

CITY OF DULUTH

2012 APPROVED ANNUAL BUDGET



On the cover... Built in 1939, Enger Tower, a 5 story structure constructed of national Blue Stone taken from this region, stands guard from the top of the Duluth skyline. Looking out over the Duluth Harbor and the St. Louis Bay, the green beacon mounted at the very top of the western Duluth hillside brings it to 531' above the level of Lake Superior.

The tower was dedicated by Crown Prince Olav and Crown Princess Martha of Norway on June 15, 1939. The dedication was in honor of Bert Enger, a native of Norway who came to this country and became a successful furniture dealer. At the time of his death Mr. Enger donated two thirds of his estate to the city of Duluth. This included the land known as Enger Hill which includes Enger Tower, the park and Enger Golf Course.

There are numerous lookouts at each level of the octagonal tower, with a stair case taking you all the way to the top. Each level offers fantastic photographic opportunities from every vantage point

Enger Tower Today... The park boasts lovely and distinct gardens; shade loving hostas; over 200 perennials; 4000 daffodils, a Japanese peace bell from Duluth's Sister City in Ohara, Japan; and an expanded Japanese garden. A family friendly and serene atmosphere under a canopy of white birch and poplar trees lined with shade loving perennials enchants everyone who meanders along the winding trails leading up to Enger Tower or the scenic overlook. Panoramic and towering above the city, Enger Tower stands as a symbol of historic figures who have contributed to the growth and prosperity of the city over the past 72 years.

A new Japanese garden commemorates 20 years of friendship with Duluth's Sister City International, Isumi-O'Hara, Japan.

In June 2011, renovations to the Tower were complete, along with a lighting project funded by a grant from the Rotary Club 25 of Duluth and Duluth tourism tax funds.

The Future of Enger Tower and Park... On May 13, 2011 Mayor Don Ness officially kicked off the Enger Park Restoration Project with the generous support of \$40,000 from the Julia Newell Marshall Fund to help upgrade the gazebo and trails system. The City is proposing park upgrades and greatly enhanced accessibility within Enger Park including:

- A new and larger gazebo that will hold at least 100 people for events and ceremonies,
- New trails to allow people all ages and abilities to access various rest nodes and enjoy scenic overlooks in the park,
- A renovated pavilion with outdoor seating and new accessible washroom facilities, and
- Expanded parking facilities to accommodate events and visitors.

The City hopes to complete the projects over the next couple of years with contributions from volunteers, private donors, foundations, special events, and civic groups. The community will play a significant role in helping to make Enger Park a premier regional recreation area and preserve it for the future. These efforts are estimated to cost nearly \$300,000. In order to accomplish this second phase of improvements the City of Duluth has begun a fund-raising campaign. This is a unique opportunity to donate money to enhance the most historic park in Duluth.

Rededication Event... Duluth will be hosting a rededication ceremony for Enger Tower in October with the expected visit from King Harald of Norway. King Harald's father, King Olav, dedicated Enger Tower in 1939. More than a structure, Enger Tower ties together Duluth's past and present.

Narrative from <http://www.engertowerduluth.com>

Cover by Steve Forslund, City of Duluth Graphics

Photography by Steve Forslund and Pakou Ly of the City of Duluth
and the Collaborative Design Group

CITY OF DULUTH

2012 Approved Annual Budget

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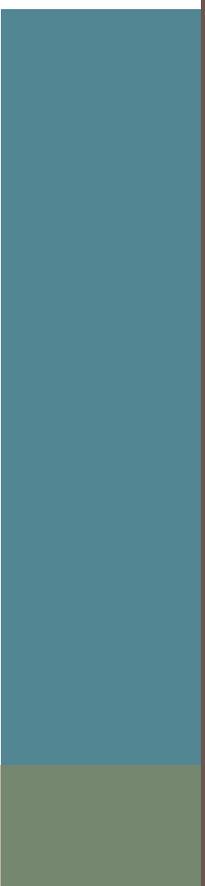
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Mayor Don Ness's Executive Summary

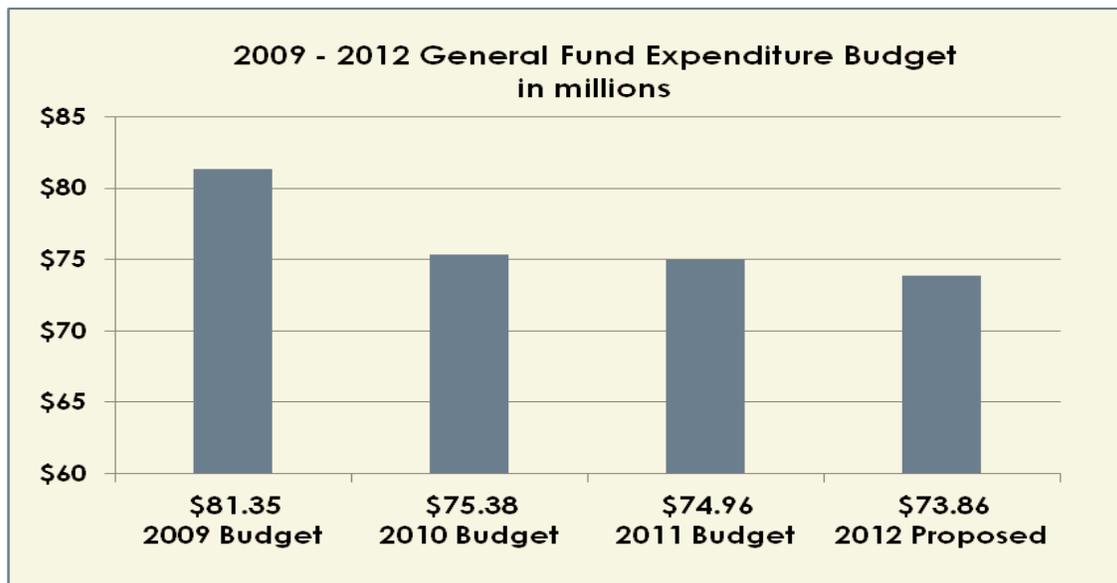
Mayor Don Ness presented the following Executive Summary of the *2012 Proposed Property Tax Levy and General Fund Budget* to the Duluth City Council on August 25, 2011. The City Council approved a maximum tax levy in September followed by budget presentations from each of the City departments in the ensuing months. In December, the City Council voted on and certified the final 2012 tax levy and budget.

Let me start by stating the obvious, the past four years have been challenging times in our nation, our state, and right here in Duluth. I'm proud of our efforts in the face of these challenges; our employees have done an outstanding job. To illustrate that fact, city employees will have to provide all of our non-public safety services with 20% fewer employees than in 2000.

The days of growing revenues and adequate staffing are over – this is our new reality. At this point, we would all celebrate if we had a single year that we didn't have a new multi-million dollar cut coming from St. Paul.

Unfortunately, 2012 will not be that year. Due to the latest round of LGA cuts, 2012 will be an extension of the tough budget challenges that the City of Duluth has faced over the past four years and will require yet another budget reflecting difficult choices and deep cuts in city services.

For the fourth straight year, there will be a decline in budgeted general fund expenditures, from \$81.3M budgeted in 2009 to a proposed \$73.8M for 2012.



As the budget continues to shrink, it becomes more and more difficult to cut the next million dollars without causing ever-greater impacts on services that affect quality of life in Duluth. Over the past four years, the city has saved millions from efficiencies and cost reductions from overtime reduction (-12.5%); retiree health care (-23%); motor fuel expenses (-12%); energy savings (-25%). While we will continue to look for additional savings and efficiencies, the cuts from this point forward will have an ever larger impact on direct services to residents.

The service cuts for 2012 include elimination of downtown fire rig 3, closure of both branch libraries, a sizeable reduction in street maintenance, elimination of all park capital improvements, scaling back our IT modernization efforts, implementing one-staff crews to operate the Lift Bridge, and a dramatic reduction of park maintenance efforts.

The cuts necessary to balance the budget eliminate 18.5 jobs, including 13 positions that are currently staffed. We are committed to working with our city unions to place affected employees in open positions and utilize attrition through retirements to achieve the budgeted staff levels as much as possible. Our goal is to avoid layoffs while still achieving the necessary cost savings, but it is not going to be easy.

These are painful cuts. I regret having to recommend cuts to services that I value and are priorities for our community. Even with these severe cuts, we are bringing forward a **\$509,000 dollar levy increase (2.8%) to support general operations**. Combined with the third and final year for the police station levy increase, the percentage **increase for the City's levy is 5.2%**.

Since the City represents 22% of the overall property tax bill, the city's proposal translates to a 1.3% increase to the average homeowner's tax bill - a little less than \$2 per month for the average homeowner.

People should be frustrated with this budget. The 2012 budget represents the real world consequences of the state's decision to pass along the burden of their deficits to local communities, resulting in service cuts and increased taxes. While the state uses tricks and gimmicks to push the problem into the future, cities across Minnesota are forced to make real cuts to the services people care about most and/or raise revenue from the worst possible source, property taxes.

Impact of state aid cuts

As you know, the State Legislature has repeatedly cut Duluth's Local Government Aid over the years. Including the cuts made in July for 2011 and 2012, Duluth's LGA has been cut \$16.5 million since 2008, which ironically would be enough to fully pay for the new police station without bonding or new taxes. If you include the cuts to amortization aid in '08 and '09, **state cuts to Duluth are over \$21 million** between 2008-2012.

To overcome the \$3.5 million aid reduction in 2012, **we are proposing six dollars of cuts for every new dollar of general fund operating levy**. Due to conservative budgeting and aggressively managing costs in 2011, about half of the cuts were made this year, the other half are reflected in the 2012 budget. The 2012 budget is more than \$1.0 million less than 2011 – dropping from \$74.95 million to \$73.85 million.

This reduction is even more notable since many costs increase year-to-year automatically. Since 2008, these items have added over \$3 million in inflationary costs such as winter street maintenance costs, longevity wage increases, higher electric rates, and state mandated contributions to PERA. These costs have been absorbed at the same time that our revenue has been cut dramatically.

Governor Dayton's proposed balanced budget sustained Duluth's authorized LGA for 2011 and 2012. Had the Governor's proposal been accepted by the legislature, we would have been able to fully fund

services important to the community without raising any new revenue from property taxes. Instead, the legislature cut our LGA funding by \$8.4 million over just these two years.

After five straight years of general fund cuts, we should stop to consider, at what point do the cuts go too far? We have worked hard over the past four years to eliminate waste, reduce overtime and cut or privatize non-essential services. We've also taken on the big issues, like retiree health care. But, we've also had to make real cuts to services that Duluthians value and depend on.

Because of our focus on reducing costs, many in the community feel that the impact to important services have already gone too far, especially to parks and libraries. There is no question, the impact has been real. Parks and libraries have taken a greater share of the pain in order to limit service reductions in other core services like police, fire, and street maintenance.

I believe that our parks and libraries have been cut too much and I believe the residents of Duluth should be given the option to support these important services. Therefore, we are proposing parks referendum that would restore parks funding to its 2003 level, issue a parks bond for capital improvements, and provide direct support youth serving organizations in Duluth.

The Parks operating referendum will create a dedicated fund for parks and recreation purposes funded by a 3.2% increase to the average property tax bill, raising \$2.4 million for operations, pay as you go capital projects, and increased maintenance. Let's face it, we have beautiful parks, but they have not been well maintained. That has to change. We have great youth serving groups, but their funding is always at risk. Our kids deserve better.

The referendum question is also designed to provide support for our public library system. With the passage of the referendum question, not only will the branch libraries not close, but we will extend their hours to five days a week and also extend hours at the main library.

I believe that the voters of Duluth have been frustrated by the reduction in quality of our city parks and will be willing to support a modest increase in their taxes to restore the funding that has been cut over the past decade. I ask for the council's support in bringing this critical question directly to the voters.

We also hope to ask voters to approve an advisory referendum on the sale of the Duluth Steam Plant. The sale of the plant would provide multiple benefits to our city including a continuation of our efforts to focus on core services, a significant reduction in city debt, and significant private investment in the plant creating new jobs and reducing coal consumption on the shores of Lake Superior.

This is truly a green initiative. Not only do we expect energy savings in the plant itself, but this will be the catalyst to invest in our new Energy Action Plan. The referendum question would dedicate sale proceeds beyond the debt repayments to invest in energy efficiency in city buildings. If fully implemented, the Energy Action Plan could save the City up to \$780,000 annually.

Next steps

As a City, we may not continue to do everything we have done in the past, but we will keep our focus on providing high-quality, results-based services at a funding level that is sustainable over the long term.

Councilors, thank you for your diligent work and your commitment to what is best for our community. We have been in this together – we have shared our struggles, we have shared our successes. Today, I ask you to once again partner with the administration to overcome the latest in a long string of great challenges.

I started by stating the obvious, and I will close by doing the same.

This is a painful budget and it reflects decisions that none of us want to make. But at this moment of our city's history this is what we were elected to do. The residents of Duluth are supporting this council because you have consistently made the tough, but necessary decisions. I'm asking you to continue that leadership as you consider this budget.

I look forward to working with you in the coming months to get your feedback and your ideas. Staff will be prepared to give you detailed department by department accounts of the impact of this budget. We look forward to a constructive and forward-looking dialogue with councilors and the public.

Staff are still working on the final details of the budget and you will receive much more detail on the budget at Monday's meeting. I want to give special thanks to Dave, Adele, Peg, and all of the department directors for their efforts. Overcoming a \$4 million hole in the budget is no easy task, but they've done it, and I'm proud of them. Thanks for your time and consideration.

Mayor Don Ness



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Duluth
Minnesota**

For the Fiscal Year Beginning

January 1, 2011

Linda C. Danson Jeffrey R. Egan

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, 2011.

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 2012 Annual Operating and Capital Budget for the City of Duluth was submitted to the Council on August 25 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 2012 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 5 at 7:00 p.m. The budget and levy were adopted at the December 19 meeting.

BUDGET CALENDAR

BUDGET TRAINING

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

DEPARTMENT BUDGET DEVELOPMENT AND SUBMISSION

We will be using the City's financial management system, New World, to develop and submit 2012 budget proposals. Instructions will be mailed, as well as available as a document attachment of the Budget Accounts screen in the system. Divisions/Departments are asked to submit staffing requests, expense proposals, and revenue estimates per these instructions. Due dates by fund type are as follows:

July 25	GENERAL FUND DEPARTMENTS
August 5	SPECIAL REVENUE; INTERNAL SERVICE; DEBT; AND CAPITAL FUNDS
August 5	ENTERPRISE FUNDS including utilities; golf; parking and street lighting

ADMINISTRATIVE REVIEW

Week of	General Fund department budget proposals will be reviewed with Administration.
July 25	A template for the meeting will be sent under separate cover.

CAPITAL BUDGETS

July 13	Instructions and packets sent out to departments
August 8	CIP and CEP committee meetings to review five year plan update

MAYOR'S PRESENTATION TO COUNCIL

Aug 25	Proposed levy and budget resolutions on council agenda
Sept 12	Council sets preliminary budget and levy

COUNCIL BUDGET REVIEW

Sept - Nov	Review schedule set by the Finance Committee Chair of the Council
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TRUTH IN TAXATION MEETINGS

Dec 5	Truth in Taxation hearing
Dec 19	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 \$18,804,700 or 5.69% over the 2011 levy. The City's levy is \$1,013,200 more than last year. Of the increase in the levy over 2011, 2.86% or \$425,300 represents a tax rate increase for capital projects including the final levy increase for the new law enforcement center. There is a 2.86% increase in the tax rate for general operations or \$509,000, most of which will go towards the operating expenses for the law enforcement center. The balance of \$78,900 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.

2012 APPROVED PROPERTY TAX LEVY					% Change in Tax Rate
	2011 Approved Levy	2012 Approved Levy	Change in Levy		
General Operations Levy					
General Operations	\$ 11,319,800	\$ 11,828,800	\$ 509,000	2.86%	
New Growth	\$ -	\$ 78,900	\$ 78,900	.44%	
Provision for Tax Delinquency	\$ 150,000	\$ 150,000	\$ -		
Total General Operations Levy	\$ 11,469,800	\$ 12,057,700	\$ 587,900	3.30%	2.86%
Capital Projects Levy					
Law Enforcement Center	\$ 1,029,700	\$ 1,545,700	\$ 516,000	2.90%	
Debt Service	\$ 4,869,900	\$ 5,059,200	\$ 198,300	1.06%	
Permanent Improvement	\$ 422,100	\$ 142,100	\$ (280,000)	(1.57%)	
Levy with no Tax Rate Impact	\$ 6,321,700	\$ 6,747,000	\$ 425,300	2.39%	2.39%
TOTAL APPROVED TAX LEVY	\$ 17,791,500	\$ 18,804,700	\$ 1,013,200	5.69%	5.25%

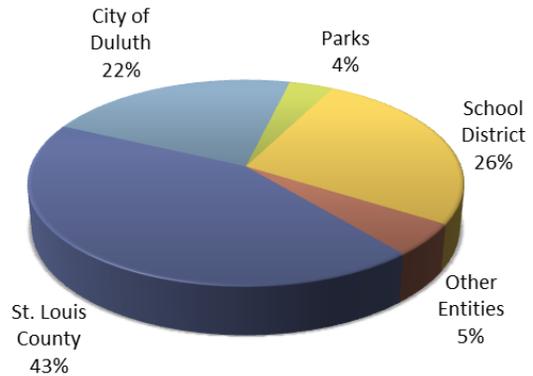
INCREASE IN AVERAGE HOMESTEAD (\$158,600) ANNUAL CITY PROPERTY TAX BILL

2011 City Property Taxes	\$ 387
2012 Property Taxes as Approved	\$ 428
Approved Annual Increase	\$ 41

In addition, the City, on behalf of two special taxing districts approved levy requests as follows: the **Duluth Transit Authority** in the amount of \$1,316,900; and the new **Parks Fund** in the amount of \$2.6 million as approved in a voter referendum. These levies are separate on the property tax statement and are not included in the city levy.

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

Taxing Entity	2012 Property Taxes	
City of Duluth	\$ 428	22%
St. Louis County	\$ 845	43%
School District 709	\$ 514	26%
Park Fund	\$ 75	4%
Other Entities	\$ 99	5%
Total Average Bill	\$ 1,961	100%



*Based on Market Value of \$158,600

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

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

The truth in taxation hearing is an opportunity for the public to provide comment on the City's proposed budget and property tax levy for the year 2012 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 2011 tax bill with the proposed tax bill for 2012. The numbers are based on the property tax levy proposals by St. Louis County, the School District, other taxing districts, as well as the City of Duluth. It also factors in any changes in your property's market value and tax rate classification. The County mails these statements out to individual property owners to show the impact of all property tax proposals on a resident's tax.

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

The 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?

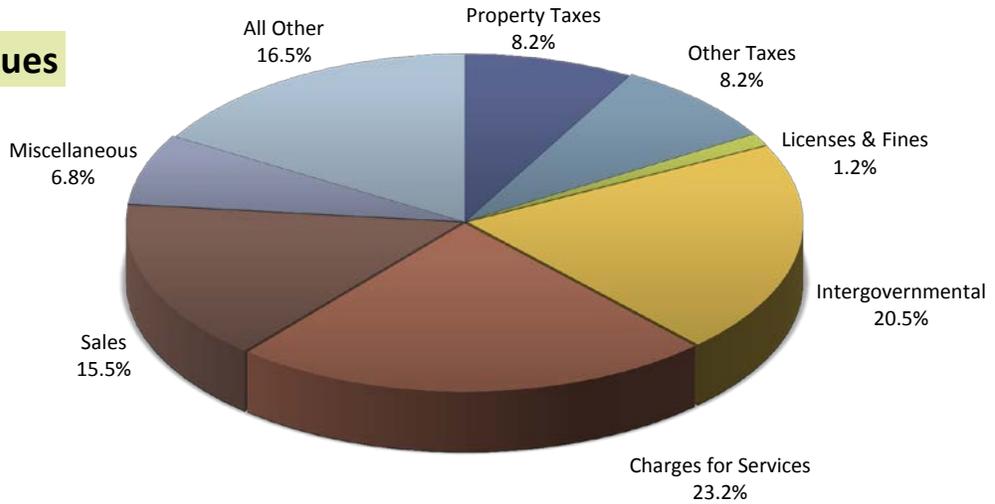
Approximately 1/3 goes to fund debt service on capital improvements, equipment and neighborhood street improvements. The remaining 2/3 goes into the City's General Fund to pay for services such as police, fire, libraries, parks, planning and zoning, and street maintenance. For 2012, the portion of the City's general services paid for with property taxes is \$12.06 million or 16% of the total. To put the amount in perspective, this does not even cover the Fire Department's 2012 funding requirements.

If property taxes only cover 16% 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 \$27.4 million or 37% of the total, followed by Sales Tax at \$11.9 million or 15.9% of the total.

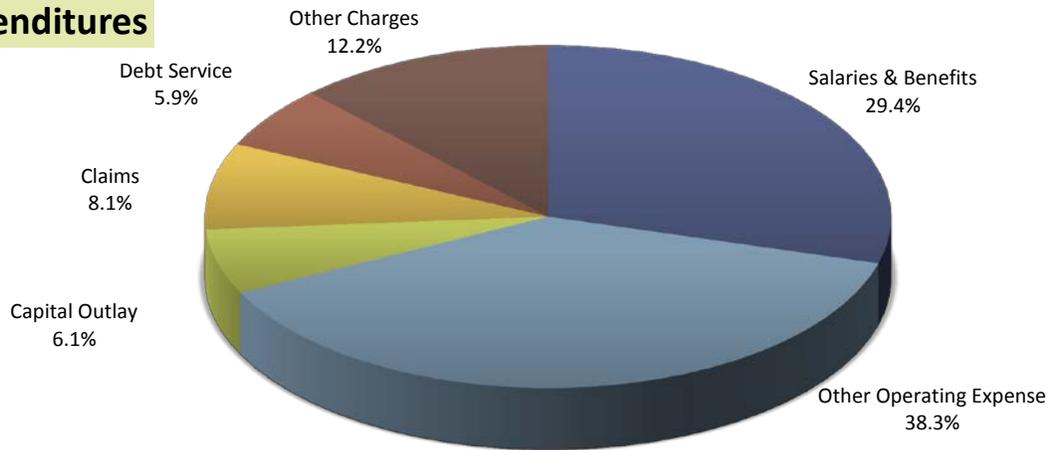
TOTAL APPROVED CITY OF DULUTH BUDGET

2012 Revenues



REVENUES:	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Property Taxes	13,761,607	15,863,136	17,791,500	21,405,300
Other Taxes	20,613,965	21,299,696	20,474,000	21,456,100
Licenses & Fines	2,416,804	2,894,968	2,836,800	3,042,600
Intergovernmental	54,761,649	57,476,063	55,838,700	53,641,900
Charges for Services	58,465,369	59,507,810	62,621,400	60,782,100
Sales	44,941,587	38,455,307	43,383,600	40,558,300
Miscellaneous Revenue	27,021,309	21,865,930	22,448,600	17,822,100
All Other Sources	74,490,056	58,314,926	50,025,700	43,341,800
TOTAL REVENUES	296,472,346	275,677,836	275,420,300	262,050,200

2012 Expenditures



EXPENDITURES	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Salaries & Benefits	75,126,318	72,758,481	75,186,000	76,965,900
Other Operating Expense	93,482,542	88,545,062	97,864,388	100,233,700
Capital Outlay	35,118,018	42,810,289	38,583,708	16,084,600
Claims	21,326,739	18,145,016	20,120,200	21,317,300
Debt Service	20,389,023	20,341,197	18,067,900	15,431,600
Other Charges	36,058,521	39,724,760	38,356,300	31,839,900
TOTAL EXPENDITURES	281,501,161	282,324,805	288,178,496	261,873,000

TOTAL APPROVED CITY OF DULUTH 2012 BUDGET

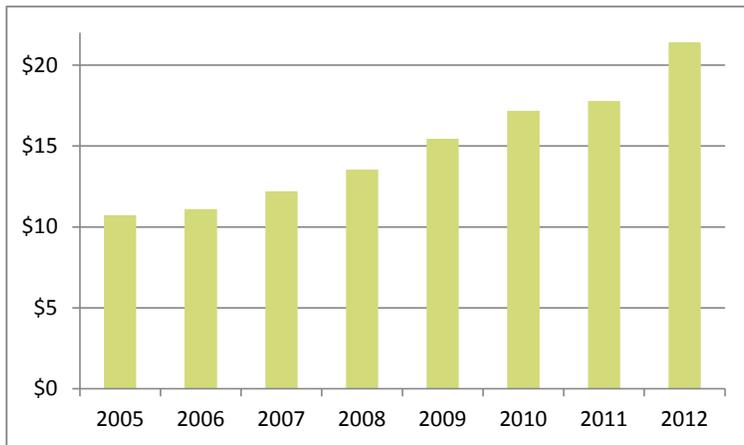
REVENUE COMPARISON	2009 Actual	2010 Actual	2011 Budget	2012 Approved
CURRENT PROPERTY TAXES				
General Fund	8,530,247	10,429,104	11,469,800	12,057,800
Special Revenue Funds	0	0	0	2,600,000
Debt Service Funds	4,844,905	5,041,834	5,899,600	6,605,400
Capital Project Funds	386,455	392,198	422,100	142,100
Total Current Property Taxes	<u>13,761,607</u>	<u>15,863,136</u>	<u>17,791,500</u>	<u>21,405,300</u>
OTHER TAXES				
General Fund	13,378,654	13,512,974	13,024,000	13,940,900
Special Revenue Funds	7,235,311	7,786,722	7,450,000	7,515,200
Total Other Taxes	<u>20,613,965</u>	<u>21,299,696</u>	<u>20,474,000</u>	<u>21,456,100</u>
LICENSES & FINES				
General Fund	2,416,804	2,894,968	2,836,800	3,042,600
Total Licenses and Fines	<u>2,416,804</u>	<u>2,894,968</u>	<u>2,836,800</u>	<u>3,042,600</u>
INTERGOVERNMENTAL				
General Fund	38,617,801	34,449,435	36,422,500	34,252,900
Special Revenue Funds	10,275,050	12,248,022	12,659,700	11,426,900
Debt Service Funds	382,861	10,761	0	0
Capital Project Funds	5,485,937	10,767,845	6,756,500	7,962,100
Total Intergovernmental	<u>54,761,649</u>	<u>57,476,063</u>	<u>55,838,700</u>	<u>53,641,900</u>
CHARGES FOR SERVICES				
General Fund	5,021,060	5,833,515	5,221,400	5,254,100
Enterprise Funds	50,257,724	50,340,998	53,829,900	51,970,900
Internal Service Funds	3,186,585	3,333,297	3,570,100	3,557,100
Total Charges for Services	<u>58,465,369</u>	<u>59,507,810</u>	<u>62,621,400</u>	<u>60,782,100</u>
SALES				
Enterprise Funds	44,941,587	38,455,307	43,383,600	40,558,300
Total Sales	<u>44,941,587</u>	<u>38,455,307</u>	<u>43,383,600</u>	<u>40,558,300</u>
MISCELLANEOUS REVENUE				
General Fund	3,861,730	2,205,576	1,534,200	1,721,700
Special Revenue Funds	16,298,131	11,583,219	16,378,200	10,544,100
Debt Service Funds	1,635,351	2,572,332	276,900	276,900
Capital Project Funds	1,296,926	2,720,997	1,433,700	1,695,000
Internal Service Funds	3,929,171	2,783,806	2,825,600	3,584,400
Total Miscellaneous Revenue	<u>27,021,309</u>	<u>21,865,930</u>	<u>22,448,600</u>	<u>17,822,100</u>
ALL OTHER SOURCES				
General Fund	7,837,493	5,354,130	4,439,300	4,560,000
Debt Service Funds	16,210,664	13,248,210	11,359,700	8,884,900
Capital Project Funds	25,046,594	10,365,606	11,193,200	4,186,200
Enterprise Funds	5,383,818	11,023,049	5,678,500	6,682,200
Internal Service Funds	20,011,487	18,323,931	17,355,000	19,028,500
Total All Other Sources	<u>74,490,056</u>	<u>58,314,926</u>	<u>50,025,700</u>	<u>43,341,800</u>
TOTAL REVENUES	296,472,346	275,677,836	275,420,300	262,050,200

TOTAL APPROVED CITY OF DULUTH 2012 BUDGET

EXPENDITURE COMPARISON	2009 Actual	2010 Actual	2011 Budget	2012 Approved
SALARIES & EMPLOYEE BENEFITS				
General Fund	53,857,836	51,277,420	52,645,400	51,717,800
Special Revenue Funds	3,085,068	3,010,269	2,995,300	3,285,500
Enterprise Funds	16,278,775	16,699,306	17,718,800	20,021,200
Internal Service Funds	1,904,639	1,771,486	1,826,500	1,941,400
Total Salaries & Employee Benefits	<u>75,126,318</u>	<u>72,758,481</u>	<u>75,186,000</u>	<u>76,965,900</u>
OTHER OPERATING EXPENSE				
General Fund	20,687,778	18,838,668	21,126,100	22,562,700
Special Revenue Funds	2,920,199	3,730,691	3,784,888	5,365,100
Enterprise Funds	67,102,192	61,688,518	69,649,100	67,882,800
Internal Service Funds	2,772,373	4,287,185	3,304,300	4,423,100
Total Other Operating Expense	<u>93,482,542</u>	<u>88,545,062</u>	<u>97,864,388</u>	<u>100,233,700</u>
CAPITAL OUTLAY				
General Fund	1,699,194	990,822	1,176,500	549,500
Capital Project Funds	33,418,824	41,819,467	37,407,208	15,535,100
Total Capital Outlay	<u>35,118,018</u>	<u>42,810,289</u>	<u>38,583,708</u>	<u>16,084,600</u>
CLAIMS				
Internal Service Funds	21,326,739	18,145,016	20,120,200	21,317,300
Total Claims	<u>21,326,739</u>	<u>18,145,016</u>	<u>20,120,200</u>	<u>21,317,300</u>
DEBT SERVICE				
Debt Service Funds	20,389,023	20,341,197	18,067,900	15,431,600
Total Debt Service	<u>20,389,023</u>	<u>20,341,197</u>	<u>18,067,900</u>	<u>15,431,600</u>
OTHER CHARGES				
Special Revenue Funds	31,077,893	33,507,846	32,601,900	25,504,900
Enterprise Funds	4,980,628	6,216,914	5,754,400	6,335,000
Total Other Charges	<u>36,058,521</u>	<u>39,724,760</u>	<u>38,356,300</u>	<u>31,839,900</u>
TOTAL EXPENDITURES	281,501,161	282,324,805	288,178,496	261,873,000

MAJOR REVENUE SOURCE ANALYSIS

Current Property Tax Levy (in millions)

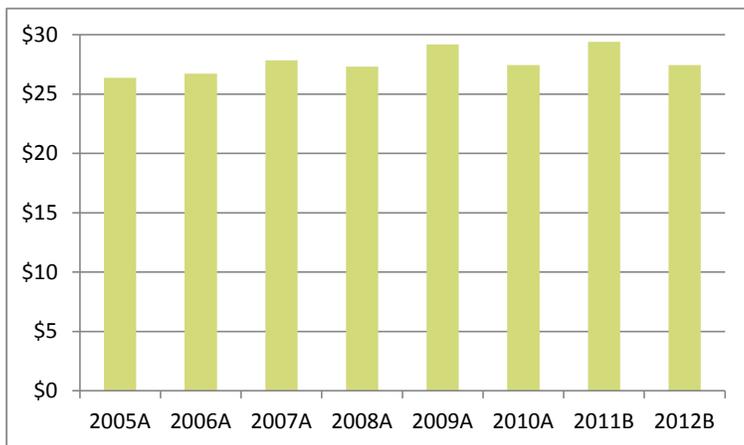


	Market Value in millions	Tax Rate	Tax Levy in millions
2005	\$3,629.708	0.2665	\$10.730
2006	\$4,777.463	0.2818	\$11.102
2007	\$5,141.528	0.2293	\$12.208
2008	\$5,414.953	0.2342	\$13.544
2009	\$5,699.385	0.2537	\$15.438
2010	\$5,703.050	0.2661	\$17.176
2011	\$5,494.859	0.2796	\$17.791
2012	\$5,522.005	0.3160	\$21.405

Description and 2012 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 had been increasing steadily until 2011 when they dropped 3.6% due to the national and local challenges in housing, with 2012 market values reflecting a slight increase. The 2012 levy is set at 20.3% higher than 2011 and reflects an overall increase of \$3.614 million. \$2.6 million, or 14.6% of this increase was approved by voter referendum for city parks.

Local Government Aid (in millions)



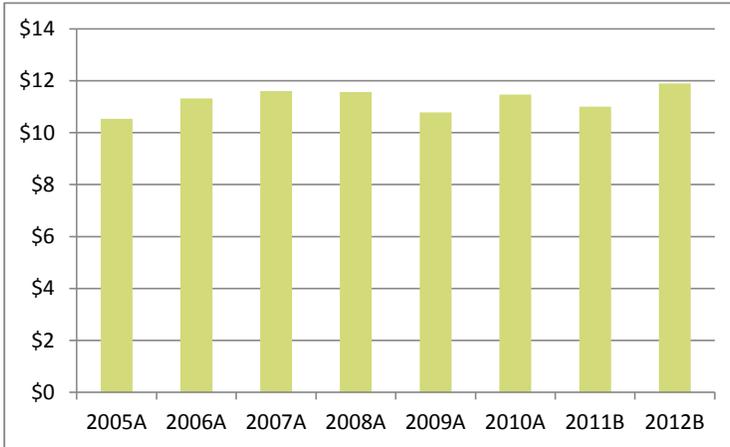
	LGA in millions
2005A	\$26.364
2006A	\$26.729
2007A	\$27.840
2008A	\$27.325
2009A	\$29.201
2010A	\$27.437
2011B	\$29.397
2012B	\$27.437

Description and 2012 Budget

Since its inception in 1971, Local Government Aid or 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. New legislation has set 2012 and future aids at 2010 levels, with a maximum potential cut of \$300,000 per year.

MAJOR REVENUE SOURCE ANALYSIS

General Sales Tax

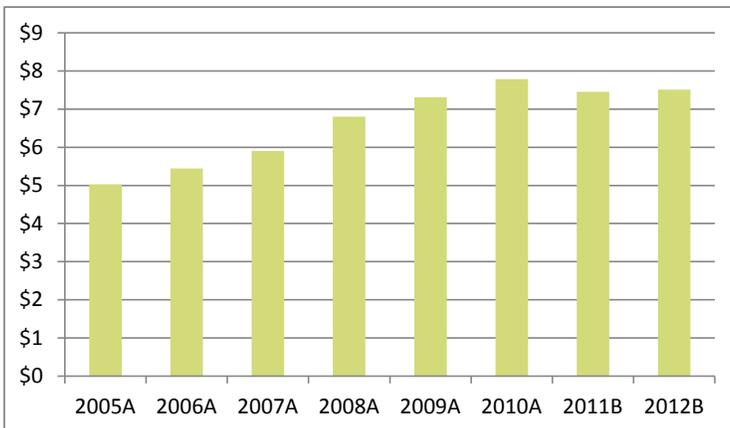


	Sales Tax in millions
2005A	\$10.537
2006A	\$11.315
2007A	\$11.606
2008A	\$11.564
2009A	\$10.775
2010A	\$11.466
2011B	\$11.000
2012B	\$11.900

Description and 2012 Budget

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 2012, sales tax will increase 8.2% over the 2011 budget to more accurately reflect current trends.

Tourism Taxes (in millions)



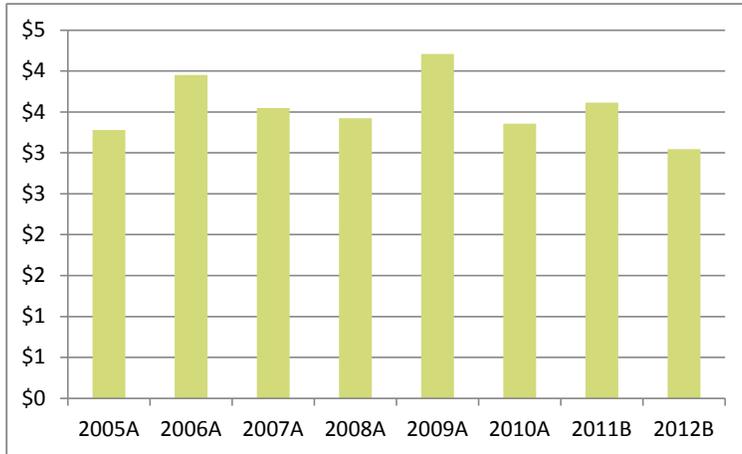
	Tourism Taxes in millions
2005A	\$5.026
2006A	\$5.446
2007A	\$5.904
2008A	\$6.799
2009A	\$7.312
2010A	\$7.787
2011B	\$7.450
2012B	\$7.515

Description and 2012 Budget

Taxes applied to food & 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. These taxes will sunset mid 2012 as debt obligations are satisfied. In 2008, an additional 3/4% was authorized for another DECC expansion. The 2012 budget reflects the mid-year elimination of the temporary 1/2% hotel/motel and food & beverage tax, as well as a projected increase of 8.3% based on current economic indicators.

MAJOR REVENUE SOURCE ANALYSIS

Payment in Lieu of Taxes (in millions)



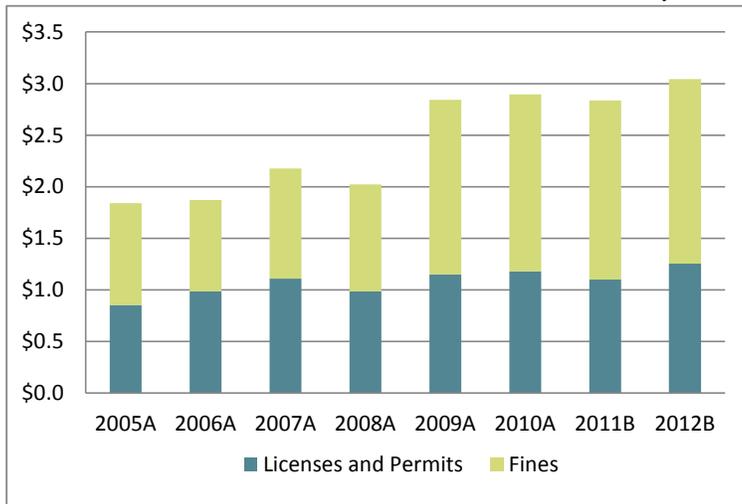
PILOT in millions

2005A	\$3.281
2006A	\$3.953
2007A	\$3.548
2008A	\$3.422
2009A	\$4.208
2010A	\$3.358
2011B	\$3.614
2012B	\$3.046

Description and 2012 Budget

Revenue is derived from payments for municipal services provided in lieu of property taxes. The largest source of PILOT revenues is from the municipal gas utility, with a minimal amount from the steam utility. Payments are based on each utility's annual gross receipts. Revenues for 2012 from steam are expected to increase \$25,000 over 2011 budget; with gas PILOT revenues expected to decrease an estimated \$600,000. 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)



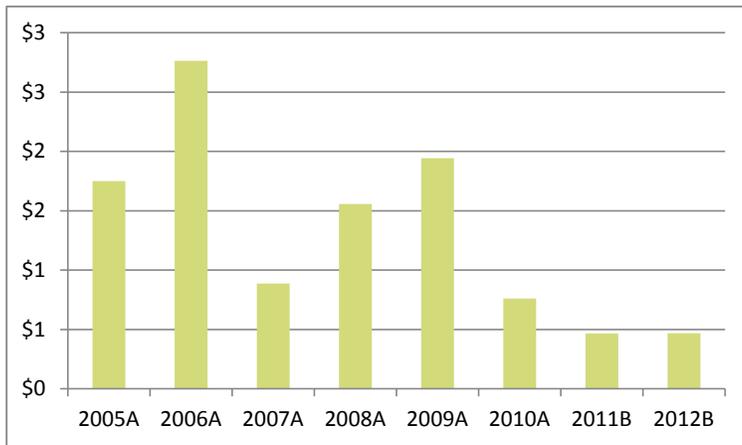
Description and 2012 Budget

Represents revenues for the city's General Fund from a wide variety of sources such as licenses, permits, fines, forfeits and fees - the largest single source being administrative fines. Beginning in 2006, the City began updating fees annually based on inflation through Council resolution. Charges are examined annually and submitted as a complete package to the Council and include new fees as proposed. This has resulted in fees that are current and more accurately reflect the cost of providing service. Revenues for 2012 were adjusted for an inflation factor of 1.3%.

	Licenses and Permits	Fines	Total
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	\$1,149,266	\$1,692,916	\$2,842,182
2010A	\$1,182,044	\$1,712,924	\$2,894,968
2011B	\$1,100,100	\$1,736,700	\$2,836,800
2012B	\$1,255,100	\$1,787,500	\$3,042,600

MAJOR REVENUE SOURCE ANALYSIS

General Fund Earnings on Investments (in millions)

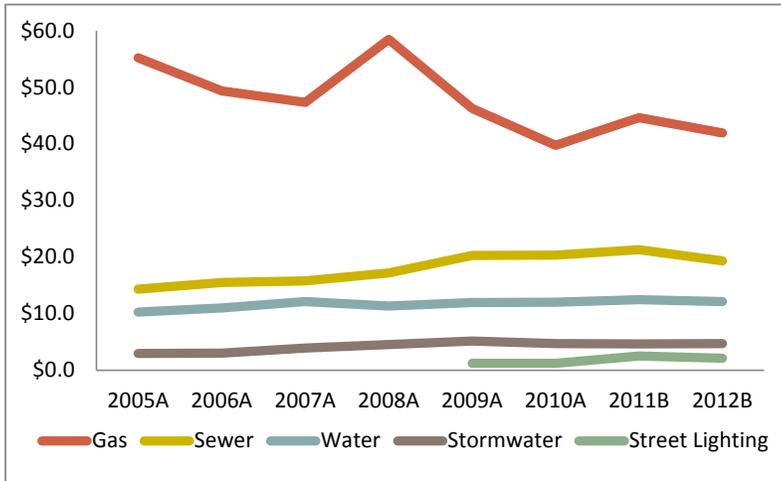


	Earnings in millions
2005A	\$1.750
2006A	\$2.762
2007A	\$0.886
2008A	\$1.557
2009A	\$1.944
2010A	\$0.761
2011B	\$0.465
2012B	\$0.470

Description and 2012 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. The 2012 estimated earnings is based on the conuinuation of 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)



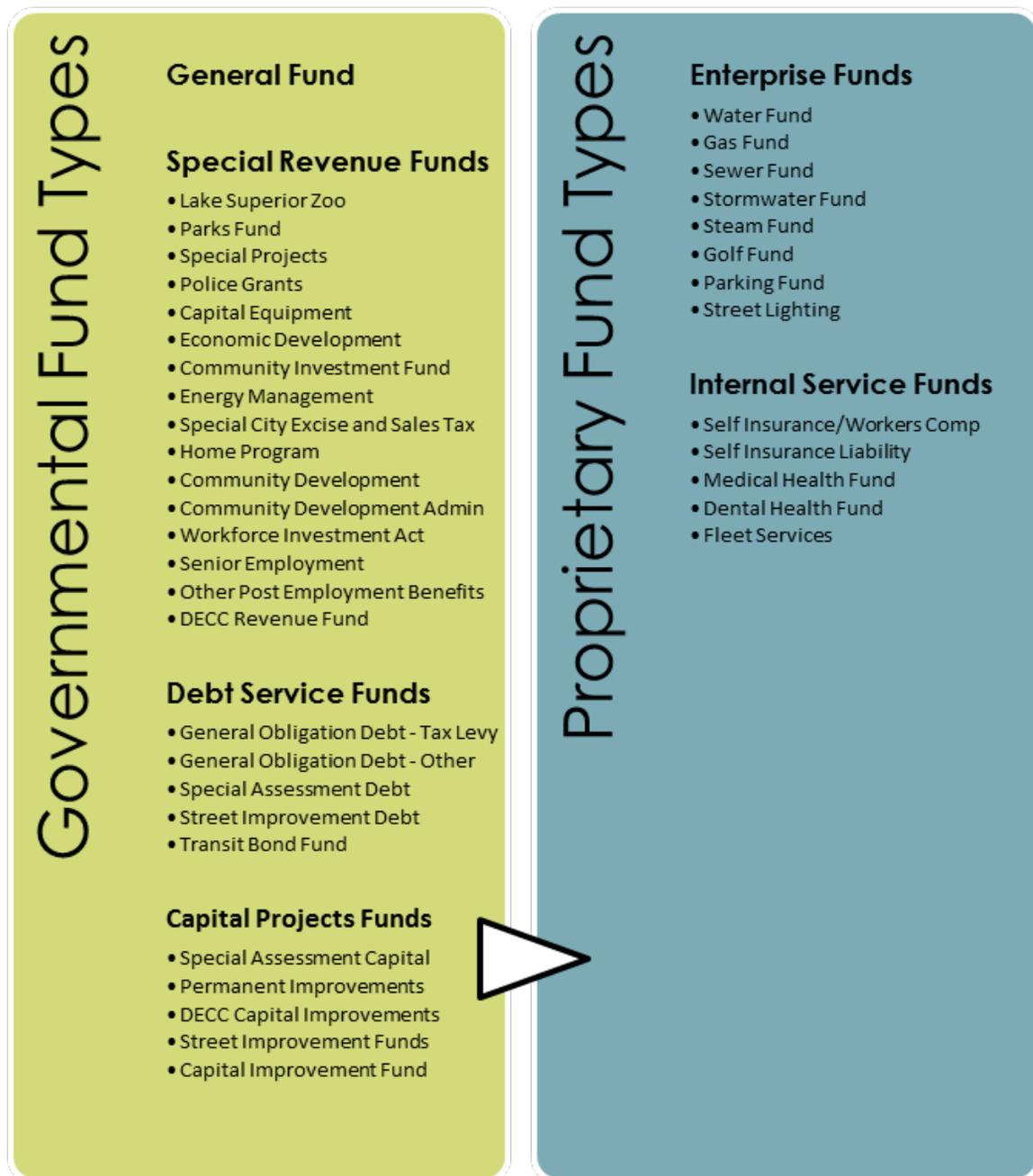
Description and 2012 Budget

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

in millions	Gas	Sewer	Water	Stormwater	Street Lighting	Total
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
2010A	\$39.722	\$20.337	\$12.007	\$4.701	\$1.191	\$77.958
2011B	\$44.621	\$21.285	\$12.479	\$4.669	\$2.480	\$85.534
2012B	\$41.944	\$19.335	\$12.145	\$4.722	\$2.135	\$80.281

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 2012 as approved.

