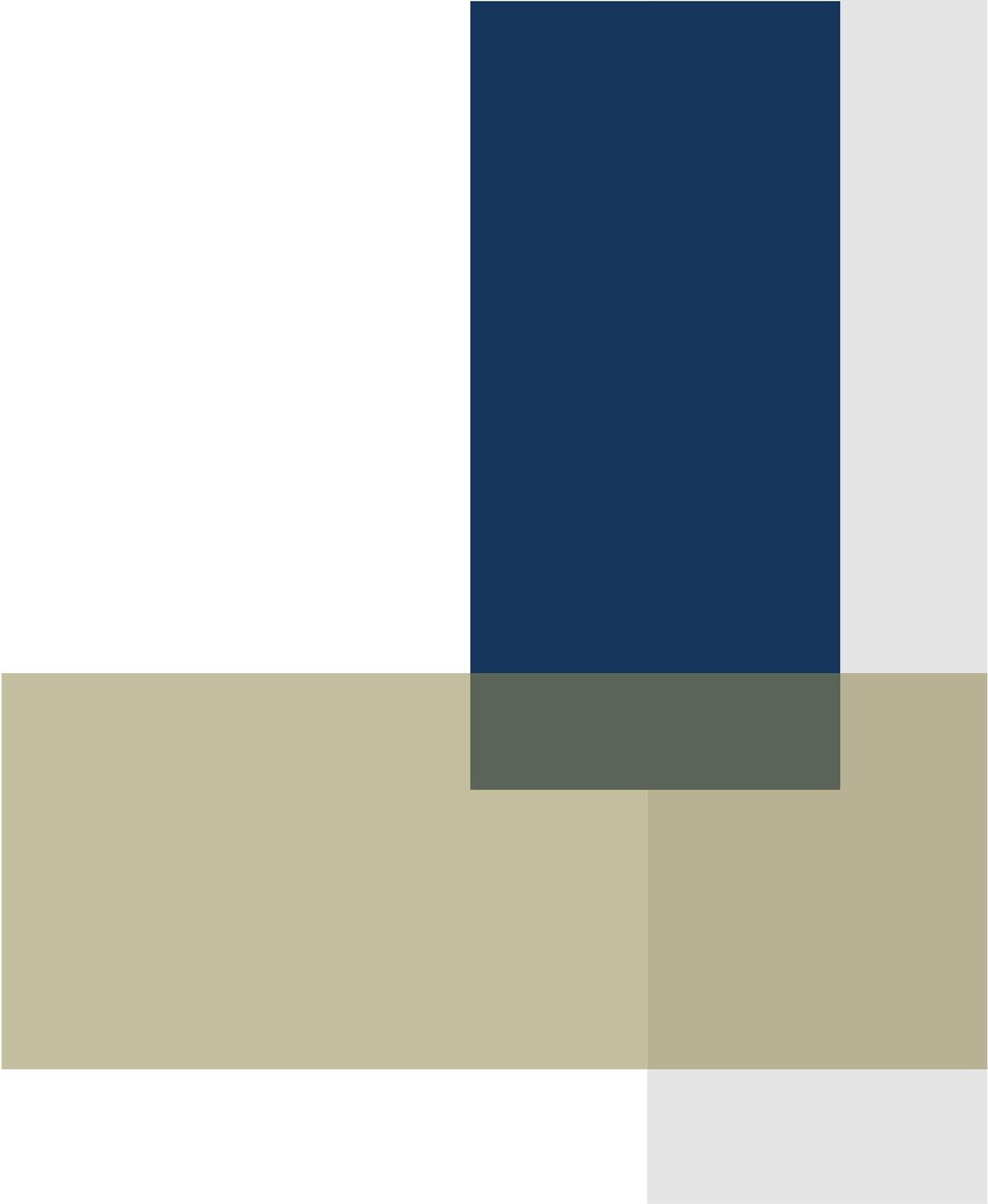
Funding Source:

	FY 2015
CIF	4,000,000
SA	1,400,000
MSA	1,500,000

PROJECT TOTAL: \$6,900,000



Street Reconstruction & Bridge Projects



City of Duluth 2011-2015 Capital Improvement Program

Street Reconstruction and Bridge Projects Summary

These projects include street reconstruction and bridge maintenance that have funding sources other than the Community Investment Fund. These other funding sources include municipal state aid, state bridge federal or permanent improvement funds.

Project	2011	2012	2013	2014	2015	Total
Misc Annual Infrastructure	400,000	292,100	386,600	572,100	572,100	2,222,900
2nd Street at 13th Bridge 93402	750,000					750,000
3rd Street Bridge 91143				680,000		680,000
9th Street Reconstruction					300,000	300,000
10th Avenue East		200,000	3,812,500			4,012,500
26th Avenue East Signals	40,000		350,000			390,000
27th Avenue West Bridge 69812	1,300,000					1,300,000
27th Avenue West			250,000	2,620,000		2,870,000
36th Avenue East	953,000					953,000
43rd Avenue East		50,000	895,000			945,000
46th Avenue West Signals	40,000	350,000				390,000
63rd Avenue West Bridge L3140				420,000		420,000
Anderson Road	2,280,500					2,280,500
Bristol Street Bridge L8485			300,000			300,000
Central Avenue Bridge L88550				450,000		450,000
Chris Jensen Road		560,000				560,000
Downtown Area Reconstruction				500,000		500,000
East 1st Street Retaining Wall	400,000					400,000
Fairmont Street Bridge L8516	500,000					500,000
Glenwood Street	1,202,300					1,202,300
Joshua Avenue	250,000					250,000
Lincoln Park Bridge L8476	700,000					700,000
Old Piedmont Avenue at W First	600,000					600,000
Oxford Street Bridge L9419			310,000			310,000
Oxford/Livingston/Glenwood	250,000	2,335,000				2,585,000
Rice Lake Road	915,000					915,000
Seven Bridges Road	100,000					100,000
Toledo Avenue Bridge L8496			140,000			140,000
Triggs Avenue Bridge L5833			140,000			140,000
West First Street Reconstruct				250,000	2,000,000	2,250,000
Total	10,680,800	3,787,100	6,584,100	5,492,100	2,872,100	29,416,200

Funding	2011	2012	2013	2014	2015	Total
Federal	2,498,000	100,000	1,050,000	100,000	600,000	4,348,000
State	5,104,500	2,100,000	3,924,500	3,800,000	1,800,000	16,729,000
St. Louis County	732,000	280,000				1,012,000
Special Assessment	291,000	265,000	302,500	550,000	50,000	1,458,500
Utilities	1,155,300	620,000	835,000	620,000		3,230,300
Permanent Improvement	422,100	422,100	422,100	422,100	422,100	2,110,500
Prior Year PI	477,900		50,000			527,900
Total	10,680,800	3,787,100	6,584,100	5,492,100	2,872,100	29,416,200

City of Duluth 2011-2015 Capital Improvement Program

Miscellaneous Annual Infrastructure

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

Project	2011	2012	2013	2014	2015	Total
Permanent Improvements	190,000	62,100	156,600	342,100	342,100	1,092,900
Patch & Sidewalks	210,000	230,000	230,000	230,000	230,000	1,130,000
Total	400,000	292,100	386,600	572,100	572,100	2,222,900

Funding	2011	2012	2013	2014	2015	Total
PI Fund	270,000	142,100	236,600	422,100	422,100	1,492,900
Special Assessment	30,000	50,000	50,000	50,000	50,000	230,000
Federal - CDBG	100,000	100,000	100,000	100,000	100,000	500,000
Total	400,000	292,100	386,600	572,100	572,100	2,222,900

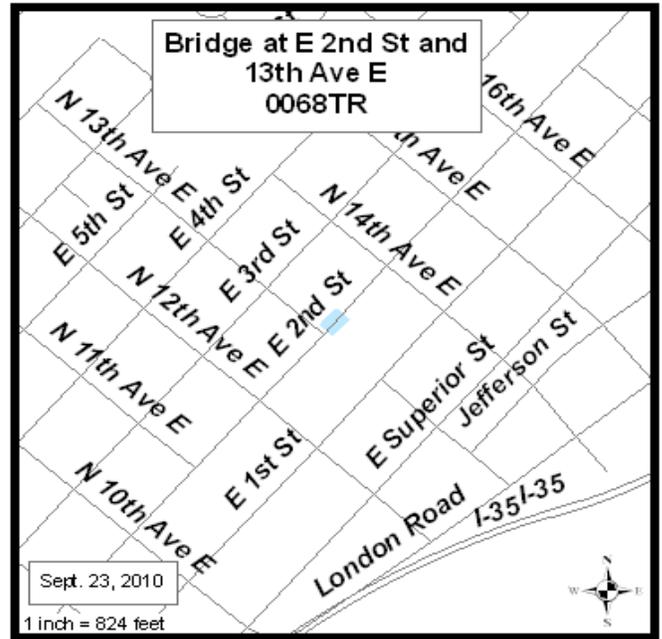
Street Reconstruction & Bridge Projects

Project Title:

2nd Street at 13th Avenue East Bridge 93402

Funding Source:

	FY 2011
State Bond	400,000
MSA	350,000
PROJECT TOTAL:	\$750,000

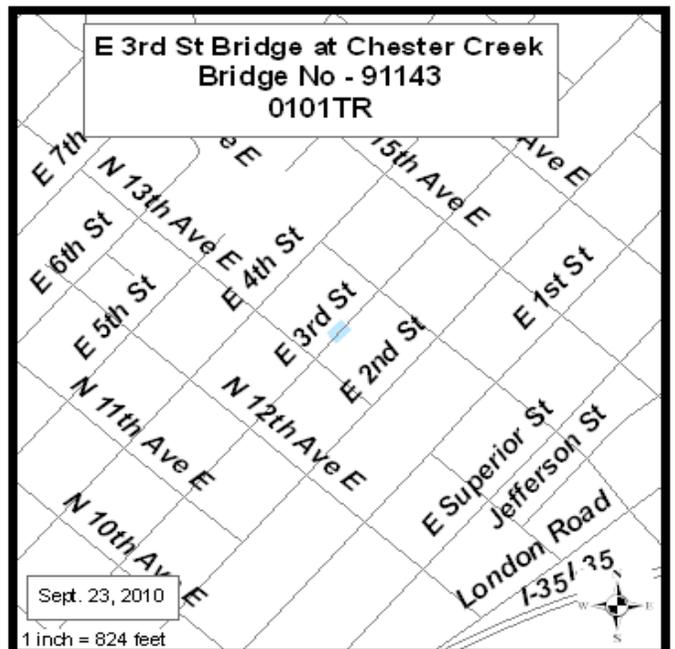


Project Title:

3rd Street Bridge 91143

Funding Source:

	FY 2014
State Bond	544,000
MSA	136,000
PROJECT TOTAL:	\$680,000



City of Duluth 2011-2015 Capital Improvement Program

Street Reconstruction & Bridge Projects

Project Title:

9th Street Reconstruction

Funding Source:

	FY 2015
MSA	300,000
PROJECT TOTAL:	\$300,000

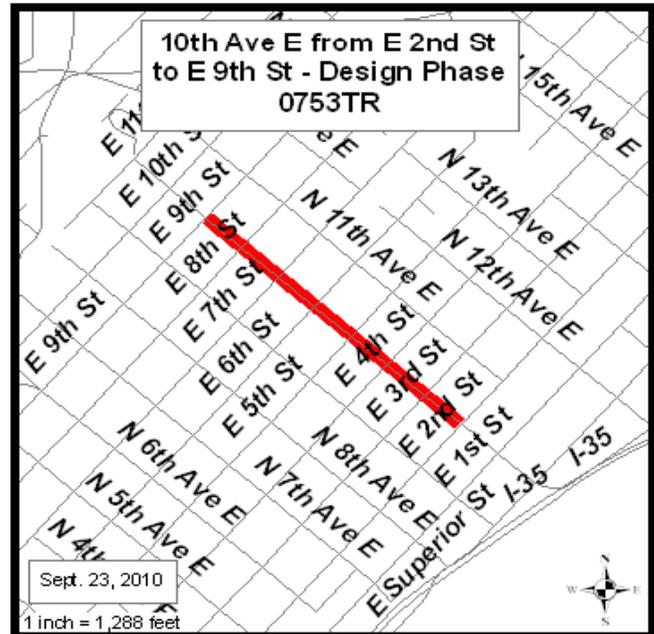


Project Title:

10th Avenue East: 2nd to 9th Street

Funding Source:

	FY 2012-2013
Federal	950,000
MSA	2,150,000
SA	162,500
Sewer	350,000
Storm	50,000
Water	300,000
Gas	50,000
PROJECT TOTAL:	4,012,500



City of Duluth 2011-2015 Capital Improvement Program

Street Reconstruction & Bridge Projects

Project Title:

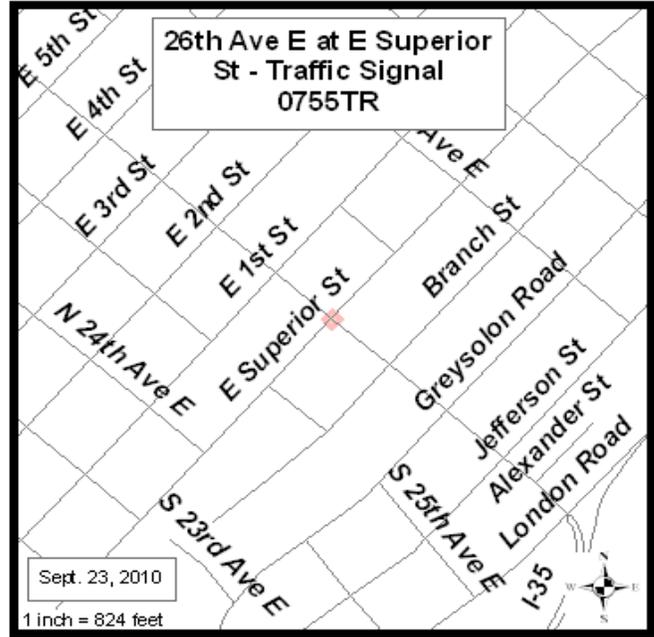
26th Avenue East: Traffic Signals

Funding Source:

FY 2011-2013

MSA	262,500
PI	127,500

PROJECT TOTAL: 390,000



Project Title:

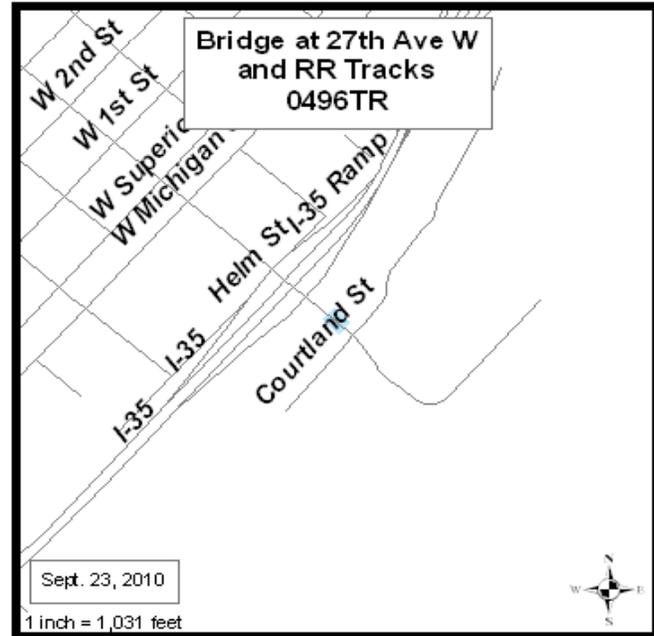
27th Avenue West: Bridge 69812

Funding Source:

FY 2011

State Bond	800,000
MSA	500,000

PROJECT TOTAL: 1,300,000



City of Duluth 2011-2015 Capital Improvement Program

Street Reconstruction & Bridge Projects

Project Title:

27th Avenue West: 3rd St to Skyline Pkwy

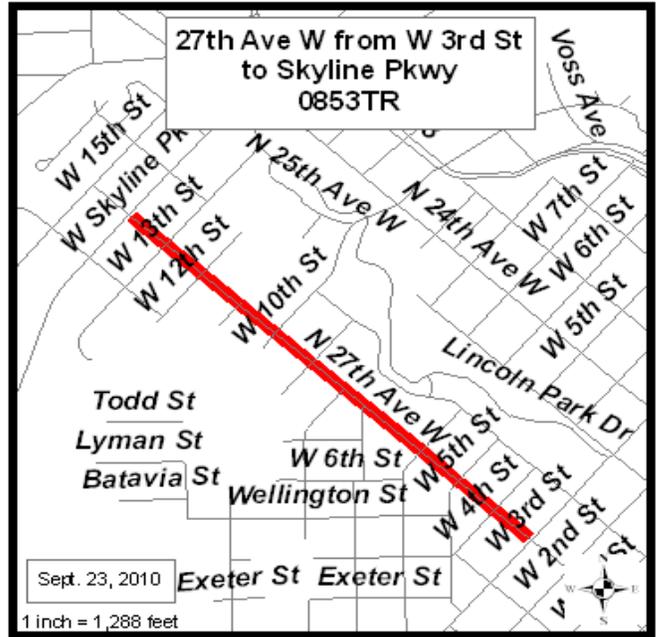
Funding Source:

FY 2013-2014

MSA	1,750,000
SA	500,000
Sewer	300,000
Storm	70,000
Water	250,000

PROJECT TOTAL:

2,870,000



Project Title:

36th Avenue East: Superior St to E 4th St

Funding Source:

FY 2011

MSA	517,000
SA	73,000
Sewer	25,000
Storm	50,000
Water	288,000

PROJECT TOTAL:

953,000



Street Reconstruction & Bridge Projects

Project Title:

43rd Avenue East: London Rd to Superior St

Funding Source:

	FY 2012-2013
MSA	770,000
SA	90,000
Sewer	25,000
Storm	30,000
Water	30,000

PROJECT TOTAL: \$945,000



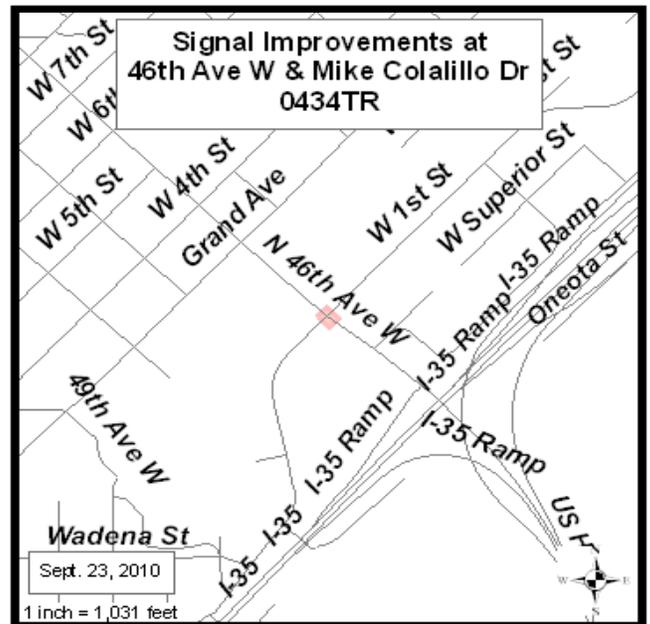
Project Title:

46th Avenue West: Traffic Signals

Funding Source:

	FY 2011-2012
MSA	350,000
PI	40,000

PROJECT TOTAL: \$390,000



Street Reconstruction & Bridge Projects

Project Title:

63rd Avenue West: Bridge L3140

Funding Source:

	FY 2014
State Bond	160,000
MSA	260,000
PROJECT TOTAL:	\$420,000

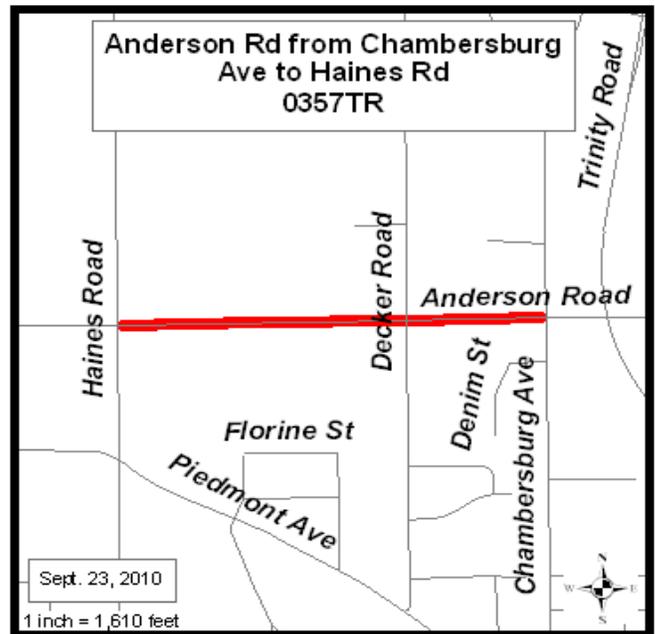


Project Title:

Anderson Road: Haines to Chambersburg

Funding Source:

	FY 2011
Federal	1,218,000
MSA	304,500
SA	188,000
Sewer	120,000
Storm	200,000
Water	250,000
PROJECT TOTAL:	\$2,280,500



Street Reconstruction & Bridge Projects

Project Title:

Bristol Street: Bridge L8485

Funding Source:

	FY 2013
State bond	250,000
PI	50,000
PROJECT TOTAL:	\$300,000



Project Title:

Central Avenue Bridge L88550

Funding Source:

	FY 2014
State Bond	150,000
MSA	300,000
PROJECT TOTAL:	\$450,000



Street Reconstruction & Bridge Projects

Project Title:

Chris Jensen Road

Funding Source:

	FY 2012
PI	280,000
St Louis County	280,000
	PROJECT TOTAL: \$560,000

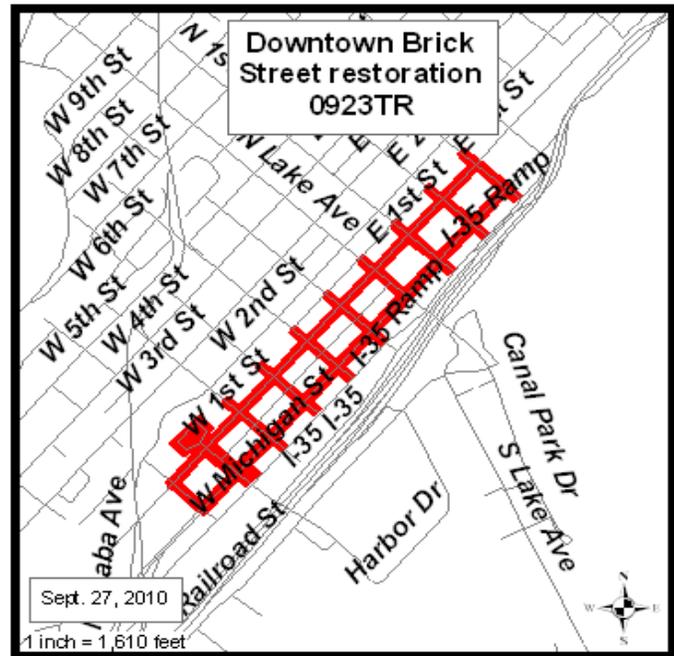


Project Title:

Downtown Area Brick Reconstruction
Preliminary Engineering

Funding Source:

	FY 2014
MSA	500,000
	PROJECT TOTAL: \$500,000



City of Duluth 2011-2015 Capital Improvement Program

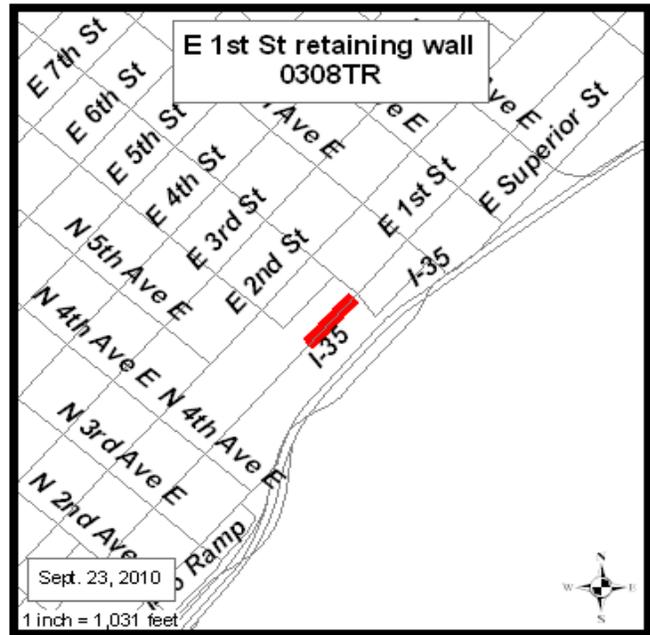
Street Reconstruction & Bridge Projects

Project Title:

East 1st Street Retaining Wall

Funding Source:

	<u>FY 2011</u>
MSA	400,000
PROJECT TOTAL:	\$400,000

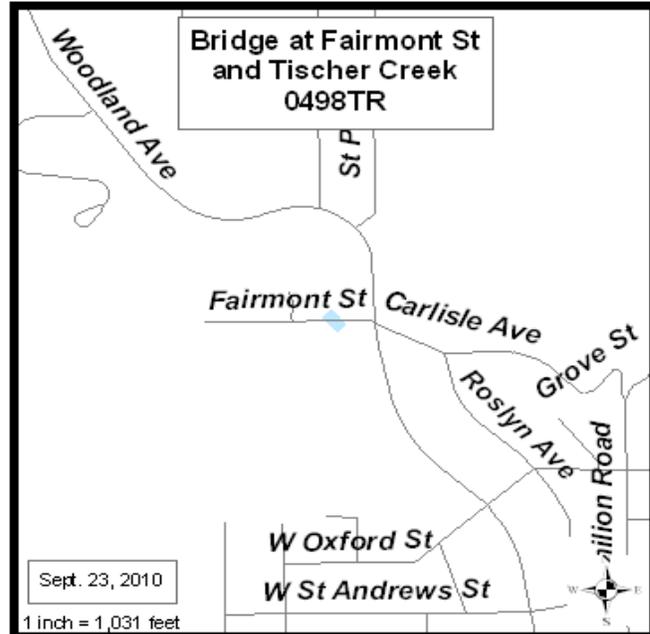


Project Title:

Fairmont Street: Bridge L8516

Funding Source:

	<u>FY 2011</u>
State Bond	250,000
Prior Year PI	250,000
PROJECT TOTAL:	\$500,000



Street Reconstruction & Bridge Projects

Project Title:

Glenwood Street:

Funding Source:

	FY 2011
Federal	980,000
Sewer	125,300
Storm	43,000
Water	52,700
Gas	1,300
PROJECT TOTAL:	\$1,202,300

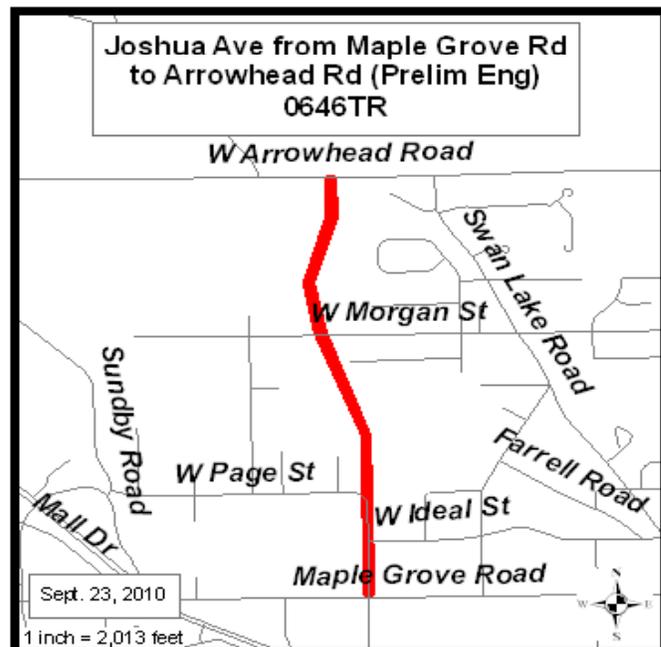


Project Title:

Joshua Avenue

Funding Source:

	FY 2011
Federal	200,000
PI	50,000
PROJECT TOTAL:	250,000



Street Reconstruction & Bridge Projects

Project Title:

Lincoln Park: Bridge L8476

Funding Source:

	FY 2011
State Bond	550,000
Prior Year PI	150,000
PROJECT TOTAL:	\$700,000

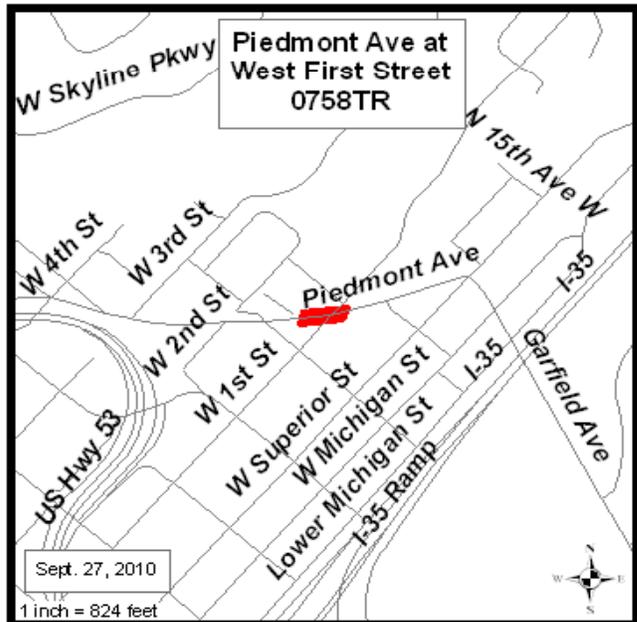


Project Title:

Old Piedmont Avenue at West First

Funding Source:

	FY 2011
MSA	600,000
PROJECT TOTAL:	\$600,000



City of Duluth 2011-2015 Capital Improvement Program

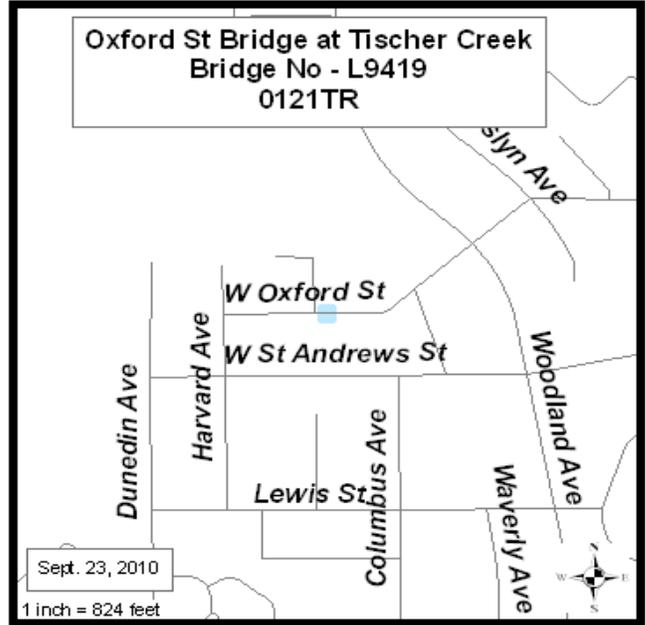
Street Reconstruction & Bridge Projects

Project Title:

Oxford Street: Bridge L9419

Funding Source:

	FY 2013
State Bond	260,000
Prior Year PI	50,000
PROJECT TOTAL:	\$310,000



Project Title:

Oxford/Livingston/Glenwood Streets

Funding Source:

	FY 2011-2012
MSA	1,750,000
SA	215,000
Sewer	300,000
Storm	70,000
Water	250,000
PROJECT TOTAL:	\$2,585,000



Street Reconstruction & Bridge Projects

Project Title:

Rice Lake Raod

Funding Source:

	FY 2011
St Louis County	732,000
MSA	183,000
PROJECT TOTAL:	\$915,000

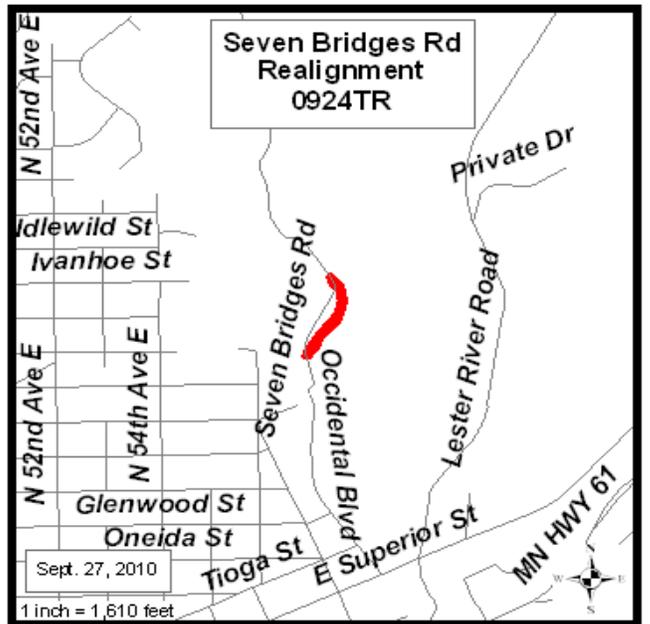


Project Title:

Seven Bridges Road

Funding Source:

	FY 2011
PI	100,000
PROJECT TOTAL:	\$100,000



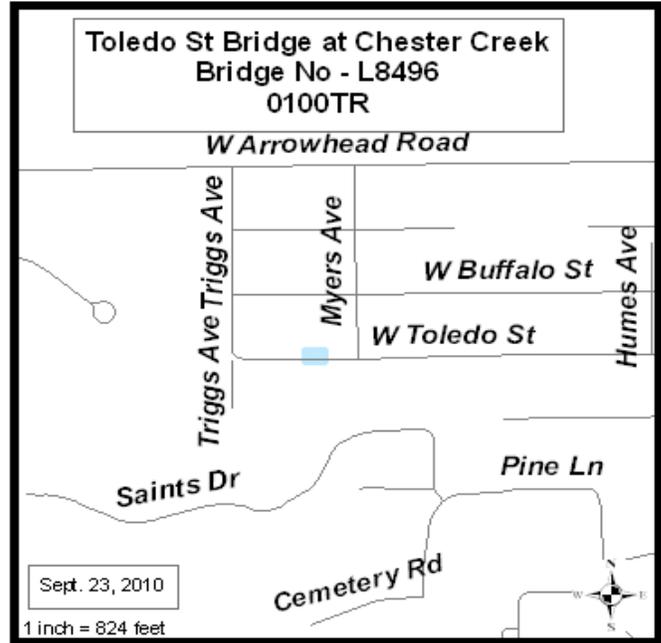
Street Reconstruction & Bridge Projects

Project Title:

Toledo Avenue Bridge L8496

Funding Source:

	FY 2013
State Bond	116,000
PI	24,000
PROJECT TOTAL:	\$140,000

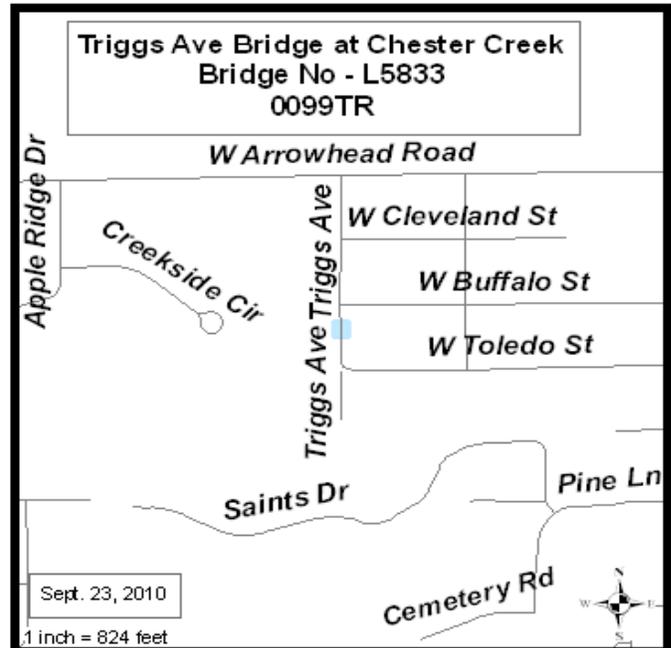


Project Title:

Triggs Avenue Bridge L5833

Funding Source:

	FY 2013
State Bond	116,000
PI	24,000
PROJECT TOTAL:	\$140,000



Street Reconstruction & Bridge Projects

Project Title:

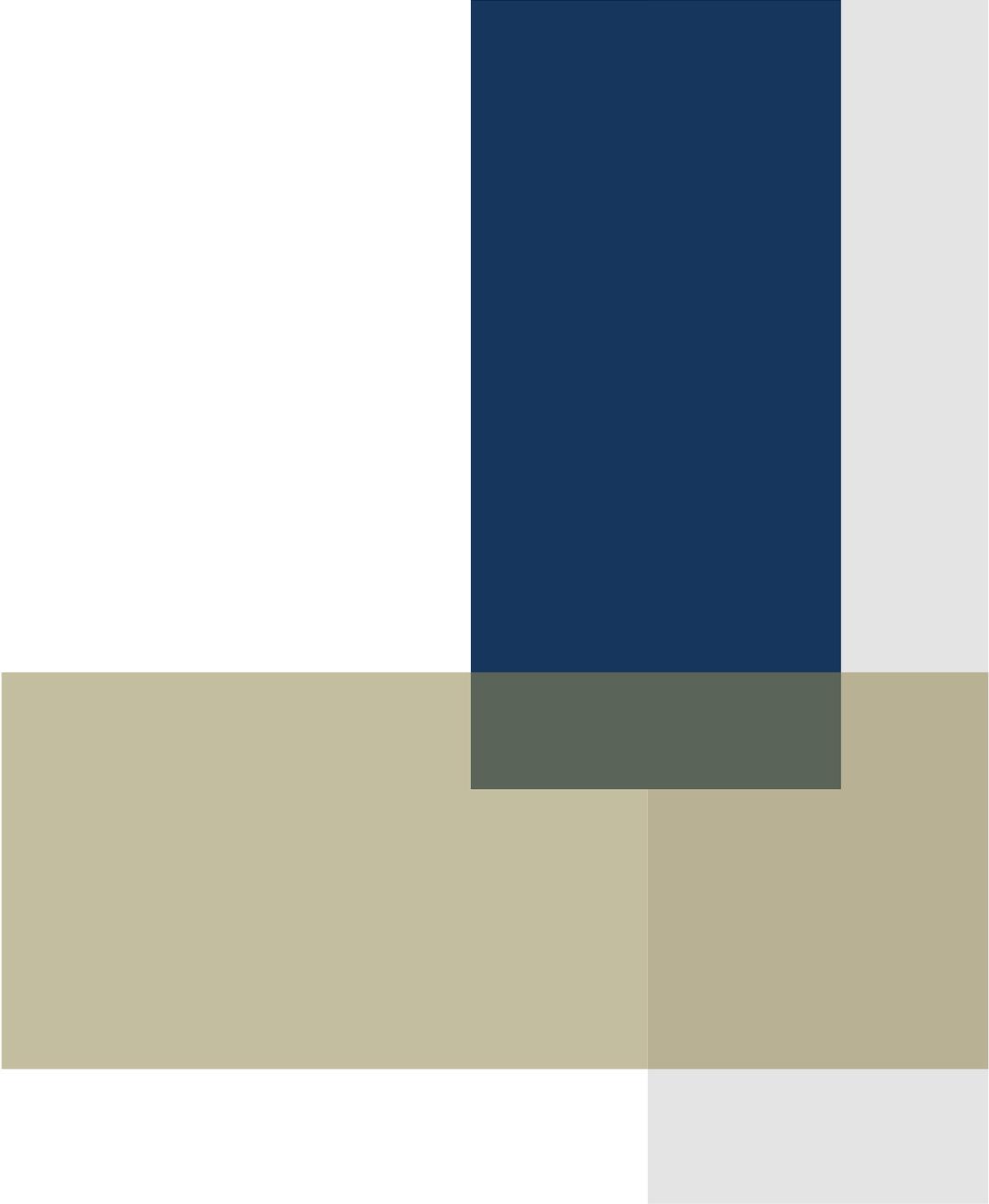
West First Street Reconstruction

Funding Source:

	<u>FY 2014-2015</u>
Federal	500,000
MSA	1,750,000
PROJECT TOTAL:	\$2,250,000



Capital Utility Projects



City of Duluth 2011-2015 Capital Improvement Program

Capital Utility Projects Summary

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

Projects	2011	2012	2013	2014	2015	Total
Water	1,075,000	755,000	825,000	725,000	725,000	4,105,000
Gas	868,000	878,000	818,000	618,000	618,000	3,800,000
Sewer	900,000	1,030,000	1,150,000	1,150,000	1,150,000	5,380,000
Stormwater	475,000	655,000	505,000	475,000	475,000	2,585,000
Brewery & Grays Creek	250,000	250,000	250,000	250,000	250,000	1,250,000
Highland Storage Tank	3,200,000					3,200,000
Pump Station Improvements		2,000,000	2,000,000			4,000,000
Transmission Lines		3,700,000	1,900,000			5,600,000
Total	6,768,000	9,268,000	7,448,000	3,218,000	3,218,000	29,920,000

Funding	2011	2012	2013	2014	2015	Total
Water Improvement Bonds	3,550,000	5,700,000	3,900,000			13,150,000
Water - Current Revenue	725,000	755,000	825,000	725,000	725,000	3,755,000
Gas - Current Revenue	868,000	878,000	818,000	618,000	618,000	3,800,000
Sewer - Current Revenue	900,000	1,030,000	1,150,000	1,150,000	1,150,000	5,380,000
Stormwater - Current Revenue	725,000	905,000	755,000	725,000	725,000	3,835,000
Total	6,768,000	9,268,000	7,448,000	3,218,000	3,218,000	29,920,000

City of Duluth 2011-2015 Capital Improvement Program

Capital Utility Projects - Water Annual Infrastructure

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

Project	2011	2012	2013	2014	2015	Total
Pump Station Studies	50,000					50,000
Main Loop Construction	25,000	25,000	25,000	25,000	25,000	125,000
Lakewood Switchgear	300,000					300,000
Highland Storage Tank	3,200,000					3,200,000
Water Main Replacement	700,000	450,000	700,000	700,000	700,000	3,250,000
Reservoir Security		100,000	100,000			200,000
Pump Station		2,000,000	2,000,000			4,000,000
Transmission Line		3,700,000	1,900,000			5,600,000
Miscellaneous Projects		180,000				180,000
Total	4,275,000	6,455,000	4,725,000	725,000	725,000	16,905,000

Funding	2011	2012	2013	2014	2015	Total
Water - Current Revenue	725,000	755,000	825,000	725,000	725,000	3,755,000
Water Improvement Bond	3,550,000	5,700,000	3,900,000			13,150,000
Total	4,275,000	6,455,000	4,725,000	725,000	725,000	16,905,000

City of Duluth 2011-2015 Capital Improvement Program

Capital Utility Projects - Gas Annual Infrastructure

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

Project	2011	2012	2013	2014	2015	Total
Gas Main Replacements	50,000	50,000	50,000	50,000	50,000	250,000
Gas Main Extensions	320,000	320,000	320,000	320,000	320,000	1,600,000
Meter Set Painting	48,000	48,000	48,000	48,000	48,000	240,000
Miscellaneous Projects	450,000	460,000	400,000	200,000	200,000	1,710,000
Total	868,000	878,000	818,000	618,000	618,000	3,800,000

Funding	2011	2012	2013	2014	2015	Total
Gas - Current Revenue	868,000	878,000	818,000	618,000	618,000	3,800,000

City of Duluth 2011-2015 Capital Improvement Program

Capital Utility Projects - Sanitary Sewer Annual Infrastructure

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

Project	2011	2012	2013	2014	2015	Total
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
Sanitary Sewer Rehab/Relin	450,000	450,000	750,000	750,000	750,000	3,150,000
Lift Station Improvements	400,000	350,000	350,000	350,000	350,000	1,800,000
Miscellaneous Projects		180,000				180,000
Total	900,000	1,030,000	1,150,000	1,150,000	1,150,000	5,380,000

Funding	2011	2012	2013	2014	2015	Total
Sewer Current Revenue	900,000	1,030,000	1,150,000	1,150,000	1,150,000	5,380,000
Total	900,000	1,030,000	1,150,000	1,150,000	1,150,000	5,380,000

City of Duluth 2011-2015 Capital Improvement Program

Capital Utility Projects - Stormwater Annual Infrastructure

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

Project	2011	2012	2013	2014	2015	Total
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
Miscellaneous Projects	175,000	355,000	205,000	175,000	175,000	1,085,000
Storm Sewer Replacement	250,000	250,000	250,000	250,000	250,000	1,250,000
Brewery & Gray's Creek	250,000	250,000	250,000	250,000	250,000	1,250,000
Total	725,000	905,000	755,000	725,000	725,000	3,835,000

Funding	2011	2012	2013	2014	2015	Total
Stormwater - Current Rever	725,000	905,000	755,000	725,000	725,000	3,835,000

City of Duluth 2011-2015 Capital Improvement Program

Capital Utility Projects

Project Title:

Transmission Line

Funding Source:

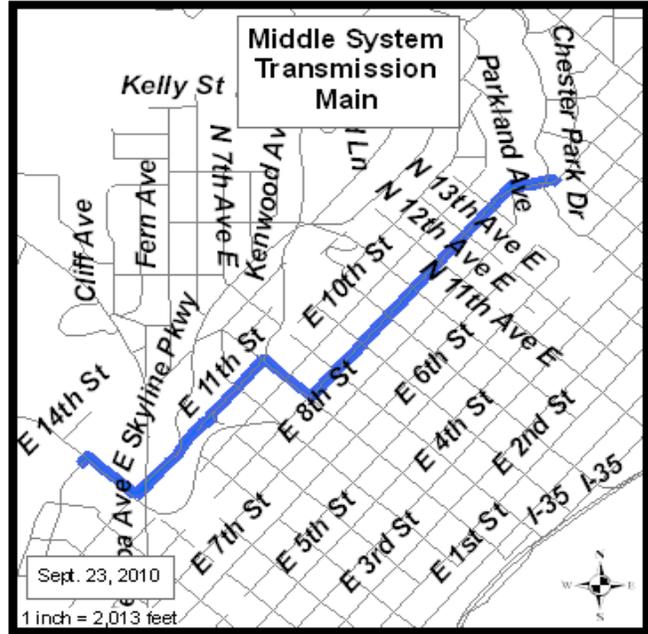
FY 2012

Water Bond

1,900,000

PROJECT TOTAL:

\$1,900,000



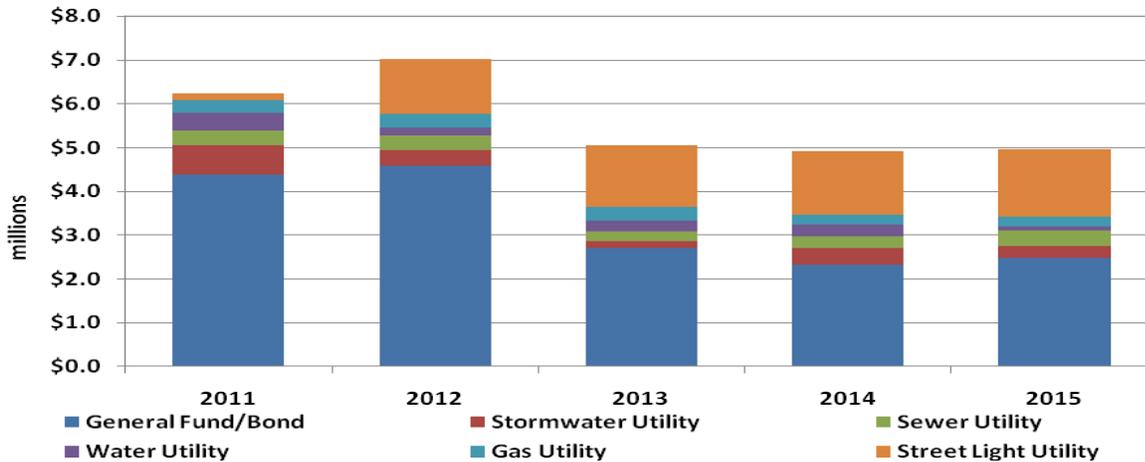
CAPITAL EQUIPMENT

Rolling Stock Bond
Non-rolling Stock Bond
Utility Funds

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. \$28.19 million is proposed in this plan for the period of 2011 through 2015. Of that total, equipment for the General Fund is \$16.47 million to be financed with bonds. The balance of \$11.72 million is proposed for the combined utility funds of Water, Gas, Stormwater, Sewer, and Street Lighting. Shown in the chart below are the various funding sources by year for the plan.



	2011	2012	2013	2014	2015	Total
General Fund/Bond	4,380,000	4,576,300	2,706,700	2,318,000	2,491,000	16,472,000
Stormwater	676,000	361,100	148,650	377,750	250,500	1,814,000
Sewer	341,000	333,100	232,750	276,750	368,100	1,551,700
Water	390,300	197,500	248,100	278,450	97,100	1,211,450
Gas	292,300	308,300	314,500	219,050	206,300	1,340,450
Street Light	150,000	1,250,000	1,400,000	1,450,000	1,550,000	5,800,000
Total Plan	\$ 6,229,600	\$ 7,026,300	\$ 5,050,700	\$ 4,920,000	\$ 4,963,000	\$ 28,189,600

2011 Proposed Equipment

The City is proposing a total of \$6.23 million in capital equipment expenditures for 2011. This includes equipment for General Fund operating departments and the five city utilities named above. The General Fund portion is \$4.38 million to be financed with bonds and \$1.85 million for equipment for the utilities to be paid for out of current year revenues.

For General Fund departments, the City Council has approved the purchase of \$2.53 million in rolling stock vehicles – the largest single equipment purchase being a fire truck for \$850,000; repair of a tower truck for \$250,000; police vehicles totaling \$200,000; and Maintenance/Engineering equipment totaling \$1.23 million. The non-rolling stock equipment plan of \$1.85 million approved by City Council for 2011 includes \$1.44 million for technology improvements and replacements; \$250,000 for the city's match for a Port Security grant for the police and fire communication conversion required by the FCC; \$120,000 for expanding the City's microwave system; plus \$40,000 for equipment for the Architect's Office and the Library.

The breakdown of equipment for the utility funds is \$233,600 for non-rolling stock equipment and the balance of \$1.62 million for rolling stock vehicles for a total of \$1.85 million for 2011.

City of Duluth 2011-2015 Capital Equipment Program

General Fund Rolling Stock Vehicles

	2011	2012	2013	2014	2015
Fire Department					
Fire Truck Apparatus/Trucks	850,000	880,000	600,000	535,000	535,000
Tower Truck Repair	250,000				
Subtotal Fire Department	1,100,000	880,000	600,000	535,000	535,000
Police Department					
Police Vehicles	200,000	600,000	550,000	575,000	750,000
Subtotal Police Department	200,000	600,000	550,000	575,000	750,000
Maintenance Operations					
Facilities Management					
1-Ton Cargo Van			38,000	38,000	37,000
1-Ton 4x4 Truck		38,000	40,000	40,000	40,000
2-Ton Tow Vehicle Utility Truck		40,000			
Mid-size Truck		25,000			
Trailers and Tampers	15,000		4,000		
Skidsteer Attachments Trailer	20,000		30,000		
Subtotal Facilities Management	35,000	103,000	112,000	78,000	77,000
Street Maintenance					
Pick-up 3/4-Ton Ext Cab 4x4		60,000			120,000
Construction Truck and Van		83,000			
1-Ton Dump Truck	240,000		116,000		116,000
Tandem Dump Truck		145,000			
Sander Trucks		420,000	140,000	280,000	280,000
Sander with RDS		160,000	320,000	320,000	
Flusher Retrofits	80,000				
Single Axle Plow Trucks	510,000		170,000	340,000	
Wheel Loader		185,000			370,000
Wing Plows	42,000				
Compactor	45,000		45,000		
Skid Steer					
Pavement Ski	20,000				
Small Trailer			11,000		
Subtotal Street Maintenance	937,000	1,053,000	802,000	940,000	886,000
Park Maintenance					
Pick-up 3/4-Ton		37,000			
1-Ton Truck w/plow	68,000		68,000	70,000	
Utility Trailer					68,000
Log Truck		165,000			
Utility Van/Vehicle			17,300	16,500	33,000
Various Mowers	99,000	16,500	32,000	16,500	
Skid Steer Wheel Loader		42,000	42,000	52,000	
Trail Groomer			212,000		
Sidewalk Cleaner					142,000
Subtotal Park Maintenance	167,000	260,500	371,300	155,000	243,000
Traffic Maintenance					
Pick-up 3/4-Ton 4x4	35,000			35,000	
Subtotal Traffic Maintenance	35,000	0	0	35,000	0
Subtotal Maintenance Operations	1,174,000	1,416,500	1,285,300	1,208,000	1,206,000
Transportation Engineering					
Pick-up 3/4-Ton	54,000				
General Fund Rolling Stock Total	\$ 2,528,000	\$ 2,896,500	\$ 2,435,300	\$ 2,318,000	\$ 2,491,000

City of Duluth 2011-2015 Capital Equipment Program

General Fund Non-Rolling Stock Equipment

	2011 Bond	2012 Bond	2013 Bond
MIS			
Data Center Modernization	63,500		
VoIP Phone Replacements	50,000	205,000	
Centralized Backup Solution	180,000		
Enterprise Wide PC replacements (desktop)	179,000		
Enterprise Wide PC replacements (laptop)	100,000		
Network Infrastructure Equipment Refresh	870,000		
Desktop Re-cabling Project		390,000	
Wireless Network Upgrade		155,000	
Help Desk Software		100,000	
Disaster Recovery - New Police Station		300,000	
City Clerk			
40 Voting Tabulators		260,000	
60 Electronic Pollbook Rosters		120,000	
Election Software upgrade		10,000	
City Architect			
1 Laser Printer - Color	3,000		
Large format scanner	10,000		
Revit software program (BIM)	8,000		
Library			
12 Computers		12,000	12,000
12 Monitors			
1 Self checkout machine	8,000		
1 Digital microform reader printer	11,000		11,000
Fire			
Port Grant match for emergency communications equipment	250,000		
Engineering			
CAD level computers		4,800	
Computers		200	1,600
Laptop		2,800	6,800
Radio Shop			
Expand Microwave System - 4 lengths	120,000	120,000	240,000
Total Proposed Non-Rolling Stock	1,852,500	1,679,800	271,400
TOTAL EQUIPMENT BOND PROPOSAL	\$ 4,380,500	\$ 4,576,300	\$ 2,706,700

City of Duluth 2011-2015 Capital Equipment Program

Utility Funds Equipment

	2011	2012	2013	2014	2015
Water Fund					
Cars/Pick-ups	75,750	22,500	65,700	50,550	
Trucks/Vans	22,400	42,000	19,600	135,900	19,600
Dump Trucks		116,000	87,000	87,000	72,500
Backhoe/Loader	78,750				
Other Rolling Stock	146,400	12,000	70,800		
Non-Rolling Capital Equipt.	67,000	5,000	5,000	5,000	5,000
Subtotal Water Fund	390,300	197,500	248,100	278,450	97,100
Gas Fund					
Cars/Pick-ups	86,250	24,500	50,100	37,950	42,000
Trucks/Vans	89,600	86,800	53,200	118,100	86,800
Dump Trucks		174,000	58,000	58,000	72,500
Backhoe/Loader	26,250				
Other Rolling Stock	81,600	18,000	148,200		
Non-Rolling Capital Equipt.	8,600	5,000	5,000	5,000	5,000
Subtotal Gas Fund	292,300	308,300	314,500	219,050	206,300
Sewer Fund					
Cars/Pick-ups	6,000	75,000	12,150	21,750	
Trucks/Vans		5,600	47,600		55,600
Dump Trucks				145,000	72,500
Vactors	325,000	162,500			
Backhoe/Loader				105,000	
Other Rolling Stock	6,000	85,000	168,000		235,000
Non-Rolling Capital Equipt.	4,000	5,000	5,000	5,000	5,000
Subtotal Sewer Fund	341,000	333,100	232,750	276,750	368,100
Stormwater Fund					
Cars/Pick-ups	6,000	15,000	4,050	12,750	
Trucks/Vans		5,600	5,600	42,000	
Dump Trucks				145,000	72,500
Vactors	325,000	162,500			
Backhoe/Loader			105,000		
Street Sweeper	173,000	173,000		173,000	173,000
Other Rolling Stock	168,000		29,000		
Non-Rolling Capital Equipt.	4,000	5,000	5,000	5,000	5,000
Subtotal Stormwater Fund	676,000	361,100	148,650	377,750	250,500
Street Light Utility Fund					
LED/Induction Luminaire Conversions		1,100,000	1,250,000	1,300,000	1,400,000
Non-Rolling Capital Equipment	150,000	150,000	150,000	150,000	150,000
Subtotal Street Light Utility	150,000	1,250,000	1,400,000	1,450,000	1,550,000
Utility Funds Equipment Total	\$ 1,849,600	\$ 2,450,000	\$ 2,344,000	\$ 2,602,000	\$ 2,472,000

APPENDIX

FINANCE COMMITTEE

10-066-O

ORDINANCE NO. _____

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION
FOR GENERAL PURPOSES FOR THE YEAR 2011.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. The sum to be raised by taxation for the year 2011 for general operations is hereby determined to be the sum of \$17,791,500 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. There will be levied for the support of the general fund the sum of \$11,469,800.

Section 3. For the pay of debt, there will be levied for the general obligation debt fund the sum of \$5,899,600.

Section 4. That pursuant to laws of Minnesota 1971, Chapter 824, to pay for the portion of the cost of local improvements which will not sustain a special assessment, there will be levied for the permanent improvement fund the sum of \$422,100.

Section 5. That this ordinance shall take effect January 1, 2011.

BUDGET PS:rb 11/29/2010

STATEMENT OF PURPOSE: This resolution sets the property tax levy for the year 2011 and matches the maximum levy approved by council in September.