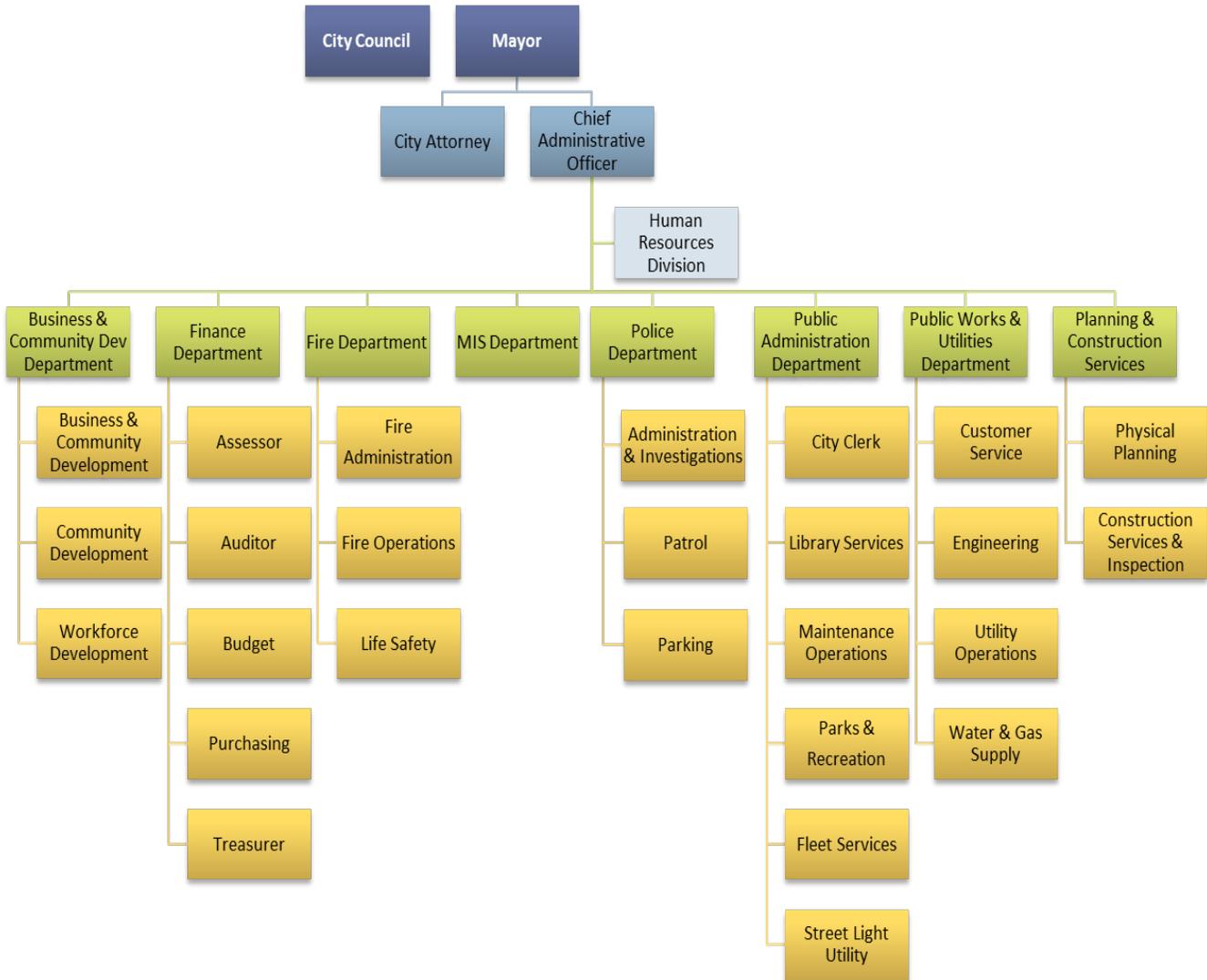


TOTAL APPROVED CITY OF DULUTH 2012 BUDGET

DETAIL BY FUND	Estimated			
	Beg. Balance	Revenues	Expenditures	Balance
GENERAL FUND	5,312,876	74,830,000	74,830,000	5,312,876
SPECIAL REVENUE FUNDS:				
Lake Superior Zoo	0	1,695,000	1,695,000	0
Parks Fund	0	2,600,000	2,600,000	0
Special Projects	359,474	274,800	274,800	359,474
Police Grants	47,140	974,000	974,000	47,140
Capital Equipment	1,592,081	4,698,000	4,698,000	1,592,081
Economic Development	55,944	2,212,800	2,215,600	53,144
Community Investment Trust	28,706,923	308,000	3,439,500	25,575,423
Energy Management	286,839	75,000	81,000	280,839
Special City Excise and Sales Tax	381,455	7,515,200	7,470,100	426,555
Home Program	0	719,000	719,000	0
Community Development	11,034	4,471,000	4,471,000	11,034
Community Development Administration	0	670,700	670,700	0
Workforce Investment Act	482,420	1,838,000	1,838,000	482,420
Senior Programs	0	475,800	475,800	0
OPEB	28,079,142	1,027,800	2,000	29,104,942
DECC Revenue Fund	864,182	2,531,100	2,531,000	864,282
TOTAL SPECIAL REVENUE FUNDS:	60,866,634	32,086,200	34,155,500	58,797,334
DEBT SERVICE FUNDS:				
General Obligation Debt Service - Tax Levy	4,963,007	7,060,000	6,206,000	5,817,007
General Obligation Debt Service - Other Sc	1,376,539	3,968,200	3,403,300	1,941,439
Special Assessment Debt Service	1,876,146	1,028,600	1,093,400	1,811,346
Street Improvement Debt Service	10,249,970	3,709,900	4,581,600	9,378,270
Transit Bond Fund	146,800	500	147,300	0
TOTAL DEBT SERVICE FUNDS:	18,612,462	15,767,200	15,431,600	18,948,062
CAPITAL PROJECTS FUNDS:				
Special Assessment Capital Project	10,086	8,200	0	18,286
Permanent Improvements	1,032,337	6,098,100	6,806,000	324,437
Street Improvement Program	1,087,641	1,915,500	2,765,500	237,641
Capital Improvement Fund	3,566,869	5,963,600	5,963,600	3,566,869
TOTAL CAPITAL PROJECTS FUNDS:	5,696,933	13,985,400	15,535,100	4,147,233
INTERNAL SERVICE FUNDS:				
Self Insurance - Worker's Compensation	1,117,583	1,093,400	1,046,600	1,164,383
Self Insurance - Liability	1,129,434	618,100	635,100	1,112,434
Medical Health Fund	6,230,373	20,151,400	21,430,200	4,951,573
Dental Health Fund	296,805	750,000	768,500	278,305
Fleet Services	433,114	3,557,100	3,801,400	188,814
TOTAL INTERNAL SERVICE FUNDS:	9,207,309	26,170,000	27,681,800	7,695,509
ENTERPRISE FUNDS ESTIMATED INCOME AND EXPENSE				
		REVENUE	EXPENSE	INCOME/(LOSS)
Water Fund		12,194,300	11,691,800	502,500
Gas Fund		41,976,600	44,107,500	(2,130,900)
Sewer Fund		18,238,800	17,090,700	1,148,100
Clean Water Surcharge Fund		6,244,800	1,477,200	4,767,600
Stormwater Fund		4,725,400	4,617,500	107,900
Steam Fund		7,821,700	7,749,000	72,700
Golf Fund		2,013,000	2,094,700	(81,700)
Parking Fund		3,846,100	3,416,100	430,000
Street Lighting Utility		2,150,700	1,994,500	156,200
TOTAL ENTERPRISE FUNDS:		99,211,400	94,239,000	4,972,400
TOTAL ALL FUNDS	99,696,214	262,050,200	261,873,000	99,873,414

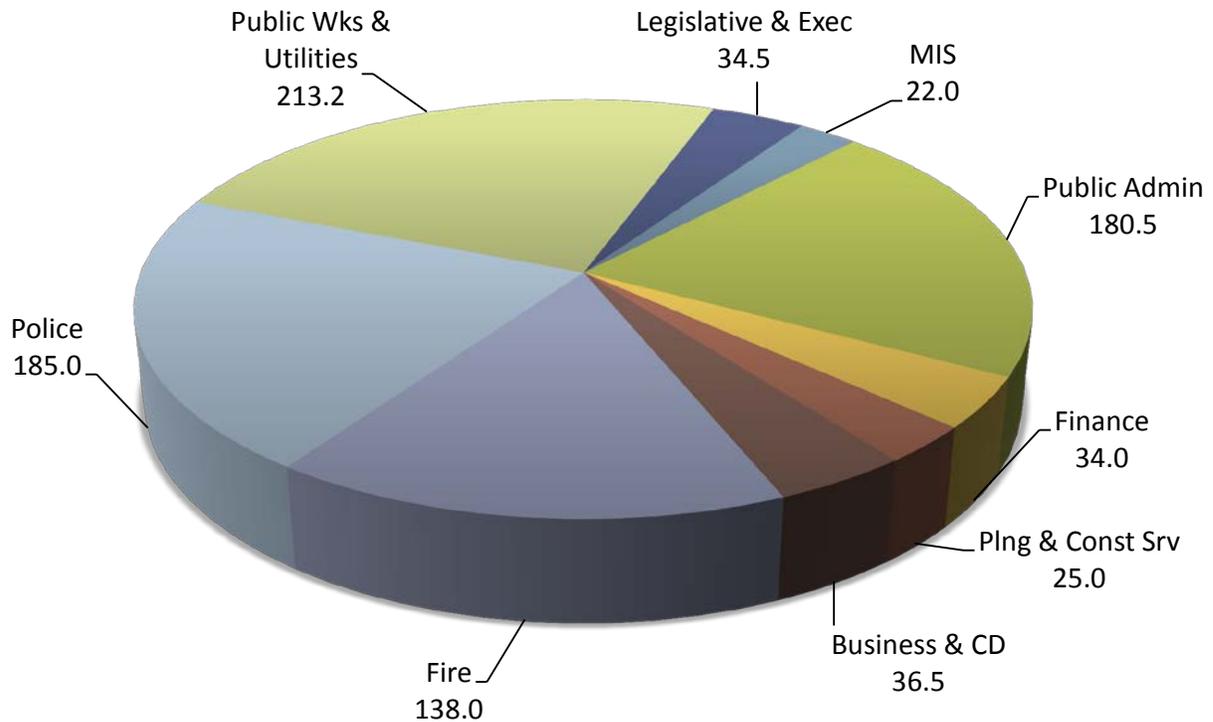
CITY OF DULUTH ORGANIZATION CHART

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 2009 through 2012.



CITYWIDE PERSONNEL SUMMARY

2012 Permanent FTE's by Department



Department	2009 Budget	2010 Budget	2011 Budget	2012 Approved	Difference 2011/2012
Legislative & Executive	36.00	34.00	34.50	34.50	0.00
Management Information System	18.00	24.00	22.00	22.00	0.00
Public Administration	161.30	187.00	181.00	180.50	-0.50
Finance	32.00	31.00	32.00	34.00	2.00
Planning & Construction Svcs	30.00	24.00	26.00	25.00	-1.00
Business & Comm Dev Rsrcs	25.00	35.00	36.50	36.50	0.00
Fire Department	135.00	140.00	140.00	138.00	-2.00
Police Department	183.00	187.00	185.00	185.00	0.00
Public Works & Utilities	202.60	208.60	212.80	213.20	0.40
TOTAL	822.90	870.60	869.80	868.70	-1.10

CITYWIDE PERSONNEL SUMMARY
Fulltime, Permanent Positions

Department/Division	2009 Budget	2010 Budget	2011 Budget	2012 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	6.00	2.00	2.50	2.50
Attorney's Office	15.00	17.00	17.00	17.00
Human Resources	11.00	11.00	11.00	11.00
Safety & Training	1.00	1.00	1.00	1.00
DEPARTMENT TOTAL	36.00	34.00	34.50	34.50
MANAGEMENT INFORMATION SYSTEMS				
Management Information Systems	18.00	24.00	22.00	22.00
DEPARTMENT TOTAL	18.00	24.00	22.00	22.00
PUBLIC ADMINISTRATION				
City Clerk's	6.00	7.00	7.00	6.00
Maintenance Operations	77.80	102.60	96.60	89.60
Library Services	47.30	43.50	43.50	48.50
Parks and Recreation	6.00	7.50	7.50	9.00
Fleet Services	16.20	17.40	17.40	18.40
Parking	4.00	4.00	3.00	3.00
Street Lighting	4.00	4.00	5.00	5.00
Energy Management		1.00	1.00	1.00
DEPARTMENT TOTAL	161.30	187.00	181.00	180.50
FINANCE				
Budget Office	2.00	3.00	4.00	6.00
Assessor's Office	9.00	10.00	9.00	10.00
Auditor's Office	15.00	12.00	13.00	12.00
Purchasing	2.00	2.00	2.00	2.00
Treasurer's Office	4.00	4.00	4.00	4.00
DEPARTMENT TOTAL	32.00	31.00	32.00	34.00
PLANNING & CONSTRUCTION SERVICES				
Physical Planning	6.00	6.00	7.00	7.00
Building Inspection	24.00	18.00	19.00	18.00
DEPARTMENT TOTAL	30.00	24.00	26.00	25.00
BUSINESS & COMM DEV RESOURCES				
Business Development		6.00	6.50	6.50
Community Development	7.00	7.00	8.00	8.00
Workforce Development	18.00	22.00	22.00	22.00
DEPARTMENT TOTAL	25.00	35.00	36.50	36.50

CITYWIDE PERSONNEL SUMMARY
Fulltime, Permanent Positions

Department/Division	2009 Budget	2010 Budget	2011 Budget	2012 Approved
FIRE DEPARTMENT				
Fire Administration	4.00	4.00	4.00	3.00
Firefighting Operations	127.00	127.00	127.00	124.00
Life Safety	4.00	9.00	9.00	11.00
DEPARTMENT TOTAL	135.00	140.00	140.00	138.00
POLICE DEPARTMENT				
Administration & Investigative	60.00	69.00	87.00	86.00
Patrol	123.00	118.00	98.00	99.00
DEPARTMENT TOTAL	183.00	187.00	185.00	185.00
PUBLIC WORKS & UTILITIES				
Public Works Operations				
Director' Office	0.40	0.40	0.40	0.40
Engineering	22.00	20.80	21.60	16.60
Public Works Subtotal	22.40	21.20	22.00	17.00
Utilities Operations				
Water and Gas	120.50	124.80	128.20	131.00
Sewer	38.60	38.40	38.40	39.20
Stormwater	21.10	24.20	24.20	26.00
Utilities Subtotal	180.20	187.40	190.80	196.20
DEPARTMENT TOTAL	202.60	208.60	212.80	213.20
TOTAL CITY EMPLOYEES	822.90	870.60	869.80	868.70

2012 HIGHLIGHTS BY FUND

General Fund

Revenue Assumptions - The final approved 2012 General Fund revenue budget of \$74,830,000 is \$118,000 less than the 2011 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 2012 with the budget set at \$6.5 million or 8% less than three years ago. Major revenue sources in the 2011 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; \$5.2 million in 2010; and \$3.5 million in 2011. For 2012, the State has set LGA level with 2011 actuals. Although the State of Minnesota ended 2011 with a surplus, the threat of additional cuts in LGA continues as priorities and other commitments are weighed against resources. The city continues to monitor state actions.

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

Revenue Bridge Schedule	\$ Variance in Millions		Assumptions
2011 Revenue Budget		\$ 74.948	
Property Tax	\$ 0.588		Value of new construction and increase for operations
City Sales Tax	\$ 0.900		Based on 2011 projected revenues
Local Government Aid	\$ (1.960)		Certified aid from State
Transfer from Special Revenue	\$ 0.500		Reimbursement
Payment in Lieu of Tax	\$ (0.593)		Based on decreased gas revenues
Licenses and Permits	\$ 0.206		Multiple dwelling license
Other Intergovernmental	\$ 0.383		MSA maintenance reimbursement and insurance premiums
All Other Revenues	\$ (0.142)		All other changes
total revenue changes		\$ (0.118)	
2012 Revenue Budget		\$ 74.830	

Expense Assumptions - As with revenues, the final approved 2012 General Fund budget is \$118,000 less than the 2011 budget. Major program changes resulting in savings included moving the Parks Division into the new Parks Fund; changing bridge staff scheduling; reducing fire overtime by shifting personnel off a rig and available to cover time slots that would have required overtime. On the plus side, additional staff was funded to staff additional hours at the libraries and increasing police other expense to cover the costs of the new facility. Other increases were required to cover increased costs of existing expenses.

Expense Bridge Schedule	\$ Variance in Millions		Description
2011 Expense Budget		\$ 74.950	
Parks Division Operations	\$ (0.766)		Moved to Parks Fund
Parks Maintenance Wages	\$ (0.323)		Moved to Parks Fund
Park Improvements	\$ (0.592)		Will be funded in Parks Fund
Library Service Improvements	\$ 0.434		5 additional FTE's for expanded hours
Bridge Operations	\$ (0.296)		New staffing policy on the bridge results in 4 less FTE's
Fire Overtime	\$ (0.250)		Taking one rig out of service makes staff available to cover vacations, sick etc. which reduces overtime
Police Operations	\$ 0.565		Operating expenses for new facility
Maintenance Operations	\$ 0.337		Increased cost of salt, sand and fuel
Retiree Health Insurance	\$ 0.600		Increase in health insurance cost for retirees
All Other Expenses	\$ 0.173		All other expenses
total expense changes		\$ (0.118)	
2012 Expense Budget		\$ 74.83	

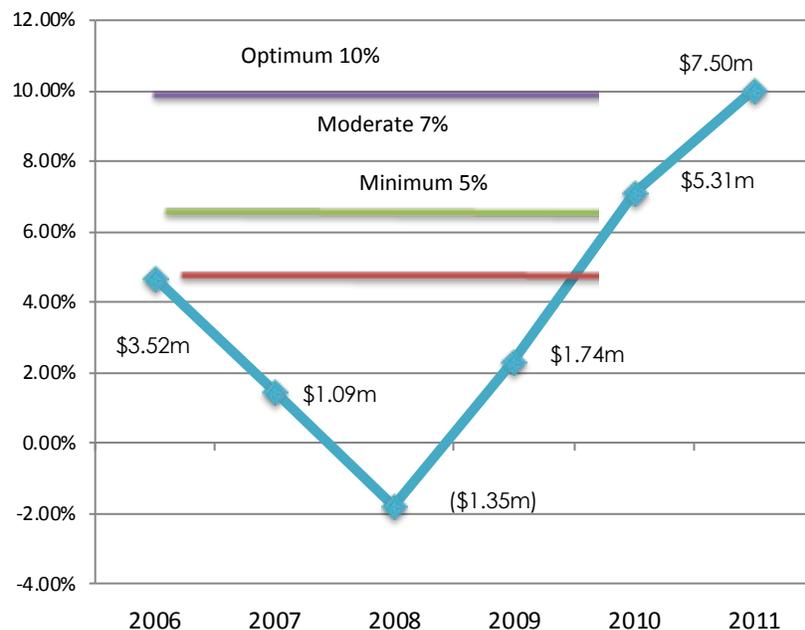
The number of positions decreased 16.5 FTE's over 2011, from 621.6 FTE's to 605.1 FTE's. The changes by department are as follows:

Position Bridge Schedule	Full Time Equivalent Variance	
2011 Fulltime Equivalents (FTE's)		621.6
Legislative & Executive	-	
Management Information Systems	-	
Public Administration	(10.5)	
Finance	2.0	
Planning & Construction Services	(1.0)	
Business & Community Development	-	
Fire Department	(2.0)	
Police Department	-	
Public Works	(5.0)	
Total Changes in FTE's		(16.5)
2012 Fulltime Equivalents (FTE's)		605.1

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 2012 General Fund budget of \$74.8 million, the minimum level (5%) would require a fund balance of \$3.74 million.

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

General Fund Undesignated/Unreserved Fund Balance



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 \$8.85 million since 2008 with an ending 2011 balance of \$7.50 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 2012, contributions will total \$175,300 for an estimated fund balance of \$29.1 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 2012 tourism taxes will increase a modest \$65,200 or less than 1%. Funding will increase to Visit Duluth by \$120,000 based on projected revenue and the allocation method approved in the latest contract between the City and the agency. The allocation to the Duluth Entertainment Convention Center (DECC), as based on statutory requirements will increase by \$92,000. The Great Lakes Aquarium will once again receive an operating subsidy from tourism taxes in the amount of \$300,000. Debt service payments totaling \$2,631,100 funded by the tourism tax fund goes toward DECC improvements, Lake Superior Center, and Spirit Mountain. The transfer to the General Fund will remain flat, for a total allocation of \$737,900. With the renewal of the Business Improvement District in the downtown area, the City will continue to be a funding partner by allocating \$200,000 of tourism taxes to that program.

Debt Service Funds

These funds account for the payment of long-term principal and interest on the City's bonded debt. The total estimated gross bonded debt carried by the City in 2011 is \$162,167,900. The property tax levy for debt service in 2012 is \$6,604,900 and includes the last incremental increase for the debt service on the new law enforcement center. The only property tax supported bond issues proposed for 2012 are for capital equipment and improvements. Debt is discussed in greater detail in the Debt Service Section of the document.

Capital Project Funds

The Capital Project Funds account for the Street Improvement Program, Special Assessment and Permanent Improvement Projects, and the Capital Improvement Fund. For 2012, a total of \$15.53 million in improvements are planned. Funding will come from intergovernmental contributions from the State of Minnesota and Federal grants; assessments; and bond proceeds.

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

principal and from assessments. For 2012, that funding plan has been put on hold until the litigation with the Fond du Lac Tribe casino agreement is complete. The City is hopeful the case will be resolved this year. The Street Improvement Program will continue with \$2.76 million in improvements funded from the utilities and assessments.

The balance of capital improvements scheduled for 2012 are funded in the Permanent Improvement Fund and the Capital Improvement Fund for a total \$12.77 million. All projects are detailed in the separate capital improvement plan found in this document.

Enterprise Funds

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

For 2012, 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 2012, other operational changes, and a restructuring of debt, 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 the Duluth Economic Development Authority (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. The operation is now an enterprise fund using monthly user charges as the source of revenue. This action reduced spending in the General Fund by \$1.185 million, most of which was electricity expenses, followed by salaries and benefits. The customer service charges are designed to fully cover expenses of the utility.

Internal Service Funds

These funds account for services provided to other departments within the City. They include the Self Insurance Funds, the Medical and Dental Health Funds, and the Fleet Services Fund. The Self Insurance Funds (property, liability, and worker's compensation) and the Medical and Dental Health Funds provide claims funding and are dependent upon participants to generate revenues. 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 five-year capital improvement plan, leading to a comprehensive proposal for the budget. The objective of this project is threefold: to provide short and long-range capital planning; to coordinate capital planning efforts among all city departments; and to respond to bond rating agency recommendations to implement a comprehensive planning process. The five-year plan is included in a separate tabbed section of the budget document.

Department Business Plans - Beginning in 2010, the City implemented a comprehensive business planning process in each department. The purpose of the plan is three-fold: 1) to provide a tool for communicating with the citizens of Duluth what each department's "business" is and how effective it is in delivering value to its customers; 2) to give decision-makers a broader context for making policy and funding decisions about department programs and services; and 3) to give managers the opportunity and responsibility to critically analyze major business practices; quantify performance; identify issues and opportunities. In other words, to demonstrate how the department's business is currently performing measured against its own past performance, goals, and the business of its peers by benchmarking against others. The department business plans are updated every other year; and are included in a separate tabbed section of the 2011 "on-line" budget document. 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 is scheduled to be presented in 2012 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 fund balance recover and budget sustainability and stability.

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

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

FINANCIAL POLICIES

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

These policies cover the following areas:

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

Operating Budget Policy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Bond Specifics:

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

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

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

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

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

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

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

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

Reserve Policy

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

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

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

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

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

Use of Fund Balances – If at all feasible, available fund balances will not be used for ongoing operating expenditures, unless a determination has been made that available balances are in excess of required guidelines and that plans have been established to address any future operating budget shortfalls. Emphasis shall be placed on one-time uses that achieve future operating cost reductions. Fund balance is the cumulative years' excess or deficit of all revenues and expense. In the case of proprietary funds, this is termed unrestricted net assets. For the purposes of the budget document, revenue and expense activity includes bond proceeds and debt service.

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

Investment Policy

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

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

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

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

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

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

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

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

Standard of Care - The "prudent person" standard shall be applied in the context of managing the overall investment portfolio. Investment officers, acting in accordance with fiduciary standards and written procedures, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments. **Internal Controls and Safekeeping** - The City Chief Financial Officer shall establish a written system of internal controls. To protect against potential fraud and embezzlement, assets of the City shall be secured through third party custody and other safekeeping procedures. The City shall authorize the custodian financial institution to utilize security lending to maximize return on investments. Bearer instruments shall be held only through third party institutions. Investment officials shall be bonded.

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

General –

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

Accounting Policy

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

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

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

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

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

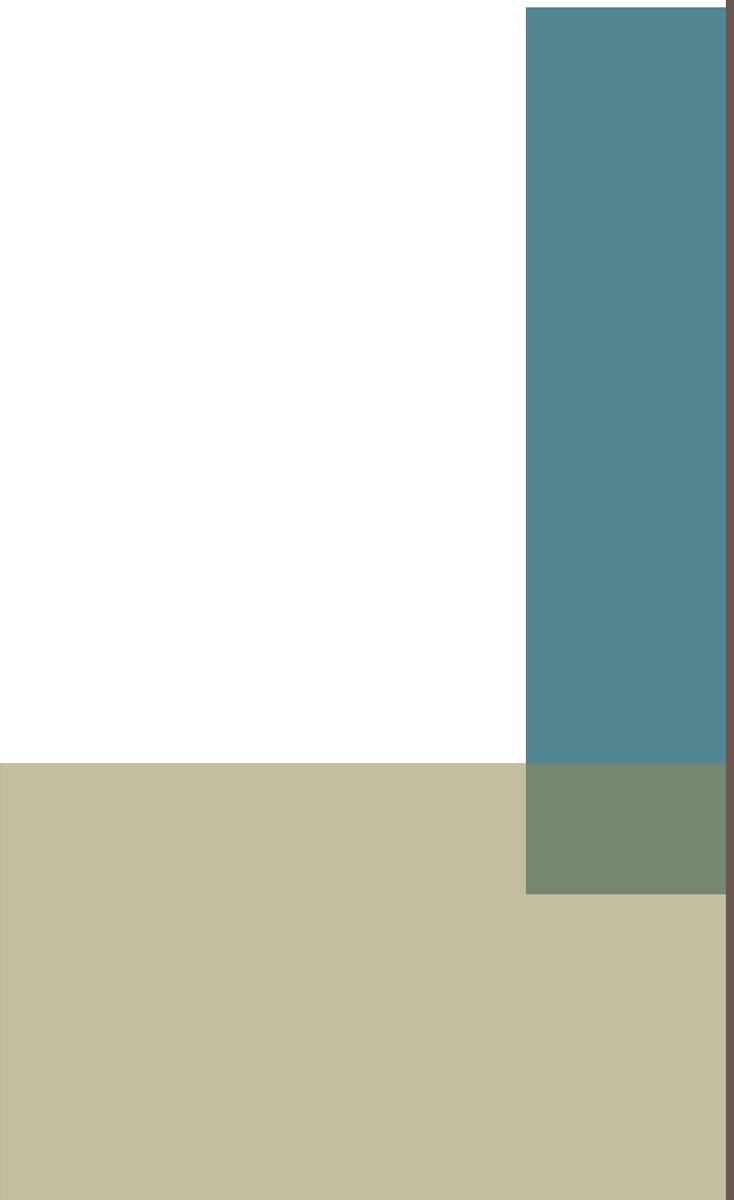
Disclosure and Monitoring - Full disclosure is provided in all financial statements and bond representations. Financial systems are maintained to monitor expenditures and revenues on a daily, monthly, and year end basis. A Comprehensive Annual Financial Report (CAFR) is published by the City within six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

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

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

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

APPROPRIATIONS



General Fund

City of Duluth Minnesota - 2012 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

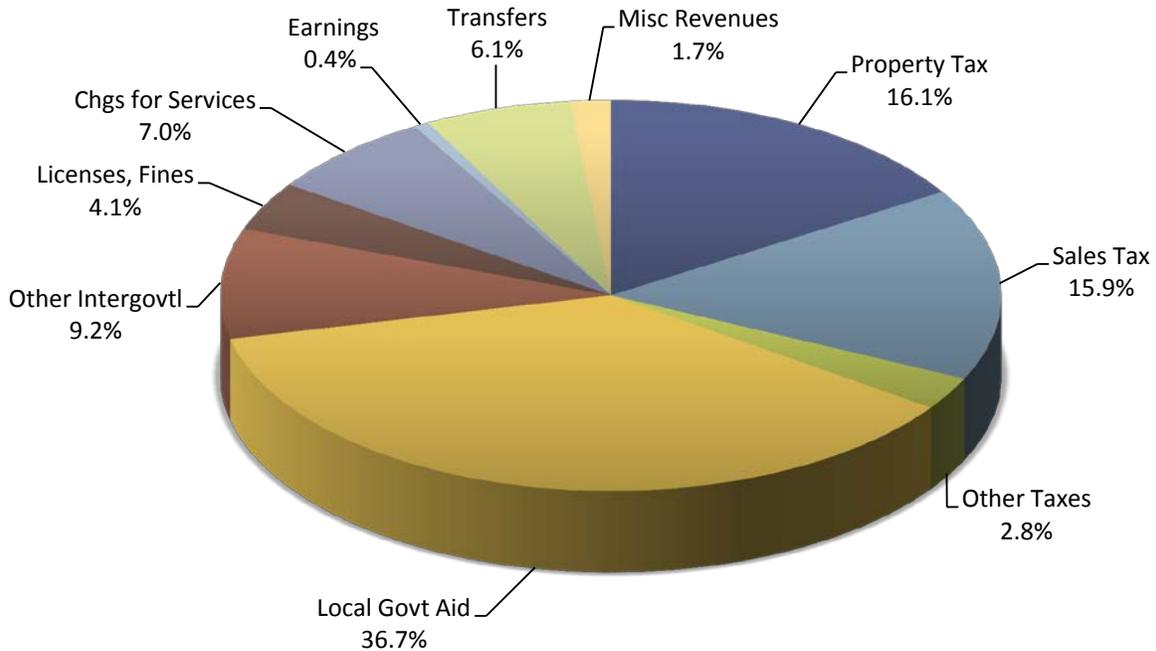
The General Fund provides general purpose government to the citizens of Duluth and accounts for all financial transactions not accounted for in another fund. This fund is used to finance activities such as general government, public safety, public works, libraries, recreation and business and economic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

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
REVENUES				
Property Tax				
Current Property Taxes	8,347,226	10,186,693	11,202,500	11,828,900
New Growth	-	-	117,300	78,900
Delinquent Property Taxes	183,021	242,411	150,000	150,000
City Sales Tax	10,774,603	11,465,685	11,000,000	11,900,000
All Other Taxes	2,604,141	2,047,289	2,024,000	2,040,900
Local Government Aid	29,200,998	27,437,478	29,397,200	27,437,000
All Other Intergovernmental	9,372,461	7,011,957	7,025,300	6,815,900
Licenses and Fines	2,842,182	2,894,968	2,836,800	3,042,600
Charges for Services	5,021,060	5,833,515	5,221,400	5,254,100
Earnings on Investments	1,943,811	760,825	465,000	469,600
Transfers from Other Funds	7,837,493	5,354,130	4,439,300	4,560,000
Miscellaneous	1,536,853	1,444,751	1,069,200	1,252,100
Total Revenues	79,663,849	74,679,702	74,948,000	74,830,000
EXPENDITURES				
Permanent Salaries	37,082,390	37,477,546	38,612,100	37,842,900
Premium Pay	1,539,155	1,828,063	1,476,000	1,090,000
Other Wages	169,973	389,237	574,600	287,800
Employee Benefits	15,066,318	11,582,574	11,982,700	12,497,100
Supplies	2,952,928	3,455,261	3,504,200	3,803,900
Other Services & Charges	7,773,917	7,802,119	8,904,200	9,557,800
Utilities	1,127,807	1,063,943	1,513,700	1,401,000
Retiree Insurance	8,833,126	6,517,345	7,204,000	7,800,000
Capital	1,699,192	990,822	1,176,500	549,500
Total Expenditures	76,244,806	71,106,910	74,948,000	74,830,000

City of Duluth Minnesota - 2012 Budget

2012 GENERAL FUND REVENUES Percent of Total by Major Category



Property Tax - Current & Delinquent	\$	12,057,800
City Sales Tax	\$	11,900,000
All Other Taxes	\$	2,040,900
Local Government Aid	\$	27,437,000
All Other Intergovernmental	\$	6,815,900
Licenses and Fines	\$	3,042,600
Charges for Services	\$	5,254,100
Earnings on Investments	\$	469,600
Transfers from Other Funds	\$	4,560,000
Miscellaneous	\$	1,252,100
TOTAL 2012 REVENUES	\$	74,830,000

This graph shows the major categories of revenues expressed as a percent of total General Fund revenues estimated for budget fiscal year 2012. The City's policy of maintaining a diverse revenue base is reflected in the categories of revenues listed above, with almost 200 separate budgeted sources of revenue detailed within the Revenue Source Summary that follows this graph. Although the City does have a wide variety of revenues, the reader will note the City's relative dependence on Local Government Aid, which constitutes 36.7% of all General Fund revenues. For this reason, Local Government Aid is monitored closely at the State Legislature.

City of Duluth Minnesota - 2012 Budget

General Fund Revenues		2009 Actuals	2010 Actuals	2011 Approved	2012 Approved
CATEGORY 10 - TAXES					
4005	Current Property Tax	8,347,226	10,186,693	11,202,500	11,828,900
	New Growth			117,300	78,900
4010	Delinquent Property Tax	183,021	242,411	150,000	150,000
4015	Mobile Home Tax	39,089	40,890	59,600	39,200
4040	City Sales Tax	10,774,603	11,465,685	11,000,000	11,900,000
4050	Charitable Gambling Tax	55,762	48,137	48,000	48,000
4070	MN Power Franchise Fee	1,100,000	1,100,000	1,100,000	1,100,000
4071	Cable Franchise Fee	779,941	809,982	791,400	831,200
4072	No. MN Utility Franchise Fee	9,854	7,397	9,900	7,400
4080	Forfeit Tax Sale	53,299	15,102	15,100	15,100
4090	Other Taxes	566,196	25,781		
TOTAL TAXES		21,908,991	23,942,078	24,493,800	25,998,700
CATEGORY 20 - LICENSES AND PERMITS					
4101	Liquor License	386,126	404,813	385,000	385,000
4102	Beer License	13,957	14,032	14,000	14,000
4105	Hotel License	6,232	7,107	6,500	6,500
4106	Garbage Collection	13,850	12,276	14,000	14,000
4107	Horse & Carriage	497	888	700	700
4108	Emergency Wrecker License	6,225	7,691	5,000	5,000
4109	Gas Station License	9,514	10,262	8,500	8,500
4111	Pawnbroker License	1,626	1,089	1,300	1,300
4112	Peddler's License	726	594	500	500
4113	Precious Metal Dealer	2,010	2,783	1,200	1,200
4114	Pet Shop License	671	1,892	1,200	1,200
4117	Massage Parlor	6,983	6,732	5,000	5,000
4118	Cigarette License	13,875	13,936	15,000	15,000
4119	Motor Vehicle - Dealer	4,650	4,215	4,400	4,400
4119	Motor Vehicle - Rental	1,750	1,764	1,600	1,600
4120	Taxi Permit	9,257	12,344	5,300	5,300
4121	Coin Operating Device	4,034	12,130	9,000	9,000
4122	Pool & Bowling	2,160	1,616	2,000	2,000
4150	Pet License	24,537	26,864	18,000	18,000
4151	Fill Permits	3,081	4,178	1,200	1,200
4152	Excavation Permits	18,570	18,235	15,000	15,000
4153	Multiple Dwell License-3 or more	149,673	108,419	115,000	135,000
4153	Multiple Dwell License-1 or 2 units	313,992	352,902	310,000	445,000
4154	Commercial Use/Occupancy	80,813	89,196	90,000	90,000
4170	Misc. Perm. & Licenses	74,457	66,086	70,700	70,700
TOTAL LICENSE AND PERMITS		1,149,266	1,182,044	1,100,100	1,255,100

City of Duluth Minnesota - 2012 Budget

General Fund Revenues		2009 Actuals	2010 Actuals	2011 Approved	2012 Approved
CATEGORY 30 - INTERGOVERNMENTAL					
4209	Misc. Federal Grants	164,548	38,586	21,600	20,000
4220	State of Minnesota	68,779	50,000		
4220	State of MN Performance Measurement Reimb				12,000
4221	Local Government Aid	29,200,998	27,437,478	29,397,200	27,437,000
4222	State Property Tax Aid	667,683	22,086		
4225	Ski Trail Reimbursement	-	5,000	5,000	5,000
4226	Snowmobile Trail Grants	25,275	13,925	18,000	18,000
4227	Police Training Reimbursement	55,101	51,827	50,000	50,000
4230	PERA Aid	124,428	124,428	124,400	124,400
4231	State Amortization Aid	532,353	-		
4231	Supplemental Amortization Aid	110,836	-		
4232	State Insurance Premium	1,529,904	1,569,087	1,450,000	1,600,000
4240	Municipal State Aid - Maintenance	1,141,465	1,164,496	1,212,800	1,451,800
4260	St. Louis County	163,406	161,017	156,000	161,000
4261	ISD 709	480,510	365,434	212,000	212,000
4262	Housing & Redevelopment Authority	16,668	29,165	55,000	56,000
4263	WLSSD	29,242	-		
4270	Other Grants	2,655	-	47,000	-
4300	HRA in Lieu of Taxes	35,400	43,293	43,100	43,700
4300	Ordean Foundation	16,086	16,086	16,000	16,000
4731	Gas Utility in Lieu of Taxes	4,091,122	3,236,527	3,493,400	2,900,000
4732	Steam Utility in Lieu of Taxes	117,000	121,000	121,000	146,000
TOTAL INTERGOVERNMENTAL		38,573,459	34,449,435	36,422,500	34,252,900
CATEGORY 40 - CHARGES FOR SERVICES					
4301	Zoning Appeals Fees	5,280	6,060	6,000	6,000
4303	Use Permit - Flood & Wetlands	6,151	1,612	5,000	5,000
4304	Special Use - Flood & Wetlands	1,404	2,151	2,000	2,000
4305	Variances - Flood & Wetlands	1,248	588	2,500	2,500
4307	Planning/Zoning Fees	20,952	20,965	18,000	25,000
4310	Assessment Cost Services	62,581	737	38,800	28,500
4311	Assessment Certification Fees	42,465	31,059	30,000	25,000
4312	Abatement Processing	4,100	4,875	6,000	6,000
4313	Garbage Handling Fees	9,920	11,072	10,000	10,000
4315	Stormwater Administrative Service	170,000	170,000	170,000	170,000
4315	Sewer Administrative Service	330,700	330,700	330,700	330,700
4315	Steam Administrative Service	49,500	49,500	49,500	49,500
4315	DECC Administrative Service	25,000	25,000	25,000	25,000
4315	DTA Administrative Service	10,300	10,300	10,300	10,300
4315	Grant Administration Services	83,071	86,529	46,300	46,300
4315	Airport Administrative Service	45,200	32,400	32,400	58,000
4315	DEDA Administrative Service	365,000	365,000	365,000	365,000
4315	Public Utility Admin Service	927,700	927,700	927,700	927,700

City of Duluth Minnesota - 2012 Budget

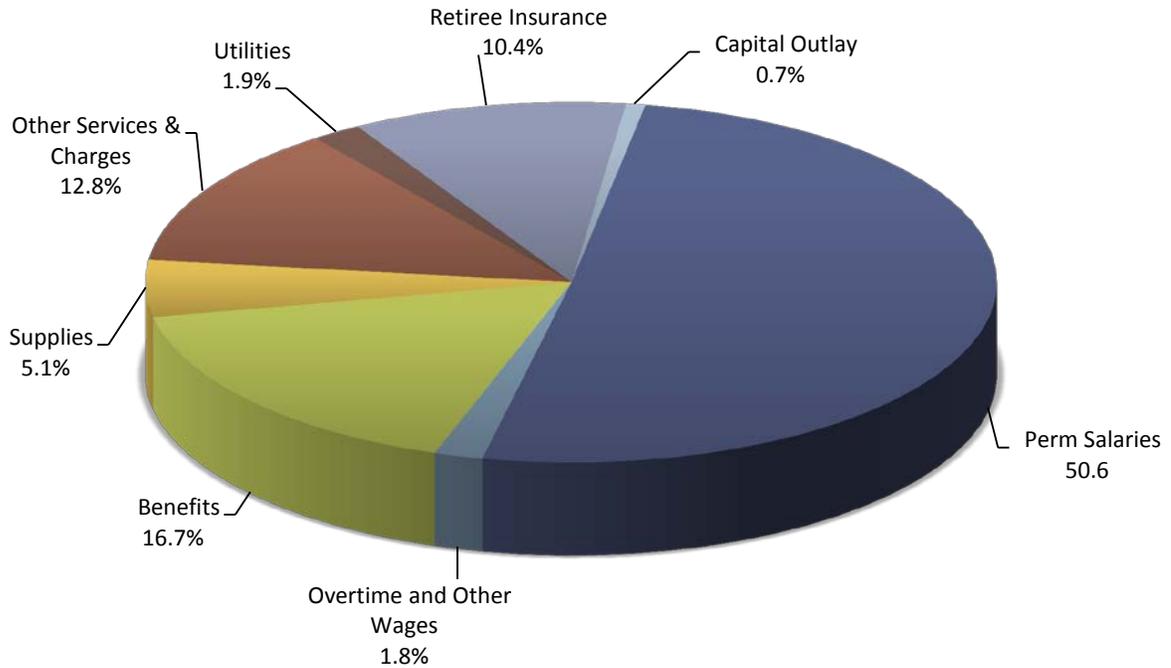
General Fund Revenues	2009 Actuals	2010 Actuals	2011 Approved	2012 Approved
Category 40 - Charges for Services continued				
4315 Fleet Administrative Service	108,200	108,200	108,200	108,200
4315 Golf Administrative Service	66,800	66,800	66,800	66,800
4315 Group Health Admin Service	250,000	250,000	250,000	250,000
4315 Self Insurance Admin Service	283,200	283,200	283,200	283,200
4315 Spirit Mt. Administrative Service	37,700	37,700	37,700	37,700
4315 Parking Administrative Service	23,300	23,300	23,300	23,300
4320 MIS Services	2,766	1,159	1,500	1,500
4322 Animal Shelter Fees	20,084	20,215	20,000	20,000
4323 Garnishment Fees	165	270	100	100
4324 Miscellaneous Services	5,322	4,829	1,000	1,400
4325 Radio Services	6,500	6,500	6,500	6,500
4326 Criminal History Checks	6,190	912	17,000	2,000
4328 Pawnbroker Transaction Charge	55,044	58,654	50,000	50,000
4329 False Alarm Fees & Penalties		10,114	5,000	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	900	4,000	4,000
4351 Building Inspection Fees	1,133,681	1,797,013	1,400,000	1,400,000
4352 Plumbing Inspection Fees	151,128	176,596	180,000	180,000
4353 Electric Inspection Fees	156,306	202,333	190,000	190,000
4354 HVAC-R Inspection Fees	121,207	169,999	150,000	150,000
4355 Signs Inspection Fees	10,214	10,673	10,500	10,500
4356 House Moving Inspection Fees	4,455	6,572	5,000	5,000
4357 Mobile Home Inspection Fees	660	781	2,000	2,000
4359 CAF Administrative Fee	17,390	21,980	15,000	15,000
4360 Vacant Building Fee		5,220	1,200	1,200
4361 RZP Registration Fee	13,396	11,868	14,000	14,000
4370 Engineering Services	341,675	447,279	270,000	300,000
4410 Adult - Zoo Admissions	5,935			
TOTAL CHARGES FOR SERVICES	5,021,060	5,833,515	5,221,400	5,254,100
CATEGORY 50 - FINES AND FORFEITS				
4470 License Penalties	9,225	15,276	8,000	8,000
4471 Library Fines	89,430	90,285	110,000	90,000
4472 Parking Fines	1,168,883	1,056,817	1,167,500	1,025,000
4473 Court Fines	425,378	550,546	451,200	664,500
TOTAL FINES AND FORFEITS	1,692,916	1,712,924	1,736,700	1,787,500

City of Duluth Minnesota - 2012 Budget

General Fund Revenues	2009 Actuals	2010 Actuals	2011 Approved	2012 Approved
CATEGORY 60 - SPECIAL ASSESSMENTS				
4500 Assessments	138,789	67,619	125,100	110,200
4500 Assessments - Service Charge	277,128	306,969	300,000	300,000
4501 Assessments - Penalty & Interest	38,289	35,122	30,300	30,800
TOTAL SPECIAL ASSESSMENTS	454,206	409,710	455,400	441,000
CATEGORY 70 - MISCELLANEOUS				
4601 Earnings on Investments	1,943,811	760,825	465,000	469,600
4620 Telecommunications Space Rental	8,780	7,702	8,400	8,400
4622 Rent of Buildings	99,880	108,695	97,700	98,100
4623 Rent of Land	5,860	5,886	5,900	5,900
4624 Rent of Equipment	180	(94)	300	300
4626 Indian Point Campground	33,121	36,447	30,000	35,000
4627 Concessions & Commissions	12,527	8,906	10,200	9,500
4631 Media Sales	31,936	30,019	36,400	34,400
4636 Sale of Materials	1,873	6,453	6,500	2,000
4639 Sale of Equipment	98,753	38,051	100,000	100,000
4640 Sale of Land	284,372	48,250	50,000	50,000
4644 Miscellaneous Sales	127,245	99,734	87,200	62,200
4650 Salary Reimbursement	90,501	30,677	20,000	20,000
4651 Extra Duty Employment Reimbursement		256,754	120,000	257,000
4654 Other Reimbursements	189,081	154,345	34,500	74,500
4660 Gifts & Donations	16,877	16,337	4,700	4,700
4680 Damages Recovered	13,369	26,060	-	-
4700 Other Sources	572	438	500	47,600
4701 2% Retention Surtax	1,653	1,645	1,500	1,500
TOTAL MISCELLANEOUS	2,960,391	1,637,130	1,078,800	1,280,700
CATEGORY 80 - OTHER FINANCING SOURCES				
4730 Transfer from Special Revenue	55,813	110,294		500,000
4730 Transfer from Tourism Tax Fund	782,288	745,422	737,900	737,900
4730 Transfer from Comm Invest Fund	1,895,146	1,286,262	510,000	317,000
4730 Transfer from Police Grant Funds	522,339	825,029	628,600	691,800
4730 Transfer from Public Utility Funds	864,250	918,226	990,600	860,600
4730 Transfer from Parking Fund	1,178,838	1,382,500	1,452,200	1,352,700
4730 Transfer from Capital Projects	26,211	-		
4730 Transfer from Permanent Improvement	5,067	86,397	100,000	100,000
4730 Transfer from Special Assessment	7,541	-	20,000	-
4730 Transfer from Steam (sale)	2,500,000	-		
4998 Prior Year Revenue	66,067	158,736		
TOTAL OTHER FINANCING SOURCES	7,903,560	5,512,866	4,439,300	4,560,000
GENERAL FUND TOTAL	79,663,849	74,679,702	74,948,000	74,830,000

City of Duluth Minnesota - 2012 Budget

GENERAL FUND Approved EXPENSES Percent of Total by Major Category

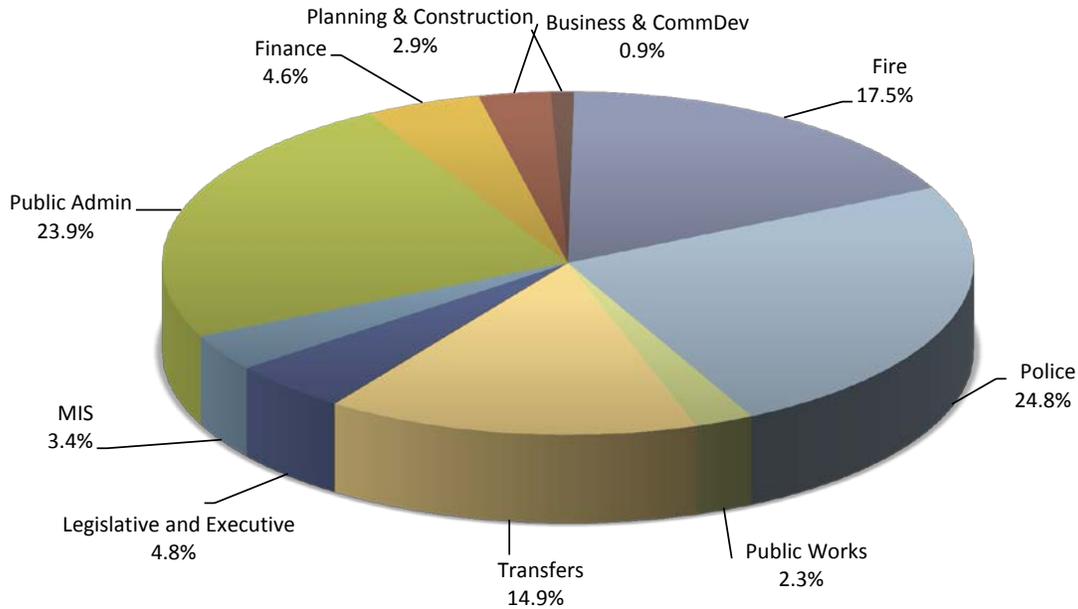


Permanent Salaries	\$	37,842,900
Overtime and Other Wages	\$	1,377,800
Benefits	\$	12,497,100
Supplies	\$	3,803,900
Other Services & Charges	\$	9,557,800
Utilities	\$	1,401,000
Retiree Insurance	\$	7,800,000
Capital Outlay	\$	549,500

TOTAL 2012 EXPENDITURES \$ 74,830,000

This graph shows the General Fund budget by expense category. The largest single category of expense is Permanent Salaries at 50.6% of all expenses. When the cost of benefits, overtime and other wages is added, the total is 69.1% of all budgeted expenses. Other Services and Charges comprises 12.8% of the total; followed by Retiree Insurance at 10.4%; Supplies at 5.1%; Utilities are at 1.9%; and Capital Outlay in the General Fund at .7% of the total expenses.

**GENERAL FUND Approved EXPENSES
Percent of Total by Department**



Legislative and Executive	\$	3,589,200
Management Info Systems	\$	2,571,600
Public Administration	\$	17,880,900
Finance Department	\$	3,443,900
Planning & Construction Svcs	\$	2,138,600
Business & Community Dev	\$	692,000
Fire Department	\$	13,107,600
Police Department	\$	18,544,800
Public Works	\$	1,744,500
Transfers	\$	11,116,900
TOTAL 2012 EXPENDITURES	\$	74,830,000

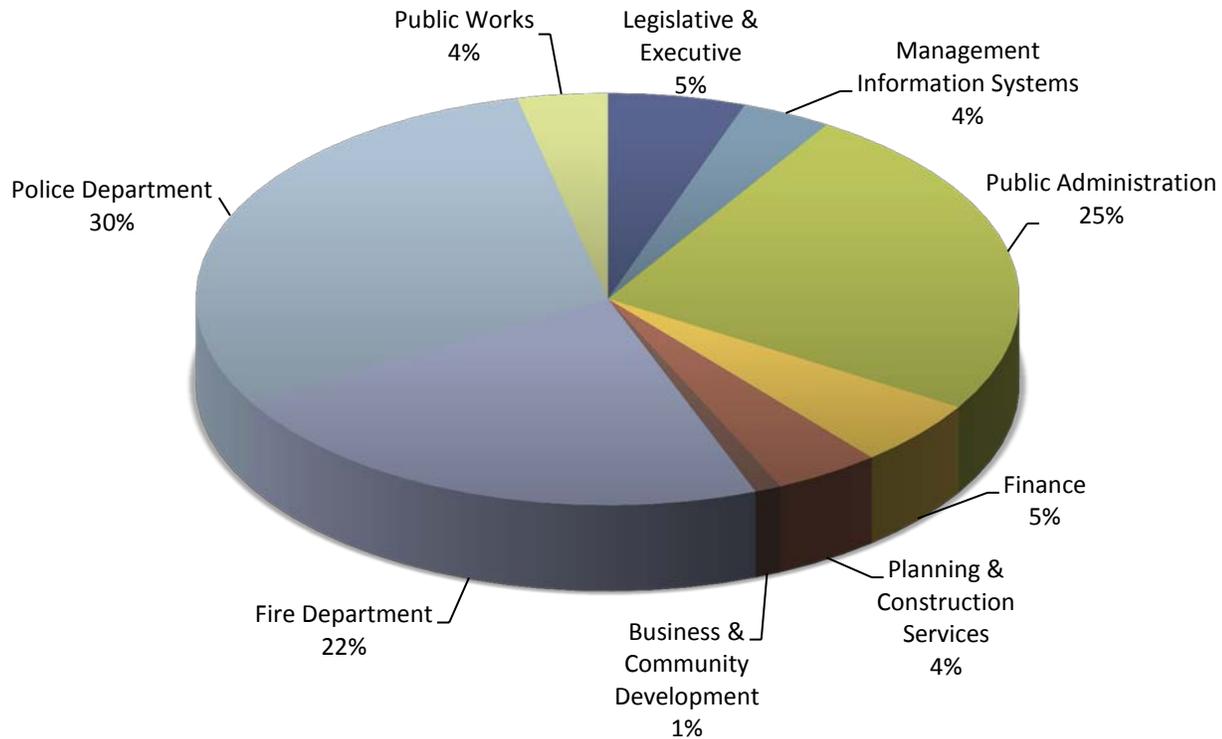
This graph shows the General Fund Departmental budgets as a percent of the total General Fund expenditures for budget fiscal year 2012. The largest category of expense is public safety with the Police and Fire Departments comprising 42.30% of the total; followed by the Public Administration Department which includes the Maintenance Operations Division at 23.9%. The Transfers Department comprises 14.9% of the total. The remaining six departments totaled together are 18.9%, with no department exceeding 5%.

General Fund - 2012 Approved Expense Budget

General Fund Expenses	Permanent Salaries	Overtime	Temporary Salaries	Benefits	Other Expense	Capital Outlay	TOTAL
LEGISLATIVE AND EXECUTIVE							
City Council	0	0	90,000	6,500	46,800	0	143,300
Mayor's Office	211,500	0	0	60,500	14,600	0	286,600
Chief Administrative Officer	196,000	0	0	57,800	10,600	0	264,400
Attorney's Office	1,411,400	0	0	377,700	48,300	5,000	1,842,400
Human Resources	705,100	0	15,000	226,500	105,900	0	1,052,500
DEPARTMENT TOTAL	2,524,000	0	105,000	729,000	226,200	5,000	3,589,200
MANAGEMENT INFO SYSTEMS	1,332,500	19,000	0	411,900	808,200	0	2,571,600
PUBLIC ADMINISTRATION							
City Clerk's	425,100	1,000	60,000	138,800	31,500	0	656,400
Maintenance Operations	4,553,900	202,000	0	1,623,800	6,793,100	0	13,172,800
Library Services	2,556,000	1,000	72,800	831,300	326,100	264,500	4,051,700
Parks & Recreation	0	0	0	0	0	0	0
DEPARTMENT TOTAL	7,535,000	204,000	132,800	2,593,900	7,150,700	264,500	17,880,900
FINANCE							
Budget Office	441,300	0	0	130,300	5,100	0	576,700
Assessor's Office	632,900	6,500	0	203,100	87,400	0	929,900
Auditor's Office	776,900	11,000	0	245,200	296,800	0	1,329,900
Purchasing	131,200	0	9,000	48,000	10,800	0	199,000
Treasurer's Office	268,200	0	0	76,200	64,000	0	408,400
DEPARTMENT TOTAL	2,250,500	17,500	9,000	702,800	464,100	0	3,443,900
PLANNING & CONST. SRVS.							
Physical Planning	431,400	0	0	141,800	68,500	0	641,700
Const. Srvs & Inspection	1,037,800	9,000	0	339,600	110,500	0	1,496,900
DEPARTMENT TOTAL	1,469,200	9,000	0	481,400	179,000	0	2,138,600
BUSINESS & COMM RSRCs.	518,000	0	0	142,600	31,400	0	692,000
FIRE DEPARTMENT							
Fire Administration	265,600	0	0	61,000	78,400	0	405,000
Fire Operations	8,157,800	270,000	0	2,667,600	553,000	0	11,648,400
Life Safety	667,700	7,500	0	235,500	143,500	0	1,054,200
DEPARTMENT TOTAL	9,091,100	277,500	0	2,964,100	774,900	0	13,107,600
POLICE DEPARTMENT							
Police Admin/Investigation	5,403,300	110,000	0	1,786,100	1,786,500	0	9,085,900
Patrol Division	6,630,300	373,000	0	2,315,400	140,200	0	9,458,900
DEPARTMENT TOTAL	12,033,600	483,000	0	4,101,500	1,926,700	0	18,544,800
PUBLIC WORKS							
Director's Office	36,200	0	0	8,400	900	0	45,500
Transportation Engineering	1,052,800	80,000	41,000	361,500	163,700	0	1,699,000
DEPARTMENT TOTAL	1,089,000	80,000	41,000	369,900	164,600	0	1,744,500
TRANSFERS	0	0	0	0	10,836,900	280,000	11,116,900
DEPARTMENT TOTAL	0	0	0	0	10,836,900	280,000	11,116,900
2012 Approved General Fund	37,842,900	1,090,000	287,800	12,497,100	22,562,700	549,500	74,830,000

City of Duluth Minnesota - 2012 Budget

General Fund Personnel Summary



Department	2011 Budget	2012 Approved
Legislative & Executive	33.50	33.50
Management Information Systems	22.00	22.00
Public Administration	154.60	144.10
Finance	32.00	34.00
Planning & Construction Services	26.00	25.00
Business & Community Development	6.50	6.50
Fire Department	140.00	138.00
Police Department	185.00	185.00
Public Works	22.00	17.00
TOTAL	621.60	605.10

City of Duluth Minnesota - 2012 Budget

General Fund Personnel Summary

	2011 Approved	2012 Approved	Difference	Narrative
LEGISLATIVE/EXECUTIVE				
City Council	0.00	0.00	0.00	
Mayor	3.00	3.00	0.00	
Chief Administrative Officer	2.50	2.50	0.00	
City Attorney	17.00	17.00	0.00	
Human Resources	11.00	11.00	0.00	
Department Total	33.50	33.50	0.00	
MANAGEMENT INFORMATION SYSTEMS				
Mgmt Information Systems	22.00	22.00	0.00	
Department Total	22.00	22.00	0.00	
PUBLIC ADMINISTRATION				
City Clerk	7.00	6.00	-1.00	Eliminated Admin Info Specialist
Maintenance Operations	96.60	89.60	-7.00	Eliminated City Architect, Carpenter, Building Mfceperson, Painter, City Forester; Transferred electrician to utilities; Transferred janitor to utilities
Library Services	43.50	48.50	5.00	Added 2 Librarian I's and 3 Library Technicians
Recreation & Sr. Services	7.50	0.00	-7.50	Moved to new Parks Fund
Department Total	154.60	144.10	-10.50	
FINANCE				
Finance Administration	4.00	6.00	2.00	Added 1 Collections person & 1 Budget Analyst
Assessor	9.00	10.00	1.00	Added 1 Appraiser
Auditor	13.00	12.00	-1.00	Eliminated 1 Admin Specialist
Purchasing	2.00	2.00	0.00	
Treasurer	4.00	4.00	0.00	
Department Total	32.00	34.00	2.00	
PLANNING & CONSTRUCTION SERVICES				
Physical Planning	7	7	0.00	
Construction Srvs & Inspection	19	18	-1.00	Zoning Coordinator position moved to Planning
Department Total	26	25	-1.00	
BUSINESS AND COMMUNITY DEVELOPMENT				
Business & Comm Develop.	6.50	6.50	0.00	
Department Total	6.50	6.50	0.00	
FIRE				
Fire Administration	4.00	3.00	-1.00	Clerical moved to Life Safety
Firefighting Operations	127.00	124.00	-3.00	Eliminated 3 Firefighters
Life Safety	9.00	11.00	2.00	New Housing Inspector and clerical from Admin
Department Total	140.00	138.00	-2.00	
POLICE				
Police Administration/Patrol	185.00	185.00	0.00	
Department Total	185.00	185.00	0.00	
PUBLIC WORKS				
Director's Office	0.40	0.40	0.00	
Engineering	21.60	16.60	-5.00	operators
Department Total	22.00	17.00	-5.00	
TOTAL GENERAL FUND FTE'S	621.60	605.10	-16.50	

Legislative and Executive Department

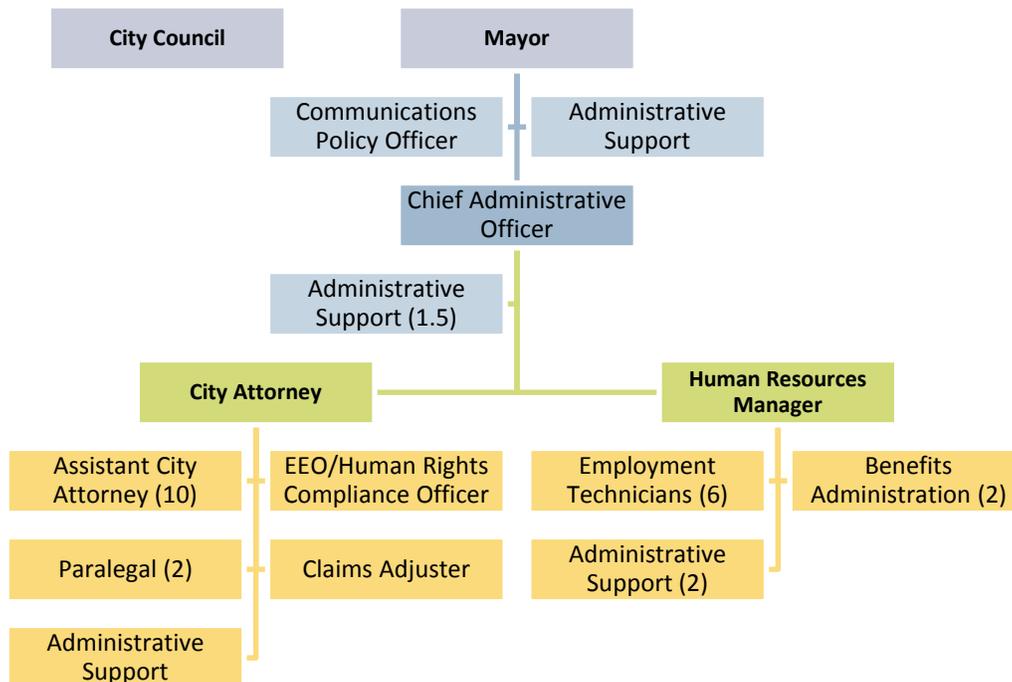
Mission and Vision

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

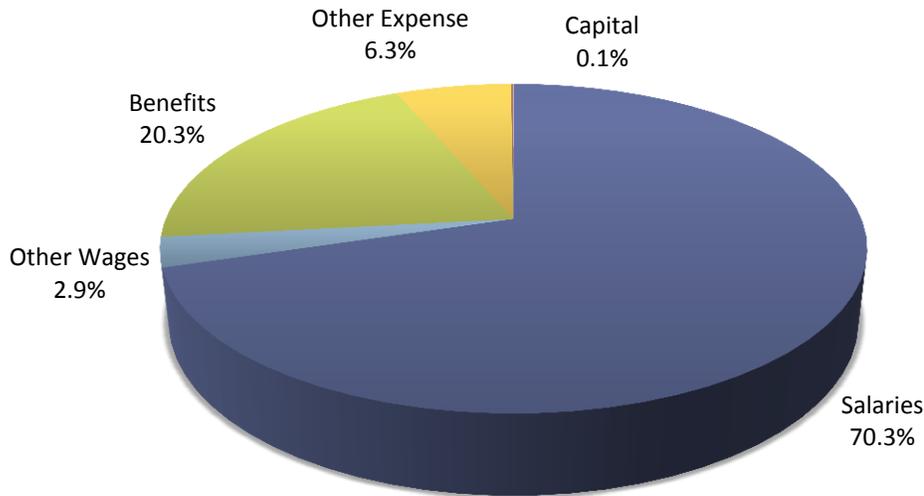
The divisions in this department are responsible for the legislative activity pursuant to City Charter; administration of the organization; enforcement and execution of city ordinances; legal defense of the city; and management of human resources.

Legislative & Executive Department Organization Chart



City of Duluth Minnesota - 2012 Budget

Legislative & Executive Department 2012 Approved Budget by Expense Category



Expenditures by Category	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Permanent Salaries	2,142,118	2,362,738	2,521,800	2,524,000	2,200
Overtime	3,833	2,749	-	-	-
Other Wages	102,110	92,026	90,000	105,000	15,000
Total Personal Services	2,248,061	2,457,513	2,611,800	2,629,000	17,200
Benefits	547,896	619,747	681,900	729,000	47,100
Other Expense	139,549	156,776	166,200	226,200	60,000
Capital Outlay	7,949	7,950	5,000	5,000	-
Department Total	2,943,455	3,241,986	3,464,900	3,589,200	124,300

Expenditures by Division	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
City Council	128,019	141,753	143,200	143,300	100
Mayor's Office	149,952	220,409	267,600	286,600	19,000
Chief Admin Officer	239,974	250,831	256,000	264,400	8,400
Attorney's Office	1,649,189	1,865,968	1,834,300	1,842,400	8,100
Human Resources	776,321	763,025	963,800	1,052,500	88,700
Department Total	2,943,455	3,241,986	3,464,900	3,589,200	124,300

	2009	2010	2011	2012	Difference
Budgeted FTE's	35.00	33.00	33.50	33.50	0.00

City of Duluth Minnesota - 2012 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	2009	2010	2011	2012	Difference
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There are no fulltime, permanent employees assigned to this division.

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	-	-	-	-	-
Overtime	-	-	-	-	-
Other Wages	90,947	90,414	90,000	90,000	-
Total Salaries	90,947	90,414	90,000	90,000	-
Benefits	7,326	6,422	6,400	6,500	100
Other Expense					
Materials & Supplies	542	2,357	2,800	2,800	-
Services	17,136	27,751	32,000	32,000	-
Utilities & Maintenance	183	88	800	800	-
Other	11,885	14,721	11,200	11,200	-
Total Other Expense	29,746	44,917	46,800	46,800	-
Division Total	128,019	141,753	143,200	143,300	100

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009			2012
	Actual	2010	Actual 2011	Budget Approved
City Council - 110-110-1101				
PERSONAL SERVICES				
5103 Other Wages	90,947	90,414	90,000	90,000
TOTAL	90,947	90,414	90,000	90,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	1,000	1,916	2,000	1,500
5122 FICA - Social Security	5,010	3,202	3,100	3,700
5123 FICA - Medicare	1,316	1,304	1,300	1,300
TOTAL	7,326	6,422	6,400	6,500
OTHER EXPENDITURES				
5200 Office Supplies	300	-	1,000	1,000
5201 Computer Supplies/Software	168	-	1,000	1,000
5202 Audiovisual & Photography	-	2,115	500	500
5219 Other Miscellaneous Supplies	74	242	300	300
5319 Other Professional Services	10,750	10,750	10,000	10,000
5331 Travel/Training	210	948	12,000	12,000
5355 Printing & Copying	6,176	16,053	10,000	10,000
5404 Equipment/Machinery Repair & Mtc	183	88	800	800
5433 Dues & Subscription	1,254	1,152	1,000	1,000
5441 Other Services & Charges	7,924	10,051	8,000	8,000
5443 Board & Meeting Expenses	2,707	3,518	2,200	2,200
TOTAL	29,746	44,917	46,800	46,800
DIVISION TOTAL	128,019	141,753	143,200	143,300

City of Duluth Minnesota - 2012 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	2009	2010	2011	2012	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	-	-	-
6 Senior Secretary Spec.	1.0	1.0	-	-	-
126 Information Technician	-	-	1.0	1.0	-
Division Total	3.0	3.0	3.0	3.0	-

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	108,009	157,880	198,800	211,500	12,700
Overtime	-	-	-	-	-
Other Wages	250	-	-	-	-
Total Salaries	108,259	157,880	198,800	211,500	12,700
Benefits	27,607	42,218	54,200	60,500	6,300
Other Expense					
Materials & Supplies	941	2,864	1,700	1,700	-
Services	654	3,699	3,100	3,100	-
Utilities & Maintenance	6,247	5,599	2,000	2,000	-
Other	6,244	8,149	7,800	7,800	-
Total Other Expense	14,086	20,311	14,600	14,600	-
Division Total	149,952	220,409	267,600	286,600	19,000

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009			2012
	Actual	2010	Actual 2011	Budget Approved
Mayor's Office - 110-110-1102				
PERSONAL SERVICES				
5100 Permanent Salaries	108,009	157,880	198,800	211,500
5101 Premium Pay	-	-	-	-
5103 Other Wages	250	-	-	-
TOTAL	108,259	157,880	198,800	211,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	3,947	8,524	12,900	14,600
5122 FICA - Social Security	6,531	9,616	12,300	13,100
5123 FICA - Medicare	1,527	2,249	2,900	3,100
5124 Medical Insurance	13,610	18,835	22,600	26,000
5125 Dental Insurance	784	1,136	1,200	1,200
5126 Life Insurance	221	420	500	500
5127 Health Care Savings Plan (HCSP)	987	1,438	1,800	2,000
TOTAL	27,607	42,218	54,200	60,500
OTHER EXPENDITURES				
5200 Office Supplies	214	1,493	1,000	1,000
5202 Audiovisual & Photography	-	572	-	-
5219 Other Miscellaneous Supplies	535	799	500	500
5241 Small Equip-Office/Operating	192	-	200	200
5320 Data Services	-	558	-	-
5322 Postage	-	-	100	100
5331 Travel/Training	654	3,141	3,000	3,000
5355 Printing & Copying	6,247	5,599	2,000	2,000
5433 Dues & Subscription	225	398	300	300
5441 Other Services & Charges	1,713	1,291	1,500	1,500
5443 Board & Meeting Expenses	971	1,460	1,000	1,000
5444 Mayor's Contingent Account	3,335	5,000	5,000	5,000
TOTAL	14,086	20,311	14,600	14,600
DIVISION TOTAL	149,952	220,409	267,600	286,600

City of Duluth Minnesota - 2012 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 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.

City reorganizations impacted this division in 2010. The business development function was moved into Community Resources in 2010 and is it's own department called Business and Community Development Resources in 2011. 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	2009	2010	2011	2012	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	-	-	-
126 Information Technician	-	-	0.5	0.5	-
Division Total	6.0	2.0	2.5	2.5	-

Expenditures	2009	2010	2011 Budget	2012	Difference
	Actual	Actual		Approved	
Personal Services					
Permanent Salaries	171,048	189,372	194,200	196,000	1,800
Overtime	304	709	-	-	-
Other Wages	10,000	-	-	-	-
Total Salaries	181,352	190,081	194,200	196,000	1,800
Benefits	42,351	48,615	51,200	57,800	6,600
Other Expense					
Materials & Supplies	643	2,552	2,000	2,000	-
Services	4,505	495	2,000	2,000	-
Utilities & Maintenance	4,899	4,988	600	600	-
Other	6,224	4,100	6,000	6,000	-
Total Other Expense	16,271	12,135	10,600	10,600	-
Division Total	239,974	250,831	256,000	264,400	8,400

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009			2012
	Actual	2010	Actual 2011	Budget Approved
Chief Administrative Officer - 110-110-1103				
PERSONAL SERVICES				
5100 Permanent Salaries	171,048	189,372	194,200	196,000
5101 Premium Pay	304	709	-	-
5103 Other Wages	10,000	-	-	-
TOTAL	181,352	190,081	194,200	196,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	12,276	12,213	13,100	13,600
5122 FICA - Social Security	11,220	11,050	12,000	12,200
5123 FICA - Medicare	2,624	2,678	2,800	2,800
5124 Medical Insurance	13,037	19,275	19,800	25,900
5125 Dental Insurance	1,072	1,296	1,200	1,000
5126 Life Insurance	325	397	500	500
5127 Health Care Savings Plan (HCSP)	1,797	1,706	1,800	1,800
TOTAL	42,351	48,615	51,200	57,800
OTHER EXPENDITURES				
5200 Office Supplies	643	2,408	1,000	1,000
5201 Computer Supplies/Software	-	-	500	500
5219 Other Miscellaneous Supplies	-	144	500	500
5331 Travel/Training	4,505	495	2,000	2,000
5404 Equipment/Machinery Repair & Mtc	-	-	300	300
5418 Vehicle/Equip Lease (Long-term)	4,899	4,988	300	300
5433 Dues & Subscription	126	-	500	500
5435 Books & Pamphlets	199	-	500	500
5441 Other Services & Charges	4,660	3,235	4,000	4,000
5443 Board & Meeting Expenses	1,239	865	1,000	1,000
TOTAL	16,271	12,135	10,600	10,600
DIVISION TOTAL	239,974	250,831	256,000	264,400

City of Duluth Minnesota - 2012 Budget

City Attorney's Office

Provides legal advice and services, as needed, to the City and related agencies. The division also includes the Human Rights Office was merged into the Attorney's Office in 2009. Duties associated with that function includes providing advice, education, and enforcement of the city's Human Rights ordinance and related regulations.

Budgeted FTE's	2009	2010	2011	2012	Difference
Res City Attorney	1.0	1.0	1.0	1.0	-
5 Assistant Attorney	7.0	10.0	10.0	10.0	-
10 Claims Adjuster	1.0	1.0	1.0	1.0	-
131 Paralegal	1.0	2.0	2.0	2.0	-
Res EEO Compliance Officer	1.0	1.0	1.0	1.0	-
6 Sr Secretarial Spec	2.0	1.0	1.0	1.0	-
129 Admin Legal Assistant	-	-	1.0	1.0	-
126 Information Technician	2.0	1.0	-	-	-
Division Total	15.0	17.0	17.0	17.0	-

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	1,278,998	1,448,315	1,424,400	1,411,400	(13,000)
Overtime	30	94	-	-	-
Other Wages	913	1,031	-	-	-
Total Salaries	1,279,941	1,449,440	1,424,400	1,411,400	(13,000)
Benefits	319,607	365,659	356,600	377,700	21,100
Other Expense					
Materials & Supplies	6,699	4,935	4,200	4,200	-
Services	6,982	11,769	10,600	10,600	-
Utilities & Maintenance	4,243	2,994	4,500	4,500	-
Other	23,768	23,221	29,000	29,000	-
Total Other Expense	41,692	42,919	48,300	48,300	-
Capital Outlay	7,949	7,950	5,000	5,000	-
Division Total	1,649,189	1,865,968	1,834,300	1,842,400	8,100

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail		2009 Actual	2010 Actual	2011 Budget	2012 Approved
City Attorney's Office - 110-110-1104					
PERSONAL SERVICES					
5100	Permanent Salaries	1,278,998	1,448,315	1,424,400	1,411,400
5101	Premium Pay	30	94	-	-
5103	Other Wages	913	1,031	-	-
	TOTAL	1,279,941	1,449,440	1,424,400	1,411,400
EMPLOYEE BENEFITS					
5121	PERA Retirement	76,250	90,012	89,400	98,200
5122	FICA - Social Security	77,530	86,907	86,700	87,500
5123	FICA - Medicare	18,132	20,625	20,300	20,500
5124	Medical Insurance	101,946	112,859	113,300	136,700
5125	Dental Insurance	6,000	6,704	6,800	6,500
5126	Life Insurance	2,340	3,030	3,100	3,100
5127	Health Care Savings Plan (HCSP)	37,409	45,522	37,200	25,200
	TOTAL	319,607	365,659	356,800	377,700
OTHER EXPENDITURES					
5200	Office Supplies	6,609	4,935	4,000	4,000
5241	Small Equip-Office/Operating	90	-	200	200
5304	Legal Services	1,322	3,379	3,000	3,000
5331	Travel/Training	3,910	6,215	5,400	5,400
5335	Local Mileage Reimbursement	1,477	1,922	2,000	2,000
5355	Printing & Copying	273	253	200	200
5404	Equipment/Machinery Repair & Mtc	-	295	500	500
5418	Vehicle/Equip Lease (Long-term)	4,243	2,699	4,000	4,000
5433	Dues & Subscription	21,700	22,629	21,000	21,000
5441	Other Services & Charges	2,068	592	8,000	8,000
	TOTAL	41,692	42,919	48,300	48,300
CAPITAL OUTLAY					
	Library Materials	7,949	7,950	5,000	5,000
	TOTAL	7,949	7,950	5,000	5,000
DIVISION TOTAL		1,649,189	1,865,968	1,834,500	1,842,400
City of Duluth Minnesota - 2012 Budget					

General Fund Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
City Attorney's Office - 110-110-1104				
REVENUE SOURCE				
4209 Miscellaneous Federal Grants	145,485	19,380	21,600	20,000
4644 Miscellaneous Fees, Sales, Services		5,820		
4654 Other Reimbursements	1,069	3,715		
4730 Transfer from Police Grant Fund		67,488	78,300	88,000
DIVISION TOTAL	146,554	96,403	99,900	108,000

City of Duluth Minnesota - 2012 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	2009	2010	2011	2012	Difference
1140 Mgr, Human Resources	1.0	1.0	1.0	1.0	-
11 Labor Relations Spec.	2.0	-	1.0	-	(1.0)
10A Sr HR Generalist	-	-	1.0	1.0	-
10 HR Generalist	-	-	1.0	3.0	2.0
137 Personnel Tech II	1.0	1.0	-	-	-
9 HR Technician	-	-	2.0	2.0	-
131 Personnel Analyst	1.0	3.0	1.0	-	(1.0)
10A Employee Benefit Admin	-	-	1.0	1.0	-
136 Employee Benefits Spec	1.0	1.0	-	-	-
10 Employee Benefits Rep	-	-	1.0	1.0	-
9 Employee Benefits Tech	2.0	2.0	-	-	-
6 Sr Secretarial Specialist	1.0	1.0	1.0	-	(1.0)
127 HR Assistant	-	-	1.0	2.0	1.0
121 Clerical Support Tech	2.0	2.0	-	-	-
Division Total	11.0	11.0	11.0	11.0	-

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	584,063	567,171	704,400	705,100	700
Overtime	3,499	1,946	-	-	-
Other Wages	-	581	-	15,000	15,000
Total Salaries	587,562	569,698	704,400	720,100	15,700
Benefits	151,005	156,833	213,500	226,500	13,000
Other Expense					
Materials & Supplies	6,796	5,237	10,000	11,000	1,000
Services	10,608	10,820	14,900	73,900	59,000
Utilities & Maintenance	5,108	6,609	10,500	10,500	-
Other	15,242	13,828	10,500	10,500	-
Total Other Expense	37,754	36,494	45,900	105,900	60,000
Division Total	776,321	763,025	963,800	1,052,500	88,700

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009			2012
	Actual	2010	Actual	Budget
Human Resources - 110-110-1106				
PERSONAL SERVICES				
5100 Permanent Salaries	584,063	567,171	704,400	705,100
5101 Premium Pay	3,499	1,946	-	-
5103 Other Wages	-	581	-	15,000
TOTAL	587,562	569,698	704,400	720,100
EMPLOYEE BENEFITS				
5121 PERA Retirement	33,895	37,080	48,300	48,500
5122 FICA - Social Security	35,455	34,246	43,700	44,600
5123 FICA - Medicare	8,292	8,009	10,200	10,400
5124 Medical Insurance	62,375	66,552	85,400	110,300
5125 Dental Insurance	4,176	4,260	5,400	4,200
5126 Life Insurance	1,274	1,650	2,000	2,000
5127 Health Care Savings Plan (HCSP)	5,538	5,036	18,500	6,500
TOTAL	151,005	156,833	213,500	226,500
OTHER EXPENDITURES				
5200 Office Supplies	5,441	4,685	6,000	6,000
5201 Computer Supplies/Software	1,355	502	2,000	2,000
5219 Other Miscellaneous Supplies	-	50	2,000	3,000
5319 Other Professional Services	3,960	5,992	5,000	57,000
5321 Phone Service	199	-	900	900
5331 Travel/Training	4,931	3,525	5,000	5,000
5355 Printing & Copying	1,518	1,303	4,000	11,000
5404 Equipment/Machinery Repair & Mtc	-	-	4,500	4,500
5418 Vehicle/Equip Lease (Long-term)	5,108	6,609	6,000	6,000
5433 Dues & Subscription	1,569	3,477	3,000	3,000
5435 Books & Pamphlets	-	-	2,500	2,500
5441 Other Services & Charges	4,626	5,746	5,000	5,000
5446 Tuition Reimbursement	9,047	4,605	-	-
TOTAL	37,754	36,494	45,900	105,900
DIVISION TOTAL	776,321	763,025	963,800	1,052,500

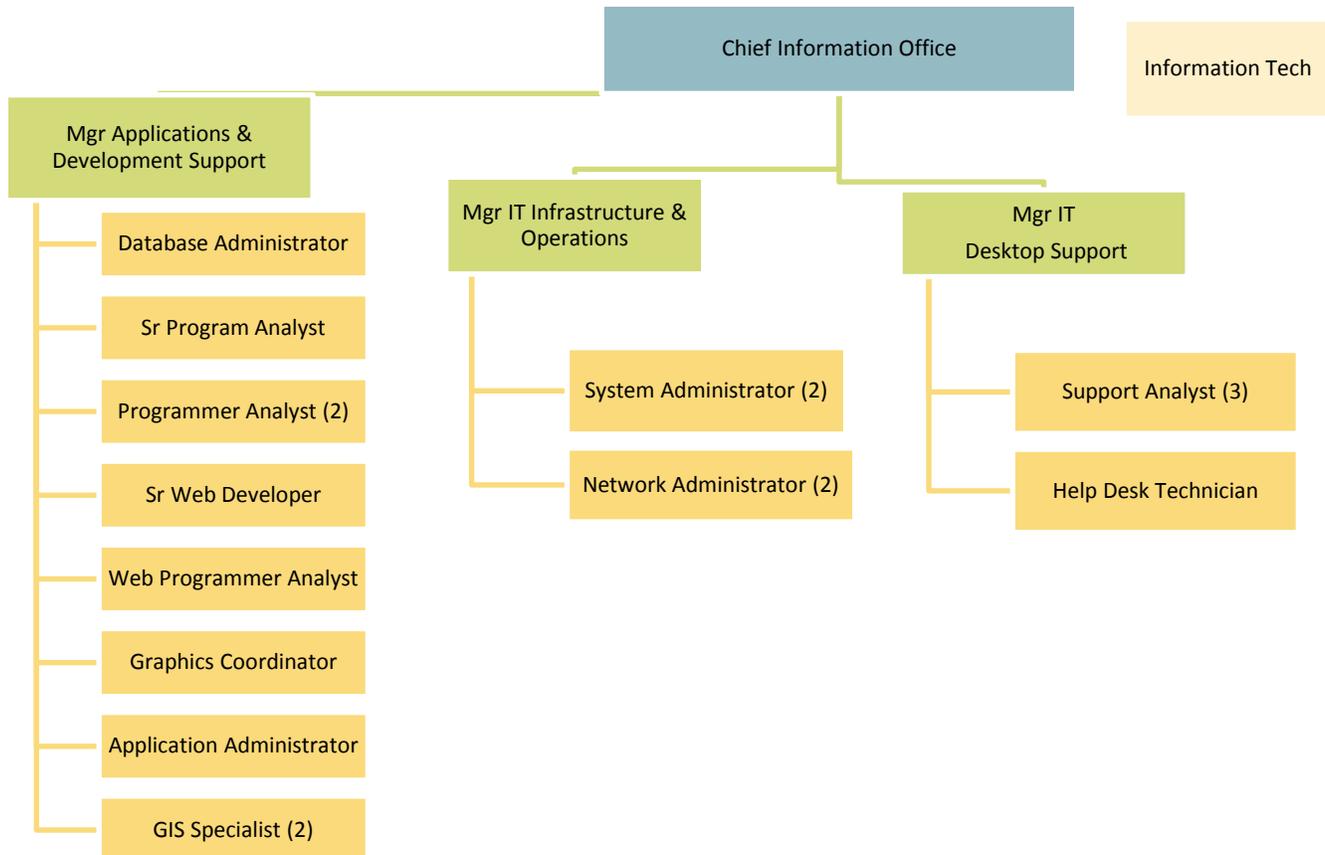
Management Information Systems Department

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.