FINANCE COMMITTEE

10-067-O

ORDINANCE NO. _____

AN ORDINANCE SETTING THE BUDGET FOR THE FISCAL YEAR 2011 APPROPRIATION 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, 2011, 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 designated 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 \$3,614,400 from the gas and steam public utility funds to the general fund for administrative services; comprised of \$3,493,400 or seven percent of the gross revenues of the gas utility fund to the general fund; and \$121,000 from public utility steam fund to the general fund.

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

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

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

Section 6. That the city auditor be authorized to make temporary loans to and from the

city's various funds as needed in the conduction of the day-to-day operations of the city.

Section 7. That the appropriations as set forth in this section constitutes the budget of the city of Duluth for the calendar year of 2011.

GENERAL FUND		
110	Legislative and executive - total	\$3,464,900
117	Management information systems - total	\$2,675,700
121	Public administration - total	\$18,638,000
125	Finance - total	\$3,244,900
132	Planning and construction services - total	\$2,226,400
135	Business and development resources - total	\$677,600
150	Fire - total	\$13,254,900
160	Police - total	\$17,558,600
500	Public works - total	\$2,006,400
700	Transfers and other functions - total	\$11,200,600
	Total general fund	\$74,948,000

PUBLIC ENTERPRISE		
503	Golf fund - total	\$1,977,600
505	Parking fund - total	\$3,450,200

PUBLIC UTILITIES		
510	Water fund - total	\$12,278,600
520	Gas fund - total	\$43,376,700
530 and 532	Sewer and clean water fund - total	\$18,496,700
535	Stormwater fund - total	\$4,219,400
540	Steam fund - total	\$7,233,600
550	Street lighting - total	\$2,069,500

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

narrative form the reasons for any significant differences between the original approved and the modified budgets.

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

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

Section 10. That this ordinance shall take effect January 1, 2011.

BUDGET PS:rb 11/29/2010

STATEMENT OF PURPOSE: This resolution 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 2011 budget for the city's general fund; the six utility funds of water, gas, sewer, stormwater, steam and street lighting; and the two public enterprise funds of parking and golf. The budgets have been reviewed in a series of finance committee meetings over the past three months.

FINANCE COMMITTEE

10-069-O

ORDINANCE NO. _____

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL TAXING DISTRICT, DULUTH TRANSIT AUTHORITY, FOR THE YEAR 2011.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. The sum to be raised by taxation for the year 2011 for Duluth Transit Authority taxing district's operations is hereby determined to be the sum of \$1,316,900 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 \$1,316,900.

Section 3. That this ordinance shall take effect January 1, 2011.

BUDGET PS:rb 11/29/2010

STATEMENT OF PURPOSE: This ordinance sets the proposed property tax levy for the year 2011 for the special taxing district, Duluth Transit Authority (DTA). Although the transit authority is a special taxing district per Minnesota Statute 275.066, the city is obligated through council action to levy on their behalf.

The full levy allowable by law in Minnesota State Statute 485A.31 of .07253 percent of market value for 2011 is \$3,985,400. The DTA, in reviewing their needs for 2011 however, is opting not to request the full levy available. Instead, the DTA is requesting \$1,316,900 for the seventh consecutive year.

FINANCE COMMITTEE

10-0590R

RESOLUTION DISTRIBUTING THE ESTIMATED 2011 TOURISM TAXES OF HOTEL-MOTEL AND FOOD AND BEVERAGE.

CITY PROPOSAL:

RESOLVED, that the 2011 tourism taxes of hotel-motel and food and beverages, as estimated, be distributed in the following manner:

	3% Hotel-Motel	1% Hotel-Motel	2.25% Food & Beverage	Add'l 2.5% Hotel-Motel	Total
Visit Duluth	538,600	178,600	596,000	167,600	\$ 1,480,800
DECC Amsoil Arena Debt Service			1,344,300		\$ 1,344,300
DECC	1,000,400				\$ 1,000,400
Transfer to General Fund	81,000	260,100	300,000	96,800	\$ 737,900
DECC Expansion Debt Service			720,400		\$ 720,400
Lake Superior Zoo Fund			413,800	106,200	\$ 520,000
Spirit Mountain Debt/Capital				350,000	\$ 350,000
Great Lakes Aquarium		16,800	184,000	99,200	\$ 300,000
Reserve for Debt Service			175,800	50,800	\$ 226,600
Lake Superior Center Debt Service				201,200	\$ 201,200
Business Improvement District			200,000		\$ 200,000
Heritage and Arts Center		81,500	56,100	14,200	\$ 151,800
Capital Projects - Enger Tower				100,000	\$ 100,000
Rail Alliance				40,000	\$ 40,000
Duluth Public Arts Commission			20,000	10,000	\$ 30,000
Sister Cities			10,000	10,000	\$ 20,000
Reserve for Capital Projects				14,000	\$ 14,000
Undesignated Fund Balance			12,600		\$ 12,600
TOTALS	1,620,000	537,000	4,033,000	1,260,000	\$ 7,450,000

BUDGET PS/cb/rb 11/15/2010

STATEMENT OF PURPOSE: This resolution distributes the 2011 estimated tourism taxes to various agencies as determined by Minnesota State Statutes or city policy. Revenue is projected to increase by 3.5%, or \$249,000 over the 2010 budget due to local trends.

The allocation to the DECC is increasing \$43,300 due to the increase in projected revenue and based on state law requiring the city to allocate 61.75 percent of the three percent hotel-motel tax.

The Visit Duluth allocation will also increase per the allocation method approved in the latest proposed contract between the agency and the city. The increase for 2011 is \$52,800 above 2010.

The Great Lakes Aquarium allocation is increasing \$50,000 for operating expenses, and Spirit Mountain is increasing \$75,000 for capital.

FINANCE COMMITTEE

10-0596R

RESOLUTION ESTABLISHING ANNUAL BONDING PLAN FOR 2011.

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 2011:

General obligation bonds and notes to be issued in 2011	\$11,409,265
General obligation bonds and notes to be retired in 2011	
Scheduled general obligation bonds anticipated	
to mature and be retired	\$15,892,083
General obligation bonds anticipated to be	
called and retired with CIT funds	<u>\$2,045,000</u>
Total Anticipated general obligation	
bond retirements for 2011	<u>\$17,937,083</u>
Net anticipated increase (decrease) in general	
obligation bonding for 2011	<u>(\$6,527,818)</u>

FINANCE WP/rb 12/09/2010

STATEMENT OF PURPOSE: This resolution sets forth the City's estimated bond and note issuances and repayments for the year 2011 as required by Section 20-33 of the City Code. The City estimates its bonding activity in 2011 will result in a net decrease of \$6.5 million in the amount of the City's general obligation, outstanding debt during 2011.

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.

FINANCE COMMITTEE

10-0598R

RESOLUTION APPROVING CAPITAL IMPROVEMENT PLAN AND CALLING FOR PUBLIC HEARING ON INTENTION TO ISSUE GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS UNDER MINNESOTA STATUTES, SECTION 475.521.

CITY PROPOSAL:

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

Section 1. Capital improvement plan.

1.01 (a) Under and pursuant to Minnesota Statutes, Section 475.521 (the "Act"), the Council has authorized preparation of a capital improvement plan for the years 2011 through 2015 which has been presented to the Council in the section entitled "Capital Improvement Bond Summary" in the document entitled "2011-2015 Capital Improvement Plan-Capital Budget and Plan" (the "Plan");

(b) The Council has caused due notice to be given and has held on December 6, 2010, a public hearing as required by the Act, to provide an opportunity for residents to express their views on the Plan;

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

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

(2) The likely demand for the improvement;

(3) The estimated cost of the improvement;

(4) The available public resources;

(5) The level of overlapping debt in the City;

(6) The relative benefits and costs of alternative uses of the funds;

(7) Operating costs of the proposed improvements; and

(8) Alternatives for providing services more efficiently through shared facilities

with other cities or local government units.

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

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

1.03 The Plan is approved.

Section 2. Intent to issue bonds.

2.01 (a) The Council is considering the issuance of general obligation capital improvement bonds under the Act and Minnesota Statutes, Chapter 475, in an amount not to exceed \$2,275,000 (the "Bonds"), for the purpose of providing funds for the acquisition and betterment of the following projects: improvements to eligible facilities under the Act, to buildings citywide including furnace and boilers, a storage building, security and entry systems and facility needs priorities related to energy improvements; improvements to city hall including remodeling projects and window replacements; improvements to fire department facilities including remodeling and window replacements; a new public safety communications system; an upgrade of the library's mechanical systems; and payment of discount and costs of issuance;

(b) The City hereby expresses its intent to issue the Bonds for the projects in an aggregate principal amount not to exceed \$2,275,000, pursuant to the Plan, the Act and Minnesota Statutes, Chapter 475;

(c) The City will issue the Bonds if no petition requesting a vote on the issuance of the Bonds signed by voters equal to five percent of the votes cast in the City in the last general election is filed with the city clerk within 30 days after the date of the public hearing described in Section 2.02 of this resolution.

2.02 The Council shall hold a public hearing on the issuance of the Bonds at 7:00 p.m. on January 10, 2011. The city clerk is authorized and directed to cause the notice of public hearing, substantially in the form on file in the office of the city clerk as Public Document No. _____, to

be published in the official newspaper of the City or a newspaper of general circulation in the jurisdiction of the City not less than 14 days nor more than 28 days prior to the date set for the public hearing.

2.03 The administrative staff of the City and its agents are hereby authorized to take such further action necessary to carry out the intent and purpose of this resolution and the requirements of the Act.

FINANCE RET:CW:rb 11/23/2011

STATEMENT OF PURPOSE: This resolution approves the 2011-2015 capital improvement plan and calls for a public hearing on the intention to issue improvement bonds, in the maximum amount of \$2,275,000 (\$2,164,500 for project costs and the balance available for costs of issuance and discount).

FINANCE COMMITTEE

10-0599R

RESOLUTION OF THE CITY OF DULUTH, MINNESOTA, STATING THE INTENT TO ISSUE GENERAL OBLIGATION CAPITAL EQUIPMENT NOTES, SERIES 2011, AND APPROVING THE CAPITAL EQUIPMENT LIST ASSOCIATED WITH THE NOTES IN THE APPROXIMATE AMOUNT OF \$4,550,000.

CITY PROPOSAL:

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

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

Section 2. The Council declares the intent of the City to issue capital equipment notes in 2011 in an amount up to \$4,380,000 to finance the purchase of capital equipment authorized by the act, together with an additional amount to pay costs of issuance of the capital equipment notes and discount in an amount estimated to be not more than \$170,000.

Section 3. The capital equipment to be financed includes those items of equipment set forth on the list (Public Document No. _____), which list of equipment is hereby approved for purchase in 2011.

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

Section 5. This resolution constitutes a declaration of official intent under Treasury Regulations Section 1.150-2. The City reasonably expects to acquire all or a portion of the capital equipment prior to the issuance of the capital equipment notes and to reimburse expenditures incurred with respect to such capital equipment purchase program with the proceeds of the capital equipment notes.

FINANCE RET:CW:rb 11/23/2011

STATEMENT OF PURPOSE: This resolution states the City's intent to issue general obligation capital equipment notes in 2011 to finance the purchase of capital equipment. It further approves the capital equipment list as items to be financed in 2011 in an amount up to \$4,380,000 plus an additional amount for costs of issuance and discount.

FINANCE COMMITTEE

10-0611R

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2011, TO DECEMBER 31, 2011, OPERATION BUDGET OF THE DULUTH AIRPORT AUTHORITY.

CITY PROPOSAL:

RESOLVED, that the operation budget for the fiscal year January 1, 2011, to December 31, 2011, in the amount of \$3,832,150 for 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 15 of each year.

BUDGET PS:rb 11/29/2010

STATEMENT OF PURPOSE: This resolution adopts the 2011 operating budget for the Duluth airport authority. The finance committee reviewed the Duluth airport authority budget at its November 8, 2010, meeting. The 2011 budget represents an increase of \$49,150 or 1.3 percent over the 2010 budget.