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 areas of expertise in those processes.

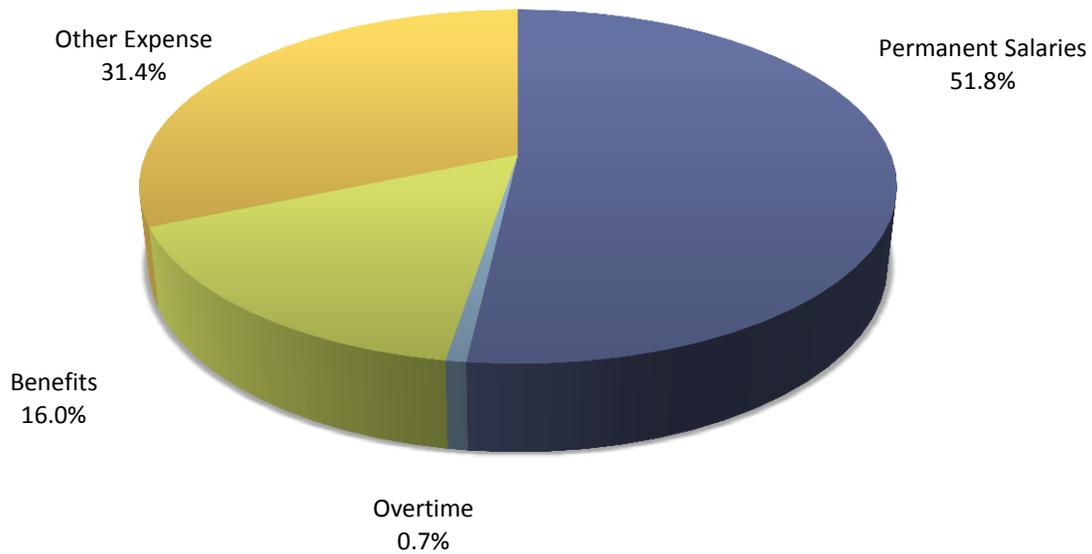


City of Duluth Minnesota - 2012 Budget

2012 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	Entered 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 an 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 & 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 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 Legacy Application Conversion	Site On-Line Mainframe decommissioned
Automation Tools	Reduce administrative 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
Web and E-mail Filtering	Reduce PC virus/malware Infections Optimize bandwidth use Improved control on SPAM	Implement software and hardware Establish Rules Update use policy	Help desk tickets Increased network speeds
Fiber Network Enhancement	Increase bandwidth to WAN sites Reduce administrative & support time	Selected sites for fiber connection Install internal wiring Attain and configure hardware	Increased WAN connection speeds
Data Center Modernization	Improved energy efficiency	Install energy efficient air conditioner Install above floor cable management Consolidate& fiber	Reduction in energy and water consumption

Management Info Systems Department
2012 Approved Budget by Expense Category



Expenditures by Category	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Permanent Salaries	1,039,148	1,087,583	1,436,000	1,332,500	(103,500)
Overtime	10,812	9,961	19,000	19,000	-
Other Wages	-	2,679	-	-	-
Total Personal Services	1,049,960	1,100,223	1,455,000	1,351,500	(103,500)
Benefits	294,201	313,077	429,400	411,900	(17,500)
Other Expense	276,141	247,189	791,300	808,200	16,900
Capital Outlay	-	-	-	-	-
Department Total	1,620,302	1,660,489	2,675,700	2,571,600	(104,100)
Budgeted FTE's	2009	2010	2011	2012	Difference
	18.0	24.0	22.0	22.0	-

City of Duluth Minnesota - 2012 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 as 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	2009	2010	2011	2012	Difference
1145 Chief Info Officer	-	-	1.0	-	(1.0)
1135 Manager, Appl Dev	1.0	1.0	1.0	1.0	-
1125 Manager, IT/Desktop	-	-	2.0	2.0	-
1085 Assistant Manager, MIS	1.0	1.0	-	-	-
138 Sr System Admin	-	-	1.0	-	(1.0)
137 Sr Programmer Analyst	3.0	3.0	2.0	2.0	-
137 Various Administrators	3.0	4.0	5.0	6.0	1.0
136 Programmer Analyst	2.0	2.0	2.0	3.0	1.0
131 Graphics Coordinator	1.0	1.0	1.0	1.0	-
133 GIS Specialist	2.0	2.0	2.0	2.0	-
133 Mobile App Specialist	-	1.0	1.0	-	(1.0)
133 Prgm/Web Devlpmnt	-	1.0	-	-	-
131 Support Analyst	3.0	5.0	3.0	4.0	1.0
32 Project Coordinator	-	1.0	-	-	-
129 Quality Analyst	1.0	1.0	-	-	-
126 Information Technician	1.0	1.0	1.0	1.0	-
Division Total	18.0	24.0	22.0	22.0	-

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	1,039,148	1,087,583	1,436,000	1,332,500	(103,500)
Overtime	10,812	9,961	19,000	19,000	-
Other Wages	-	2,679	-	-	-
Total Salaries	1,049,960	1,100,223	1,455,000	1,351,500	(103,500)
Benefits	294,201	313,077	429,400	411,900	(17,500)
Other Expense					
Materials & Supplies	150,135	97,558	424,000	363,500	(60,500)
Services	44,765	85,292	269,600	360,700	91,100
Utilities & Maintenance	81,125	63,266	90,800	77,200	(13,600)
Other	116	1,073	6,900	6,800	(100)
Total Other Expense	276,141	247,189	791,300	808,200	16,900
Division Total	1,620,302	1,660,489	2,675,700	2,571,600	(104,100)

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009			2012
	Actual	2010	Actual 2011	Budget Approved
Management Information Systems - 110-117-1107				
PERSONAL SERVICES				
5100 Permanent Salaries	1,039,148	1,087,583	1,436,000	1,332,500
5101 Premium Pay	10,812	9,961	19,000	19,000
5103 Other Wages	-	2,679	-	-
TOTAL	1,049,960	1,100,223	1,455,000	1,351,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	66,362	70,789	103,000	92,900
5122 FICA - Social Security	62,565	65,432	92,400	83,800
5123 FICA - Medicare	14,632	15,303	21,600	19,600
5124 Medical Insurance	129,948	139,966	186,300	185,400
5125 Dental Insurance	6,144	6,277	8,400	8,100
5126 Life Insurance	2,496	2,942	4,000	3,800
5127 Health Care Savings Plan (HCSP)	12,054	12,368	13,700	18,300
TOTAL	294,201	313,077	429,400	411,900
OTHER EXPENDITURES				
5200 Office Supplies	2,094	1,302	1,800	1,800
5201 Computer Supplies/Software	141,716	91,040	413,200	352,700
5203 Paper/Stationery/Forms	4,826	3,216	4,000	4,000
5241 Small Equip-Office/Operating	1,499	2,000	5,000	5,000
5309 MIS Services	17,850	4,297	2,200	700
5319 Other Professional Services	14,755	18,853	99,500	139,500
5320 Data Services	266	39,500	129,400	122,000
5321 Phone Service	-	358	6,000	6,000
5331 Travel/Training	7,374	20,962	25,000	25,000
5335 Local Mileage Reimbursement	905	445	1,500	1,500
5355 Printing & Copying	3,615	877	6,000	66,000
5404 Equipment/Machinery Repair & Mtc	81,125	63,266	90,800	77,200
5433 Dues & Subscription	70	1,073	6,900	6,800
5441 Other Services & Charges	46	-	-	-
TOTAL	276,141	247,189	791,300	808,200
DIVISION TOTAL	1,620,302	1,660,489	2,675,700	2,571,600

City of Duluth Minnesota - 2012 Budget

General Fund Revenue Detail	2009		2011	2012
	Actual	2010 Actual	Budget	Approved
Management Information Systems - 110-117-1107				
REVENUE SOURCE				
4310 Assessment Cost Services	3,864	47	2,500	1,500
4320 MIS Services	2,766	1,159	1,500	1,500
DIVISION TOTAL	6,630	1,206	4,000	3,000

Public Administration Department

Mission and Vision

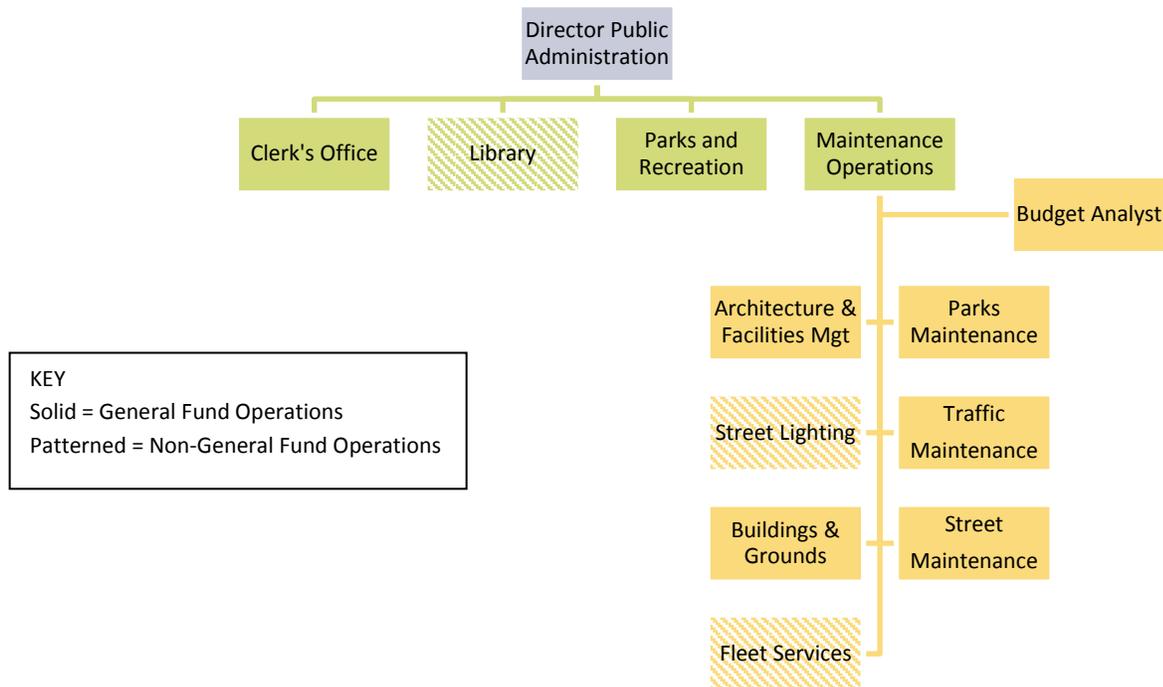
While the Department of Public Administration has a disparate number of services and responsibilities, the department has a common mission and vision to provide the quality services expected by Duluth citizens and visitors. Specifically, each division has created its own mission and vision statements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

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. Subsequent changes to the organization include the creation of a Street Lighting Utility; transferring Parks and Recreation to the new Special Revenue Parks Fund; and moving Parking Enterprises to the Police Department. The Internal Service Fund – Fleet Services also reports to Public Administration.

The department's general fund operation for 2012 is organized into three divisions: City Clerk's Office, Maintenance Operations, and Library. The 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 Organization Chart



City of Duluth Minnesota - 2012 Budget

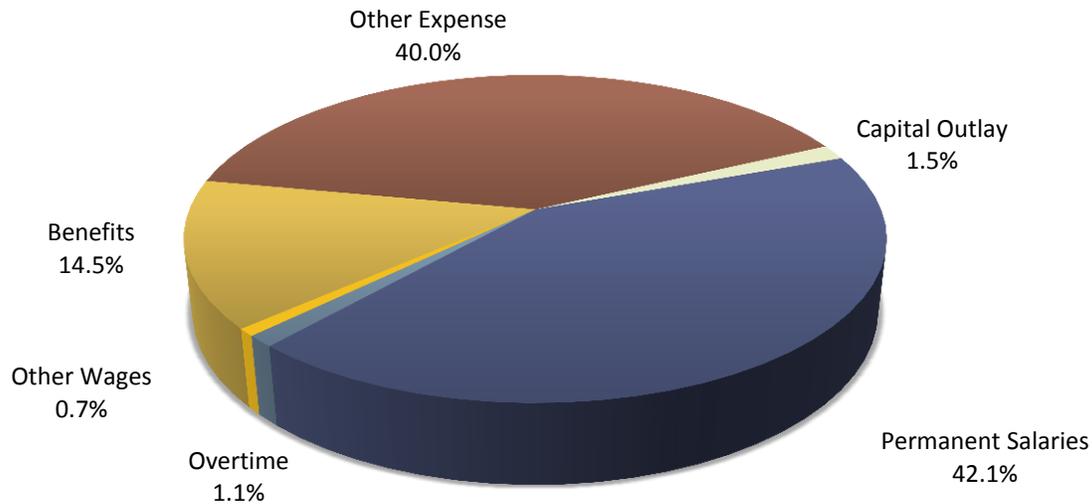
2012 Goals and Objectives

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.
Continue to implement Library's operation plan, focusing on increasing open hours and keeping up with patron demand for technology	Restore 5-day-per-week branch hours Redesign and update website Provide more downloadable books and/or ereaders for checkout	1. Hire and train additional permanent staff to support increased hours 2. Work with MIS on website redesign 3. Establish DPL-owned downloadable collection and/or add more ereaders with downloaded content for checkout	Completion of hiring process; performance reviews to assess training outcomes Measure change in website hits after redesign and publicity Track circulation statistics for downloadables
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"> - Complete City Hall window replacement project - Implement City Hall remodeling project - Expand maintenance of the park system through the Parks Fund - Cap eight miles of streets and crack seal 80 miles of streets - Build a gazebo at Enger Tower Park and upgrade the electrical system - Implement a capital improvement program for Duluth's signal and lighting system - In cooperation with Engineering and the Stormwater Utility, begin addressing gravel road erosion problems. 			

City of Duluth Minnesota - 2012 Budget

Public Administration Department 2012 Approved Budget by Expense Category



Expenditures by Category	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Permanent Salaries	8,169,056	7,809,985	8,221,600	7,535,000	(686,600)
Overtime	180,678	220,719	173,000	204,000	31,000
Other Wages	62,703	255,459	446,100	132,800	(313,300)
Total Personal Services	8,412,437	8,286,163	8,840,700	7,871,800	(968,900)
Benefits	2,459,052	2,406,484	2,564,900	2,593,900	29,000
Other Expense	6,275,642	6,717,978	6,967,900	7,150,700	182,800
Capital Outlay	359,019	312,534	264,500	264,500	-
Department Total	17,506,150	17,723,159	18,638,000	17,880,900	(757,100)

Expenditures by Division	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
City Clerk	611,920	699,811	729,600	656,400	(73,200)
Maintenance Operations	12,421,833	12,732,433	13,525,600	13,172,800	(352,800)
Library Services	3,502,158	3,601,682	3,617,300	4,051,700	434,400
Parks & Recreation	970,239	689,233	765,500	-	(765,500)
Department Total	17,506,150	17,723,159	18,638,000	17,880,900	(757,100)

	2009	2010	2011	2012	Difference
Budgeted FTE's	138.10	160.60	154.60	144.10	(10.50)

City of Duluth Minnesota - 2012 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	2009	2,010	2,011	2,012	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	2.0	(1.0)
126 Information Tech	2.0	2.0	1.0	1.0	-
Division Total	7.0	7.0	7.0	6.0	(1.0)

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	373,763	474,596	476,400	425,100	(51,300)
Overtime	460	1,504	1,000	1,000	-
Other Wages	46,307	58,527	60,000	60,000	-
Total Salaries	420,530	534,627	537,400	486,100	(51,300)
Benefits	125,912	135,261	150,700	138,800	(11,900)
Other Expense					
Materials & Supplies	3,783	5,144	4,600	4,600	-
Services	37,539	8,797	22,000	12,000	(10,000)
Utilities & Maintenance	7,970	8,368	10,000	10,000	-
Other	16,186	7,614	4,900	4,900	-
Total Other Expense	65,478	29,923	41,500	31,500	(10,000)
Capital Outlay	-	-	-	-	-
Division Total	611,920	699,811	729,600	656,400	(73,200)

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
City Clerk - 110-121-1211				
PERSONAL SERVICES				
5100 Permanent Salaries	373,763	474,596	476,400	425,100
5101 Premium Pay	460	1,504	1,000	1,000
5103 Other Wages	46,307	58,527	60,000	60,000
TOTAL	420,530	534,627	537,400	486,100
EMPLOYEE BENEFITS				
5121 PERA Retirement	23,282	29,968	32,800	29,600
5122 FICA - Social Security	22,682	28,567	33,300	30,200
5123 FICA - Medicare	5,305	6,767	7,800	7,000
5124 Medical Insurance	56,338	56,379	56,500	64,800
5125 Dental Insurance	2,304	2,516	2,700	2,300
5126 Life Insurance	936	1,175	1,300	1,100
5127 Health Care Savings Plan (HCSP)	15,065	9,889	16,300	3,800
TOTAL	125,912	135,261	150,700	138,800
OTHER EXPENDITURES				
5200 Office Supplies	3,422	4,121	2,100	2,100
5201 Computer Supplies/Software	-	643	500	500
5219 Other Miscellaneous Supplies	361	380	2,000	2,000
5331 Travel/Training	828	671	2,000	2,000
5355 Printing & Copying	36,711	8,126	20,000	10,000
5404 Equipment/Machinery Repair & Mtc	7,970	8,368	10,000	10,000
5412 Building Rental	940	980	1,000	1,000
5433 Dues & Subscription	330	2,230	400	400
5441 Other Services & Charges	14,916	4,404	3,500	3,500
TOTAL	65,478	29,923	41,500	31,500
DIVISION TOTAL	611,920	699,811	729,600	656,400

City of Duluth Minnesota - 2012 Budget

General Fund Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
City Clerk - 110-121-1211				
REVENUE SOURCE				
4101 Liquor License	386,126	404,813	385,000	385,000
4102 Beer License	13,957	14,032	14,000	14,000
4105 Hotel License	6,232	7,107	6,500	6,500
4106 Garbage Collection	13,850	12,276	14,000	14,000
4107 Horse & Carriage	497	888	700	700
4108 Emergency Wrecker License	6,225	7,691	5,000	5,000
4109 Gas Station License	9,514	10,262	8,500	8,500
4111 Pawnbroker License	1,626	1,089	1,300	1,300
4112 Peddler's License	726	594	500	500
4113 Precious Metal Dealer	2,010	2,783	1,200	1,200
4114 Pet Shop License	234	553	500	500
4115 Dog & Cat Hospitals License	237	969	300	300
4116 Dog Kennels License	200	370	400	400
4117 Massage Parlor	6,983	6,732	5,000	5,000
4118 Cigarette License	13,875	13,936	15,000	15,000
4119 Motor Vehicle - Dealer	4,650	4,215	4,400	4,400
4119 Motor Vehicle - Rental	1,750	1,764	1,600	1,600
4120 Taxi Permit	9,257	12,344	5,300	5,300
4121 Coin Operating Device	4,034	12,130	9,000	9,000
4122 Pool & Bowling	2,160	1,616	2,000	2,000
4150 Pet License	24,537	26,864	18,000	18,000
4170 Misc. Permits & Licenses	5,315	4,590	700	700
4307 Planning/Zoning Fees	12,166	12,854	8,000	
4470 License Penalties	9,225	15,276	8,000	8,000
4644 Miscellaneous Sales	85,821	29,062	45,000	20,000
4700 Other Sources	44	39		47,600
DIVISION TOTAL	621,251	604,849	559,900	574,500

City of Duluth Minnesota - 2012 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	2009	2010	2011	2012	Difference
1135 Mgr, Fleet/Mtce Ops	0.8	0.8	0.8	0.8	-
1135 Property Mgr/Bldg Mtce	2.0	-	-	-	-
1115 City Architect	1.0	1.0	1.0	-	(1.0)
1080 St Mtce Supervisor	1.0	1.0	3.0	2.0	(1.0)
1080 City Forester	1.0	1.0	1.0	-	(1.0)
1075 Spvsr FacOptn/Traf/Bldgs	1.0	2.0	4.0	4.0	-
33 Proj Arch/Fac Prjt Spec	-	-	1.0	1.0	-
32 Mtc Optns Leadwkr	5.0	5.0	1.0	1.0	-
30 Athletic Turf Coordntor	1.0	1.0	-	-	-
27 Heavy Equip Operator	23.0	32.0	27.0	27.0	-
27 Park Mtceworker	9.0	11.0	12.0	12.0	-
26 Traffic Mtceperson	4.0	4.0	4.0	3.0	(1.0)
22 Maintenanceworker	8.0	10.0	19.0	21.0	2.0
31 Master Plumber/Elect	2.0	2.0	2.0	1.0	(1.0)
29 Trades Positions	5.0	6.0	7.0	5.0	(2.0)
26 Building Mtceperson	2.0	3.0	3.0	1.0	(2.0)
33 Elec Tech Leadworker	1.0	1.0	1.0	1.0	-
31 Electronics Technician	1.0	1.0	1.0	1.0	-
25 Janitorial Supervisor	2.0	2.0	2.0	2.0	-
16 Mtce Worker Helper	-	8.0	-	-	-
133 Budget Analyst	-	0.8	0.8	0.8	-
121/122 Janitor I and II	7.0	9.0	6.0	5.0	(1.0)
7 Admin Sec Specialist	1.0	1.0	-	1.0	1.0
Division Total	77.8	102.6	96.6	89.6	(7.0)

Expenditures	2010		2012		Difference
	2009 Actual	Actual	2011 Budget	Approved	
Personal Services					
Permanent Salaries	4,961,241	4,588,802	4,968,100	4,553,900	(414,200)
Overtime	174,649	218,295	169,000	202,000	33,000
Other Wages	2,701	172,742	323,100	-	(323,100)
Total Salaries	5,138,591	4,979,839	5,460,200	4,755,900	(704,300)
Benefits	1,511,413	1,480,865	1,609,400	1,623,800	14,400
Other Expense					
Materials & Supplies	2,103,879	2,561,170	2,215,200	2,552,800	337,600
Services	315,042	394,325	411,000	450,900	39,900
Utilities & Maintenance	2,560,883	2,376,413	2,958,700	2,923,500	(35,200)
Other	792,025	939,821	871,100	865,900	(5,200)
Total Other Expense	5,771,829	6,271,729	6,456,000	6,793,100	337,100
Division Total	12,421,833	12,732,433	13,525,600	13,172,800	(352,800)

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Maintenance Operations - 110-121-1217				
PERSONAL SERVICES				
5100 Permanent Salaries	4,961,241	4,588,802	4,968,100	4,553,900
5101 Premium Pay	174,649	218,295	169,000	202,000
5103 Other Wages	2701	172742	323100	-
TOTAL	5,138,591	4,979,839	5,460,200	4,755,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	306,144	315,618	348,700	323,200
5122 FICA - Social Security	311,553	300,743	338,500	294,800
5123 FICA - Medicare	72,821	70,326	79,300	68,900
5124 Medical Insurance	690,479	684,868	744,300	809,200
5125 Dental Insurance	35,661	33,900	37,100	34,400
5126 Life Insurance	14,314	15,897	17,400	16,300
5127 Health Care Savings Plan (HCSP)	80,441	59,513	44,100	77,000
TOTAL	1,511,413	1,480,865	1,609,400	1,623,800
OTHER EXPENDITURES				
5200 Office Supplies	5,770	10,128	8,100	10,600
5201 Computer Supplies/Software	7,720	4,353	8,500	8,500
5202 Audiovisual & Photography	1,794	295	400	3,200
5205 Safety & Training Materials	8,814	9,497	8,900	11,800
5210 Plant/Operating Supplies	5,612	5,081	5,500	5,500
5211 Cleaning/Janitorial Supplies	65,261	55,277	53,800	64,800
5212 Motor Fuels	251,113	376,863	277,000	410,000
5215 Shop Materials	-	9,568	25,000	25,000
5218 Uniforms	20,954	15,911	19,900	23,900
5219 Other Miscellaneous Supplies	51,141	98,802	43,900	45,900
5220 Repair & Maintenance Supplies	337,792	369,133	288,900	288,900
5222 Blacktop	316,293	299,596	288,100	317,500
5223 Salt & Sand	676,591	972,062	898,000	969,000
5224 Gravel & Other Mtce Materials	132,229	144,070	135,200	165,200
5225 Park/Landscape Materials	52,743	62,228	40,000	50,000
5226 Sign & Signal Materials	70,242	55,806	69,000	79,000
5228 Painting Supplies	20,405	21,717	14,900	23,600
5240 Small Tools	34,334	30,616	19,100	29,400
5241 Small Equip-Office/Operating	45,071	20,167	11,000	21,000
5305 Medical Svcs/Testing Fees	245	-	1,300	1,300
5310 Contract Services	37,337	78,053	90,000	159,000

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Maintenance Operations - 110-120-1217 continued				
5319 Other Professional Services	81,878	98,904	100,000	88,000
5320 Data Services	2,160	2,647	2,900	2,900
5321 Phone Service	143,519	156,922	155,100	134,200
5331 Travel/Training	5,802	8,250	9,900	14,000
5335 Local Mileage Reimbursement	41,867	43,846	47,800	47,500
5355 Printing & Copying	2,234	5,703	4,000	4,000
5381 Electricity	408,881	516,396	593,000	593,000
5382 Water, Gas & Sewer	565,208	399,408	742,700	650,000
5384 Refuse Disposal	74,753	90,835	73,500	73,500
5385 Oil	359	5,367	8,000	8,000
5386 Steam	153,359	142,772	170,000	150,000
5399 Skywalk Expenses	28,038	16,513	28,000	30,000
5401 Bldg/Structure Repair & Mtc	120,631	119,687	125,000	150,000
5403 Street Repair & Mtc	4,982	-	-	-
5404 Equipment/Machinery Repair & Mtc	24,567	4,603	23,500	24,000
5409 Fleet Services Charges	1,180,105	1,080,832	1,195,000	1,245,000
5411 Land Rental/Easements	1,967	2,026	1,600	-
5412 Building Rental	225,258	263,841	225,300	225,300
5415 Vehicle/Equip Rent (Short-term)	447,131	409,960	446,700	36,000
5418 Vehicle/Equip Lease (Long-term)	6,978	151,242	18,800	419,300
5419 Other Rentals	26,946	26,901	28,300	28,300
5433 Dues & Subscription	1,743	2,043	2,700	3,200
5435 Books & Pamphlets	484	-	500	500
5438 Licenses	1,041	1,092	10,900	10,900
5441 Other Services & Charges	60,412	46,093	42,900	109,000
5450 Laundry	4,197	2,870	3,400	3,400
5454 Contract Tree Services	15,868	33,753	30,000	30,000
5700 Interfund Transfers Out	-	-	60,000	-
TOTAL	5,771,829	6,271,729	6,456,000	6,793,100
DIVISION TOTAL	12,421,833	12,732,433	13,525,600	13,172,800

City of Duluth Minnesota - 2012 Budget

General Fund Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Maintenance Operations - 110-121-1217				
REVENUE SOURCE				
4220 State of Minnesota	1,000			
4225 Ski Trails Grant	-	5,000	5,000	5,000
4226 Snowmobile Trails Grant	25,275	13,925	18,000	18,000
4240 Municipal State Aid - Maintenance	1,141,465	1,164,496	1,212,800	1,451,800
4260 St. Louis County	131,017	131,017	131,000	131,000
4324 Miscellaneous Services	1,526	-		
4620 Telecommunication Rental Fees	8,780	7,702	8,400	8,400
4622 Rent of Buildings	79,632	92,720	82,200	82,600
4623 Rent of Land	5,860	5,886	5,900	5,900
4627 Concessions & Commissions	10,962	8,886	9,000	9,000
4636 Sale of Scrap	1,864	5,540	1,500	1,500
4644 Miscellaneous Sales	1,234	243	2,700	2,700
4650 Salaries Reimbursement	68,176	-		
4654 Other Reimbursements	92,028	73,028	31,000	71,000
4680 Damages Recovered	3,119	623		
4730 Transfer from Special Revenue	332,962	339,210	312,200	312,200
4730 Transfer from Special Assessment	13,752	-	20,000	-
4730 Transfer from Permanent Improvement	5,067	86,397	100,000	100,000
4730 Transfer from Public Utilities	864,250	918,226	990,600	860,600
DIVISION TOTAL	2,787,969	2,852,899	2,930,300	3,059,700

City of Duluth Minnesota - 2012 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	2009	2010	2011	2012	Difference
1105 Mgr, Library Services	1.0	1.0	1.0	1.0	-
1075 Library Supervisor	-	-	-	3.0	3.0
136 Librarian III	5.8	5.0	5.0	2.0	(3.0)
133 Librarian II	5.0	4.0	4.0	4.0	-
128 Librarian I	10.0	11.0	11.0	13.0	2.0
128 Sr. Library Tech	6.0	6.0	6.0	6.0	-
124 Library Technician	18.5	16.5	15.5	19.5	4.0
119 Library Assistant II	1.0	-	1.0	-	(1.0)
Division Total	47.3	43.5	43.5	48.5	5.0

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	2,209,268	2,285,872	2,312,500	2,556,000	243,500
Overtime	2,918	920	3,000	1,000	(2,000)
Other Wages	-	22,078	63,000	72,800	9,800
Total Salaries	2,212,186	2,308,870	2,378,500	2,629,800	251,300
Benefits	622,844	655,364	672,500	831,300	158,800
Other Expense					
Materials & Supplies	41,648	45,680	38,000	39,500	1,500
Services	38,229	36,621	23,500	24,000	500
Utilities & Maintenance	52,640	50,505	47,000	49,500	2,500
Other	175,592	192,108	193,300	213,100	19,800
Total Other Expense	308,109	324,914	301,800	326,100	24,300
Capital Outlay	359,019	312,534	264,500	264,500	-
Division Total	3,502,158	3,601,682	3,617,300	4,051,700	434,400

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Library Services - 110-121-1218				
PERSONAL SERVICES				
5100 Permanent Salaries	2,209,268	2,285,872	2,312,500	2,556,000
5101 Premium Pay	2,918	920	3,000	1,000
5103 Other Wages	-	22,078	63,000	72,800
TOTAL	2,212,186	2,308,870	2,378,500	2,629,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	138,172	149,003	156,700	172,900
5122 FICA - Social Security	134,875	140,907	147,500	163,000
5123 FICA - Medicare	31,543	32,954	34,500	38,100
5124 Medical Insurance	276,985	288,791	289,700	366,400
5125 Dental Insurance	15,746	16,448	16,500	18,200
5126 Life Insurance	6,572	7,800	7,800	8,700
5127 Health Care Savings Plan (HCSP)	18,951	19,461	19,800	64,000
TOTAL	622,844	655,364	672,500	831,300
OTHER EXPENDITURES				
5200 Office Supplies	10,193	13,619	10,000	10,000
5201 Computer Supplies/Software	1,588	329	1,000	1,000
5211 Cleaning/Janitorial Supplies	4,086	3,945	5,000	5,000
5212 Motor Fuels	1,039	1,337	1,500	1,500
5219 Other Miscellaneous Supplies	19,249	18,529	17,500	16,000
5220 Repair & Maintenance Supplies	1,484	1,745	1,000	1,000
5241 Small Equip-Office/Operating	4,009	6,176	2,000	5,000
5319 Other Professional Services	9,272	9,928	2,000	2,000
5321 Phone Service	11,384	11,625	11,000	11,000
5322 Postage	5,205	7,073	6,000	6,000
5355 Printing & Copying	9,535	4,709	1,500	1,500
5384 Refuse Disposal	2,833	3,286	3,000	3,500
5404 Equipment/Machinery Repair & Mtc	49,285	49,008	46,000	48,000
5409 Fleet Services Charges	3,355	1,497	1,000	1,500
5412 Building Rental	136,560	128,552	135,000	136,000
5413 Library Materials/Svcs Rental	34,557	57,080	49,100	67,000
5418 Vehicle/Equip Lease (Long-term)	-	-	5,500	5,500
5433 Dues & Subscription	210	100	200	100
5441 Other Services & Charges	4,265	6,376	3,500	4,500
TOTAL	308,109	324,914	301,800	326,100
CAPITAL OUTLAY				
5590 Library Materials	359,019	312,534	264,500	264,500
TOTAL	359,019	312,534	264,500	264,500
DIVISION TOTAL	3,502,158	3,601,682	3,617,300	4,051,700

City of Duluth Minnesota - 2012 Budget

General Fund Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 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	89,430	90,285	110,000	90,000
4622 Rent of Buildings	1,680	1,730	2,500	2,500
4631 Media Sales	10,399	10,760	15,200	15,200
4644 Miscellaneous Sales	4,955	3,786	7,500	7,500
4654 Other Reimbursements	44,161	53,520		
4660 Gifts and Donations	2,262			
4730 Transfer from Special Revenue		38,709		
DIVISION TOTAL	155,942	199,790	182,200	115,200

City of Duluth Minnesota - 2012 Budget

Parks and Recreation Services

Recreation and Senior Services provides year round recreational and social opportunities. Recreation and Senior Services changed dramatically in 2009. 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 services provided to the community. A referendum creating a dedicated property tax levy will be on the November ballot in the amount of \$2.6 million to restore services to prior levels.

Budgeted FTE's	2009	2010	2011	2012	Difference
1130 Mgr, Parks and Rec	1.0	1.0	1.0		(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.	1.0	1.0	1.0		(1.0)
124 Sr. Center Coor	-	1.5	1.5		(1.5)
28 Trails Coordinator	-	-	-		-
26 Recreation Specialist	1.0	1.0	1.0		(1.0)
129 Admin Info Specialist	1.0	1.0	1.0		(1.0)
Division Total	6.0	7.5	7.5		(7.5)

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	624,784	460,715	464,600		(464,600)
Overtime	2,651	-	-		-
Other Wages	13,695	2,112	-		-
Total Salaries	641,130	462,827	464,600		(464,600)
Benefits	198,883	134,994	132,300		(132,300)
Other Expense					
Materials & Supplies	9,385	12,968	15,500		(15,500)
Services	54,658	57,545	57,300		(57,300)
Utilities & Maintenance	6,404	3,289	5,000		(5,000)
Other	59,779	17,610	90,800		(90,800)
Total Other Expense	130,226	91,412	168,600		(168,600)
Division Total	970,239	689,233	765,500		(765,500)

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Parks and Recreation - 110-121-1219				
PERSONAL SERVICES				
5100 Permanent Salaries	624,784	460,715	464,600	
5101 Premium Pay	2,651	-	-	
5103 Other Wages	13,695	2,112	-	
TOTAL	641,130	462,827	464,600	
EMPLOYEE BENEFITS				
5121 PERA Retirement	38,843	31,007	31,700	
5122 FICA - Social Security	38,463	28,051	28,800	
5123 FICA - Medicare	8,996	6,560	6,700	
5124 Medical Insurance	88,546	56,674	56,700	
5125 Dental Insurance	4,265	2,880	2,900	
5126 Life Insurance	1,733	1,350	1,400	
5127 Health Care Savings Plan (HCSP)	18,037	8,472	4,100	
TOTAL	198,883	134,994	132,300	
OTHER EXPENDITURES				
5200 Office Supplies	870	1,234	1,200	
5202 Audiovisual & Photography	-	-	100	
5211 Cleaning/Janitorial Supplies	5,253	6,242	2,500	
5212 Motor Fuels	53	257	200	
5218 Uniforms	-	-	500	
5219 Other Miscellaneous Supplies	3,209	5,235	10,000	
5241 Small Equip-Office/Operating	-	-	1,000	
5319 Other Professional Services	24,938	23,400	20,000	
5320 Data Services	568	286	300	
5321 Phone Service	2,459	2,646	2,500	
5331 Travel/Training	254	2,613	1,000	
5335 Local Mileage Reimbursement	3,346	2,295	3,500	
5355 Printing & Copying	261	4,314	5,000	
5384 Refuse Disposal	22,832	21,991	25,000	
5404 Equipment/Machinery Repair & Mtc	1,182	1,346	3,000	
5409 Fleet Services Charges	3,783	1,943	2,000	
5418 Vehicle/Equip Lease (Long-term)	1,439	-	-	
5419 Other Rentals	1,947	4,409	5,000	
5433 Dues & Subscription	2,231	2,981	5,000	
5441 Other Services & Charges	55,090	10,022	80,000	
5443 Board & Meeting Expenses	511	198	800	
TOTAL	130,226	91,412	168,600	
DIVISION TOTAL	970,239	689,233	765,500	

City of Duluth Minnesota - 2012 Budget

General Fund Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Parks & Recreation - 110-121-1219				
REVENUE SOURCE				
4170 Misc. Permits & Licenses	28,403	29,490	30,000	
4622 Rent of Buildings	18,568	14,245	13,000	
4626 Indian Point Campground	33,121	36,447	30,000	
4627 Concessions & Commissions	1,565	20	1,200	
4644 Miscellaneous Sales	6,051	140	500	
4654 Other Reimbursements	8,378	695	1,000	
4730 Transfer from Special Revenue	9,816			
DIVISION TOTAL	105,902	81,037	75,700	

Finance Department

Mission and Vision

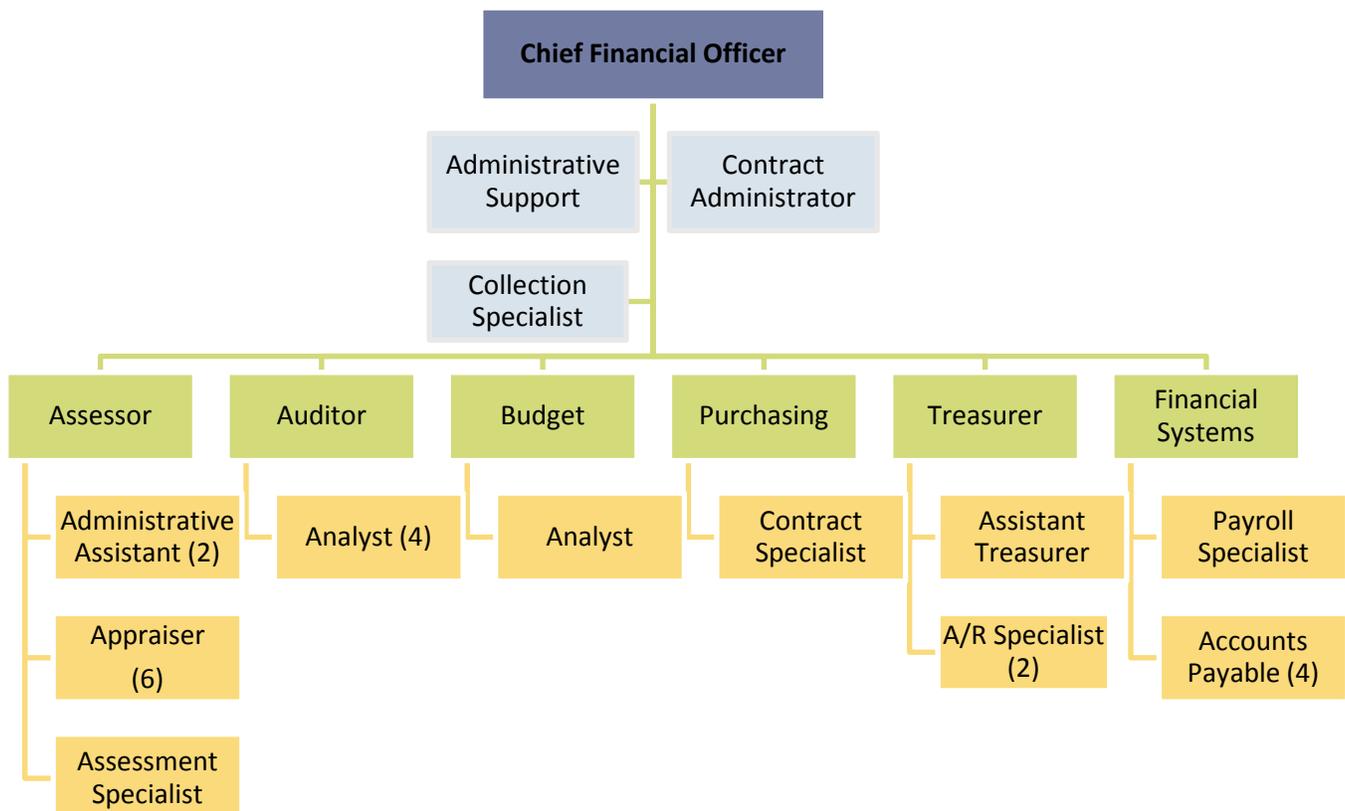
It is the Finance Department's mission to support the City of Duluth's citizens, elected officials and employees by professionally fulfilling its duties of reporting, accounting, buying, billing, assessing, safeguarding and disseminating City financial assets and information in a cost effective manner.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



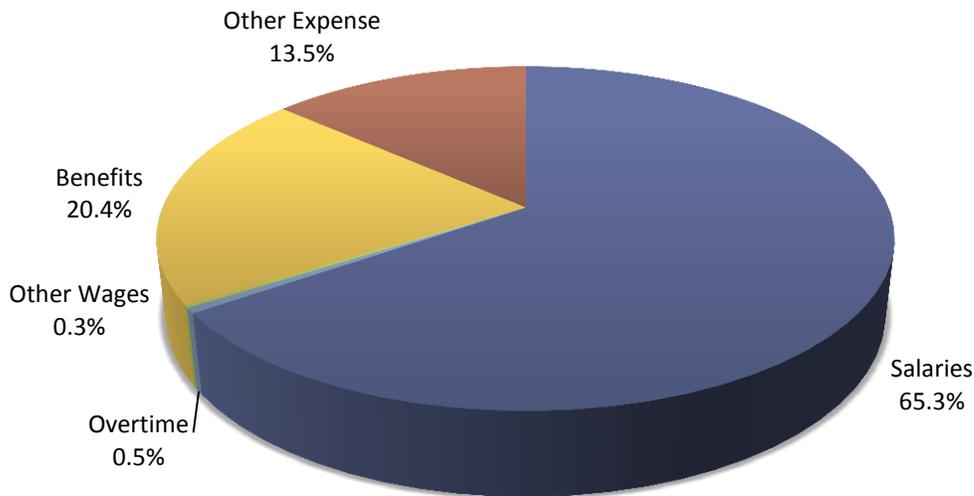
City of Duluth Minnesota - 2012 Budget

2012 Goals and Objectives

Goal	Objective	Tactics	Measurement
Goal # 1			
Find a funding solution to the City's OPEB obligation.	Enhance the City's long-term financial health by reducing its obligation for retiree healthcare.	<ol style="list-style-type: none"> 1. Explore alternative funding mechanisms. 2. Evaluate retiree health plan specifications and adjust where able. 	Funding plan is in place.
Goal # 2			
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 #3			
Implement and improve financial systems.	Eliminate reliance on old mainframe systems; implement new applications that will increase efficiencies and reporting capabilities; and improve data .	<ol style="list-style-type: none"> 1. Finance defines problems, needs & goals. 2. Recruit I/T to help scope projects. 3. Create project plans. 4. Identify and deploy resources. 5. Create project plans and implement. 	Were projects completed? Did they produce expected results? i.e efficiency, data retrieval, reporting capabilities
Goal # 4			
Reduce debt by implementing more pay as you go programs	To reduce interest burden and instill a discipline in making 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 payment kiosk.	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 - 2012 Budget

Finance Department 2012 Approved Budget by Expense Category



Expenditures by Category	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Permanent Salaries	2,001,829	1,991,980	2,122,800	2,250,500	127,700
Overtime	23,491	19,742	17,500	17,500	-
Other Wages	-	13,413	26,500	9,000	(17,500)
Total Personal Services	2,025,320	2,025,135	2,166,800	2,277,000	110,200
Benefits	588,969	575,684	640,200	702,800	62,600
Other Expense	281,216	322,490	437,900	464,100	26,200
Capital Outlay	-	-	-	-	-
Department Total	2,895,505	2,923,309	3,244,900	3,443,900	199,000

Expenditures by Division	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Budget Office	180,306	354,392	441,800	576,700	134,900
Assessor's Office	760,163	769,017	819,400	929,900	110,500
Auditor's Office	1,340,321	1,331,208	1,342,300	1,329,900	(12,400)
Purchasing	218,461	181,511	226,700	199,000	(27,700)
Treasurer's Office	396,254	287,181	414,700	408,400	(6,300)
Department Total	2,895,505	2,923,309	3,244,900	3,443,900	199,000

Budgeted FTE's	2009	2010	2011	2012	Difference
	32.0	31.0	32.0	34.0	2.0

City of Duluth Minnesota - 2012 Budget

Budget Office

The division through the Chief Financial Officer provides direction to the department and the city in all financial matters. For 2012, a credit/collections administrator position is proposed for the purpose of managing collections. Also, a clerical position was transferred in from the Auditor's Office.

Administration for all city departments and performs the staff function relative to budget planning, development, forecasting and maintenance.

Budgeted FTE's	2009	2010	2011	2012	Difference
1150 Chief Financial Officer	-	1.0	1.0	1.0	-
1140 Director, Finance	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	-
135 Credit/Collections Admin	-	-	-	1.0	1.0
129 Admin Info Specialist	-	-	-	1.0	1.0
Division Total	2.0	3.0	4.0	6.0	2.0

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	133,016	264,755	324,200	441,300	117,100
Overtime	-	509	-	-	-
Other Wages	-	13,413	17,500	-	(17,500)
Total Salaries	133,016	278,677	341,700	441,300	99,600
Benefits	43,202	72,787	94,000	130,300	36,300
Other Expense					
Materials & Supplies	747	1,005	2,000	2,000	-
Services	3,341	1,923	4,100	3,100	(1,000)
Utilities & Maintenance	-	-	-	-	-
Other	-	-	-	-	-
Total Other Expense	4,088	2,928	6,100	5,100	(1,000)
Division Total	180,306	354,392	441,800	576,700	134,900

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009			2012
	Actual	2010	Actual 2011	Budget Approved
Budget Office - 110-125-1212				
PERSONAL SERVICES				
5100 Permanent Salaries	133,016	264,755	324,200	441,300
5101 Premium Pay	-	509	-	-
5103 Other Wages	-	13,413	17,500	-
TOTAL	133,016	278,677	341,700	441,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	10,374	17,657	22,600	30,600
5122 FICA - Social Security	8,308	16,695	21,200	27,400
5123 FICA - Medicare	1,943	3,904	5,000	6,400
5124 Medical Insurance	16,813	27,233	40,000	58,400
5125 Dental Insurance	768	1,120	1,500	2,300
5126 Life Insurance	312	525	700	1,100
5127 Health Care Savings Plan (HCSP)	4,684	5,653	3,000	4,100
TOTAL	43,202	72,787	94,000	130,300
OTHER EXPENDITURES				
5200 Office Supplies	747	460	1,500	1,500
5201 Computer Supplies/Software	-	545	500	500
5331 Travel/Training	1,905	130	2,000	1,000
5355 Printing & Copying	244	-	600	600
5433 Dues & Subscription	427	427	500	500
5434 Grants & Awards	635	550	600	600
5435 Books & Pamphlets	70	132	200	200
5441 Other Services & Charges	60	684	200	200
TOTAL	4,088	2,928	6,100	5,100
DIVISION TOTAL	180,306	354,392	441,800	576,700

City of Duluth Minnesota - 2012 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	2009	2010	2011	2012	Difference
1135 City Assessor	1.0	1.0	1.0	1.0	-
130 Assessment Sys Analyst	1.0	1.0	1.0	1.0	-
134 Appraiser Specialist	5.0	6.0	5.0	7.0	2.0
132 Office Coordinator	1.0	1.0	1.0	-	(1.0)
128 Information Technician	1.0	1.0	1.0	1.0	-
Division Total	9.0	10.0	9.0	10.0	1.0

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	567,872	565,614	561,300	632,900	71,600
Overtime	1,858	3,886	6,500	6,500	-
Other Wages	-	-	-	-	-
Total Salaries	569,730	569,500	567,800	639,400	71,600
Benefits	169,629	165,160	166,100	203,100	37,000
Other Expense					
Materials & Supplies	1,914	2,165	8,100	8,100	-
Services	9,881	9,062	18,000	18,000	-
Utilities & Maintenance	432	3,789	9,000	9,000	-
Other	8,577	19,341	50,400	52,300	1,900
Total Other Expense	20,804	34,357	85,500	87,400	1,900
Division Total	760,163	769,017	819,400	929,900	110,500

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
City Assessor's Office - 110-125-1213				
PERSONAL SERVICES				
5100 Permanent Salaries	567,872	565,614	561,300	632,900
5101 Premium Pay	1,858	3,886	6,500	6,500
5103 Other Wages	-	-	-	-
TOTAL	569,730	569,500	567,800	639,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	35,760	37,560	39,100	43,600
5122 FICA - Social Security	34,182	33,953	35,200	39,200
5123 FICA - Medicare	7,994	7,941	8,200	9,200
5124 Medical Insurance	67,671	73,440	73,400	99,500
5125 Dental Insurance	3,456	3,456	3,500	4,000
5126 Life Insurance	1,404	1,620	1,600	1,900
5127 Health Care Savings Plan (HCSP)	19,162	7,190	5,100	5,700
TOTAL	169,629	165,160	166,100	203,100
OTHER EXPENDITURES				
5200 Office Supplies	1,539	1,332	2,500	2,500
5201 Computer Supplies/Software	75	-	700	700
5202 Audiovisual & Photography	-	119	700	700
5212 Motor Fuels	300	714	4,200	4,200
5331 Travel/Training	4,228	2,763	8,400	8,400
5335 Local Mileage Reimbursement	5,080	3,250	2,000	2,000
5355 Printing & Copying	573	3,049	7,600	7,600
5409 Fleet Services Charges	432	3,789	9,000	9,000
5418 Vehicle/Equip Lease (Long-term)	5,346	5,420	8,000	8,000
5419 Other Rentals	-	-	200	200
5433 Dues & Subscription	3,081	3,334	4,200	4,200
5435 Books & Pamphlets	-	-	200	200
5438 Licenses	140	418	800	800
5441 Other Services & Charges	10	10,169	37,000	38,900
TOTAL	20,804	34,357	85,500	87,400
DIVISION TOTAL	760,163	769,017	819,400	929,900

City of Duluth Minnesota - 2012 Budget

General Fund Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
City Assessor's Office - 110-125-1213				
REVENUE SOURCE				
4310 Assessment Cost Services	17,175	150		
4312 Abatement Processing Fees	4,100	4,875	6,000	6,000
4324 Miscellaneous Services	3,734	4,375	1,000	1,000
4631 Media Sales	1,651	-	2,500	2,500
DIVISION TOTAL	26,660	9,400	9,500	9,500

City of Duluth Minnesota - 2012 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	2009	2010	2011	2012	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	4.0	4.0	-
129 Financial Specialist	5.0	4.0	4.0	4.0	-
129 Admin Info Specialist	1.0	1.0	2.0	1.0	(1.0)
Division Total	15.0	12.0	13.0	12.0	(1.0)

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	878,243	832,518	817,100	776,900	(40,200)
Overtime	21,622	15,168	11,000	11,000	-
Other Wages	-	-	-	-	-
Total Salaries	899,865	847,686	828,100	787,900	(40,200)
Benefits	242,211	241,734	242,400	245,200	2,800
Other Expense					
Materials & Supplies	9,275	8,525	9,500	8,000	(1,500)
Services	179,476	221,438	253,400	277,200	23,800
Utilities & Maintenance	5,954	10,682	6,900	9,300	2,400
Other	3,540	1,143	2,000	2,300	300
Total Other Expense	198,245	241,788	271,800	296,800	25,000
Division Total	1,340,321	1,331,208	1,342,300	1,329,900	(12,400)

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail		2009 Actual	2010 Actual	2011 Budget	2012 Approved
City Auditor's Office - 110-125-1214					
PERSONAL SERVICES					
5100	Permanent Salaries	878,243	832,518	817,100	776,900
5101	Premium Pay	21,622	15,168	11,000	11,000
5103	Other Wages	-	-	-	-
	TOTAL	899,865	847,686	828,100	787,900
EMPLOYEE BENEFITS					
5121	PERA Retirement	53,272	51,379	57,000	54,300
5122	FICA - Social Security	53,662	50,068	51,300	48,800
5123	FICA - Medicare	12,601	11,709	12,000	11,400
5124	Medical Insurance	98,170	108,068	107,300	116,800
5125	Dental Insurance	4,896	4,992	5,000	4,600
5126	Life Insurance	1,989	2,265	2,300	2,200
5127	Health Care Savings Plan (HCSP)	17,621	13,253	7,500	7,100
	TOTAL	242,211	241,734	242,400	245,200
OTHER EXPENDITURES					
5200	Office Supplies	6,705	7,272	7,000	5,000
5203	Paper/Stationery/Forms	2,570	1,253	2,500	3,000
5301	Auditing Services	101,368	111,391	135,000	125,000
5309	MIS Services	67,056	98,729	104,900	113,300
5331	Travel/Training	9,990	8,840	12,000	36,400
5355	Printing & Copying	1,062	2,478	1,500	2,500
5404	Equipment/Machinery Repair & Mtc	250	214	300	300
5418	Vehicle/Equip Lease (Long-term)	5,704	10,468	6,600	9,000
5433	Dues & Subscription	938	938	1,000	1,300
5435	Books & Pamphlets	39	-	500	500
5441	Other Services & Charges	2,563	205	500	500
	TOTAL	198,245	241,788	271,800	296,800
DIVISION TOTAL		1,340,321	1,331,208	1,342,300	1,329,900

City of Duluth Minnesota - 2012 Budget

General Fund Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
City Auditor's Office - 110-125-1214				
REVENUE SOURCE				
4005 Current Property Tax	5,959,795	10,186,693	11,319,800	11,907,800
4010 Delinquent Property Tax	133,401	178,698	150,000	150,000
4015 Mobile Home Tax	39,089	40,890	59,600	39,200
4070 MN Power Franchise Fee	1,100,000	1,100,000	1,100,000	1,100,000
4071 Cable Franchise Fee	779,942	809,982	791,400	831,200
4072 No. MN Utility Franchise Fee	9,854	7,397	9,900	7,400
4080 Forfeit Tax Sale	53,299	15,102	15,100	15,100
4090 Other Taxes	566,196	25,781		
4221 Local Government Aid	29,200,998	27,437,478	29,397,200	27,449,000
4222 State Property Tax Aid	476,720	22,086		
4230 PERA Aid	124,428	124,428	124,400	124,400
4300 HRA in Lieu of Taxes	35,400	43,283	43,100	43,700
4300 Ordean Foundation	16,086	16,086	16,000	16,000
4310 Assessment Cost Services	13,448	210	11,300	2,000
4315 Stormwater Administrative Service	170,000	170,000	170,000	170,000
4315 Sewer Administrative Service	330,700	330,700	330,700	330,700
4315 Steam Administrative Service	49,500	49,500	49,500	49,500
4315 DECC Administrative Service	25,000	25,000	25,000	25,000
4315 DTA Administrative Service	10,300	10,300	10,300	10,300
4315 Grant Administration Services	83,071	86,529	46,300	46,300
4315 Airport Administrative Service	45,200	32,400	32,400	58,000
4315 DEDA Administrative Service	365,000	365,000	365,000	365,000
4315 Public Utility Admin Service	927,700	927,700	927,700	927,700
4315 Fleet Administrative Service	108,200	108,200	108,200	108,200
4315 Golf Administrative Service	66,800	66,800	66,800	66,800
4315 Group Health Admin Service	250,000	250,000	250,000	250,000
4315 Self Insurance Admin Service	283,200	283,200	283,200	283,200
4315 Spirit Mt. Administrative Service	37,700	37,700	37,700	37,700
4315 Parking Administrative Service	23,300	23,300	23,300	23,300
4472 Administrative Fines	1,168,883	1,056,817	1,167,500	1,025,000
4473 Court Fines	425,378	550,546	451,200	664,500
4500 Assessments	80,176	54,184	68,900	54,000
4501 Assessments - Penalty & Interest	35,440	30,951	30,300	30,800
4602 Interest on Temporary Loans		4,663	-	4,600
4605 Park Revenue				80,000
4700 Other Sources	1,652	47	500	-
4730 Transfer from CIT Fund	600,000	9,066	15,000	9,000
4730 Transfer from Parking Fund	1,178,838	1,382,500	1,452,200	1,352,700
4731 Gas Utility in Lieu of Taxes	4,091,122	3,236,527	3,493,400	2,900,000
4732 Steam Utility in Lieu of Taxes	117,000	121,000	121,000	146,000
4998 Prior Year Revenue	66,067	63,581		
DIVISION TOTAL	49,048,883	49,284,325	52,563,900	50,704,100

City of Duluth Minnesota - 2012 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	2009	2010	2011	2012	Difference
1100 Purchasing Agent	1.0	1.0	1.0	1.0	-
129 Bid & Contract Assistant	1.0	1.0	1.0	1.0	-
Division Total	2.0	2.0	2.0	2.0	-

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	151,103	131,641	153,300	131,200	(22,100)
Overtime	11	179	-	-	-
Other Wages	-	-	9,000	9,000	-
Total Salaries	151,114	131,820	162,300	140,200	(22,100)
Benefits	60,710	43,245	53,900	48,000	(5,900)
Other Expense					
Materials & Supplies	1,123	2,280	2,300	2,300	-
Services	993	90	2,200	2,000	(200)
Utilities & Maintenance	3,812	3,624	4,500	4,500	-
Other	709	452	1,500	2,000	500
Total Other Expense	6,637	6,446	10,500	10,800	300
Division Total	218,461	181,511	226,700	199,000	(27,700)

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail		2009 Actual	2010 Actual	2011 Budget	2012 Approved
City Purchasing Office - 110-125-1215					
PERSONAL SERVICES					
5100	Permanent Salaries	151,103	131,641	153,300	131,200
5101	Premium Pay	11	179	-	-
5103	Other Wages	-	-	9,000	9,000
	TOTAL	151,114	131,820	162,300	140,200
EMPLOYEE BENEFITS					
5121	PERA Retirement	9,650	8,825	10,600	9,100
5122	FICA - Social Security	8,961	7,773	10,100	8,700
5123	FICA - Medicare	2,096	1,818	2,300	2,000
5124	Medical Insurance	25,243	22,468	28,200	25,800
5125	Dental Insurance	959	768	900	800
5126	Life Insurance	390	360	400	400
5127	Health Care Savings Plan (HCSP)	13,411	1,233	1,400	1,200
	TOTAL	60,710	43,245	53,900	48,000
OTHER EXPENDITURES					
5200	Office Supplies	1,123	2,280	2,000	2,000
5201	Computer Supplies/Software	-	-	300	300
5331	Travel/Training	833	50	1,000	-
5340	Advertising & Promotion	-	-	700	1,500
5355	Printing & Copying	160	40	500	500
5418	Vehicle/Equip Lease (Long-term)	3,812	3,624	4,500	4,500
5433	Dues & Subscription	406	213	1,000	1,000
5441	Other Services & Charges	303	239	500	1,000
	TOTAL	6,637	6,446	10,500	10,800
DIVISION TOTAL		218,461	181,511	226,700	199,000

City of Duluth Minnesota - 2012 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	2009	2010	2011	2012	Difference
1100 City Treasurer	1.0	1.0	1.0	1.0	-
1085 Asst City Treasurer	1.0	1.0	1.0	1.0	-
129 Admin Financial Spec.	2.0	2.0	2.0	2.0	-
Division Total	4.0	4.0	4.0	4.0	-

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	271,595	197,452	266,900	268,200	1,300
Overtime	-	-	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	271,595	197,452	266,900	268,200	1,300
Benefits	73,217	52,758	83,800	76,200	(7,600)
Other Expense					
Materials & Supplies	958	1,373	1,500	1,500	-
Services	50,330	35,414	61,000	61,000	-
Utilities & Maintenance	-	-	500	500	-
Other	154	184	1,000	1,000	-
Total Other Expense	51,442	36,971	64,000	64,000	-
Division Total	396,254	287,181	414,700	408,400	(6,300)

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail		2009 Actual	2010 Actual	2011 Budget	2012 Approved
City Treasurer's Office - 110-125-1216					
PERSONAL SERVICES					
5100	Permanent Salaries	271,595	197,452	266,900	268,200
5101	Premium Pay	-	-	-	-
5103	Other Wages	-	-	-	-
	TOTAL	271,595	197,452	266,900	268,200
EMPLOYEE BENEFITS					
5121	PERA Retirement	16,742	12,983	18,400	18,500
5122	FICA - Social Security	16,458	12,220	16,500	16,600
5123	FICA - Medicare	3,849	2,858	3,900	3,900
5124	Medical Insurance	28,337	18,039	28,400	32,600
5125	Dental Insurance	1,536	1,184	1,500	1,500
5126	Life Insurance	624	555	700	700
5127	Health Care Savings Plan (HCSP)	5,671	4,919	14,400	2,400
	TOTAL	73,217	52,758	83,800	76,200
OTHER EXPENDITURES					
5200	Office Supplies	958	1,373	1,500	1,500
5331	Travel/Training	-	-	2,000	2,000
5355	Printing & Copying	4,334	-	4,000	4,000
5404	Equipment/Machinery Repair & Mtc	-	-	500	500
5430	Bank Charges	45,996	35,414	55,000	55,000
5433	Dues & Subscription	104	109	500	500
5441	Other Services & Charges	50	75	500	500
	TOTAL	51,442	36,971	64,000	64,000
DIVISION TOTAL		396,254	287,181	414,700	408,400

City of Duluth Minnesota - 2012 Budget

General Fund Revenue Detail		2009 Actual	2010 Actual	2011 Budget	2012 Approved
City Treasurer's Office - 110-125-1216					
REVENUE SOURCE					
4040	City Sales Tax	10,774,603	11,465,685	11,000,000	11,900,000
4050	Charitable Gambling Tax	55,762	48,137	48,000	48,000
4310	Assessment Cost Services	28,094	330	25,000	25,000
4311	Assessment Certificate Fee	42,465	31,059	30,000	25,000
4313	Garbage Handling Fee	9,920	11,072	10,000	10,000
4323	Garnishment Fees	165	270	100	100
4601	Earning on Investments	1,942,981	756,162	465,000	465,000
4644	Miscellaneous Fees	3,359	2,826	1,000	1,000
4730	Transfer from Tourism Taxes	78,026	85,022	77,500	77,500
DIVISION TOTAL		12,935,375	12,400,563	11,656,600	12,551,600

Planning & Construction Services Department

Mission and Vision

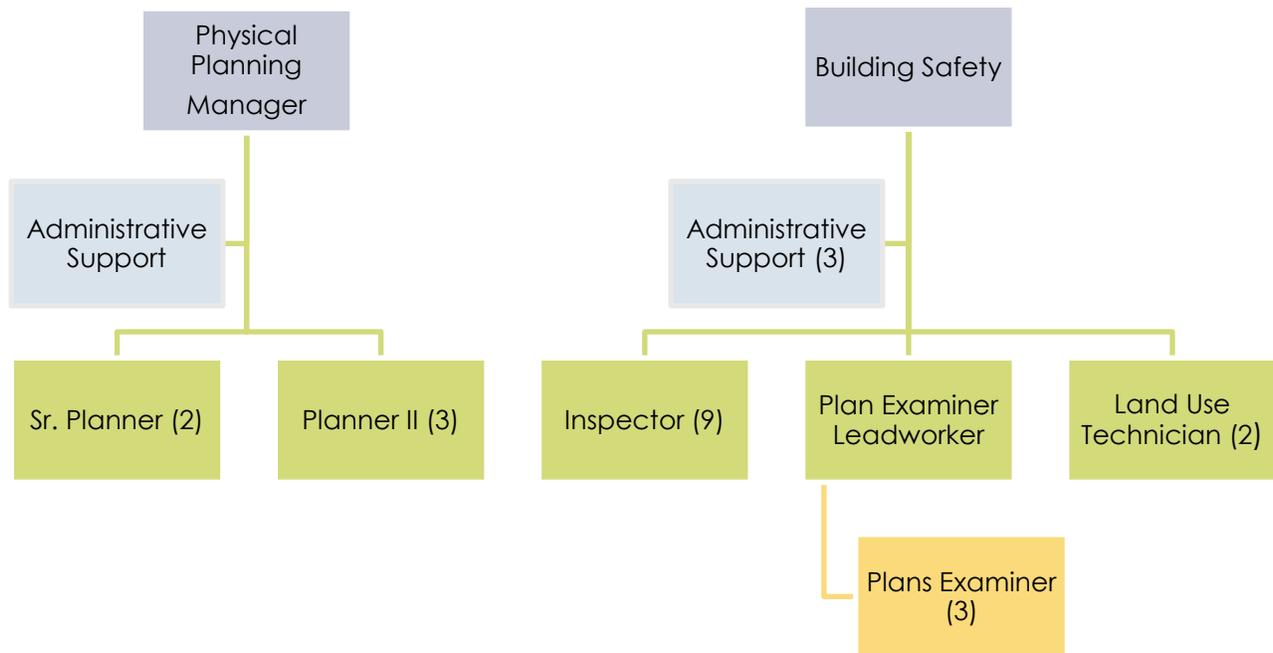
The Planning and Construction Services Department consists of the Planning Division and the Construction Services and Inspection Division working together to make the City of Duluth a desirable and safe place to live by developing and implementing plans, and land use and building regulations. The Planning 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 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

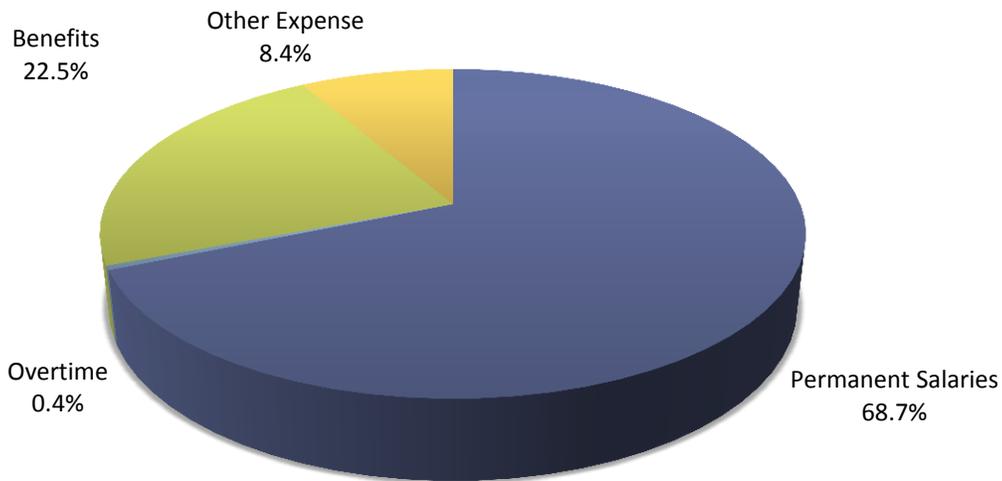


City of Duluth Minnesota - 2012 Budget

2012 Goals and Objectives

Goal	Objective	Tactics	Measurement
Continue to 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.	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 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 participate 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
 2012 Approved Budget by Expense Category



Expenditures by Category	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Permanent Salaries	1,727,680	1,417,279	1,472,900	1,469,200	(3,700)
Overtime	13,897	17,825	9,000	9,000	-
Other Wages	300	1,475	-	-	-
Total Personal Services	1,741,877	1,436,579	1,481,900	1,478,200	(3,700)
Benefits	488,597	428,689	475,500	481,400	5,900
Other Expense	306,650	312,518	269,000	179,000	(90,000)
Capital Outlay	-	-	-	-	-
Department Total	2,537,124	2,177,786	2,226,400	2,138,600	(87,800)

Expenditures by Division	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Planning	775,119	554,637	605,700	641,700	36,000
Construction Srv&Inspect	1,762,005	1,623,149	1,620,700	1,496,900	(123,800)
Department Total	2,537,124	2,177,786	2,226,400	2,138,600	(87,800)

	2009	2010	2011	2012	Difference
Budgeted FTE's	30.0	24.0	26.0	25.0	(1.0)

City of Duluth Minnesota - 2012 Budget

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	2009	2010	2011	2012	Difference
1135 Mgr, Physical Planning	-	-	-	1.0	1.0
1125 Dir, Plng & Develop.	-	1.0	-	-	-
1125 Business Dev Manager	1.0	-	-	-	-
1080 Land Use Supervisor	1.0	1.0	1.0	-	(1.0)
142 Business Developer	1.0	-	-	-	-
136 Senior Planner	1.0	2.0	1.0	2.0	1.0
133 Planner II	1.0	2.0	4.0	3.0	(1.0)
129 Admin Info Specialist	1.0	-	1.0	1.0	-
Division Total	6.0	6.0	7.0	7.0	-

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	449,375	346,093	397,300	431,400	34,100
Overtime	160	842	-	-	-
Other Wages	300	1,475	-	-	-
Total Salaries	449,835	348,410	397,300	431,400	34,100
Benefits	109,316	100,931	139,900	141,800	1,900
Other Expense					
Materials & Supplies	7,194	5,690	8,000	8,000	-
Services	195,704	86,530	45,000	45,500	500
Utilities & Maintenance	146	-	2,500	2,500	-
Other	12,924	13,076	13,000	12,500	(500)
Total Other Expense	215,968	105,296	68,500	68,500	-
Division Total	775,119	554,637	605,700	641,700	36,000

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009			2012
	Actual	2010	Actual	2011 Budget
Planning - 110-132-1301				
PERSONAL SERVICES				
5100 Permanent Salaries	449,375	346,093	397,300	431,400
5101 Premium Pay	160	842	0	0
5103 Other Wages	300	1,475	0	0
TOTAL	449,835	348,410	397,300	431,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	25,509	22,884	27,200	29,600
5122 FICA - Social Security	27,268	20,844	24,600	26,800
5123 FICA - Medicare	6,377	4,875	5,800	6,300
5124 Medical Insurance	38,529	45,921	62,600	65,000
5125 Dental Insurance	2,216	2,176	2,700	2,700
5126 Life Insurance	900	1,020	1,300	1,300
5127 Health Care Savings Plan (HCSP)	8,517	3,211	15,700	10,100
TOTAL	109,316	100,931	139,900	141,800
OTHER EXPENDITURES				
5200 Office Supplies	5,070	3,456	5,000	5,000
5201 Computer Supplies/Software	1,655	1,631	2,000	2,000
5202 Audiovisual & Photography	422	0	0	0
5212 Motor Fuels	47	0	0	0
5241 Small Equip-Office/Operating	0	603	1,000	1,000
5310 Contract Services	30,000	0	0	0
5319 Other Professional Services	159,035	78,057	35,000	35,000
5321 Phone Service	0	543	1,000	500
5322 Postage	0	0	1,000	1,000
5331 Travel/Training	6,303	0	6,000	7,000
5335 Local Mileage Reimbursement	299	0	500	500
5355 Printing & Copying	67	7,930	1,500	1,500
5404 Equipment/Machinery Repair & Mtc	0	0	2,500	2,500
5409 Fleet Services Charges	146	0	0	0
5418 Vehicle/Equip Lease (Long-term)	9,058	9,976	6,500	6,500
5419 Other Rentals	0	0	500	300
5433 Dues & Subscription	2,231	2,403	3,500	3,500
5435 Books & Pamphlets	0	58	500	200
5441 Other Services & Charges	568	0	1,000	1,000
5443 Board & Meeting Expenses	1,067	639	1,000	1,000
TOTAL	215,968	105,296	68,500	68,500
DIVISION TOTAL	775,119	554,637	605,700	641,700

City of Duluth Minnesota - 2012 Budget

General Fund Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Planning - 110-132-1301				
REVENUE SOURCE				
4220 State of Minnesota		40,000		
4307 Planning/Zoning Fees	8,786	8,111	10,000	25,000
4644 Miscellaneous Sales	24,004	46,145		
DIVISION TOTAL	32,790	94,256	10,000	25,000

City of Duluth Minnesota - 2012 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	2009	2010	2011	2012	Difference
1135 Building Official	-	-	-	-	-
28 Solid Waste Compliance	1.0	-	-	-	-
31 Electrical Inspector	2.0	2.0	2.0	2.0	-
31 Plumbing Inspector	2.0	2.0	2.0	2.0	-
31 Construction Inspector	4.0	4.0	4.0	4.0	-
31 HVAC Inspector	1.0	1.0	1.0	1.0	-
32 Lead Housing Inspector	1.0	-	-	-	-
29 Housing Inspector	3.0	-	-	-	-
32 Plans Exam Leadworker	1.0	1.0	1.0	1.0	-
29 Plans Examiner	2.0	2.0	3.0	3.0	-
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	1.0	1.0	1.0	-
126 Information Technician	2.0	2.0	2.0	2.0	-
Division Total	24.0	18.0	19.0	18.0	(1.0)

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	1,278,305	1,071,186	1,075,600	1,037,800	(37,800)
Overtime	13,737	16,983	9,000	9,000	-
Other Wages	-	-	-	-	-
Total Salaries	1,292,042	1,088,169	1,084,600	1,046,800	(37,800)
Benefits	379,281	327,758	335,600	339,600	4,000
Other Expense					
Materials & Supplies	17,201	16,999	18,700	34,700	16,000
Services	27,545	27,170	35,500	28,500	(7,000)
Utilities & Maintenance	13,268	16,162	13,600	13,600	-
Other	14,805	13,076	32,700	33,700	1,000
Building Demolition	17,863	133,815	100,000	-	(100,000)
Total Other Expense	90,682	207,222	200,500	110,500	(90,000)
Capital Outlay	-	-	-	-	-
Division Total	1,762,005	1,623,149	1,620,700	1,496,900	(123,800)

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009			2012
	Actual	2010	Actual 2011	Budget Approved
Construction Services & Inspection - 110-132-1304				
PERSONAL SERVICES				
5100 Permanent Salaries	1,278,305	1,071,186	1,075,600	1,037,800
5101 Premium Pay	13,737	16,983	9,000	9,000
5103 Other Wages	-	-	-	-
TOTAL	1,292,042	1,088,169	1,084,600	1,046,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	80,577	72,710	74,200	71,600
5122 FICA - Social Security	77,494	65,320	67,200	64,900
5123 FICA - Medicare	18,124	15,276	15,700	15,200
5124 Medical Insurance	177,064	154,363	158,100	162,500
5125 Dental Insurance	8,448	7,168	7,300	6,900
5126 Life Insurance	3,432	3,360	3,400	3,200
5127 Health Care Savings Plan (HCSP)	14,142	9,561	9,700	15,300
TOTAL	379,281	327,758	335,600	339,600
OTHER EXPENDITURES				
5200 Office Supplies	6,327	5,143	5,000	5,000
5202 Audiovisual & Photography	-	-	300	300
5205 Safety & Training Materials	205	549	900	900
5212 Motor Fuels	9,027	10,153	9,000	25,000
5219 Other Miscellaneous Supplies	845	727	900	900
5241 Small Equip-Office/Operating	797	427	2,600	2,600
5321 Phone Service	-	-	4,000	4,000
5331 Travel/Training	17,175	16,301	15,000	15,000
5335 Local Mileage Reimbursement	6,045	4,442	10,000	3,000
5355 Printing & Copying	4,325	6,427	6,500	6,500
5404 Equipment/Machinery Repair & Mtc	1,695	1,204	1,600	1,600
5409 Fleet Services Charges	11,573	14,958	12,000	12,000
5418 Vehicle/Equip Lease (Long-term)	10,664	10,149	10,000	10,000
5433 Dues & Subscription	1,890	1,258	2,000	2,000
5435 Books & Pamphlets	1,862	1,562	5,000	5,000
5441 Other Services & Charges	302	55	15,500	16,500
5443 Board & Meeting Expenses	87	52	200	200
5453 Building Demolition	17,863	133,815	100,000	-
TOTAL	90,682	207,222	200,500	110,500
DIVISION TOTAL	1,762,005	1,623,149	1,620,700	1,496,900

City of Duluth Minnesota - 2012 Budget

General Fund Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Construction Services & Inspection - 110-132-1304				
REVENUE SOURCE				
4151 Fill Permits	3,081	4,178	1,200	1,200
4153 Multiple Dwelling License - 3 or more	149,673			
4153 Multiple Dwelling License - 1 or 2	313,992			
4263 Other Local Units of Government	29,242			
4301 Zoning Appeals Fees	5,280	6,060	6,000	6,000
4303 Use Permit - Flood & Wetlands	6,151	1,612	5,000	5,000
4304 Special Use - Flood & Wetlands	1,404	2,151	2,000	2,000
4305 Variances - Flood & Wetlands	1,248	588	2,500	2,500
4350 Inspection Services	4,970	900	4,000	4,000
4351 Building Inspection Fees	1,133,681	1,797,013	1,400,000	1,400,000
4352 Plumbing Inspection Fees	151,128	176,596	180,000	180,000
4353 Electric Inspection Fees	156,306	202,333	190,000	190,000
4354 HVAC-R Inspection Fees	121,207	169,999	150,000	150,000
4355 Signs Inspection Fees	10,214	10,673	10,500	10,500
4356 House Moving Inspection Fee	4,455			
4357 Mobile Home Inspection Fees	660	781	2,000	2,000
4359 CAF Administrative Fee	17,390	21,980	15,000	15,000
4361 RZP Registration Fee	13,396	11,868	14,000	14,000
4500 Assessments	58,614	13,434	55,000	55,000
4501 Assessments - Penalty & Interest	1,232	1,740	1,200	1,200
4602 Interest - Funds Held by Others	759			
4631 Media Sales	1,955	1,828	3,700	3,700
4644 Miscellaneous Sales	438	1,635	500	500
4680 Damages or Losses Recovered	10,250	13,254		
4701 2% Retention Surtax	1,653	1,644	1,500	1,500
DIVISION TOTAL	2,198,379	2,440,267	2,044,100	2,044,100

Business & Community Development Department

Mission and Vision

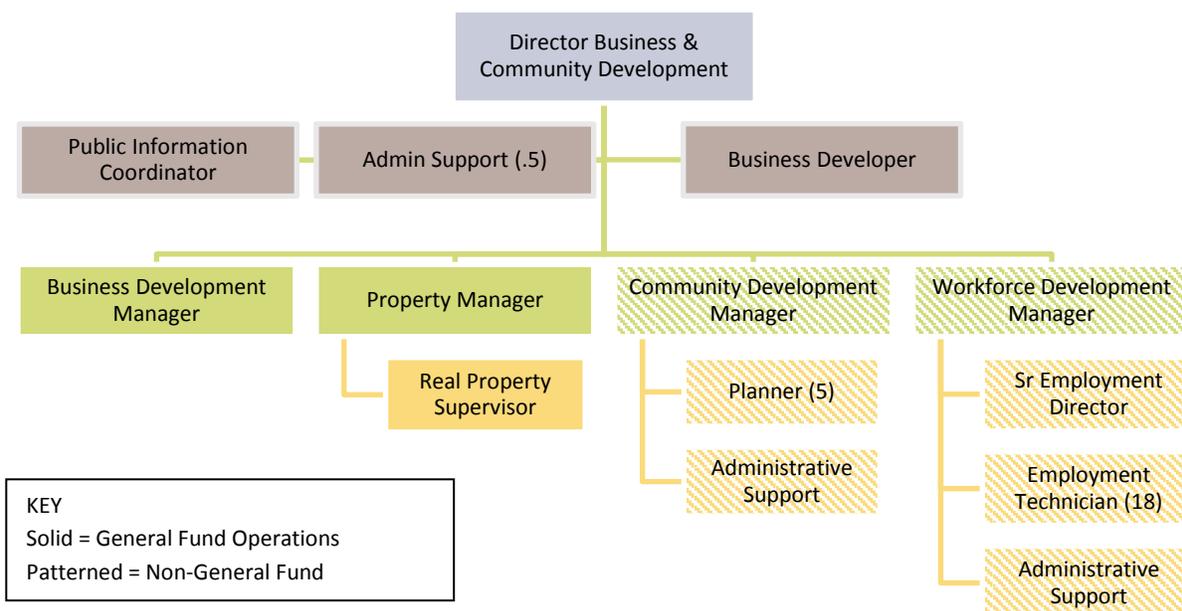
The Mission of the Business & Community Development Department is to strategically invest resources contributing to the prosperity, sustainable growth and development of the City of Duluth. The Business & Community Development Department combines the resources of three inter-related business, community and workforce divisions into one department that fuels economic development in the City. Business Development creates a supportive business environment by leveraging public and private investments that support business retention and growth. Community Development receives funding under the federal Community Development Block Grant programs and invests in community programs that help low to middle income populations by addressing basic needs, providing affordable housing, and increasing economic self-sufficiency. Workforce Development receives funding from federal and state sources to operate employment and training programs and provide tools necessary for career development. In order to accomplish our Mission, we:

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

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.