Listing of City Officials

ELECTED OFFICIALS

Mayor – Don Ness

January 2008 to January 2012

Councilors at Large

Gary	Eckenberg	January 2008	to	January 2010
Tony	Cuneo	January 2008	to	January 2012
Jeff	Anderson	January 2008	to	January 2012
James	Stauber	January 2002	to	January 2010

District Councilors

1	Todd Fedora	January 2008	to	January 2012
2	Greg Gilbert	January 1998	to	January 2010
3	Sharla Gardner	January 2008	to	January 2012
4	Garry Krause	January 2006	to	January 2010
5	Jay Fosle	January 2008	to	January 2012

APPOINTED OFFICIALS

Chief Administrative Officer

David Montgomery

City Attorney

Gunnar Johnson

City Department Heads

Chief Finance Officer	Adele Hartwick
Public Administration	Lisa Potswald
MIS	Paul Johnson
Business & Comm Dev	Brian Hanson
Fire	John Strongitharm
Police	Gordon Ramsay
Public Works & Utilities	Jim Benning

Authorities Directors

Airport	Brian Rykes
DECC	Daniel Russell
DTA	Dennis Jensen
Spirit Mountain	Renee Mattson

Charter Positions

Assessor	John Gellatly
Auditor	Wayne Parson
Clerk	Jeffrey Cox
Treasurer	Brian Hansen

Duluth at a Glance

General Information

Duluth is the seat of St. Louis County, the largest city in the northern two-thirds of Minnesota, and the third largest city in the state. It is located at 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. Duluth's population exceeds 85,000 and contributes to a market area of more than 500,000 including Northern Minnesota, Norwest Wisconsin, Upper Michigan and Lower Ontario.

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

Form of Government

Duluth was organized as a township in 1857; incorporated as a city March 5, 1870; under Special Laws of Minnesota for 1870; returned to a village October 2, 1877; and rechartered as a city March 2, 1887, under Special Laws of Minnesota for 1887.

Duluth adopted its first home-rule charter in March 1900. This charter provided for the Mayor-Alderman form of government.

On December 3, 1912, the voters of the City of Duluth voted out the 1900 charter and replaced it with the 1912 Home Rule Charter - that is, the Commission form of government which went into effect on April 14, 1913.

The Commission form of government ended on June 11, 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 20, 1956, amended September 8, 1964.

Main Services Provided by the City of Duluth

- Airport Facility
- Duluth Entertainment and Convention Center (DECC)
- Building and Housing Inspection
- Fire and Police Protection
- Library Services
- Natural Gas Utility and Water Supply
- Planning and Business Development Support
- Recreation, Parks, Golf Courses, Ski Facility, Zoo
- Sewer Maintenance
- Street Lighting and Street Maintenance
- Transit Support

STATISTICAL INFORMATION

The Statistical section of the Appendix provides information on the property tax levy; demographic and economic data on the community; and finally, information on city operations, services, and infrastructure.

Assessed and Estimated Taxable Market Value of Property - Ten Year History

Fiscal Year Ended Dec 31	Real Estate			
	Residential		Commercial	
	Estimated Market Value	Tax Capacity	Estimated Market Value	Tax Capacity
2001*	2,206,052,200	25,102,366	527,197,900	16,141,177
2002	2,477,595,400	23,719,895	583,024,800	10,453,000
2003	2,725,278,200	25,641,929	602,397,500	10,482,303
2004	3,351,249,500	29,833,979	642,098,600	12,109,770
2005	3,972,632,500	35,109,144	760,035,800	14,421,069
2006	4,114,469,300	39,255,023	822,511,200	15,028,434
2007	4,200,391,700	41,880,176	880,587,500	16,128,121
2008	4,456,568,100	44,910,418	909,880,320	16,677,463
2009	4,617,041,700	46,697,414	1,009,119,300	18,491,015
2010	4,542,850,233	48,956,915	1,026,182,900	21,309,642

Fiscal Year Ended Dec 31	Personal Property			
	Residential		Commercial	
	Estimated Market Value	Tax Capacity	Estimated Market Value	Tax Capacity
2001*	15,782,000	159,627	61,189,500	2,152,839
2002	16,271,300	162,086	65,996,400	1,306,895
2003	16,922,200	168,654	64,502,300	1,278,679
2004	17,023,600	169,124	70,268,600	1,392,633
2005	17,840,900	176,231	73,834,400	1,462,013
2006	18,899,500	186,310	81,333,600	1,611,889
2007	20,534,000	204,985	96,120,400	1,862,143
2008	26,367,500	237,933	94,106,400	1,521,098
2009	28,544,000	284,456	75,270,300	1,435,859
2010	30,165,000	378,816	78,621,200	1,544,328

Fiscal Year Ended Dec 31	Total			
	Estimated Market Value	Tax Capacity	% of Total Tax Cap to	
	Value	Tax Capacity	Total Est.	Tax Rate
2001*	2,810,221,600	43,556,009	1.55%	0.26405
2002	3,142,887,900	35,641,876	1.13%	0.28976
2003	3,409,100,200	37,571,565	1.10%	0.29027
2004	4,080,640,300	43,505,506	1.07%	0.26866
2005	4,824,343,600	51,168,457	1.06%	0.24215
2006	5,037,213,600	56,081,656	1.11%	0.22183
2007	5,197,633,600	60,075,425	1.16%	0.22939
2008	5,486,922,320	63,346,912	1.15%	0.23259
2009	5,729,975,300	66,908,744	1.17%	0.25403
2010	5,677,819,333	72,189,701	1.27%	0.26331

* 2001 Tax Reform lowered the tax capacity rates on most classes of property.

STATISTICAL INFORMATION

Property Tax Rates Direct and Overlapping Government - Ten Year History

Fiscal Year	City		Overlapping Rates			Total Direct & Overlapping Rates
	Operations	Debt Service	Schools	County	Special	
2001	0.16391	0.10014	0.46084	0.65924	0.01778	1.40191
2002	0.16673	0.12303	0.18180	0.87363	0.04860	1.39379
2003	0.17070	0.11957	0.14816	0.81464	0.05631	1.30938
2004	0.16861	0.10005	0.11778	0.77282	0.06810	1.22736
2005	0.15770	0.08445	0.11405	0.67545	0.06902	1.10067
2006	0.15126	0.07057	0.10994	0.63330	0.06576	1.03083
2007	0.14780	0.08159	0.10881	0.63013	0.06615	1.03447
2008	0.14743	0.08516	0.20874	0.59190	0.06298	1.09621
2009	0.16193	0.09210	0.20940	0.57645	0.06497	1.10485
2010	0.18050	0.08281	0.20971	0.55365	0.05654	1.08321

* Tax Capacity Rate (per \$1 of Tax Capacity Value)

Source: St. Louis County web site

Unaudited

Principal Property Taxpayers—Current compared to 2001

Taxpayer	Type of Business	2010			2001		
		Estimated Market Value	Rank	% of Total Est Mkt Value	Estimated Market Value	Rank	% of Total Est Mkt Value
Minnesota Power	Electric utility	111,944,600	1	1.97%	79,193,000	1	2.82%
Simon Property, Inc.	Shopping mall	66,156,700	2	1.17%	23,161,400	3	0.82%
St. Mary's Med Center / Duluth Clinic	Healthcare / hospital	50,678,000	3	0.89%	22,521,000	4	0.80%
Bowman Properties	Apartments	36,833,000	4	0.65%	-		
D M & I R Railroad	Railroad	33,109,900	5	0.58%	8,384,400	5	0.30%
IRET Properties	Property management	25,525,900	6	0.45%	-		
StoraEnso North America	Paper mill	22,445,100	7	0.40%	42,742,600	2	1.52%
Whitebox Commodities Holdings Corp	Grain elevators	18,334,000	8	0.32%	-		
ZMC Hotels	Hotels	16,596,400	9	0.29%	-		
Tech Village	Office/Tech building	11,921,200	10	0.21%	-		
US Bank	Bank/Office building	-			7,692,600	6	0.27%
Home Depot	Retail/Developer	-			7,192,700	7	0.26%
Bradley Operating Limited	Strip mall	-			6,726,600	8	0.24%
JMM Limited Partnership	Retail/Hotel	-			6,406,000	9	0.23%
Burlington Northern	Railroad	-			5,564,600	10	0.20%
		<u>\$ 393,544,800</u>		<u>6.93%</u>	<u>\$ 209,584,900</u>		<u>7.46%</u>

Source: City Assessor

Unaudited

STATISTICAL INFORMATION

Property Tax Rates Direct and Overlapping Government - Ten Year History

Fiscal Year Ended Dec 31	Total Tax Levy For Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
1999	8,666,391	8,402,586	97.0%	346,412	8,748,998	101.0%
2000	8,795,700	8,560,631	97.3%	259,045	8,819,676	100.3%
2001	9,658,700	9,440,473	97.7%	224,849	9,665,322	100.1%
2002	9,038,100	8,889,198	98.4%	234,325	9,123,523	100.9%
2003	9,679,200	9,511,986	98.3%	176,896	9,688,882	100.1%
2004	10,153,500	9,872,757	97.2%	160,597	10,033,354	98.8%
2005	10,730,400	10,507,463	97.9%	157,785	10,665,248	99.4%
2006	11,102,100	10,839,881	97.6%	203,936	11,043,817	99.5%
2007	12,208,400	11,890,737	97.4%	224,420	12,115,157	99.2%
2008	13,543,600	13,088,415	96.6%	249,172	13,337,587	98.5%
2009	15,437,800	14,893,155	96.5%	286,524	15,179,679	98.3%
2010	17,176,100	15,565,507	90.6%	-	15,565,507	90.6%

Property Tax Levies and Calculations - Ten Year History

Fiscal Year Ended Dec 31	Total Tax Levy for Fiscal Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent		Amount	Percent
1999	8,666,391	8,402,586	97.0%	346,412	8,748,998	101.0%
2000	8,795,700	8,560,631	97.3%	259,045	8,819,676	100.3%
2001	9,658,700	9,440,473	97.7%	224,849	9,665,322	100.1%
2002	9,038,100	8,889,198	98.4%	234,325	9,123,523	100.9%
2003	9,679,200	9,511,986	98.3%	176,896	9,688,882	100.1%
2004	10,153,500	9,872,757	97.2%	160,597	10,033,354	98.8%
2005	10,730,400	10,507,463	97.9%	157,785	10,665,248	99.4%
2006	11,102,100	10,839,881	97.6%	203,936	11,043,817	99.5%
2007	12,208,400	11,890,737	97.4%	224,420	12,115,157	99.2%
2008	13,543,600	13,088,415	96.6%	249,172	13,337,587	98.5%
2009	15,437,800	14,893,155	96.5%	286,524	15,179,679	98.3%
2010	17,176,100	15,565,507	90.6%	-	15,565,507	90.6%

STATISTICAL INFORMATION

Demographic and Economic Statistics - Ten Year History

<u>Fiscal Year</u>	<u>Population</u>	<u>Total Personal Income</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2001	86,125	1,840,813,483	21,374	12,464	4.6%
2002	86,044	1,940,558,194	22,553	12,555	5.0%
2003	86,082	1,973,465,217	22,925	12,321	5.4%
2004	85,782	2,071,632,035	24,150	11,979	5.4%
2005	85,889	2,082,363,825	24,245	11,123	4.9%
2006	85,170	2,200,368,620	25,835	10,050	4.7%
2007	85,439	2,330,534,215	27,277	9,819	4.9%
2008	85,220	2,390,569,327	28,052	9,554	6.5%
2009	85,530	2,286,061,049	26,728	9,195	7.1%
2010	86,265 *	2,286,061,049 *	26,500	8,780	6.7%

Data sources:

The population figures are estimates of the State Demographer.

Total personal income is from the Minnesota 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 Minnesota Department of Economic Security.