Business & Community Development Organization Chart

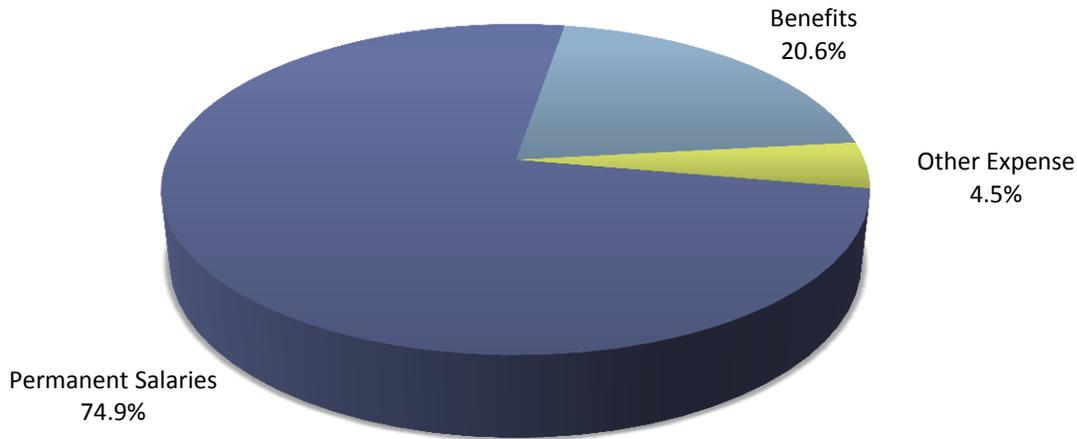


City of Duluth Minnesota - 2012 Budget

2012 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 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
 2012 Approved Budget by Expense Category



Expenditures by Category	2010 Actual	2011 Budget	2012 Approved	Difference
Permanent Salaries	419,459	512,400	518,000	5,600
Overtime	135	-	-	-
Other Wages	-	-	-	-
Total Personal Services	419,594	512,400	518,000	5,600
Benefits	96,467	133,800	142,600	8,800
Other Expense	23,320	31,400	31,400	-
Capital Outlay	-	-	-	-
Department Total	539,381	677,600	692,000	14,400

Budgeted FTE's	2010	2011	2012	Difference
	6.0	6.5	6.5	-

City of Duluth Minnesota - 2012 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	2012	Difference
1145 Dir., Business & CD	1.0	1.0	1.0	-
1125 Business Dev Manager	1.0	1.0	1.0	-
1135 Property Manager	1.0	1.0	1.0	-
1080 Supervisor, Real Property	1.0	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	-	-	-
126 Information Tech	1.0	0.5	0.5	-
Division Total	6.0	6.5	6.5	-

Expenditures	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services				
Permanent Salaries	419,459	512,400	518,000	5,600
Overtime	135	-	-	-
Other Wages	-	-	-	-
Total Salaries	419,594	512,400	518,000	5,600
Benefits	96,467	133,800	142,600	8,800
Other Expense				
Materials & Supplies	2,219	3,500	3,500	-
Services	19,818	25,500	25,500	-
Utilities & Maintenance	-	-	-	-
Other	1,283	2,400	2,400	-
Total Other Expense	23,320	31,400	31,400	-
Division Total	539,381	677,600	692,000	14,400

City of Duluth Minnesota - 2011 Budget

General Fund Expense Detail	2010 Actual	2011 Budget	2012 Approved
Business & Community Development - 110-135-1310			
PERSONAL SERVICES			
5100 Permanent Salaries	419,459	512,400	518,000
5101 Premium Pay	135	-	-
5103 Other Wages	-	-	-
TOTAL	419,594	512,400	518,000
EMPLOYEE BENEFITS			
5121 PERA Retirement	24,129	33,900	35,900
5122 FICA - Social Security	25,590	31,800	32,100
5123 FICA - Medicare	5,985	7,400	7,500
5124 Medical Insurance	28,553	52,300	58,600
5125 Dental Insurance	1,552	2,500	2,500
5126 Life Insurance	727	1,200	1,200
5127 Health Care Savings Plan (HCSP)	9,931	4,700	4,800
TOTAL	96,467	133,800	142,600
OTHER EXPENDITURES			
5200 Office Supplies	2,219	3,500	3,500
5319 Other Professional Service	10,593	-	-
5321 Phone Service	932	3,000	3,000
5331 Travel/Training	1,096	8,000	8,000
5335 Local Mileage Reimbursement	831	2,900	2,900
5355 Printing & Copying	1,732	3,900	3,900
5418 Vehicle/Equip Lease (Long-term)	2,346	3,000	3,000
5433 Dues & Subscription	1,070	1,700	1,700
5441 Other Services & Charges	1,218	3,000	3,000
5443 Board & Meeting Expenses	1,283	2,400	2,400
TOTAL	23,320	31,400	31,400
DIVISION TOTAL	539,381	677,600	692,000

City of Duluth Minnesota - 2011 Budget

General Fund Revenue Detail

Business & Community Development - 110-135-1310

	2010 Actual	2011 Budget	2012 Approved
REVENUE SOURCE			
4644 Miscellaneous Sales		24,000	24,000
DIVISION TOTAL		24,000	24,000

Fire Department

Mission and Vision

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

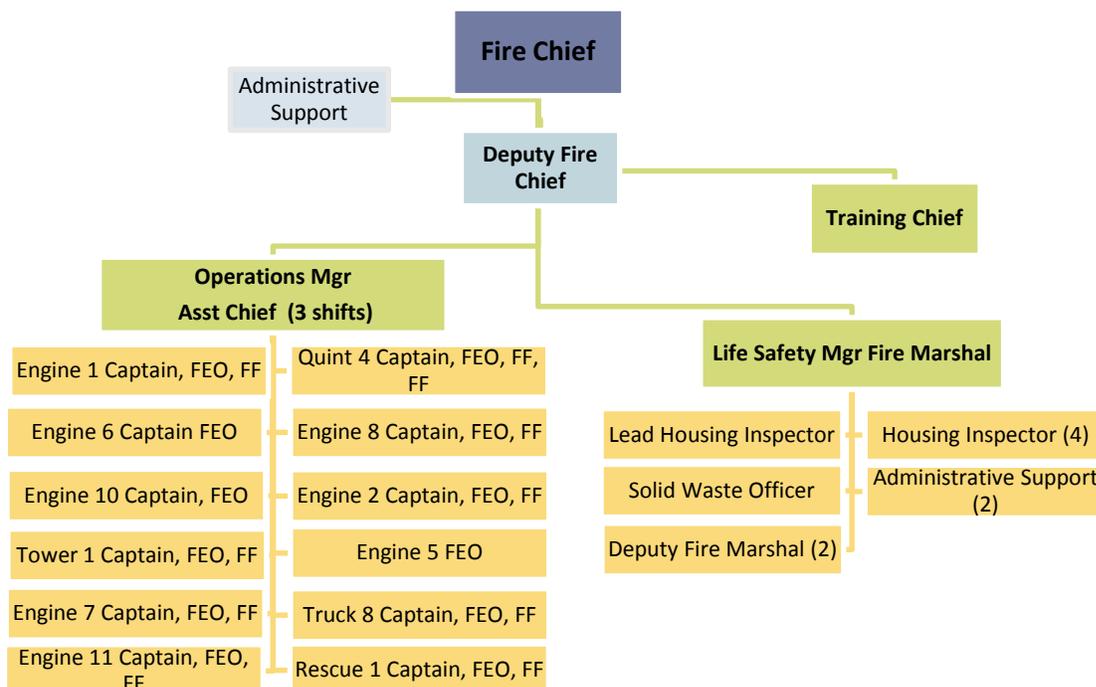
For over 140 years, the Duluth Fire Department has been responding to meet the public safety needs of our community. We provide this service through a well-trained staff, up-to-date and well-maintained equipment, and our ability to adapt to the changing emergency response expectations of our citizens.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

Structure

The structure of the Fire Department has 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
- *Fire Code Management and Inspection
- *Housing Code and Rental Licensing
- *Nuisance Abatement – Quality of life programs
- *Public Safety & School Fire Safety Programs
- *Fire and Arson Investigation
- * Emergency Management and Preparedness

Fire Department Organization Chart



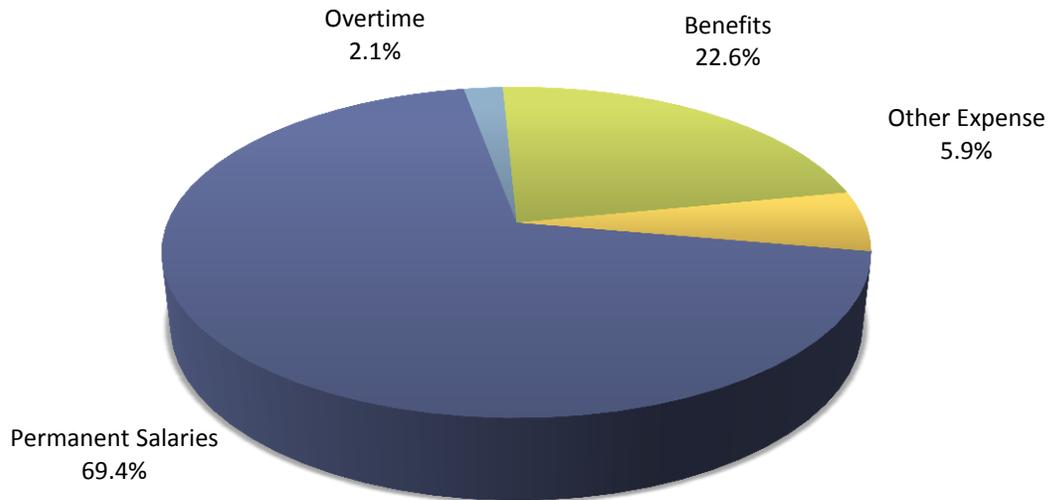
City of Duluth Minnesota - 2012 Budget

2012 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
	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>Costs Savings in employee back to work program</p>	<ul style="list-style-type: none"> * Apply for all available grant funds to hire and train personnel as well as purchase new equipment * Work with medical provider to have fire fighters return to work as soon as possible * ISO visit and update * 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
Planning	Complete Fire Department Study	<ul style="list-style-type: none"> * Conduct study * Evaluate study recommendations * Plan for implementation of plan * Implement plan 	<ul style="list-style-type: none"> * Completed study by 1/31/2012 * Evaluate and complete action plan by 6/1/2012 * Evaluate progress through incident data, staff evaluation, and public input * Measure employee satisfaction through employee evaluations

City of Duluth Minnesota - 2012 Budget

Fire Department 2012 Approved Budget by Expense Category



Expenditures by Category	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Permanent Salaries	8,937,438	9,189,528	9,163,400	9,091,100	(72,300)
Overtime	592,813	615,425	527,500	277,500	(250,000)
Other Wages	-	-	-	-	-
Total Personal Services	9,530,251	9,804,953	9,690,900	9,368,600	(322,300)
Benefits	5,866,229	2,926,818	2,863,800	2,964,100	100,300
Other Expense	547,432	577,227	700,200	774,900	74,700
Capital Outlay	-	-	-	-	-
Department Total	15,943,912	13,308,998	13,254,900	13,107,600	(147,300)

Expenditures by Division	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Fire Administration	495,701	450,911	467,300	405,000	(62,300)
Fire Operations	14,952,252	12,193,051	11,981,600	11,648,400	(333,200)
Life Safety	495,959	665,036	806,000	1,054,200	248,200
Department Total	15,943,912	13,308,998	13,254,900	13,107,600	(147,300)

	2009	2010	2011	2012	Difference
Budgeted FTE's	135.0	140.0	140.0	138.0	(2.0)

City of Duluth Minnesota - 2012 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	2009	2010	2011	2012	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	3.0	(1.0)

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	316,856	315,775	311,700	265,600	(46,100)
Overtime	2,917	2,273	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	319,773	318,048	311,700	265,600	(46,100)
Benefits	130,644	84,660	77,200	61,000	(16,200)
Other Expense					
Materials & Supplies	18,339	19,481	26,000	28,500	2,500
Services	15,742	16,468	10,800	8,300	(2,500)
Utilities & Maintenance	1,313	547	5,100	5,100	-
Other	9,890	11,707	36,500	36,500	-
Total Other Expense	45,284	48,203	78,400	78,400	-
Division Total	495,701	450,911	467,300	405,000	(62,300)

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Fire Administration - 110-150-1501				
PERSONAL SERVICES				
5100 Permanent Salaries	316,856	315,775	311,700	265,600
5101 Premium Pay	2,917	2,273	-	-
5103 Other Wages	-	-	-	-
TOTAL	319,773	318,048	311,700	265,600
EMPLOYEE BENEFITS				
5121 PERA Retirement	35,380	35,893	36,100	33,100
5122 FICA - Social Security	6,225	6,150	6,300	3,400
5123 FICA - Medicare	1,456	1,438	1,500	800
5124 Medical Insurance	28,337	28,337	28,300	19,600
5125 Dental Insurance	1,536	1,536	1,500	1,200
5126 Life Insurance	624	720	700	500
5127 Health Care Savings Plan (HCSP)	10,586	10,586	2,800	2,400
5137 Fire Pension Contribution	46,500	-	-	-
TOTAL	130,644	84,660	77,200	61,000
OTHER EXPENDITURES				
5200 Office Supplies	2,201	2,031	3,700	3,700
5202 Audiovisual & Photography	-	106	200	200
5210 Plant/Operating Supplies	2,483	1,680	2,400	2,400
5211 Cleaning/Janitorial Supplies	7,417	7,157	7,500	7,500
5212 Motor Fuels	-	-	3,500	5,000
5219 Other Miscellaneous Supplies	3,080	3,575	4,500	4,500
5220 Repair & Maintenance Supplies	757	777	600	1,600
5228 Painting Supplies	1,146	499	700	700
5229 Ground Mtc Supplies	137	13	200	200
5240 Small Tools	-	-	200	200
5241 Small Equip-Office/Operating	1,118	3,643	2,500	2,500
5321 Phone Service	9,483	9,154	3,000	3,000
5322 Postage	268	502	400	400
5331 Travel/Training	662	200	2,400	2,400
5335 Local Mileage Reimbursement	3,153	4,396	2,500	-
5355 Printing & Copying	2,176	2,216	2,500	2,500
5400 Misc Repair & Mtc Service	1,313	279	3,100	3,100
5401 Bldg/Structure Repair & Mtc	-	268	2,000	2,000
5418 Vehicle/Equip Lease (Long-term)	6,136	3,599	4,500	4,500
5433 Dues & Subscription	2,050	1,734	2,000	2,000
5440 Emergency Management	-	3,045	25,000	25,000
5441 Other Services & Charges	1,704	829	2,000	2,000
5443 Board & Meeting Expenses	-	-	500	500
5490 Donations to Civic Organizations	-	2,500	2,500	2,500
TOTAL	45,284	48,203	78,400	78,400
DIVISION TOTAL	495,701	450,911	467,300	405,000

City of Duluth Minnesota - 2012 Budget

General Fund Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Fire Administration - 110-150-1501				
REVENUE SOURCE				
4154 Commercial Use/Occupancy Permit	80,813			
4220 State of Minnesota	5,000	50,000		
4231 Amortization Aid	316,395			
4231 Amortization Aid - Supplemental	65,692			
4232 State Insurance Premium	357,249	379,537	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	(94)	300	300
4644 Miscellaneous Sales	5,565	4,365	6,000	6,000
4654 Other Reimbursements	2,510	2,460	2,500	2,500
4660 Gifts and Donations	6,615	4,490	4,700	4,700
4730 Transfer from Special Revenue	12,379	12,129		
DIVISION TOTAL	886,598	487,087	472,700	472,700

City of Duluth Minnesota - 2012 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	2009	2010	2011	2012	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	36.0	36.0	36.0	-
227 Equipment Operator	42.0	39.0	39.0	39.0	-
226 Firefighter	42.0	48.0	48.0	45.0	(3.0)
Division Total	127.0	127.0	127.0	124.0	(3.0)

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	8,314,220	8,396,643	8,290,400	8,157,800	(132,600)
Overtime	576,153	601,824	520,000	270,000	(250,000)
Other Wages	-	-	-	-	-
Total Salaries	8,890,373	8,998,467	8,810,400	8,427,800	(382,600)
Benefits	5,578,917	2,693,901	2,624,700	2,667,600	42,900
Other Expense					
Materials & Supplies	155,021	157,159	177,300	179,500	2,200
Services	32,012	31,479	52,200	86,100	33,900
Utilities & Maintenance	257,428	270,026	275,000	249,400	(25,600)
Other	38,501	42,019	42,000	38,000	(4,000)
Total Other Expense	482,962	500,683	546,500	553,000	6,500
Division Total	14,952,252	12,193,051	11,981,600	11,648,400	(333,200)

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Fire Operations - 110-150-1502				
PERSONAL SERVICES				
5100 Permanent Salaries	8,314,220	8,396,643	8,290,400	8,157,800
5101 Premium Pay	576,153	601,824	520,000	270,000
5103 Other Wages	-	-	-	-
TOTAL	8,890,373	8,998,467	8,810,400	8,427,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	1,185,127	1,198,596	1,211,000	1,157,300
5122 FICA - Social Security	-	-	-	-
5123 FICA - Medicare	102,804	107,294	127,700	122,200
5124 Medical Insurance	1,059,262	1,097,521	1,111,200	1,245,500
5125 Dental Insurance	48,544	48,800	48,800	47,600
5126 Life Insurance	19,643	22,680	22,900	22,300
5127 Health Care Savings Plan (HCSP)	276,368	219,010	103,100	72,700
5137 Fire Pension Contribution	2,887,169	-	-	-
TOTAL	5,578,917	2,693,901	2,624,700	2,667,600
OTHER EXPENDITURES				
5205 Safety & Training Materials	10,236	2,889	5,000	7,500
5210 Plant/Operating Supplies	3,719	3,733	5,000	4,000
5212 Motor Fuels	52,718	55,300	65,000	70,000
5218 Uniforms	16,627	11,794	16,000	10,000
5219 Other Miscellaneous Supplies	25,277	19,189	25,000	25,000
5220 Repair & Maintenance Supplies	780	3,810	1,300	3,000
5241 Small Equip-Office/Operating	45,664	60,444	60,000	60,000
5305 Medical Svcs/Testing Fees	9,860	3,165	10,000	10,000
5319 Other Professional Services	2,750	3,273	20,000	40,000
5320 Data Services	5,044	7,142	5,000	17,500
5321 Phone Service	8,432	11,262	11,000	12,000
5322 Postage	173	80	200	600
5384 Refuse Disposal	5,753	6,557	6,000	6,000
5409 Fleet Services Charges	257,428	270,026	275,000	249,400
5441 Other Services & Charges	4,383	4,564	6,000	6,000
5446 Tuition Reimbursement	14,910	17,933	15,000	15,000
5450 Laundry	19,208	19,522	21,000	17,000
TOTAL	482,962	500,683	546,500	553,000
DIVISION TOTAL	14,952,252	12,193,051	11,981,600	11,648,400

City of Duluth Minnesota - 2012 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	2009	2010	2011	2012	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	1.0	-
29 Housing Inspector		3.0	3.0	4.0	1.0
28 Solid Waste Compliance		1.0	1.0	1.0	-
129 Admin Information Spec		1.0	1.0	1.0	-
126 Information Specialist	-	-	-	1.0	1.0
Division Total	4.0	9.0	9.0	11.0	2.0

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	306,362	477,110	561,300	667,700	106,400
Overtime	13,743	11,328	7,500	7,500	-
Other Wages	-	-	-	-	-
Total Salaries	320,105	488,438	568,800	675,200	106,400
Benefits	156,668	148,257	161,900	235,500	73,600
Other Expense					
Materials & Supplies	2,742	12,842	15,800	15,800	-
Services	10,369	10,632	25,500	25,500	-
Utilities & Maintenance	-	-	5,400	5,400	-
Other	6,075	4,867	28,600	96,800	68,200
Total Other Expense	19,186	28,341	75,300	143,500	68,200
Division Total	495,959	665,036	806,000	1,054,200	248,200

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Life Safety - 110-150-1503				
PERSONAL SERVICES				
5100 Permanent Salaries	306,362	477,110	561,300	667,700
5101 Premium Pay	13,743	11,328	7,500	7,500
5103 Other Wages	-	-	-	-
TOTAL	320,105	488,438	568,800	675,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	37,427	46,972	55,600	63,600
5122 FICA - Social Security	472	16,055	20,100	27,000
5123 FICA - Medicare	3,372	6,461	8,200	9,800
5124 Medical Insurance	33,716	63,035	67,900	123,000
5125 Dental Insurance	1,184	2,720	3,500	4,200
5126 Life Insurance	481	1,275	1,600	2,000
5127 Health Care Savings Plan (HCSP)	10,216	11,739	5,000	5,900
5137 Fire Pension Contribution	69,800	-	-	-
TOTAL	156,668	148,257	161,900	235,500
OTHER EXPENDITURES				
5200 Office Supplies	729	815	1,000	1,000
5202 Audiovisual & Photography	1,388	427	1,700	1,700
5205 Safety & Training Materials	154	93	1,100	1,100
5212 Motor Fuels	-	10,778	10,000	10,000
5219 Other Miscellaneous Supplies	471	230	1,600	1,600
5241 Small Equipment-Office Operating	-	499	400	400
5321 Phone Service	-	-	2,000	2,000
5331 Travel/Training	3,876	5,312	9,000	13,000
5335 Local Mileage Reimbursement	6,493	5,278	13,000	9,000
5355 Printing & Copying	-	42	1,500	1,500
5400 Misc Repair & Mtc Service	-	-	400	400
5409 Fleet Services Charges	-	-	5,000	5,000
5418 Vehicle/Equip Lease (Long-term)	-	498	-	-
5433 Dues and Subscriptions	-	-	300	300
5435 Books & Pamphlets	-	898	3,000	3,000
5441 Other Services and Charges	-	32	25,000	33,200
5443 Board & Meeting Expenses	-	-	300	300
5453 Building Demolition	-	-	-	60,000
5459 Fire Safety Education Account	6,075	3,439	-	-
TOTAL	19,186	28,341	75,300	143,500
DIVISION TOTAL	495,959	665,036	806,000	1,054,200

City of Duluth Minnesota - 2012 Budget

General Fund Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Life Safety - 110-150-1503				
REVENUE SOURCE				
4153 Multiple Dwelling License - 3 or more		108,419	115,000	135,000
4153 Multiple Dwelling License - 1 or 2		352,902	310,000	445,000
4154 Commercial Use/Occupancy Permit		89,196	90,000	90,000
4356 House Moving Inspection Fee		6,572	5,000	5,000
4360 Vacant Building Fee		5,220	1,200	1,200
DIVISION TOTAL		562,309	521,200	676,200

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 consists of approximately 152 sworn police officers and a support staff of about 30 employees. Crime prevention, detection and investigation are the primary duties of the department. The department is divided into two divisions, each managed by a Deputy Chief.

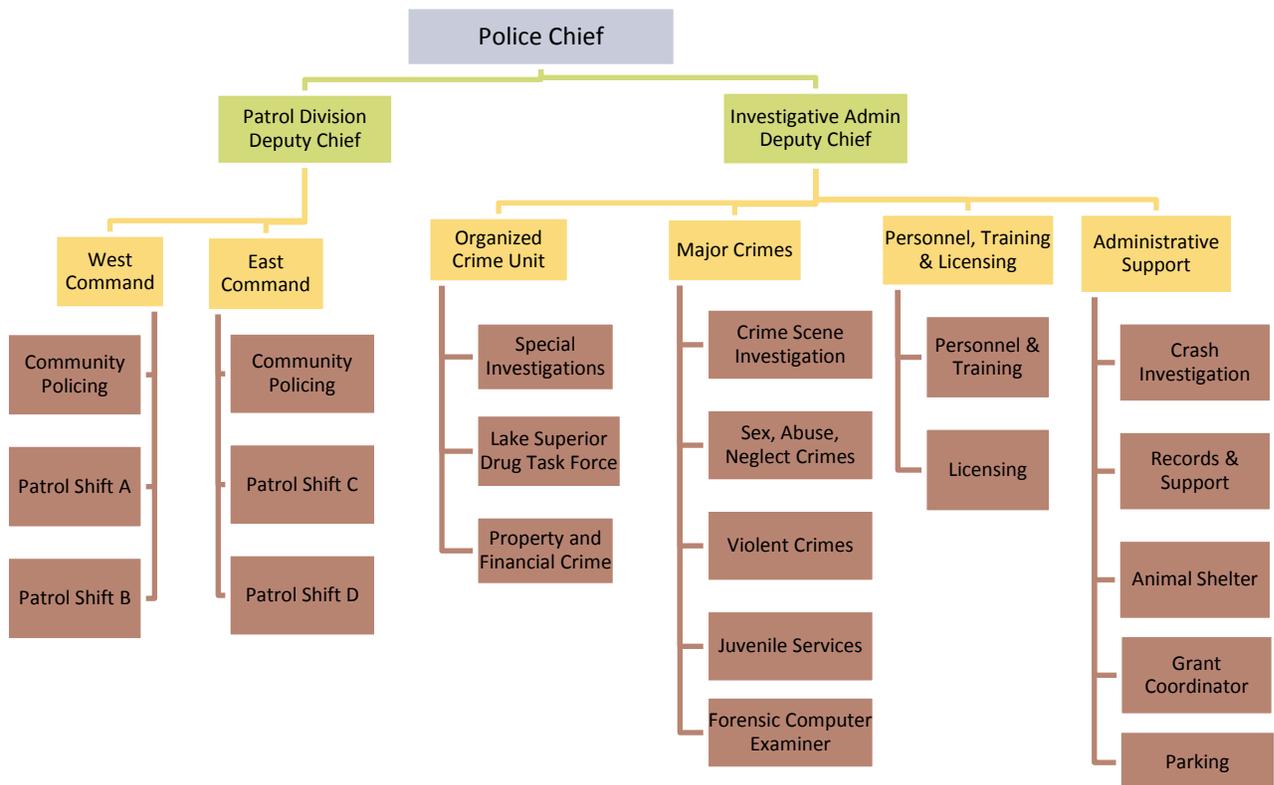
The **Investigative/Administrative Division** contains all investigative units and administrative functions. There are currently four lieutenants assigned to this division, which consists of the following units:

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

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

- Patrol Shifts
- Community Policing
- Canine Units
- Traffic Enforcement

Police Department Organization Chart



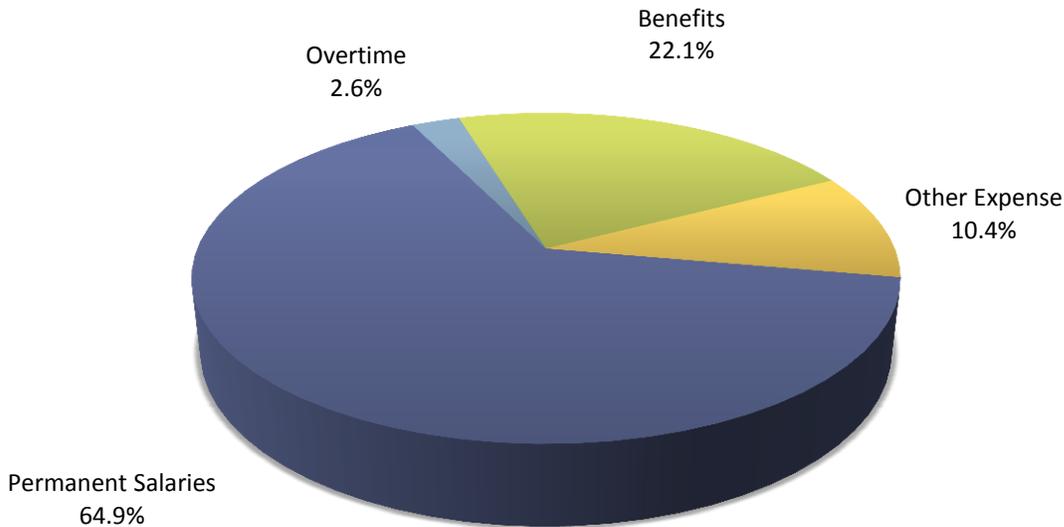
City of Duluth Minnesota - 2012 Budget

2012 Goals and Objectives

Goal	Objective	Tactics	Measurement
Ensure smooth Headquarters move in and transition	Ensure the public and employees are aware of the move and details are well throughout	Public awareness campaign, detailed and well communicated transition plan	Public and employee awareness and satisfaction
Ensure smooth transition for 2013 radio frequency change	Ensure the new radio system will work properly and staff has a clear understanding of how it will operate	Education and thorough vetting of the needed changes and needed equipment	Staff has proper training and equipment and system operates as intended
Refocus on Community Oriented Policing	Improve problem solving, increase volunteers, increase number of citizen patrols and block clubs	Shift based training and expectations increased for patrol officers. Neighborhood officers to focus on neighborhood crime prevention efforts through community organizing	Increase in problem solving at the patrol level, increased neighborhood involvement in crime reduction
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
Improve Career and Leadership Development	Increase training opportunities	Utilize local subject matter experts to expand leadership training opportunities for DPD personnel	Improved leadership at line and first line supervisory level

City of Duluth Minnesota - 2012 Budget

Police Department 2012 Approved Budget by Expense Category



Expenditures by Category	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Permanent Salaries	11,852,059	11,959,890	11,825,300	12,033,600	208,300
Overtime	640,418	871,196	650,000	483,000	(167,000)
Other Wages	4,860	15,475	-	-	-
Total Personal Services	12,497,337	12,846,561	12,475,300	12,516,600	41,300
Benefits	4,418,699	3,828,483	3,774,600	4,101,500	326,900
Other Expense	1,180,429	1,160,076	1,308,700	1,926,700	618,000
Capital Outlay	-	-	-	-	-
Department Total	18,096,465	17,835,120	17,558,600	18,544,800	986,200

Expenditures by Division	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Admin & Investigation	7,242,495	7,301,793	8,364,600	9,085,900	721,300
Patrol	10,853,970	10,533,327	9,194,000	9,458,900	264,900
Department Total	18,096,465	17,835,120	17,558,600	18,544,800	986,200

	2009	2010	2011	2012	Difference
Budgeted FTE's	183.0	187.0	185.0	185.0	-

City of Duluth Minnesota - 2012 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	2009	2010	2011	2012	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	3.0	3.0	4.0	4.0	-
328 Sergeant	8.0	8.0	11.0	11.0	-
327 Police Investigator	22.0	25.0	34.0	35.0	1.0
131 Grant Writer	1.0	1.0	1.0	1.0	-
132 Police Records Coor.	1.0	1.0	1.0	1.0	-
129 Admin Info Specialist	4.0	3.0	3.0	3.0	-
126 Information Technician	13.0	13.0	12.0	10.0	(2.0)
121 Clerical Support Tech	-	4.0	5.0	5.5	0.5
32 Budget Analyst	-	1.0	1.0	1.0	-
30 Animal Shelter Leadwrkr	1.0	1.0	1.0	1.0	-
24 Animal Shelter Tech	-	1.0	2.0	1.5	(0.5)
131 Criminal Intell Analyst	-	-	2.0	2.0	-
22 Evidence Technician	-	-	2.0	2.0	-
18 Parking Monitor	4.0	5.0	5.0	5.0	-
Division Total	60.0	69.0	87.0	86.0	(1.0)

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	4,428,956	4,575,313	5,402,500	5,403,300	800
Overtime	174,449	223,010	110,000	110,000	-
Other Wages	4,860	15,475	-	-	-
Total Salaries	4,608,265	4,813,798	5,512,500	5,513,300	800
Benefits	1,566,316	1,444,756	1,683,600	1,786,100	102,500
Other Expense					
Materials & Supplies	279,004	327,670	349,500	374,500	25,000
Services	134,461	133,728	145,500	140,000	(5,500)
Utilities & Maintenance	436,066	432,282	481,700	541,700	60,000
Other	218,383	149,559	191,800	730,300	538,500
Total Other Expense	1,067,914	1,043,239	1,168,500	1,786,500	618,000
Division Total	7,242,495	7,301,793	8,364,600	9,085,900	721,300

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Police Admin & Investigations - 110-160-1610				
PERSONAL SERVICES				
5100 Permanent Salaries	4,428,956	4,575,313	5,402,500	5,403,300
5101 Premium Pay	174,449	223,010	110,000	110,000
5103 Other Wages	4,860	15,475	-	-
TOTAL	4,608,265	4,813,798	5,512,500	5,513,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	512,068	537,702	640,500	655,500
5122 FICA - Social Security	81,031	94,331	105,600	99,600
5123 FICA - Medicare	61,668	66,453	79,900	79,900
5124 Medical Insurance	574,035	629,509	761,600	856,400
5125 Dental Insurance	26,120	27,618	33,800	33,000
5126 Life Insurance	10,611	12,946	15,800	15,500
5127 Health Care Savings Plan (HCSP)	87,383	76,197	46,400	46,200
5136 Police Pension Contribution	213,400	-	-	-
TOTAL	1,566,316	1,444,756	1,683,600	1,786,100
OTHER EXPENDITURES				
5200 Office Supplies	19,380	16,485	24,000	24,000
5201 Computer Supplies/Software	14,245	4,145	2,000	2,000
5202 Audiovisual & Photography	560	402	2,000	2,000
5211 Cleaning/Janitorial Supplies	4,440	1,426	7,500	7,500
5212 Motor Fuels	212,961	266,531	280,000	305,000
5214 Food for Animals	2,631	3,846	6,000	6,000
5218 Uniforms	2,247	9,216	10,000	10,000
5219 Other Miscellaneous Supplies	7,816	7,943	6,000	6,000
5220 Repair & Maintenance Supplies	4,019	11,872	9,000	9,000
5241 Small Equip-Office/Operating	10,705	5,804	3,000	3,000
5305 Medical Svcs/Testing Fees	18,559	605	20,000	19,500
5319 Other Professional Services	11,298	16,866	30,000	30,000
5320 Data Services	2,241	2,326	2,500	2,500
5321 Phone Service	71,990	93,661	65,000	71,000
5322 Postage	150	140	1,000	1,000
5331 Travel/Training	13,148	6,460	5,000	5,000
5335 Local Mileage Reimbursement	8,525	5,600	10,000	2,000
5355 Printing & Copying	4,043	2,536	10,000	3,000

General Fund Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Police Admin & Investigations - 110-160-1610 continued				
5384 Refuse Disposal	4,507	5,534	2,000	6,000
5401 Bldg/Structure Repair & Mtc	7,500	7,750	11,700	11,700
5404 Equipment/Machinery Repair & Mtc	73,785	108,261	95,000	175,000
5409 Fleet Services Charges	354,781	316,271	375,000	355,000
5411 Land Rental/Easements	-	-	-	1,000
5412 Building Rental	13,796	13,796	8,000	11,000
5418 Vehicle/Equip Lease (Long-term)	28,648	30,150	15,000	15,000
5433 Dues & Subscription	3,473	2,820	1,500	2,500
5435 Books & Pamphlets	494	170	1,500	1,500
5437 Automated Pawn System	25,357	28,948	22,500	22,500
5438 Licenses	960	2,685	5,000	5,500
5441 Other Services & Charges	78,399	22,458	70,000	38,000
5443 Board & Meeting Expenses	128	801	800	800
5448 Police Training	64,628	47,731	65,000	65,000
5460 Law Enforcement Center				565,000
5490 Donations to Civic Organizations	2,500	-	2,500	2,500
TOTAL	1,067,914	1,043,239	1,168,500	1,786,500
DIVISION TOTAL	7,242,495	7,301,793	8,364,600	9,085,900

City of Duluth Minnesota - 2012 Budget

General Fund Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Police Admin & Investigations - 110-160-1610				
REVENUE SOURCE				
4209 Federal Grant	19,063	19,206		
4220 State of Minnesota	62,778	37,635		
4227 Police Training Reimbursement	55,101	51,827	50,000	50,000
4231 Amortization Aid	215,958			
4231 Amortization Aid - Supplemental	45,144			
4231 Amortization Aid - Additional	-			
4232 State Insurance Premium	1,172,655	1,189,549	1,025,000	1,175,000
4260 St. Louis County	25,000	30,000	25,000	30,000
4261 ISD 709	479,510	364,434	212,000	212,000
4262 Housing & Redevelopment Authority	16,668	29,165	55,000	56,000
4270 Other Grants	600			
4322 Animal Shelter Fees	20,084	20,215	20,000	20,000
4325 Radio Services	6,500	6,500	6,500	6,500
4326 Criminal History Checks	6,190	912	17,000	2,000
4328 Pawnbroker Transaction Surcharge	55,044	58,654	50,000	50,000
4329 False Alarm Fees & Penalties	-	10,114	5,000	5,000
4631 Media Sales	5,378	4,696	5,000	5,000
4644 Miscellaneous Sales	20	12		
4650 Salaries Reimbursement	22,324	30,677	20,000	20,000
4651 Extra Duty Employment Reimbursement	-	256,754	120,000	257,000
4654 Other Reimbursements	24,227	1,631		
4660 Gifts and Donations	-	4,191		
4730 Transfer from Tourism Taxes	221,300	198,200	183,200	198,200
4730 Transfer from Police Grant Fund	522,339	757,541	550,300	603,800
DIVISION TOTAL	2,975,883	3,071,913	2,344,000	2,690,500

City of Duluth Minnesota - 2012 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	2009	2010	2011	2012	Difference
1100 Lieutenant	7.0	7.0	6.0	6.0	-
328 Sergeant	16.0	12.0	10.0	10.0	-
327 Police Investigator	28.0	29.0	19.0	19.0	-
326 Police Officer	70.0	66.0	63.0	64.0	1.0
131 Crime Intel Analyst	2.0	2.0	-	-	-
22 Evidence Technician	-	2.0	-	-	-
Division Total	123.0	118.0	98.0	99.0	1.0

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	7,423,103	7,384,577	6,422,800	6,630,300	207,500
Overtime	465,969	648,186	540,000	373,000	(167,000)
Other Wages	-	-	-	-	-
Total Salaries	7,889,072	8,032,763	6,962,800	7,003,300	40,500
Benefits	2,852,383	2,383,727	2,091,000	2,315,400	224,400
Other Expense					
Materials & Supplies	83,751	83,287	105,000	105,000	-
Services	28,764	33,550	35,200	35,200	-
Utilities & Maintenance	-	-	-	-	-
Other	-	-	-	-	-
Total Other Expense	112,515	116,837	140,200	140,200	-
Division Total	10,853,970	10,533,327	9,194,000	9,458,900	264,900

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Police Patrol - 110-160-1620				
PERSONAL SERVICES				
5100 Permanent Salaries	7,423,103	7,384,577	6,422,800	6,630,300
5101 Premium Pay	465,969	491,246	440,000	273,000
5102 Extra Duty Employment	-	156,940	100,000	100,000
5103 Other Wages	-	-	-	-
TOTAL	7,889,072	8,032,763	6,962,800	7,003,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	1,039,960	1,073,242	958,900	964,300
5122 FICA - Social Security	7,504	6,576	-	-
5123 FICA - Medicare	103,316	107,406	101,000	101,600
5124 Medical Insurance	927,608	949,757	862,700	1,018,000
5125 Dental Insurance	41,240	41,248	37,200	38,000
5126 Life Insurance	16,754	19,425	17,500	17,800
5127 Health Care Savings Plan (HCSP)	108,490	186,073	113,700	175,700
5136 Police Pension Contribution	607,511	-	-	-
TOTAL	2,852,383	2,383,727	2,091,000	2,315,400
OTHER EXPENDITURES				
5205 Safety & Training Materials	1,791	1,216	1,500	1,500
5211 Cleaning/Janitorial Supplies	660	1,454	15,000	15,000
5214 Food for Animals	747	-	-	-
5217 Ammunition	25,444	30,645	40,000	40,000
5218 Uniforms	47,445	38,864	30,000	30,000
5219 Other Miscellaneous Supplies	5,611	5,381	16,000	16,000
5241 Small Equip-Office/Operating	2,053	5,727	2,500	2,500
5415 Vehicle/Equip Rent (Short-term)	-	-	4,200	4,200
5441 Other Services & Charges	19,148	16,525	6,000	6,000
5448 Police Training	9,616	17,025	25,000	25,000
TOTAL	112,515	116,837	140,200	140,200
DIVISION TOTAL	10,853,970	10,533,327	9,194,000	9,458,900

Public Works & Utilities Department – General Fund

Mission and Vision

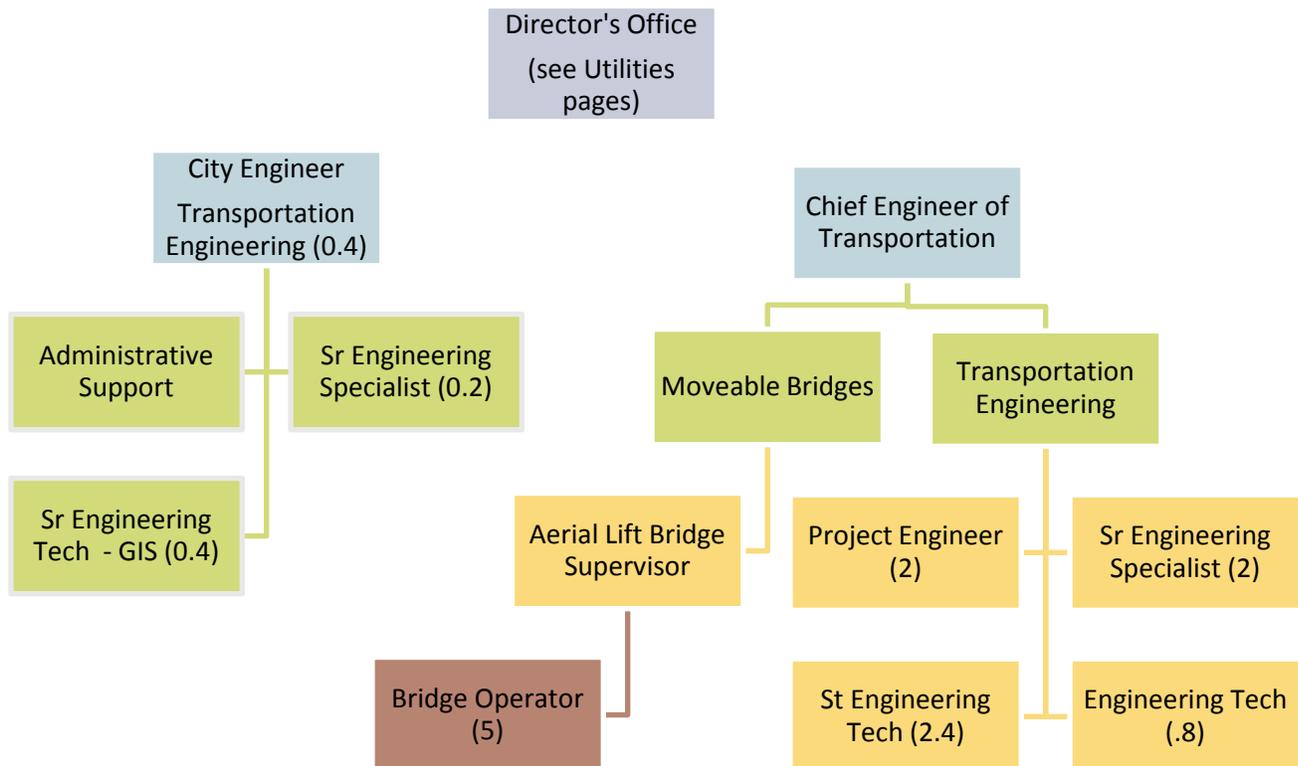
The mission of the Public Works and Utilities Department is to provide: professional engineering services, and water, sanitary sewer, natural gas, and storm water utilities to Duluth's businesses and residents in a safe, cost-effective and environmentally sound manner through skilled, safety oriented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

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

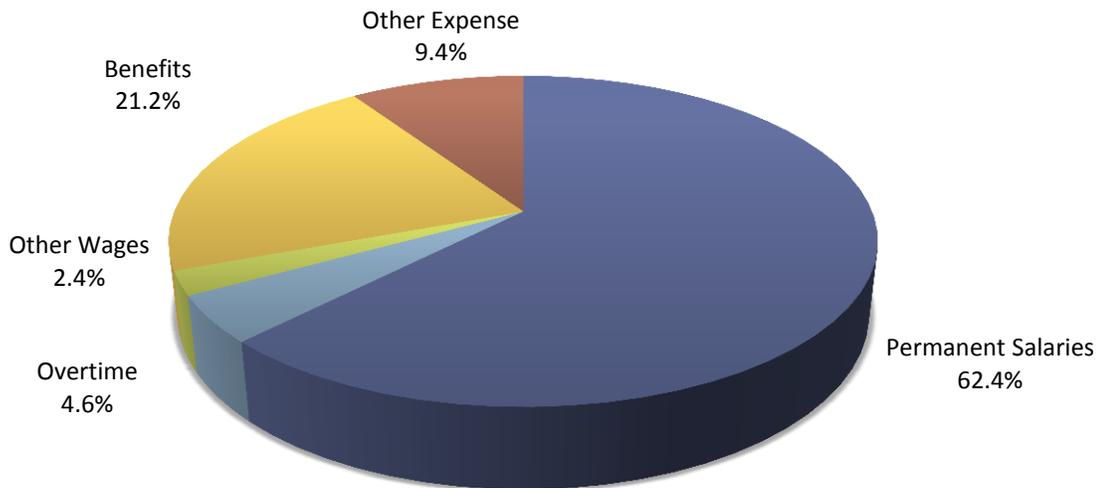
Structure

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

Public Works & Utilities Department – General Fund Organization Chart



Public Works & Utilities - General Operations
 2012 Approved Budget by Expense Category



Expenditures by Category	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Permanent Salaries	1,213,062	1,239,104	1,335,900	1,089,000	(246,900)
Overtime	73,213	70,311	80,000	80,000	-
Other Wages	-	8,710	12,000	41,000	29,000
Total Personal Services	1,286,275	1,318,125	1,427,900	1,210,000	(217,900)
Benefits	402,675	387,125	418,600	369,900	(48,700)
Other Expense	134,357	155,588	159,900	164,600	4,700
Capital Outlay	-	-	-	-	-
Department Total	1,823,307	1,860,838	2,006,400	1,744,500	(261,900)

Expenditures by Division	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Director's Office	44,158	46,246	45,000	45,500	500
Engineering	1,779,149	1,814,592	1,961,400	1,699,000	(262,400)
Department Total	1,823,307	1,860,838	2,006,400	1,744,500	(261,900)

	2009	2010	2011	2012	Difference
Budgeted FTE's	22.4	21.2	22.0	17.0	(5.0)

City of Duluth Minnesota - 2012 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	2009	2010	2011	2012	Difference
Director	0.2	0.2	0.2	0.2	-
32 Project Coordinator	0.2	0.2	0.2	0.2	-
Division Total	0.4	0.4	0.4	0.4	-

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	34,189	36,823	36,000	36,200	200
Overtime	431	203	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	34,620	37,026	36,000	36,200	200
Benefits	9,175	8,640	8,100	8,400	300
Other Expense					
Materials & Supplies	-	376	200	200	-
Services	260	28	600	500	(100)
Utilities & Maintenance	-	-	-	-	-
Other	103	176	100	200	100
Total Other Expense	363	580	900	900	-
Division Total	44,158	46,246	45,000	45,500	500

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Public Works Director - 110-500-1900				
PERSONAL SERVICES				
5100 Permanent Salaries	34,189	36,823	36,000	36,200
5101 Premium Pay	431	203	-	-
5103 Other Wages	-	-	-	-
TOTAL	34,620	37,026	36,000	36,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	2,917	2,451	2,400	2,500
5122 FICA - Social Security	2,173	2,125	2,200	2,200
5123 FICA - Medicare	508	525	500	500
5124 Medical Insurance	3,023	2,281	2,400	2,600
5125 Dental Insurance	160	154	200	200
5126 Life Insurance	65	72	100	100
5127 Health Care Savings Plan (HCSP)	329	1,032	300	300
TOTAL	9,175	8,640	8,100	8,400
OTHER EXPENDITURES				
5200 Office Supplies	-	226	100	100
5241 Small Equip-Office/Operating	-	150	100	100
5321 Phone Service	-	-	200	200
5331 Travel/Training	260	-	300	300
5335 Local Mileage Reimbursement	-	28	100	-
5433 Dues & Subscription	103	176	100	200
TOTAL	363	580	900	900
DIVISION TOTAL	44,158	46,246	45,000	45,500

City of Duluth Minnesota - 2012 Budget

Engineering

Provides required engineering, planning, design and inspection for the construction of street, bridge and traffic control improvements. Transportation Engineering prepares studies, and conducts public hearings and meetings to make recommendations for municipal improvements. Bridges operates 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	2009	2010	2011	2012	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	5.0	(4.0)
129 Admin Info Specialist	0.6	0.6	0.6	0.6	-
127 Admin Info Technician	0.2	0.2	0.4	0.4	-
129 GIS Technician	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.	4.6	3.6	3.2	3.2	-
28 Engineering Technician	1.0	1.0	1.0	1.0	-
Division Total	22.0	20.8	21.6	16.6	(5.0)

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Personal Services					
Permanent Salaries	1,178,873	1,202,281	1,299,900	1,052,800	(247,100)
Overtime	72,782	70,108	80,000	80,000	-
Other Wages	-	8,710	12,000	41,000	29,000
Total Salaries	1,251,655	1,281,099	1,391,900	1,173,800	(218,100)
Benefits	393,500	378,485	410,500	361,500	(49,000)
Other Expense					
Materials & Supplies	48,989	72,444	58,800	53,700	(5,100)
Services	17,756	26,264	23,800	29,700	5,900
Utilities & Maintenance	21,532	9,859	33,200	28,900	(4,300)
Other	45,717	46,441	43,200	51,400	8,200
Total Other Expense	133,994	155,008	159,000	163,700	4,700
Division Total	1,779,149	1,814,592	1,961,400	1,699,000	(262,400)