*Estimates

Principal Employers—Current compared to 2001

Employer	Type of Business	2010			2001		
		Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Essentia Health (SMDC)	Healthcare / hospital	4,693	1	8.06%	5,169	1	8.93%
University of Minnesota - Duluth	Education	1,700	2	2.92%	1,453	5	2.51%
Uniprise (United Health Care)	Claims processing	1,634	3	2.81%	813	9	1.40%
St. Luke's Hospital	Healthcare / hospital	1,515	4	2.60%	1,700	3	2.94%
Independent School District No. 709	Education	1,426	5	2.45%	2,593	2	4.48%
Allete (Minnesota Power)	Electric utility	1,419	6	2.44%	-		
St. Louis County	Government	1,301	7	2.23%	1,553	4	2.68%
Duluth Air National Guard Base	Military	1,068	8	1.83%	-		
City of Duluth	Government	850	9	1.46%	960	7	1.66%
US Government	Government	850	10	1.46%	-		
State of Minnesota	Government				1,060	6	1.83%
U.S. Postal Service	Government				896	8	1.55%
Miller Dwan Medical Ctr	Healthcare				805	10	1.39%
		<u>16,456</u>		<u>28.26%</u>	<u>17,002</u>		<u>29.37%</u>

Source: Northland Connection's website

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

Unaudited

STATISTICAL INFORMATION

Operating Indicators by Function - Ten Year History

	Fiscal Year				
	2001	2002	2003	2004	2005
Police					
Criminal offences	17,839	17,928	17,610	16,352	9,659
Adult and juvenile arrests	4,755	6,805	4,503	4,042	3,329
Traffic violations	7,389	8,602	7,290	5,978	3,752
Parking violations	59,690	69,453	68,721	69,906	66,555
Fire					
Number of calls answered	6,759	6,944	7,015	7,193	7,462
Number of inspections conducted	3,000	3,140	3,500	1,200	1,200
Public works					
Construction permits:					
Permits issued	2,499	2,743	2,659	2,456	2,400
Estimated cost of construction during year	\$ 74,490,278	\$ 105,056,128	\$ 101,287,887	\$ 175,360,742	\$ 121,160,329
Culture and recreation					
Parks and recreation department					
Participation in special events	94,400	57,752	43,825	53,330	58,492
Participation in recreation	261,301	306,168	287,127	253,496	129,000
Zoo regular customers	114,000	113,982	116,862	107,227	93,870
Library					
Registered borrowers	79,442	77,580	59,080	63,851	49,011
Items in collection*	345,112	345,709	341,119	341,034	354,480
Items loaned	942,089	976,951	972,650	970,342	969,186
Library visits	443,941	509,147	490,182	493,181	480,173
Internet uses					
Reference/research questions answered**	190,261	197,796	230,310	237,517	226,222
Water					
Meters in service	27,265	27,459	27,572	27,696	27,809
Average number of gallons treated per month	551,560,000	531,922,500	562,962,000	537,703,000	514,360,000
Daily average consumption in gallons	18,141,408	17,947,726	15,214,250	17,630,000	16,910,466
Gas					
Meters in service	24,413	24,613	24,857	24,970	25,085
MMBTU sold	4,805,908	5,124,065	5,289,874	5,066,848	4,777,330
Sewer					
Number of service connections	28,835	28,835	28,835	28,835	28,840
Daily average treatment in gallons	16,500,000	16,500,000	16,500,000	16,500,000	14,580,000
Maximum daily capacity of treatment plant in gallons	86,570,000	86,570,000	86,570,000	86,570,000	86,570,000
Stormwater					
Cleaning storm sewer pipe (in feet)	28,845	24,052	19,734	40,535	14,448
Steam District #1					
Steam sold	333,314	333,657	363,175	353,808	376,485
Golf					
Season passes	1,256	1,195	1,231	1,159	1,037
Daily tickets	39,883	37,673	37,399	35,826	35,524
Carts	10,870	11,875	13,079	12,652	13,509
Rounds played	98,462	91,613	98,436	91,909	84,382

*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." Prior years included directional questions

Sources: Various government departments.

(continued)

STATISTICAL INFORMATION

Operating Indicators by Function - Ten Year History

	Fiscal Year				
	2006	2007	2008	2009	2010
Police					
Criminal offences	9,916	10,277	10,376	10,452	-
Adult and juvenile arrests	4,648	4,485	4,312	4,759	-
Traffic violations	6,184	3,344	2,951	2,153	5,241
Parking violations	76,095	62,556	49,498	54,953	57,537
Fire					
Number of calls answered	7,981	8,090	8,552	9,319	8,484
Number of inspections conducted	1,200	1,200	1,200	1,200	1,200
Public works					
Construction permits:					
Permits issued	2,080	3,117	2,757	2,362	2,026
Estimated cost of construction during year	\$ 194,794,123	\$ 93,080,667	\$ 115,091,545	\$ 113,965,408	\$ 238,186,019
Culture and recreation					
Parks and recreation department					
Participation in special events	48,510	47,143	59,353	42,858	48,896
Participation in recreation	129,998	117,118	112,826	36,217	31,905
Zoo regular customers	102,865	117,269	92,218	91,606	102,986
Library					
Registered borrowers	48,884	49,660	49,233	47,662	46,592
Items in collection*	355,668	359,805	344,302	620,941	620,101
Items loaned	969,972	969,756	901,128	881,268	929,161
Library visits	470,684	462,950	404,724	362,719	380,982
Internet uses	52,016	52,545	40,187	43,907	62,379
Reference/research questions answered**	231,445	194,604	250,756	67,460	80,678
Water					
Meters in service	27,948	28,087	28,016	27,950	30,317
Average number of gallons treated per month	518,865,000	527,489,906	514,647,500	516,805,833	481,950,833
Daily average consumption in gallons	17,058,575	17,342,134	16,919,918	16,973,333	15,844,958
Gas					
Meters in service	27,948	25,642	25,983	26,148	26,668
MMBTU sold	4,285,167	4,808,178	5,169,299	4,804,897	4,617,923
Sewer					
Number of service connections	28,845	28,845	28,845	28,845	28,845
Daily average treatment in gallons	14,780,000	13,150,675	15,249,900	13,740,000	14,859,000
Maximum daily capacity of treatment plant in gallons	86,570,000	86,570,000	86,570,000	86,570,000	86,570,000
Stormwater					
Cleaning storm sewer pipe (in feet)	10,599	9,409	21,254	23,358	14,734
Steam District #1					
Steam sold	422,651	436,966	465,717	441,808	403,085
Golf					
Season passes	1,046	1,005	928	1,023	1,024
Daily tickets	41,467	34,274	35,230	33,815	32,252
Carts	14,323	13,255	12,811	11,128	10,670
Rounds played	89,287	84,185	83,390	80,987	79,430

STATISTICAL INFORMATION

Capital Asset Statistics by Function - Ten Year History

	Fiscal Year				
	2001	2002	2003	2004	2005
Police					
Patrol units	76	78	81	75	92
Fire					
Fire stations	9	9	9	9	9
Public works					
Miles of streets and alleys:					
Miles of streets - paved	459.46	460.46	462.87	466.63	469.20
Miles of streets - unpaved	81.05	81.05	80.13	78.56	77.31
Miles of Sidewalk	380.60	380.60	380.77	380.83	381.33
Number of street lights:					
Ornamental lamps (no. of bulbs)	3,291	3,241	3,241	3,241	3,712
Overhead street lamps	3,740	3,740	3,740	3,740	3,727
Culture and recreation					
Parks and recreation department					
Number of parks	131	129	129	129	129
Park acreage	11,493	11,862	11,862	11,862	11,862
Number of ski hills	2	2	2	2	2
Number of municipal tennis courts	31	31	30	23	23
Community clubs/field houses operated	27	27	27	27	27
Number of athletic fields	39	39	39	39	39
Number of hiking trails	13	13	13	13	13
Library department					
Libraries/branches	3	3	3	3	3
Water					
Miles of water mains	397.67	397.85	403.38	406.24	408.22
Number of hydrants	2,199	2,196	2,231	2,279	2,363
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	458.30	465.30	478.50	482.20	488.30
Sewer					
Miles of sanitary sewers	419.94	420.81	420.81	404.00	408.00
Stormwater					
Miles of storm sewers	260.88	262.48	262.48	311.00	349.00
Steam District #1					
Miles of line	10.00	10.00	10.00	10.50	11.00
Golf					
Number of municipal golf courses	2	2	2	2	2

Sources: Various government departments.

(continued)

STATISTICAL INFORMATION

Capital Asset Statistics by Function - Ten Year History

	Fiscal Year				
	2006	2007	2008	2009	2010
Police					
Patrol units	87	96	95	91	91
Fire					
Fire stations	9	9	9	9	9
Public works					
Miles of streets and alleys:					
Miles of streets - paved	471.90	474.66	476.30	476.30	469.00
Miles of streets - unpaved	76.61	73.85	73.11	73.11	48.02
Miles of Sidewalk	382.56	382.56	382.56	382.56	277.00
Number of street lights:					
Ornamental lamps (no. of bulbs)	3,758	3,758	3,758	3,930	3,930
Overhead street lamps	3,732	3,732	3,732	3,657	3,665
Culture and recreation					
Parks and recreation department					
Number of parks	107	107	111	145	127
Park acreage	11,862	11,862	13,490	11,880	15,255
Number of ski hills	2	2	2	2	2
Number of municipal tennis courts	22	22	22	15	17
Community clubs/field houses operated	27	27	27	22	22
Number of athletic fields	36	36	36	57	57
Number of hiking trails	13	13	13	13	13
Library department					
Libraries/branches	3	3	3	3	3
Water					
Miles of water mains	408.30	424.31	424.40	425.20	427.30
Number of hydrants	2,373	2,396	2500	2506	2535
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	495.34	508.00	510.20	506.00	512.40
Sewer					
Miles of sanitary sewers	409.00	409.00	424.00	444.00	392.00
Stormwater					
Miles of storm sewers	351.00	288.00	431.00	431.00	431.00
Steam District #1					
Miles of line	11.00	11.00	11.00	11.00	11.00
Golf					
Number of municipal golf courses	2	2	2	2	2

unaudited

GLOSSARY OF TERMS

A

ACCRUAL BASIS	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.
ASSESSED VALUATION	A value set upon residential, commercial or industrial properties by the City Assessor. The valuation is used as a basis for levying property taxes with the City.

B

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.
GENERAL OBLIGATION (G.O.)	This bond is backed by the full faith, credit and taxing power of the government.
REVENUE BOND	Revenues from a specific enterprise or project back this type of bond. An example would be an utility improvement or project.
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.

C

CAPITAL BUDGET	The appropriation of bonds or operating revenue for improvements to facilities, and other infrastructure.
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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, not otherwise included in the Capital Program, and funded from current period resources.
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).
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.

D

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.
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.

E

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.

F

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.

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.

G

GAAP	Generally Accepted Accounting Principles. 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.
GOAL	A statement of broad direction, purpose or intent based on the needs of the community. A goal is a general and timeless.
GOVERNMENTAL FUNDS	Fund type which includes general fund, special revenue funds, permanent improvement funds, debt service funds and special assessment funds.
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.

I

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.

L

LEVY

To impose taxes for the support of government activities.

LONG-TERM DEBT

Debt with a maturity of more than one year after the date of issuance.

M

MATERIALS AND SUPPLIES

Expendable materials and operating supplies necessary to conduct departmental operations.

O

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.

P

PERMANENT, FULL-TIME POSITION

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.

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 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 and the Duluth Steam Cooperative Association which provide water, gas, 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

R

REVENUE	Sources of income financing the operations of government
REVENUE SOURCE	A revenue classification that designates the origination or type of funds received.

S

SPECIAL ASSESSMENT SPECIAL REVENUE FUND	Funds which account for specific financial resources that are restricted to expenditures for specified purposes. Examples of these funds include Community Development, Job Training Partnership Act, Economic Development, Municipal State Aid-Streets, and the Senior Program related funds
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T

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".
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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	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.

U

UNRESERVED 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.