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Engineering - 110-500-1930				
PERSONAL SERVICES				
5100 Permanent Salaries	1,178,873	1,202,281	1,299,900	1,052,800
5101 Premium Pay	72,782	70,108	80,000	80,000
5103 Other Wages	-	8,710	12,000	41,000
TOTAL	1,251,655	1,281,099	1,391,900	1,173,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	78,959	84,256	95,000	78,300
5122 FICA - Social Security	74,664	76,396	85,600	71,600
5123 FICA - Medicare	17,462	17,866	20,000	16,800
5124 Medical Insurance	163,905	172,908	185,700	168,700
5125 Dental Insurance	7,334	7,571	8,300	6,400
5126 Life Insurance	2,980	3,549	3,900	3,000
5127 Health Care Savings Plan (HCSP)	48,196	15,939	12,000	16,700
TOTAL	393,500	378,485	410,500	361,500
OTHER EXPENDITURES				
5200 Office Supplies	4,467	8,205	4,200	5,200
5201 Computer Supplies/Software	7,298	11,338	11,300	7,200
5203 Paper/Stationery/Forms	227	250	400	400
5205 Safety & Training Materials	291	423	700	800
5211 Cleaning/Janitorial Supplies	210	413	300	300
5212 Motor Fuels	10,602	8,115	28,100	23,100
5219 Other Miscellaneous Supplies	8,556	3,103	2,100	300
5220 Repair & Maintenance Supplies	7,228	22,378	8,500	8,500
5240 Small Tools	187	888	300	700
5241 Small Equip-Office/Operating	9,923	17,331	2,900	2,500
5242 Survey Equipment and Supplies	-	-	-	4,700
5303 Engineering Services	750	7,615	8,500	12,000
5319 Other Professional Services	-	-	500	500
5320 Data Services	-	-	-	400
5321 Phone Service	5,004	7,054	5,600	6,600
5322 Postage	64	224	100	300

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Engineering - 110-500-1930 continued				
5331 Travel/Training	10,557	8,848	6,200	7,000
5335 Local Mileage Reimbursement	231	600	1,500	1,500
5355 Printing & Copying	722	1,453	800	800
5384 Refuse Disposal	428	470	600	600
5404 Equipment/Machinery Repair & Mtc	2,735	2,093	19,200	18,900
5409 Fleet Services Charges	18,797	7,766	14,000	10,000
5418 Vehicle/Equip Lease (Long-term)	5,275	6,196	2,200	2,500
5433 Dues & Subscription	616	1,193	1,500	1,500
5435 Books & Pamphlets	56	356	700	700
5438 Licenses	-	542	-	500
5441 Other Services & Charges	4,373	1,548	2,600	10,000
5450 Laundry	1,197	856	1,200	1,200
5455 Pedestrian Bridge Operations	34,200	35,750	35,000	35,000
TOTAL	133,994	155,008	159,000	163,700
DIVISION TOTAL	1,779,149	1,814,592	1,961,400	1,699,000

City of Duluth Minnesota - 2012 Budget

General Fund Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Engineering - 110-500-1930				
REVENUE SOURCE				
4152 Excavation Permits	18,570	18,235	15,000	15,000
4170 Miscellaneous Permits	40,739	32,006	40,000	40,000
4324 Miscellaneous Services	62	454		400
4370 Engineering Services	341,675	447,279	270,000	300,000
4631 Media Sales	11,248	8,972	10,000	8,000
4636 Sale of Scrap	16,204	902	5,000	500
4654 Other Reimbursements		17,897		
4730 Transfer from Tourism Taxes	114,467	105,000	105,000	105,000
DIVISION TOTAL	542,965	630,745	445,000	468,900

City of Duluth Minnesota - 2012 Budget

General Fund Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 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	109,343	84,956	78,000	78,000
Citywide Communications	90,529	113,998	141,000	141,000
Miscellaneous	150,842	242,346	280,000	200,000
Civic Events and Awards	88,943	84,434	85,000	85,000
Business Improvement Dist.	478,746	308,379	300,000	300,000
Public Access Television	162,000	162,000	169,000	162,000
Sales Tax Administration	96,233	121,607	125,000	125,000
Parking Fine Administration	157,606	170,308	150,000	150,000
Capital Program - CIP	880,007	353,575	592,000	-
Facility Maintenance Program	202,692	177,908	230,000	230,000
Capital Program - CEP	249,525	138,855	85,000	50,000
Community Inv Trust Projects	177,000	176,950	181,600	180,900
Unemployment Compensation	86,604	34,300	50,000	85,000
Benefits Administration	15,390	48,883	50,000	50,000
Retiree Insurance	8,833,126	6,517,345	7,204,000	7,800,000
Accruals	-	-	380,000	380,000
Self Insurance Contribution	1,100,000	1,100,000	1,100,000	1,100,000
Federal Program Support	-	-	-	-
Street Improvement Program	-	-	-	-
Department Total	12,878,586	9,835,844	11,200,600	11,116,900

City of Duluth Minnesota - 2012 Budget

General Fund Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
Transfers and Other Functions				
REVENUE SOURCE				
4005 Current Property Tax	2,387,430			
4010 Delinquent Property Tax	49,620	63,713		
4222 State Property Tax Aid	190,962			
4260 St Louis County	7,389			
4500 Assessments - Service Charge	278,745	309,400	300,000	300,000
4639 Sale of Equipment	98,753	38,051	100,000	100,000
4640 Sale of Land	284,372	48,250	50,000	50,000
4644 Miscellaneous Sales		6,430		
4654 Other Reimbursements	2,500	1,751		
4660 Gifts and Donations	8,000	2,500		
4680 Damages Recovered		12,183		
4730 Transfer from Capital Projects	20,000			
4730 Transfer from Special Revenue	33,697	32,440		500,000
4730 Transfer from Tourism Taxes	47,599	45,006	45,000	45,000
4730 Transfer from Steam (sale)	2,500,000			
4730 Transfer from CIT Fund	1,283,001	1,277,196	510,000	308,000
DEPARTMENT TOTAL	7,192,068	1,836,920	1,005,000	1,303,000

Special Revenue Funds

City of Duluth Minnesota - 2012 Budget

Special Revenue Funds

Funds

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

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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	75,666,334	72,391,666	63,760,822	60,866,634
REVENUES				
Taxes	7,235,311	7,786,722	7,450,000	10,115,200
Intergovernmental	10,275,050	12,248,022	12,659,700	11,426,900
Miscellaneous	16,298,131	11,583,219	16,378,200	10,544,100
TOTAL REVENUES	<u>33,808,492</u>	<u>31,617,963</u>	<u>36,487,900</u>	<u>32,086,200</u>
EXPENSES				
Personal Services	3,085,068	3,010,269	2,995,300	3,285,500
Other Services and Charges	2,920,199	3,730,691	3,784,888	5,365,100
Transfers	19,861,179	19,789,036	18,146,900	10,166,500
Miscellaneous	11,216,714	13,718,810	14,455,000	15,338,400
TOTAL EXPENSES	<u>37,083,159</u>	<u>40,248,807</u>	<u>39,382,088</u>	<u>34,155,500</u>
FUND BALANCE - DECEMBER 31	72,391,666	63,760,822	60,866,634	58,797,334

City of Duluth Minnesota - 2012 Budget

Lake Superior Zoological Gardens

200

Special Revenue fund established to account for the operation of the Lake Superior Zoological Gardens which was transferred to the Zoological Society in a new contractual relationship approved by the City Council late in 2009. The City will subsidize operations with a transfer from The Tourism Tax Fund.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	111,575	142,677	142,488	0
REVENUES				
Intergovernmental, State of MN	107,500	200,000	360,000	160,000
Admissions	613,580	683,709	615,000	713,000
Concessions & Commissions, Misc	173,342	219,258	200,000	220,000
Gifts and Donations	1,460	2,620	2,000	2,000
Other Sources	36,230	71,807	25,000	80,000
Transfer from Tourism Tax	454,200	520,000	520,000	520,000
TOTAL REVENUES	1,386,312	1,697,394	1,722,000	1,695,000
EXPENSES				
Contract Services	111,574	7,476	34,000	5,000
Contract Services, Zoo Personnel	661,377	850,912	900,000	850,000
Contract Services, Op Expenses	574,353	831,938	924,488	830,000
Bank Charges	7,906	7,257	6,000	10,000
TOTAL EXPENSES	1,355,210	1,697,583	1,864,488	1,695,000
FUND BALANCE - DECEMBER 31	142,677	142,488	0	0

City of Duluth Minnesota - 2012 Budget

Parks Fund

205

Special Revenue fund established to account for property tax monies received that are to be used for City parks as approved by special referendum by the citizens of Duluth.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1				0
REVENUES				
Property Tax Levy				2,600,000
TOTAL REVENUES				<u>2,600,000</u>
EXPENSES				
Personal Services				1,041,500
Other Services and Charges				406,000
Supplies				34,400
Miscellaneous				108,100
Capital Outlay				1,010,000
TOTAL EXPENSES				<u>2,600,000</u>
FUND BALANCE - DECEMBER 31				0

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	138,147	494,558	359,474	359,474
REVENUES				
Intergovernmental	584,622	159,965	0	53,500
Miscellaneous	281,842	319,978	209,800	221,300
TOTAL REVENUES	<u>866,464</u>	<u>479,943</u>	<u>209,800</u>	<u>274,800</u>
EXPENSES				
Personal Services		18,115	26,000	26,000
Other Services and Charges	151,444	133,788	67,200	132,200
Transfers	35,053	77,854		
Miscellaneous	149,032	97,797	116,600	116,600
Capital Equipment	174,524	287,473		
TOTAL EXPENSES	<u>510,053</u>	<u>615,027</u>	<u>209,800</u>	<u>274,800</u>
FUND BALANCE - DECEMBER 31	494,558	359,474	359,474	359,474

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	6,895	26,595	47,140	47,140
REVENUES				
Intergovernmental	1,105,113	1,389,438	1,130,000	842,700
Miscellaneous	16,299	1,155	4,000	1,000
Felony Forfeitures	40,875	115,480	50,000	130,300
TOTAL REVENUES	<u>1,162,287</u>	<u>1,506,073</u>	<u>1,184,000</u>	<u>974,000</u>
EXPENSES				
Personal Services	140,214		50,000	
Other Services and Charges	209,389	267,325	232,500	200,000
Transfer to General Fund	522,339	825,029	628,500	603,800
Miscellaneous	185,357	358,845	266,000	78,200
Capital Equipment	85,288	34,329	7,000	92,000
TOTAL EXPENSES	<u>1,142,587</u>	<u>1,485,528</u>	<u>1,184,000</u>	<u>974,000</u>
FUND BALANCE - DECEMBER 31	26,595	47,140	47,140	47,140

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	1,461,864	2,172,484	1,592,081	1,592,081
REVENUES				
Other Reimbursements	4,554	164		
Earnings on Investments	393	14,074		
Bond Proceeds	2,654,479	2,295,000	4,405,000	4,698,000
TOTAL REVENUES	<u>2,659,426</u>	<u>2,309,238</u>	<u>4,405,000</u>	<u>4,698,000</u>
EXPENSES				
Bond Issuance Costs	31,178	27,864	25,000	100,000
Capital Equipment - Nonrolling	487,461	744,440	1,852,000	2,022,000
Capital Equipment - Rolling	1,430,167	2,117,337	2,528,000	2,576,000
TOTAL EXPENSES	<u>1,948,806</u>	<u>2,889,641</u>	<u>4,405,000</u>	<u>4,698,000</u>
FUND BALANCE - DECEMBER 31	2,172,484	1,592,081	1,592,081	1,592,081

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	64,150	64,150	55,944	55,944
REVENUES				
Intergovernmental Revenues	257,274	367,325	1,367,300	2,196,200
Transfer from DEDA	21,286	13,579		
Other Reimbursements	250,000	0		
Other Miscellaneous	6,461	11,149	16,600	16,600
TOTAL REVENUES	<u>535,021</u>	<u>392,053</u>	<u>1,383,900</u>	<u>2,212,800</u>
EXPENSES				
Economic Development	285,021	108,929	783,900	2,215,600
Transfer to Capital Projects Funds	250,000	291,330	600,000	
TOTAL EXPENSES	<u>535,021</u>	<u>400,259</u>	<u>1,383,900</u>	<u>2,215,600</u>
FUND BALANCE - DECEMBER 31	64,150	55,944	55,944	53,144

City of Duluth Minnesota - 2012 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 super majority vote of the city council. Current policy is to pay off existing street improvement debt and finance the street improvement program.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	57,611,855	47,030,854	34,023,423	28,706,923
REVENUES				
Casino Proceeds/Misc	3,040,223		6,000,000	
Investment Earnings	999,210	973,984	510,000	308,000
TOTAL REVENUES	4,039,433	973,984	6,510,000	308,000
EXPENSES				
Administration - (annual)	12,145	9,066		9,000
Legal Services	78,899	429,483		
Transfer to Capital Project	5,200,000	6,600,000	6,000,000	
Transfer to Debt Service	7,446,389	5,665,670	5,316,500	3,122,500
Transfer to General (Housing Redirect	600,000			
Transfer to General Fund - BID	200,000			
Transfer to General Fund (annual)	1,083,001	1,277,196	510,000	308,000
TOTAL EXPENSES	14,620,434	13,981,415	11,826,500	3,439,500
FUND BALANCE - DECEMBER 31	47,030,854	34,023,423	28,706,923	25,575,423

City of Duluth Minnesota - 2012 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 2010 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	264,799	352,519	286,839	286,839
REVENUES				
Intergovernmental Revenues	17,600	273,568	250,000	
Other Reimbursements	0	16,064	3,000	
From Public Utility	75,000	75,000	75,000	75,000
TOTAL REVENUES	<u>92,600</u>	<u>364,632</u>	<u>328,000</u>	<u>75,000</u>
EXPENSES				
Personal Services	0	27,204	75,000	80,000
Other Services & Charges	3,600	401,908	250,000	
Miscellaneous	1,280	1,200	3,000	1,000
TOTAL EXPENSES	<u>4,880</u>	<u>430,312</u>	<u>328,000</u>	<u>81,000</u>
FUND BALANCE - DECEMBER 31	352,519	286,839	286,839	280,839

BUDGETED FTE'S	2009	2010	2011	2012
33 Energy Coordinator		1	1	1

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	123,884	88,780	354,855	381,455
REVENUES				
Hotel Motel 3%	1,560,512	1,700,440	1,620,000	1,769,100
Hotel Motel 1%	520,170	566,813	537,000	589,700
Add'l. 2.5% Hotel Motel Tax	1,222,157	1,330,241	1,260,000	1,256,900
Food & Beverage Tax 1.5%	2,621,649	2,792,819	2,688,700	2,460,900
Food & Beverage Tax .75%	1,310,823	1,396,409	1,344,300	1,438,600
Prior Year	76,730			
TOTAL REVENUES	<u>7,312,041</u>	<u>7,786,722</u>	<u>7,450,000</u>	<u>7,515,200</u>
EXPENSES				
Duluth Entertainment & Convention Center	963,617	1,050,022	1,000,400	1,092,400
DECC - Bayfront Contract				50,000
Convention & Visitors Bureau	1,435,506	1,428,000	1,480,800	1,600,000
Business Improvement District		200,000	200,000	200,000
Great Lakes Aquarium	200,000	269,409	300,000	300,000
Lake Superior Zoological Gardens	454,200	520,000	520,000	520,000
St. Louis County Heritage & Arts Center	151,800	151,800	151,800	151,800
Public Arts Commission	30,000	30,000	30,000	30,000
Sister Cities Commission	34,000	20,000	20,000	20,000
Other Promotional Programs				6,000
Rail Alliance	50,000	48,000	40,000	30,900
Transfer to General Fund	782,288	745,422	737,900	737,900
Transfer to Capital Projects	20,000	160,600	100,000	100,000
Transfer for Debt Service				
- DECC	2,029,423	2,396,598	2,291,300	1,981,400
- Lake Superior Center	490,611	225,796	201,200	149,700
- Spirit Mountain	225,000	275,000	350,000	500,000
- Bayfront	480,700			
TOTAL EXPENSES	<u>7,347,145</u>	<u>7,520,647</u>	<u>7,423,400</u>	<u>7,470,100</u>
FUND BALANCE - DECEMBER 31	88,780	354,855	381,455	426,555

City of Duluth Minnesota - 2012 Budget

Home Program

260

Special Revenue fund established to account for monies received from the U.S. Department of Housing and Urban Development under the Home Investment Partnership (HOME) Program. 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). The budget figures represent preliminary estimates only.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	0	0	0	0
REVENUES				
Home Grant	885,836	747,359	733,000	719,000
TOTAL REVENUES	<u>885,836</u>	<u>747,359</u>	<u>733,000</u>	<u>719,000</u>
EXPENSES				
Tenant Based Rental Assistance	55,114	6,552	150,000	107,850
CHDO Program	71,623	303,675	110,000	
Home Ownership Program	413,505	386,299	250,000	251,650
Rehabilitation	276,000	0	149,700	287,600
Administration	69,594	50,833	73,300	71,900
TOTAL EXPENSES	<u>885,836</u>	<u>747,359</u>	<u>733,000</u>	<u>719,000</u>
FUND BALANCE - DECEMBER 31	0	0	0	0

City of Duluth Minnesota - 2012 Budget

Community Development

262

Special Revenue fund established to account for monies received from the U.S. Department of Housing and Urban Development (HUD) as a grantee under the Community Development 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. 2012 budget figures represent preliminary estimates only, awaiting the allocation of HUD funds.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	11,003	11,002	-41,366	11,034
REVENUES				
State of Minnesota		73,957	800,000	611,000
Community Development Block Grant	2,808,884	2,990,315	3,070,000	2,567,900
Emergency Shelter Grant	113,730	131,070	125,000	172,000
CDBG-R (ARRA)	263,736	381,624	30,000	10,000
HPRP	37,617	527,512	581,400	16,300
Neighborhood Stabilization	433,245	902,293	302,400	347,100
EPA Showcase Grant			100,000	166,700
Lead Remediation Grant				580,000
State Legacy Grant			225,000	
Miscellaneous reimbursements		1,062		
Transfer from SIP	10,312			
TOTAL REVENUES	<u>3,667,524</u>	<u>5,007,833</u>	<u>5,233,800</u>	<u>4,471,000</u>
EXPENSES				
Economic Development	294,993	302,714	460,500	385,200
Housing	1,828,672	2,392,021	2,242,300	2,468,400
Physical Improvements	329,063	547,303	685,500	513,600
Public Service Projects	574,528	1,103,972	1,130,700	560,200
Program Administration	640,268	714,191	662,400	543,600
TOTAL EXPENSES	<u>3,667,524</u>	<u>5,060,201</u>	<u>5,181,400</u>	<u>4,471,000</u>
FUND BALANCE - DECEMBER 31	11,002	-41,366	11,034	11,034

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	0	0	0	0
REVENUES				
Community Development Block Grant	539,908	506,396	556,200	493,800
Home	69,594	50,161	68,300	53,900
CDBG-R (ARRA)	4,951	19,773	30,000	30,000
HPRP	11,412	23,036	20,000	20,000
Neighborhood Stabilization	3,887	43,845	50,000	50,000
Lead Paint Abatement Grant				10,000
Emergency Shelter Grant	2,275	5,185	6,200	13,000
TOTAL REVENUES	632,027	648,396	730,700	670,700
EXPENSES				
Personal Services	579,261	608,293	619,300	563,900
OPEB	13,800	0	13,800	9,200
Other Services and Charges	38,965	40,103	97,600	97,600
TOTAL EXPENSES	632,026	648,396	730,700	670,700
FUND BALANCE - DECEMBER 31	0	0	0	0

BUDGETED FTE'S	2009	2010	2011	2012
1085 Manager, CD/Housing	1	1	1	1
136 Senior Planner	2	2	2	2
133 Planner II	3	4	3	3
129 Planner I	0	0	1	0
126 Information Technician	1	1	1	1
Division Total	7	8	8	7

City of Duluth Minnesota - 2012 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 2012 budget figures represent preliminary estimates only and are subject to change as grants are appropriated by the State and approved by the City Council.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	491,291	357,792	385,120	482,420
REVENUES				
Miscellaneous	14,004	7,783		
Food Stamp Employment	7,621	0		
MFIP	844,293	1,060,897	1,120,000	896,000
Federal Grant	829,194	1,092,889	935,800	689,300
Federal Grant - ARRA	621,686	421,775		
State Grant	337,200	341,682	258,100	252,700
TOTAL REVENUES	<u>2,653,998</u>	<u>2,925,026</u>	<u>2,313,900</u>	<u>1,838,000</u>
EXPENSES				
Personal Services	1,956,237	1,860,988	1,667,000	1,079,100
OPEB	39,100	0	43,000	45,200
Other Services and Charges	792,160	1,036,710	506,600	713,700
TOTAL EXPENSES	<u>2,787,497</u>	<u>2,897,698</u>	<u>2,216,600</u>	<u>1,838,000</u>
FUND BALANCE - DECEMBER 31	357,792	385,120	482,420	482,420
BUDGETED FTE'S				
1085 Mgr, Employment & Training	1	1	1	1
134 Sr Comm Service Emp Dir	1	1	1	1
131 Employment Technician	14	18	18	18
126 Information Technician	2	2	2	2
Division Total	18	22	22	22

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	0	0	0	0
REVENUES				
Senior Employment Program - State	99,026	120,037	186,000	112,100
Senior Aides Program - Federal	242,373	319,254	355,000	363,700
ARRA - Sr. Empl. Program	46,473	98,666		
TOTAL REVENUES	<u>387,872</u>	<u>537,957</u>	<u>541,000</u>	<u>475,800</u>
EXPENSES				
Personal Services	370,256	513,784	541,000	475,800
Other Services and Charges	17,616	24,173		
TOTAL EXPENSES	<u>387,872</u>	<u>537,957</u>	<u>541,000</u>	<u>475,800</u>
FUND BALANCE - DECEMBER 31	0	0	0	0

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	51,311			
REVENUES				
Federal Grant				
State Grant				
Transfer from General Fund				
Other Reimbursements				
Gifts and Donations				
TOTAL REVENUES		<u>0</u>		
EXPENSES				
Personal Services				
Other Services and Charges		<u>51,311</u>		
TOTAL EXPENSES		51,311		
FUND BALANCE - DECEMBER 31		0		

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	14,632,886	20,847,892	25,690,642	28,079,142
REVENUES				
Investment Earnings	706,117	740,151	800,000	800,000
Change in Fair Value	2,510,571	1,804,657		
Transfer from Special Revenue Funds (Grants)			72,900	52,500
Contributions- Employer	3,000,000	2,300,000	1,525,600	175,300
TOTAL REVENUES	<u>6,216,688</u>	<u>4,844,808</u>	<u>2,398,500</u>	<u>1,027,800</u>
EXPENSES				
Administrative Expenses	<u>1,682</u>	<u>2,058</u>	<u>10,000</u>	<u>2,000</u>
TOTAL EXPENSES	<u>1,682</u>	<u>2,058</u>	<u>10,000</u>	<u>2,000</u>
FUND BALANCE - DECEMBER 31	20,847,892	25,690,642	28,079,142	29,104,942

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	696,674	802,363	864,182	864,182
REVENUES				
Earnings on Investments	140	136		100
Transfer from Special Revenue Funds	1,310,823	1,396,409	1,344,300	2,531,000
TOTAL REVENUES	<u>1,310,963</u>	<u>1,396,545</u>	<u>1,344,300</u>	<u>2,531,100</u>
EXPENSES				
Transfer to Debt Service	<u>1,205,274</u>	<u>1,334,726</u>	<u>1,344,300</u>	<u>2,531,000</u>
TOTAL EXPENSES	<u>1,205,274</u>	<u>1,334,726</u>	<u>1,344,300</u>	<u>2,531,000</u>
FUND BALANCE - DECEMBER 31	802,363	864,182	864,182	864,282

Debt Service Funds

City of Duluth Minnesota - 2012 Budget

Debt Service Funds

Funds

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

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

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	15,927,492	18,612,250	19,144,190	18,612,462
REVENUES				
Taxes	4,844,905	5,041,834	5,899,600	6,605,400
Intergovernmental	382,861	10,761		
Special Assessments	2,423,418	2,117,134	1,812,000	1,612,900
Miscellaneous	1,635,351	2,572,332	276,900	276,900
Other Financing Sources	13,787,246	11,131,076	9,547,700	7,272,000
TOTAL REVENUES	<u>23,073,781</u>	<u>20,873,137</u>	<u>17,536,200</u>	<u>15,767,200</u>
EXPENSES				
Debt Service Payments	19,001,901	19,287,100	17,296,128	14,481,600
Miscellaneous	1,387,122	1,054,097	771,800	950,000
TOTAL EXPENSES	<u>20,389,023</u>	<u>20,341,197</u>	<u>18,067,928</u>	<u>15,431,600</u>
FUND BALANCE - DECEMBER 31	18,612,250	19,144,190	18,612,462	18,948,062

City of Duluth Minnesota - 2012 Budget

Debt Service Funds Narrative

2011 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, 2011 as it pertains to the City of Duluth is estimated as follows:

Total Gross Bonded Debt		\$162,167,900
Less:		
City Revenue Bonds	\$	860,000
City - general obligation bonds paid by parking revenues		12,375,000
City - general obligation bonds paid by other revenues		43,005,000
Tax Abatement Bonds		285,000
Tax increment bonds		45,000
Utility bonds paid from Enterprise Funds		32,110,000
Special assessment bonds		31,613,977
Net Direct Bonded Debt		<u>\$41,873,923</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>
2012	\$41,874	0.7	\$485
2011	\$40,949	0.7	\$471
2010	\$41,410	0.7	\$476
2009	\$22,420	0.4	\$258
2008	\$28,986	0.5	\$333
2007	\$29,284	0.6	\$337
2006	\$26,802	0.6	\$308
2005	\$19,208	0.5	\$221
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 \$64,129,331 an Assessor's estimated taxable market value of \$5,522,005,200 and a population of 86,265, as reported in the 2010 census.

City of Duluth Minnesota - 2012 Budget

Debt Service Funds Narrative

During 2011, the City of Duluth will issue an estimated \$5,007,900 in bonds and retire \$12,665,000 in bond principal. The 2012 issues consist of a \$4,198,000 bond for capital equipment purchases; \$3,278,500 for capital improvements; \$800,000 for water improvements; and \$500,000 for sanitary sewer improvements.

The following table provides more detailed information concerning the changes in debt which will occur during 2011, and also the anticipated 2012 issues.

	2011 <u>ISSUED</u>	2011 <u>RETIRED</u>	ANTICIPATED <u>ISSUE</u>
General Obligation	\$5,007,900	\$4,523,095	\$7,476,500
Special Assessment Revenue		4,396,905	
Revenue & General Obligation	<u> </u>	<u>330,000</u>	<u>1,300,000</u>
 Total Issued/Retired in 2011 and anticipated Issues for 2012	 <u>\$5,007,900</u>	 <u>\$12,665,000</u>	 <u>\$8,776,500</u>

Bonds funded by Other Financing Sources:

<u>General Fund Debt Requirements</u>	<u>Issue Date</u>	<u>Outstanding 12/31/11</u>	<u>Debt Requirements</u>
SIP-1998 Project Year (refunding)	12/19/06	1,284,000	461,800
SIP-1999 Project Year (refunding)	12/9/2009	1,657,400	455,700
SIP-2000 Project Year (refunding)	12/19/06	1,615,000	363,100
SIP-2003 Project Year	9/01/03	2,445,000	365,700
SIP-2004 Project Year	9/01/04	2,600,000	348,200
SIP-2005 Project Year	10/01/05	2,505,000	309,800
SIP-2007 Project Year	9/07/06	2,105,000	236,800
SIP-2009 Project Year	12/13/07	1,540,000	162,800
SIP-2010 Project Year	8/7/2009	1,450,000	<u>158,300</u>

Funded by Community Investment Fund

\$2,862,200

City of Duluth Minnesota - 2012 Budget

Debt Service Funds Narrative

	Issue Date	Outstanding 12/31/11	Debt Requirements
<u>Transfer from Special Revenue Funds</u>			
Duluth Entertainment Center	12/13/07	2,010,000	724,800
Duluth Entertainment Center	8/21/08	40,515,000	2,531,000
Lake Superior Center (refunding)	12/19/05	1,060,000	199,600
Funded by Tourism Taxes			<u>\$3,455,400</u>
<u>Funded by Others</u>			
Seaway Port - Airpark	9/01/04	640,000	83,900
Airport - Cirrus	2/01/02	1,850,000	378,900
Funded by Others			<u>462,800</u>
<u>Transfer from Debt Service Funds</u>			
Lakewalk Homes	10/01/05	285,000	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 - 2012 Budget

Debt Service Funds Narrative

The following tables provide specific information relative to the 2011 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 12/31/11</u>	<u>2012 Levy Requirements</u>
West Michigan St.	12/19/09	456,000	150,500
Lakewalk Homes	10/01/05	285,000	55,200
Aerial Lift Bridge	8/07/08	1,220,000	183,700
DEDA - Cirrus	4/20/07	45,000	12,200
Medical District Parking Ramp	12/20/05	7,701,000	754,900
Police Station	12/17/09	18,641,400	1,420,600
Equipment	12/13/07	830,000	451,500
Equipment	12/07/08	1,555,000	570,500
Equipment	12/17/09	2,065,000	557,300
Equipment	11/23/2010	2,295,000	476,100
Equipment	2011	3,135,000	665,100
Capital Improvement Projects	3/01/04	285,000	101,400
Capital Improvement Projects	6/01/05	605,000	166,900
Capital Improvement Projects	9/07/06	535,000	122,600
Capital Improvement Projects	12/13/07	870,000	164,600
Capital Improvement Projects	12/07/08	1,290,000	213,100
Capital Improvement Projects	11/23/2010	2,175,000	253,500
Capital Improvement Projects	2011	2,140,000	231,600
TOTAL DEBT SERVICE			6,551,300
5% Additional required by law (1)			327,600
			<u>6,878,900</u>
Less: Cash Reserve			(274,000)
NET DEBT LEVY - Total required by taxation			<u>6,604,900</u>

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

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	2,362,298	3,652,605	4,023,707	4,963,007
REVENUES				
Current Property Taxes	4,666,695	4,834,511	5,899,600	6,604,900
Delinquent Property Taxes	99,454	126,004		
State Property Tax Aid	376,759	10,590		
Sale of Bonds	589,118			
Bond Premium	13,225			
Other Sources	35,000	183,586	273,800	273,800
Transfer from Debt Service				181,300
Transfer from Capital Project	551,600			
TOTAL REVENUES	<u>6,331,851</u>	<u>5,154,691</u>	<u>6,173,400</u>	<u>7,060,000</u>
EXPENSES				
Debt Service Payments:				
Bond Principal	2,550,000	2,825,000	3,063,100	4,014,100
Bond Interest	542,703	1,068,918	1,409,200	1,430,000
Payment to Escrow	589,118			
Other Expenditures:				
Other		57,239		
Transfer to SA Debt Service	190,534	59,368		
Transfer to SIP Debt Service	385,000			
Transfer to Enterprise Fund	754,700	756,100	756,200	754,900
Transfer to DEDA	11,427	11,845		
Bond Discount/Issuance	13,337			
Bond Fees	4,725	5,119	5,600	7,000
TOTAL EXPENSES	<u>5,041,544</u>	<u>4,783,589</u>	<u>5,234,100</u>	<u>6,206,000</u>
FUND BALANCE - DECEMBER 31	3,652,605	4,023,707	4,963,007	5,817,007

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	2,552,580	2,765,545	1,811,139	1,376,539
REVENUES				
Sale of Bonds		1,850,000		
Transfer from Special Revenue -				
Lake Superior Center	490,611	196,800	201,200	199,600
DECC Expansion and Parking	718,600	720,000	720,400	724,800
Bayfront	480,700			
DECC Improvement	1,205,274	1,334,726	1,306,700	2,531,000
Other		144,352		
Transfer from Capital Projects -				
DECC Improvement	698,201	650,012	695,600	
Transfer from Debt Service -				
Lakewalk Homes	45,203	49,909	50,000	50,000
Funded by Others -				
Bayfront Park	180,000			
DECC Refunding			807,600	
Seaway Port - Airpark	82,819	86,002	82,800	83,900
Airport - Cirrus	369,617	374,237	366,900	378,900
TOTAL REVENUES	4,271,025	5,406,038	4,231,200	3,968,200
EXPENSES				
Bond Principal	1,705,000	1,995,000	2,395,000	1,270,000
Bond Interest	2,350,260	2,371,203	2,268,000	2,098,200
Bond Discount/Issuance		27,264		
Payment to Escrow		1,820,000		
Transfer to GO Debt Service				34,000
Other		144,352		
Fiscal Agents	2,800	2,625	2,800	1,100
TOTAL EXPENSES	4,058,060	6,360,444	4,665,800	3,403,300
FUND BALANCE - DECEMBER 31	2,765,545	1,811,139	1,376,539	1,941,439

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	1,291,312	1,637,476	1,827,946	1,876,146
REVENUES				
Construction Assessments	1,038,156	1,094,942	1,165,000	1,028,000
Construction Assessments with Taxes	367,969	268,698		
Earnings on Investments	651	834	600	600
Sale of Bonds	1,560,882	2,340,000		
Bond Premium	35,607	44,356		
Transfer from Capital Projects	280,124			
Transfer from Debt Service Funds	190,534	59,368		
TOTAL REVENUES	<u>3,473,923</u>	<u>3,808,198</u>	<u>1,165,600</u>	<u>1,028,600</u>
EXPENSES				
Bond Principal	1,104,200	891,100	846,900	890,900
Bond Interest	428,171	333,787	268,300	200,700
Payment to Escrow	1,560,882	2,335,250		
Bond Discount/Issuance	14,947	44,832		
Fiscal Agents	2,353	1,916	2,200	1,800
Transfer to Capital Projects	17,206	10,843		
TOTAL EXPENSES	<u>3,127,759</u>	<u>3,617,728</u>	<u>1,117,400</u>	<u>1,093,400</u>
FUND BALANCE - DECEMBER 31	1,637,476	1,827,946	1,876,146	1,811,346

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	9,494,109	10,327,656	11,251,070	10,249,970
REVENUES				
Construction Assessments	1,017,293	753,494	647,000	584,900
Earnings on Investments	3,211	3,556	2,500	2,500
Transfer from Special Revenue	7,446,389	5,665,670	5,316,500	3,122,500
Transfer from Community Develop	60,231			
Transfer from Debt Service	385,000			
TOTAL REVENUES	8,912,124	6,422,720	5,966,000	3,709,900
EXPENSES				
Fiscal Agent Fees	4,690	4,340	4,800	3,900
Bond Principal	6,644,800	4,272,900	5,890,000	3,735,000
Bond Interest	1,429,087	1,222,066	1,072,300	842,700
TOTAL EXPENSES	8,078,577	5,499,306	6,967,100	4,581,600
FUND BALANCE - DECEMBER 31	10,327,656	11,251,070	10,249,970	9,378,270

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	227,193	228,968	230,328	146,800
REVENUES				
Current Property Taxes	76,286	79,033		
Delinquent Property Taxes	2,470	2,286		500
State Property Tax Aid	6,102	171		
TOTAL REVENUES	<u>84,858</u>	<u>81,490</u>	<u>0</u>	<u>500</u>
EXPENSES				
Interest Expense	7,733	4,780	1,700	
Fees & Commissions	350	350	200	
Bond Redemption	75,000	75,000	81,628	
Transfer to GO Debt Service				147,300
TOTAL EXPENSES	<u>83,083</u>	<u>80,130</u>	<u>83,528</u>	<u>147,300</u>
FUND BALANCE - DECEMBER 31	228,968	230,328	146,800	0

Capital Project Funds

City of Duluth Minnesota - 2012 Budget

Capital Projects Funds

Funds

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

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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	42,074,569	40,871,462	23,298,641	5,696,933
REVENUES				
Taxes	386,455	392,198	422,100	142,100
Intergovernmental	5,485,937	10,767,845	6,756,500	7,962,100
Miscellaneous	1,296,731	2,720,997	1,433,700	1,695,000
Other Financing Sources	25,046,594	10,365,606	11,193,200	4,186,200
TOTAL REVENUES	<u>32,215,717</u>	<u>24,246,646</u>	<u>19,805,500</u>	<u>13,985,400</u>
EXPENSES				
Current	2,071,331	735,132	706,400	50,000
Capital Outlay	31,347,493	41,084,335	36,700,808	15,485,100
TOTAL EXPENSES	<u>33,418,824</u>	<u>41,819,467</u>	<u>37,407,208</u>	<u>15,535,100</u>
FUND BALANCE - DECEMBER 31	40,871,462	23,298,641	5,696,933	4,147,233

City of Duluth Minnesota - 2012 Budget

Special Assessment Capital Project

410

Capital Project fund established to account for improvements which are financed by special assessments. The 2012 budget figures represent preliminary estimates only.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	292,602	(442)	27,486	10,086
REVENUES				
State of Minnesota	10,981			
Earnings on Investments	203	27		
Transfer from Debt Service	17,206	10,843		
Bond Proceeds		17,058	2,600	8,200
TOTAL REVENUES	<u>28,390</u>	<u>27,928</u>	<u>2,600</u>	<u>8,200</u>
EXPENSES				
Improvements Other Than Buildings	23,457			
Transfer to General Fund	7,541		20,000	
Transfer to Debt Service	280,124			
Transfer to Special Revenue	10,312			
TOTAL EXPENSES	<u>321,434</u>	<u>0</u>	<u>20,000</u>	<u>0</u>
FUND BALANCE - DECEMBER 31	(442)	27,486	10,086	18,286

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	2,363,347	1,770,925	1,461,537	1,032,337
REVENUES				
Current Property Taxes	377,048	381,693	422,100	142,100
Delinquent Property Taxes	9,407	10,505		
Miscellaneous Federal Grants	283,468	5,607,908	2,685,000	
State of Minnesota	2,954,720	1,511,413	2,000,000	250,000
State Property Tax Aid	30,160	828		
Municipal State Aid	2,111,123	2,547,357	2,071,500	4,130,000
Other Share of Improvements	968	2,034,005		280,000
Transfer from Special Assessment				440,000
Public Utility Funds			1,820,000	856,000
TOTAL REVENUES	5,766,894	12,093,709	8,998,600	6,098,100
EXPENSES				
Other Professional Services	49,679			
Buildings and Structures	1,287,411	2,624,906		
Improvements Other Than				
Buildings	5,017,159	9,691,794	9,267,800	6,746,000
Transfer to General Fund	5,067	86,397	160,000	60,000
TOTAL EXPENSES	6,359,316	12,403,097	9,427,800	6,806,000
FUND BALANCE - DECEMBER 31	1,770,925	1,461,537	1,032,337	324,437

* 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 - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	37,563,015	20,472,119	2,358,708	0
REVENUES				
Earnings on Investments	1,149,297	471,116	18,600	
Bond Proceeds				
TOTAL REVENUES	<u>1,149,297</u>	<u>471,116</u>	<u>18,600</u>	<u>0</u>
CAPITAL OUTLAY EXPENDITURES				
Transfer to Debt Service	698,201	650,012	656,400	
Capital Improvements	17,541,992	17,934,515	1,720,908	
TOTAL EXPENSES	<u>18,240,193</u>	<u>18,584,527</u>	<u>2,377,308</u>	<u>0</u>
FUND BALANCE - DECEMBER 31	20,472,119	2,358,708	0	0

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	(759,347)	(371,929)	884,041	1,087,641
REVENUES				
Public Utility			1,415,100	1,415,000
Investment Earnings	6	46,814	500	500
Transfer from Special Revenue	5,200,000	6,600,000	6,000,000	
Assessment Collections	71,355	197,853	404,000	500,000
TOTAL REVENUES	<u>5,271,361</u>	<u>6,844,667</u>	<u>7,819,600</u>	<u>1,915,500</u>
EXPENSES				
Improvements Other than Buildings	4,883,943	5,543,753	7,616,000	2,765,500
Transfer to Debt Service		44,944		
TOTAL EXPENSES	<u>4,883,943</u>	<u>5,588,697</u>	<u>7,616,000</u>	<u>2,765,500</u>
FUND BALANCE - DECEMBER 31	(371,929)	884,041	1,087,641	237,641

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	2,614,952	19,000,789	18,566,869	3,566,869
REVENUES				
State of Minnesota	82,485	538,823		556,000
Federal Grant		561,516		3,026,100
Other Grants	13,000			
Damages Recovered	110,472			
Earnings on Investments	35,791	215,849		
Transfer from General Fund	303,138	20,000		
Transfer from Special Revenue	20,000	230,600	100,000	
Transfer from DEDA		1,001,944		
Bond Proceeds	18,990,000	2,175,000	2,866,100	2,381,500
Premium on bonds	444,889	65,494		
TOTAL REVENUES	19,999,775	4,809,226	2,966,100	5,963,600
CAPITAL OUTLAY EXPENDITURES				
Other Professional Services	101,603			
Transfer to Debt Service	551,600			
Bond Issuance Costs	390,124	40,176	50,000	50,000
Capital Improvements	2,570,611	5,202,970	17,916,100	5,913,600
TOTAL EXPENSES	3,613,938	5,243,146	17,966,100	5,963,600
FUND BALANCE - DECEMBER 31	19,000,789	18,566,869	3,566,869	3,566,869

Enterprise Funds

City of Duluth Minnesota - 2012 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
REVENUE				
Operating	1,945,446	1,954,605	1,999,800	2,013,000
Non-Operating	44	12,816	100	0
	<u>1,945,490</u>	<u>1,967,421</u>	<u>1,999,900</u>	<u>2,013,000</u>
EXPENSES				
Personal Services	330	110	0	0
Supplies	36,997	52,632	45,000	60,000
Other Services and Charges	1,325,193	1,441,433	1,454,000	1,445,600
Utilities	36,554	46,991	40,200	41,500
Depreciation and Amortization	152,971	137,217	132,200	214,000
Cost of Sales	316,430	307,970	316,000	310,000
Improvements - Non-Capital	1,700	3,218	0	0
Debt Service - Interest	24,987	17,061	10,200	23,600
	<u>1,895,162</u>	<u>2,006,632</u>	<u>1,997,600</u>	<u>2,094,700</u>
ESTIMATED OPERATING INCOME / (LOSS)	50,328	(39,211)	2,300	(81,700)

City of Duluth Minnesota - 2012 Budget

Golf Fund Estimated Budgetary Cash Balance

	2012 Approved
<u>OPERATING FUND</u>	
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	(716,211)
Estimated Net Income (Loss)	(81,700)
<u>Other Sources</u>	
Depreciation	208,647
Bond Amortization	5,364
	<hr/>
Total Other Sources	132,311
	<hr/>
<u>Other Uses</u>	
Bond Principal Payments	(145,000)
\ Total Other Uses	(145,000)
	<hr/>
ESTIMATED BUDGETARY YEAR END CASH BALANCE	<u><u>(728,900)</u></u>

City of Duluth Minnesota - 2012 Budget

Lester Golf Course

503

Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
OPERATING REVENUES:				
4440 Daily Admission	275,611	268,809	270,000	275,000
4441 Unlimited Season - Golf	71,110	47,450	210,000	205,000
4441 Family Season	26,115	42,875		
4441 Restricted Season	63,080	57,904		
4441 Junior Unlimited	19,760	19,470		
4441 College Season	17,600	12,800		
4441 Junior Unlimited Upgrade	400	0		
4441 Patron Card	12,000	14,700		
4442 Motor Cart	132,525	136,438	135,000	140,000
4443 Driving Range Fees	26,467	26,056	28,000	28,000
4443 Other Rentals	3,824	2,546	4,200	4,500
4627 Concessions & Commissions	234,746	251,859	240,000	250,000
TOTAL OPERATING REVENUES	883,238	880,907	887,200	902,500
NON-OPERATING REVENUES				
4601 Earnings on Investments	44	9	100	0
TOTAL NON-OPERATING REVENUES	44	9	100	0
TOTAL REVENUE - LESTER	883,282	880,916	887,300	902,500

City of Duluth Minnesota - 2012 Budget

Enger Golf Course

503

Operating Revenue Detail		2009 Actual	2010 Actual	2011 Budget	2012 Approved
OPERATING REVENUES:					
4440	Daily Admission	338,757	337,881	345,000	345,000
4441	Unlimited Season - Golf	83,850	81,250	265,000	265,000
4441	Family Season	35,220	39,900		
4441	Restricted Season	74,414	74,120		
4441	Junior Unlimited	15,749	21,239		
4441	College Season	24,771	21,966		
4441	Junior Unlimited Upgrade	205			
4441	Patron Card	13,600	20,475		
4442	Motor Cart	162,526	168,068	175,000	175,000
4443	Driving Range Fees	44,746	43,008	48,000	46,000
4443	Other Rentals	4,172	3,256	4,200	4,500
4622	Rent of Buildings	0	395	400	0
4627	Concessions & Commissions	264,198	262,140	275,000	275,000
TOTAL OPERATING REVENUES		1,062,208	1,073,698	1,112,600	1,110,500
NON-OPERATING REVENUES					
4601	Earnings on Investments	44	9	100	0
4644	Misc. Fees, Sales & Services, Donation:	0	12,798	0	0
TOTAL NON-OPERATING REVENUES		44	12,807	100	0
TOTAL REVENUE - ENGER		1,062,208	1,073,698	1,112,600	1,110,500

City of Duluth Minnesota - 2012 Budget

Lester Golf Course

503-400-LSTR

Operating Expense Detail

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
OTHER EXPENDITURES				
5133 Life Insurance	41	55	0	0
5141 Unemployment Compensation	124	0	0	0
5212 Motor Fuels	17,849	25,408	20,000	27,500
5285 Food & Beverage for Resale	63,288	60,840	65,000	65,000
5286 Golf Merchandise for Resale	95,904	109,456	95,000	95,000
5310 Contract Services	567,802	634,192	640,000	640,000
5321 Telephone	690	834	800	800
5381 Electricity	9,511	11,840	10,000	10,500
5384 Refuse Disposal	2,103	3,219	2,200	2,500
5385 Oil	3,972	6,392	7,000	6,000
5415 Equipment Rental	35,022	35,562	35,600	35,600
5420 Depreciation	67,835	60,028	58,600	98,100
5427 Credit Card Commissions	10,081	10,311	10,000	10,000
5441 Other Services & Charges	(513)	1,629	1,500	1,500
5493 Cost Allocation Charges	33,400	33,400	33,400	33,400
5611 Bond Interest	9,542	7,414	5,100	2,500
5614 Capital Lease Interest	2,678	1,027	0	8,900
5622 Bond Cost Amortization	2,925	2,925	2,900	2,700
5580 Capital Equipment	850	0	0	0
TOTAL	923,104	1,004,532	987,100	1,040,000
TOTAL - LESTER	923,104	1,004,532	987,100	1,040,000

City of Duluth Minnesota - 2012 Budget

Enger Golf Course

503-400-ENGR

Operating Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
OTHER EXPENDITURES				
5133 Life Insurance	41	55	0	0
5141 Unemployment Compensation	124	0	0	0
5212 Motor Fuels	19,148	27,224	25,000	32,500
5284 Liquor Purchases	15,359	13,016	16,000	15,000
5285 Food & Beverage for Resale	82,475	83,643	85,000	85,000
5286 Golf Merchandise for Resale	59,404	41,015	55,000	50,000
5310 Contract Services	595,935	643,058	650,000	640,000
5321 Telephone	690	834	750	800
5381 Electricity	15,242	23,237	17,000	20,000
5384 Refuse Disposal	5,055	2,303	4,000	2,500
5385 Oil	671	0	0	0
5415 Equipment Rental	35,022	35,562	35,600	35,600
5420 Depreciation	79,286	71,339	67,750	110,500
5427 Credit Card Commissions	11,628	13,016	11,500	12,500
5441 Other Services & Charges	2,036	(365)	1,500	2,000
5493 Cost Allocation Charges	33,400	33,400	33,400	33,400
5611 Bond Interest	9,542	7,414	5,100	2,500
5614 Capital Lease Interest	3,225	1,206	0	9,700
5622 Bond Cost Amortization	2,925	2,925	2,900	2,700
5580 Capital Equipment	850	3,218	0	0
TOTAL	971,893	1,002,100	1,010,500	1,054,700
TOTAL - ENGER	971,893	1,002,100	1,010,500	1,054,700

City of Duluth Minnesota - 2012 Budget

Parking Fund

505

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 2009 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
REVENUES				
Operating Revenue	2,523,557	2,563,215	2,569,600	2,610,000
Non-Operating	1,263,465	1,687,798	1,239,200	1,236,100
	<u>3,787,022</u>	<u>4,251,013</u>	<u>3,808,800</u>	<u>3,846,100</u>
EXPENSES				
Personal Services	179,127	148,025	164,600	159,300
Supplies	100,668	47,316	151,500	126,500
Other Services and Charges	254,201	283,800	282,600	335,100
Utilities	127,723	154,555	165,000	165,000
Depreciation and Amortization	505,834	512,309	512,100	505,300
Improvements - Non-Capital	15,363	138,267	85,000	72,500
Debt Service - Interest	704,586	673,058	637,200	599,700
Transfers Out	1,178,838	1,382,500	1,452,200	1,452,700
	<u>3,066,340</u>	<u>3,339,830</u>	<u>3,450,200</u>	<u>3,416,100</u>
ESTIMATED OPERATING INCOME (LOSS)	720,682	911,183	358,600	430,000
BUDGETED FTE'S				
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 - 2012 Budget

Parking Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2011 Projected	2012 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	4,359,469	3,720,934
Estimated Operating Income (Loss)	59,221	430,000
<u>Other Sources</u>		
Depreciation	495,200	488,400
Bond Amortization	16,900	16,900
Total Other Sources	512,100	505,300
<u>Other Uses</u>		
Bond Principal Payments	790,000	825,000
Bond Interest Paid	19,856	20,600
Capital Improvements	400,000	
Total Other Uses	1,209,856	845,600
ESTIMATED BUDGETARY YEAR END CASH BALANCE	3,720,934	3,810,634

City of Duluth Minnesota - 2012 Budget

Parking Fund

505

Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
OPERATING REVENUES:				
4371 Parking Meter Revenues	737,849	777,558	775,000	775,000
4373 Transient Parking	876,119	868,555	870,000	905,000
4374 Contract Parking	909,589	916,765	924,600	930,000
TOTAL OPERATING REVENUE	2,523,557	2,562,878	2,569,600	2,610,000
NON-OPERATING REVENUES:				
4601 Earnings on Investments	27,604	771		
4680 Damages or Losses Recovered	1,124	337		
4730 Transfer from Capital Projects		449,815		
4730 Transfer in from DEDA	480,037	481,112	483,000	481,200
4730 Transfer in from Debt Service	754,700	756,100	756,200	754,900
TOTAL NON-OPERATING REVENUES	1,263,465	1,688,135	1,239,200	1,236,100
TOTAL REVENUE	3,787,022	4,251,013	3,808,800	3,846,100

City of Duluth Minnesota - 2012 Budget

Technology Center Parking Ramp

505-015-1480-2510

Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	65,068	54,809	57,900	58,500
5101 Permanent Employees - Overtime	427	1,526	2,500	2,500
5103 Temporary Employees - Regular	0	0		
TOTAL	65,495	56,335	60,400	61,000
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,542	3,121	4,000	4,100
5122 F.I.C.A. Social Security	3,961	3,421	3,700	3,800
5123 F.I.C.A. Medicare	926	800	900	900
5124 Health Insurance	10,345	8,314	11,900	8,600
5125 Dental Insurance	608	560	600	600
5126 Life Insurance	247	263	300	300
5127 Health Care Savings Plan	4,460	415	500	500
TOTAL	24,089	16,894	21,900	18,800
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	4,216	12,912	5,000	5,000
5220 Repair & Maintenance Supplies	10	1,699	1,000	1,000
5319 Other Professional Service	4,688	417	5,000	5,000
5320 Data Services	825	875	900	900
5321 Phone Service	140	1,135	100	100
5335 Mileage Reimbursement	112	238	100	100
5381 Electricity	32,733	48,637	50,000	50,000
5382 Water, Gas & Sewer	2,123	2,357	2,000	2,000
5384 Refuse Disposal	759	840	800	800
5386 Steam	6,964	9,364	8,000	8,000
5404 Equipment Maintenance/Repair	3,367	2,796	4,000	4,000
5405 Parking Lot Maintenance	70	1,117	25,000	25,000
5420 Depreciation	171,629	171,629	171,600	171,600
5427 Credit Card commissions	2,168	2,849	1,800	1,800
5441 Other Services and Charges	18,261	16,835	20,000	20,000
5450 Laundry	377	1,540	400	400
5493 Cost Allocation	4,700	4,700	4,700	4,700
5580 Capital Equipment				12,500
5611 Bond Interest	60,132	52,756	42,600	32,100
5620 Fiscal Agents Fees	204	337		
5622 Bond Amortization	8,411	8,325	8,400	8,400
TOTAL	321,889	341,358	351,400	353,400
2510 TOTAL - TECHNOLOGY CENTER RAMP	411,473	414,587	433,700	433,200

City of Duluth Minnesota - 2012 Budget

Casino Parking Ramp

505-015-1480-2511

Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
OPERATING EXPENSES				
5220 Repair & Maintenance Supplies	26,427	17,673	30,000	30,000
5307 Admin Management Fees	169,583	185,000	185,000	200,000
5381 Electricity	12,207	13,439	15,000	15,000
5382 Water, Gas & Sewer	1,759	1,767	2,000	2,000
5405 Parking Lot Maintenance	0	0	10,000	10,000
5420 Depreciation	39,766	39,766	39,800	39,800
5441 Other Services and Charges	963	0	6,000	6,000
5493 Cost Allocation	4,700	4,700	4,700	4,700
5611 Bond Interest	5,131	4,384	3,500	2,600
5622 Bond Amortization	662	655	700	700
5730 Transfer to General Fund	303,669	310,600	303,300	308,700
TOTAL	<u>564,867</u>	<u>577,984</u>	<u>600,000</u>	<u>619,500</u>
2511 TOTAL - CASINO PARKING RAMP	564,867	577,984	600,000	619,500

City of Duluth Minnesota - 2012 Budget

Medical District Parking Ramp

505-015-1480-2512

Expense Detail		2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	65,106	54,808	57,900	58,500
5101	Permanent Employees - Overtime	332	1,526	2,500	2,500
5103	Temporary Employees - Regular	0	0		
	TOTAL	<u>65,438</u>	<u>56,334</u>	<u>60,400</u>	<u>61,000</u>
EMPLOYEE BENEFITS					
5121	P.E.R.A.	3,546	3,121	4,000	4,000
5122	F.I.C.A. Social Security	3,962	3,420	3,700	3,800
5123	F.I.C.A. Medicare	927	800	900	900
5124	Health Insurance	10,356	8,314	11,900	8,500
5125	Dental Insurance	609	560	600	600
5126	Life Insurance	247	263	300	200
5127	Health Care Savings Plan	4,460	414	500	500
	TOTAL	<u>24,107</u>	<u>16,892</u>	<u>21,900</u>	<u>18,500</u>
OPERATING EXPENSES					
5219	Other Miscellaneous Supplies	6,594	5,178	8,000	8,000
5220	Repair & Maintenance Supplies	10	0	3,000	3,000
5319	Other Professional Service	0	123		
5320	Data Services	825	825	900	900
5335	Mileage Reimbursement	89	213	100	100
5381	Electricity	33,881	47,499	45,000	45,000
5382	Water, Gas & Sewer	30,963	22,317	35,000	35,000
5404	Equipment Maintenance/Repair	7,614	3,744	4,000	4,000
5405	Parking Lot Maintenance	7,881	2,923	25,000	25,000
5420	Depreciation	227,016	227,016	227,000	227,000
5427	Credit Card commissions	1,807	2,347	1,700	1,700
5441	Other Services and Charges	10,462	14,255	13,100	13,100
5450	Laundry	612	223		
5481	Property Taxes	0	3,163	3,500	3,500
5493	Cost Allocation	4,700	4,700	4,700	4,700
5580	Capital Equipment				12,500
5611	Bond Interest	639,469	615,931	591,100	565,000
5620	Fiscal Agents Fees	350	350	400	400
5622	Bond Amortization	7,147	8,185	7,800	7,800
5730	Transfer to General Fund	110,043	250,000	328,900	262,200
	TOTAL	<u>1,089,463</u>	<u>1,208,992</u>	<u>1,299,200</u>	<u>1,218,900</u>
2512	TOTAL - MEDICAL DISTRICT PARKING RAMP	1,179,008	1,282,218	1,381,500	1,298,400

City of Duluth Minnesota - 2012 Budget

Library and Coney Island Parking Ramps

505-015-1480-2513

Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
OPERATING EXPENSES				
5319 Other Professional Service		1,958		
5381 Electricity	7,093	9,174	8,000	8,000
5405 Parking Lot Maintenance	7,411	134,228	25,000	25,000
5420 Depreciation	32,161	32,161	32,200	32,200
5493 Cost Allocation	4,600	4,600	4,600	4,600
5730 Transfer to General Fund	22,713	0	10,200	42,400
TOTAL	<u>73,978</u>	<u>180,163</u>	<u>80,000</u>	<u>112,200</u>
2513 TOTAL - LIBRARY & CONEY ISLAND PARKING RAMPS	73,978	180,163	80,000	112,200

City of Duluth Minnesota - 2012 Budget

Meters & Municipal Lots

505-015-1481

Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	4,809	1,329	4,500	4,500
5241 Small Equipment	58,601	8,526	100,000	75,000
5409 Fleet Service Charges	641		3,000	3,000
5420 Depreciation	19,042	24,572	24,600	17,800
5427 Credit Card Commissions		621		
5441 Other Services and Charges	6,909	19,806	8,500	8,500
5493 Cost Allocation	4,600	4,600	4,600	4,600
5730 Transfer to General Fund	742,413	821,900	809,800	839,400
TOTAL	<u>837,015</u>	<u>881,354</u>	<u>955,000</u>	<u>952,800</u>
2512 TOTAL - METERS & MUNICIPAL LOTS	837,015	881,354	955,000	952,800

City of Duluth Minnesota - 2012 Budget

Divisions

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

Public Works & Utilities - Utility Operations

Utility Operations is the utility funds' side of the Department of Public Works and Utilities and represents four municipally owned utilities budgeted as the Water Fund; Gas Fund; Sewer Fund; and Stormwater Fund. The Public Works operation is presented in the General Fund.

Mission and Core Services

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

Budgeted FTE's	2009	2010	2011	2012	Difference
	180.15	187.35	190.75	196.75	6.00

Expenditures	2009 Actual	2010 Actual	2011 Budget	2012 Approved	Difference
Salaries and Benefits	15,736,555	16,150,619	17,158,000	19,344,200	2,186,200
Supplies	30,134,271	27,606,606	30,653,900	31,647,200	993,300
Other Services & Charges	20,823,677	17,894,094	19,087,000	17,172,900	(1,914,100)
Utilities	1,218,482	1,381,238	1,501,300	1,490,000	(11,300)
Depreciation/Amortization	3,745,301	4,286,883	5,175,400	5,293,900	118,500
Grants & Awards	1,963,125	2,133,730	2,376,000	2,080,000	(296,000)
Improvements -Non-Capital	576,435	248,699	559,800	410,000	(149,800)
Debt Service - Interest	1,428,231	1,225,745	1,499,400	1,208,600	(290,800)
Debt Service - Other	64,090	58,384	34,700	31,300	(3,400)
Capital Lease Interest	201,109	336,252	325,900	306,600	(19,300)
Total Operating	75,891,276	71,322,250	78,371,400	78,984,700	613,300
Non-Operating	9,464,232	21,235,682	9,935,900	18,304,200	8,368,300
Total Appropriation Budget	85,355,508	92,557,932	88,307,300	97,288,900	8,981,600

Public Works & Utilities Department – Utilities

Mission and Vision

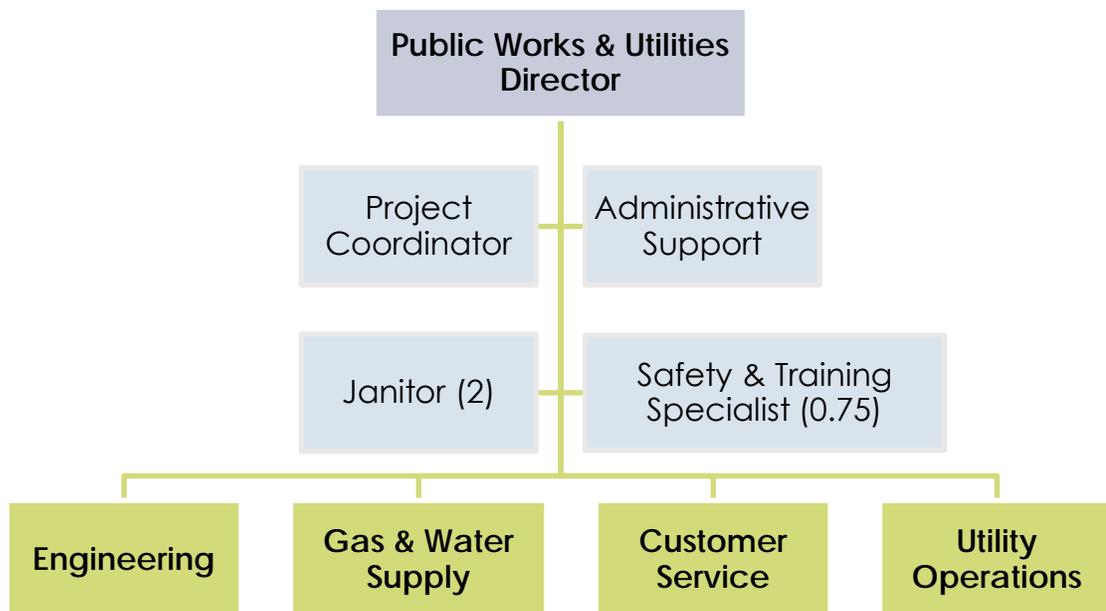
The mission of the Public Works and Utilities Department is to provide: professional engineering services, and water, sanitary sewer, natural gas, and storm water utilities to Duluth's businesses and residents in a safe, cost effective and environmentally sound manner through skilled, safety oriented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

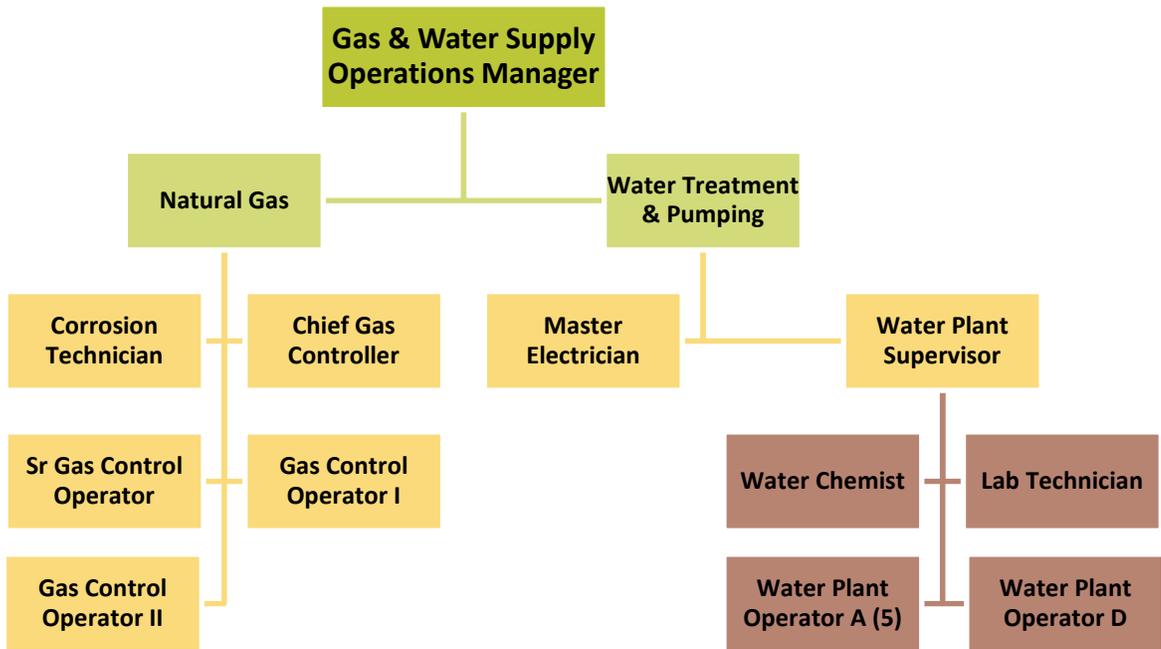
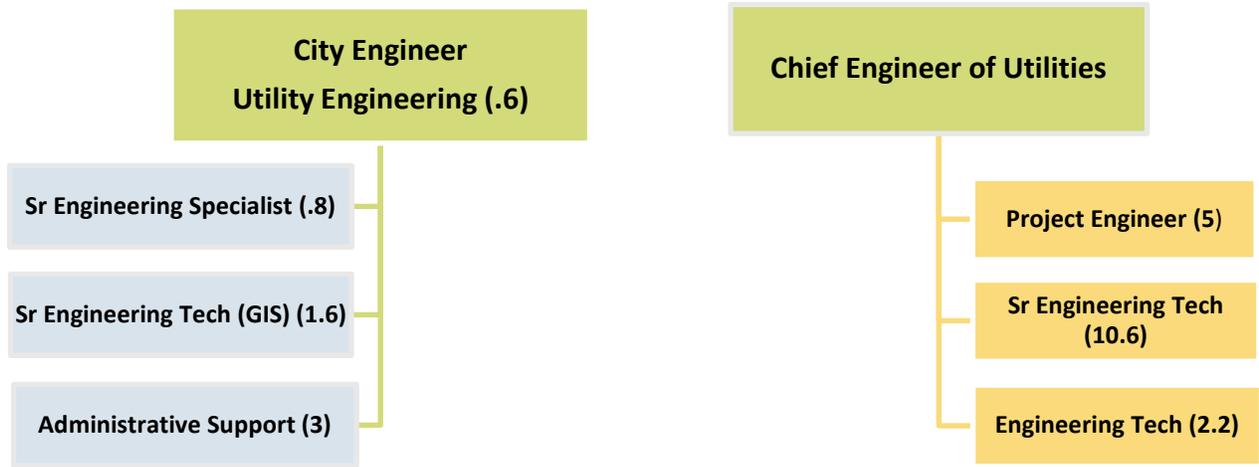
The Department's vision is to become a functionally integrated organization operating at optimum efficiencies and providing cost-effective and reliable service for all Duluthians.

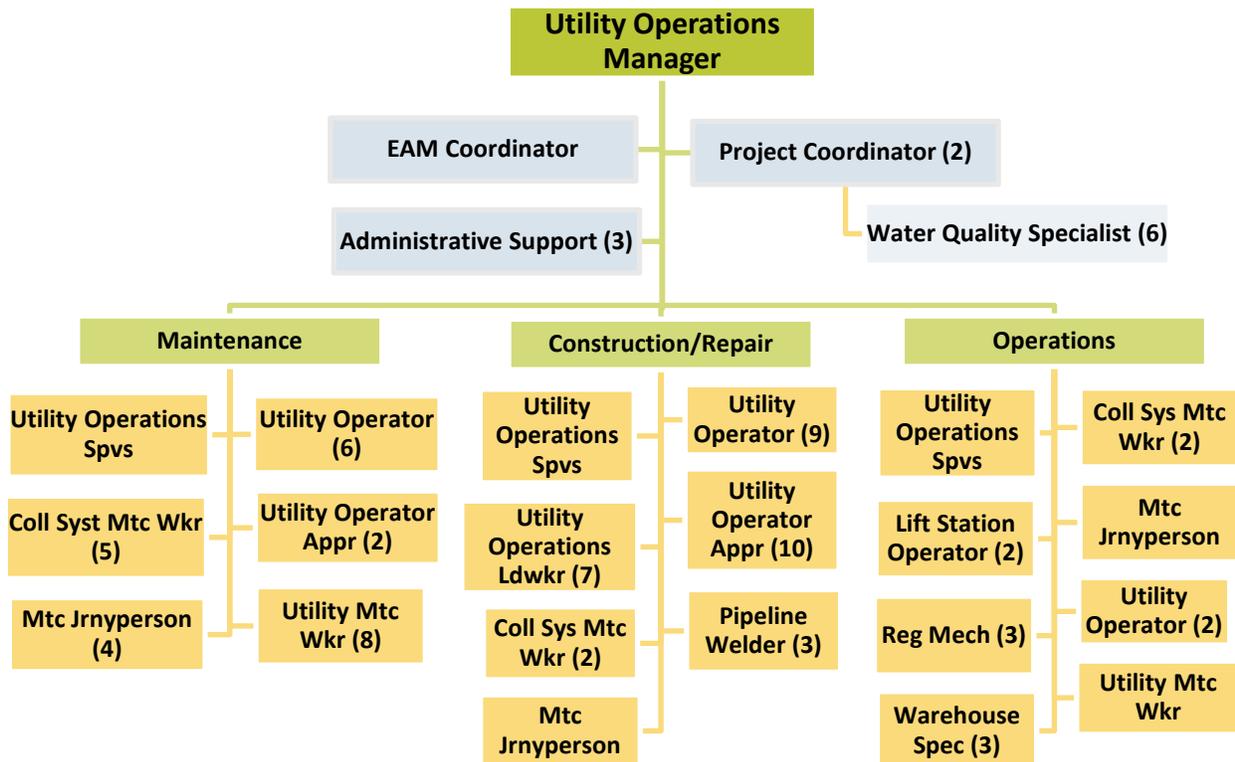
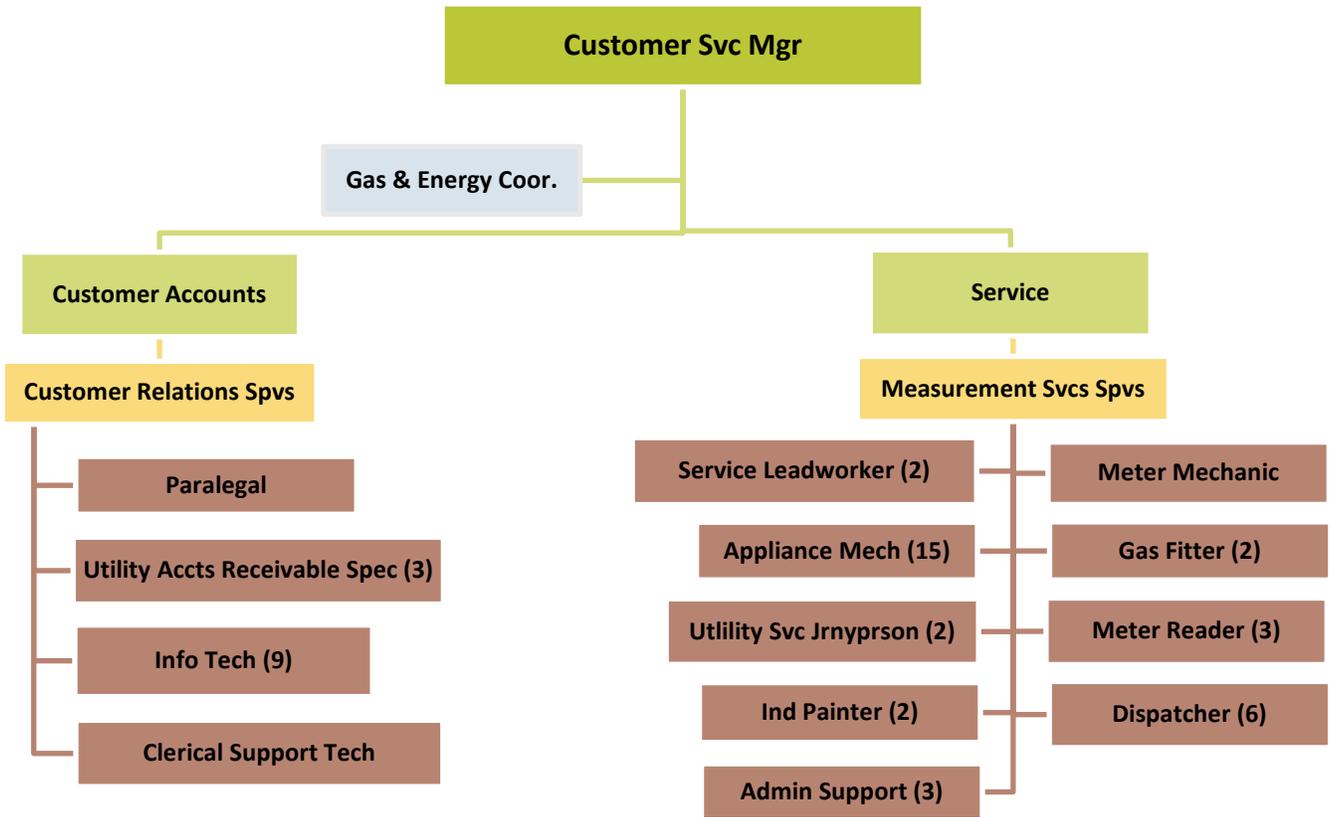
Structure

The utilities portion of the Public Works and Utilities Department is broken into four separate divisions that span across four different utility funds: Water, Gas, Sewer and Stormwater.

Public Works & Utilities Department – Utilities 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. Currently, the City is ahead of the required timeline requirements of the Consent Decree
- **Implement an Enterprise Asset Management (EAM) program:** EAM has been active in Utility Operations for the past year. It has given the department the ability to more accurately track internal work orders, track citizen work requests, conduct preventive and predictive maintenance, and fully modernize warehouse operations. The EAM program has been used on remote construction sites by wireless computers. In the future, the Department will implement the EAM program in the Customer Service Division, Engineering Division, Aerial Lift Bridge and potentially other Departments throughout the City.
- **Decrease the Number of Water Main Breaks:** The number of water main breaks continues to grow on an annual basis. If left unchecked, the number of breaks could reach over 300 per year by 2020. The Department will implement a strategic plan to replace the worst water mains in the City and decrease the number of breaks to a manageable number.
- **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. Natural gas customers continue to be added to the system as the costs for other fuel sources continues to grow. Outdated portions of the gas system are replaced on an annual basis.
- **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 DPUC is now fully functioning and now working on short-term and long-term plans that will ensure that Duluth's utilities are maintained and replaced in a cost effective manner.
- **Street Preservation Program:** A renewed emphasis will be placed on preserving the City's recently reconstructed streets through: Crack sealing, maintenance caps, mill & overlays and reclamations. A limited number of streets that are beyond maintenance activities will continue to be reconstructed.

Major Issues and Recommended Solutions

The main issue within the department is the condition and age of the infrastructure and the insufficient funding for their replacement.

- **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 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. Modest rate increases that are dedicated solely to capital projects will be a key feature in tackling this problem.

City of Duluth Minnesota - 2012 Budget

Utility Operations Personnel Summary

		2009	2010	2011	2012
		BUDGET	BUDGET	BUDGET	APPROVED
1115-1130	Manager, Customer Service	1.00	1.00	1.00	1.00
1115-1130	Manager, Utility Operations	1.00	1.00	1.00	1.00
1115-1130	Operations Mgr, W&G Supply	1.00	1.00	1.00	1.00
1080-1095	Utility Operations Supervisor	3.00	3.00	3.00	3.00
1045-1055	Customer Relations Supervisor	1.00	1.00	1.00	1.00
1165	Director of Public Works & Utilities	0.80	0.80	0.80	0.80
1140	City Engineer	0.60	0.60	0.60	0.60
1130	Chief Engineer - Utilities	1.00	1.00	1.00	1.00
1090	Measurement Services Supervisor	1.00	1.00	1.00	1.00
1075	Chief Gas Controller	1.00	1.00	1.00	1.00
1075	Water Plant Supervisor	1.00	1.00	1.00	1.00
133-136	Geographic Systems Tech	0.80	0.80	-	-
135	Safety & Training Specialist	0.75	0.75	0.75	0.75
132	Utility Accounts Receivable Specialist	2.00	2.00	3.00	3.00
131	Paralegal	1.00	1.00	1.00	1.00
129	Administrative Information Specialist	1.40	1.40	1.40	1.40
126	Information Technician	14.80	16.80	15.60	16.60
121	Clerical Support Technician	1.00	1.00	3.00	2.00
121	Janitor	-	-	-	2.00
36	Project Engineer	3.00	4.00	4.00	5.00
34	Chief Water Plant Operator	-	1.00	1.00	-
34	Senior Engineering Specialist	-	-	-	0.80
32	Corrosion Technician	1.00	1.00	1.00	1.00
32	Gas & Energy Coordinator	1.00	1.00	1.00	1.00
32	Project Coordinator	3.80	3.80	3.80	2.80
32	Senior Water Plant Operator	1.00	-	-	-
32	Utility Operations Leadworker	7.00	7.00	7.00	7.00
32	W&G Service Leadworker	2.00	2.00	2.00	2.00
32	Water Lab Chemist	1.00	1.00	1.00	1.00
31	Electrician	-	-	-	1.00
31	Pipeline Welder	3.00	3.00	3.00	3.00
31	Senior Engineering Technician	13.40	13.40	14.80	12.20
31	Water Plant Operator A	5.00	5.00	4.00	5.00
31	Water Quality Specialist	7.00	7.00	7.00	6.00

City of Duluth Minnesota - 2012 Budget

Utility Operations Personnel Summary - continued

		2009 BUDGET	2010 BUDGET	2011 BUDGET	2012 APPROVED
30	Appliance Mechanic Journeyperson	16.00	16.00	15.00	15.00
30	Senior Gas Control Operator	1.00	1.00	1.00	1.00
30	Warehouse Specialist	-	2.00	2.00	3.00
29	Gas Fitter	1.00	1.00	2.00	2.00
29	Lift Station Operator	2.00	2.00	2.00	2.00
29	Meter Mechanic	1.00	1.00	1.00	1.00
29	Painter	2.00	2.00	2.00	2.00
29	Regulator Mechanic	2.00	2.00	2.00	3.00
29	W&G Equipment Operator	1.00	-	-	-
29	W&G Warehouse Assistant	2.00	-	-	-
28	Collection System Maintenance Worker	-	5.00	8.00	9.00
28	EAM Coordinator	-	-	1.00	1.00
28	Engineering Technician	-	-	-	2.20
28	Gas Control Operator II	3.00	1.00	1.00	1.00
28	Utility Operator	47.00	34.00	17.00	17.00
28	Utility Operator Apprentice	-	-	14.00	12.00
28	Utility Service Journeyperson	11.00	11.00	11.00	11.00
28	W&G Maintenance Journey Person	-	3.00	5.00	6.00
27	Water Lab Technician	1.00	1.00	1.00	1.00
26	Gas Control Operator I	-	1.00	1.00	1.00
26	Utility Radio Dispatcher	4.80	6.00	6.00	6.00
26	Water Plant Operator C	-	-	1.00	-
24	Water Plant Operator D	-	-	-	1.00
23	Utility Maintenance Worker	-	11.00	8.00	9.00
22	Meter Reader	3.00	2.00	3.00	3.00
	DEPARTMENT TOTAL	180.15	187.35	190.75	196.15

City of Duluth Minnesota - 2012 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 2012. Significant categories of expense include: personnel and benefits at 45% of the 2012 total; and the combined categories of Supplies, Utilities, and Other Services and Charges representing 33% of the 2012 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
REVENUE				
Operating	11,944,995	12,006,506	12,479,000	12,144,600
Non-Operating	73,046	37,963	47,900	49,700
	<u>12,018,041</u>	<u>12,044,469</u>	<u>12,526,900</u>	<u>12,194,300</u>
EXPENSES				
Personal Services	4,803,979	5,066,051	5,434,800	5,724,700
Supplies	1,238,785	1,170,283	1,289,800	1,213,200
Other Services & Charges	1,453,457	1,230,402	1,462,400	1,290,300
Utilities	1,034,167	1,176,390	1,283,400	1,269,400
Depreciation/Amortization	1,252,342	1,414,807	1,599,700	1,571,100
Improvements -Non-Capital	51,124	122	117,500	11,300
Debt Service - Interest	218,917	181,524	261,000	215,900
Debt Service - Other	12,473	6,113	5,600	5,500
Capital Lease Interest	72,399	121,051	117,300	110,400
Transfers	1,160,400	1,032,726	707,100	280,000
	<u>11,298,043</u>	<u>11,399,469</u>	<u>12,278,600</u>	<u>11,691,800</u>
ESTIMATED OPERATING INCOME (LOSS)	719,998	645,000	248,300	502,500
Other Sources of Cash	2,828,658	2,209,937	1,895,200	2,028,400
Other Uses of Cash	(4,137,181)	(3,438,054)	(3,202,000)	(3,668,600)
Increase (Decrease) in Cash	<u>(588,525)</u>	<u>(583,117)</u>	<u>(1,058,500)</u>	<u>(1,137,700)</u>

City of Duluth Minnesota - 2012 Budget

Water Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2011 Budget	2011 Projected	2012 Approved
ESTIMATED OPERATING INCOME (LOSS)	248,300	199,100	502,500
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,599,700	1,439,700	1,571,100
Bond Amortization	5,600	5,500	5,500
Other Post Employment Benefits Not Funded	211,000	92,400	369,800
Due from Other Funds	-	85,184	-
Special Assessment Principal	78,900	82,000	82,000
Total Other Sources of Cash	<u>1,895,200</u>	<u>1,704,784</u>	<u>2,028,400</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	-	1,655,441	-
Budget Carry-Over for Encumbrances	-	366,300	79,900
Net Project Timing Adjustments	-	-	269,100
Capital Improvements from Current Revenues	-	-	420,000
Infrastructure Improvements	1,626,000	673,000	1,211,000
Capital Equipment Purchases	390,300	287,500	317,600
Bond Principal Payments	1,003,600	729,200	1,182,000
AMR Lease Principal Payments	182,100	182,100	189,000
Total Other Uses of Cash	<u>3,202,000</u>	<u>3,893,541</u>	<u>3,668,600</u>
INCREASE (DECREASE) IN CASH	(1,058,500)	(1,989,657)	(1,137,700)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>1,013,124</u>	<u>1,804,178</u>	<u>(185,479)</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>(45,376)</u></u>	<u><u>(185,479)</u></u>	<u><u>(1,323,179)</u></u>

City of Duluth Minnesota - 2012 Budget

Water Fund

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Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
OPERATING REVENUES:				
4624 Equipment Rent	-		4,000	
4636 Sale of Scrap	2,643	19,792	-	12,000
4680 Damage or Losses Recovered	10,366	1,084	-	
4800 Meter Repair	14,116	-	8,000	8,000
4801 Off/On Charge	7,936	-	20,000	14,000
4802 Interest - Customer Accounts	47,362	49,777	40,000	40,000
4805 Reimbursements		14,289		12,000
4807 Water Tower Lease	89,229	126,809	135,000	135,000
4809 Miscellaneous Operating	72,283	48,773	17,000	10,000
4810 Metered Water Sales	10,221,495	9,375,990	9,883,400	9,498,800
4811 Water for Resale	537,540	1,046,158	1,067,500	1,086,600
4831 Fixed Rate Charges	942,025	1,323,834	1,304,100	1,328,200
TOTAL OPERATING REVENUES	11,944,995	12,006,506	12,479,000	12,144,600
NON-OPERATING REVENUES:				
4220 State of Minnesota		1,250		
4230 Pera Aid	16,919	16,919	16,900	16,900
4806 Connection Fees	715		8,000	8,000
4850 Earnings on Investments	920	885	3,000	800
4851 Interest Income	24,784	15,721	20,000	24,000
4853 Gain on Sale of Assets	8,601	2,828	-	
4854 Utility Assessment	21,107	360	-	
4730 Transfers In from Internal Svc Fund	-		-	
TOTAL NON-OPERATING REVENUES	73,046	37,963	47,900	49,700
TOTAL REVENUE	12,018,041	12,044,469	12,526,900	12,194,300

City of Duluth Minnesota - 2012 Budget

Director's Office

510-500-1900

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

Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	46,866	45,744	45,500	45,700
5101 Permanent Employees - Overtime	431	259	-	
TOTAL	47,297	46,003	45,500	45,700
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,650	3,017	3,100	3,100
5122 F.I.C.A. Social Security	2,899	2,682	2,800	2,800
5123 F.I.C.A. Medicare	678	656	700	700
5124 Health Insurance	4,914	3,706	3,700	4,300
5125 Dental Insurance	275	250	200	200
5126 Life Insurance	112	117	100	100
5127 Health Care Savings	437	1,112	400	1,900
TOTAL	12,965	11,540	11,000	13,100
OPERATING EXPENSES				
5200 Office Supplies	115	94	100	100
5241 Small Equipment	84	554	200	200
5321 Telephone	143	201	200	200
5331 Training Expense	-	-	300	300
5335 Mileage Reimbursement - Local	-	28	100	100
5441 Other Services and Charges	108	27	-	
TOTAL	450	904	900	900
1900 TOTAL - DIRECTOR'S OFFICE	60,712	58,447	57,400	59,700

City of Duluth Minnesota - 2012 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
OPERATING EXPENSES				
5420 Depreciation	1,252,342	1,414,807	1,599,700	1,571,100
5441 Other Services and Charges	12,638	-	-	-
5535 Improvements (Non-Capital)	51,124	122	117,500	11,300
5540 Equipment (Non-Capital)	5,466	-	-	-
5611 Bond Interest	218,917	181,524	261,000	215,900
5613 Interest from Bond Amortization	5,933	1,589	1,500	(1,500)
5614 Capital Lease Interest	72,399	121,051	117,300	110,400
5620 Fiscal Agents Fee	729	939	800	400
5622 Bond Amortization	6,540	4,524	4,100	7,000
TOTAL	1,626,088	1,724,556	2,101,900	1,914,600
NON-OPERATING EXPENSES				
5532 Capital Improvements - Bonds	373,819	2,451,399	3,550,000	-
5533 Capital Improvements - Revenue Financing	1,019,550	923,887	-	420,000
5536 Utility Infrastructure Replacmt Proj	420,487	273,730	1,626,000	1,211,000
5580 Capital Equipment	107,845	177,156	390,300	317,600
TOTAL	1,921,701	3,826,172	5,566,300	1,948,600
1905 TOTAL - CAPITAL	3,547,789	5,550,728	7,668,200	3,863,200

City of Duluth Minnesota - 2012 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	-	-	5,300	56,200
TOTAL	-	-	5,300	56,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	-	-	400	3,800
5122 F.I.C.A. Social Security	-	-	300	3,500
5123 F.I.C.A. Medicare	-	-	100	800
5124 Health Insurance	-	-	1,100	9,800
5125 Dental Insurance	-	-	-	400
5126 Life Insurance	2,800	3,922	-	200
5127 Health Care Savings	-	-	100	500
5134 Other Post Retirement Benefits	(462,794)	(101,658)	211,000	369,800
5135 Retiree Health Insurance	774,623	588,096	585,000	619,800
5151 Worker's Compensation	113,200	116,800	140,700	99,800
TOTAL	427,829	607,160	938,700	1,108,400
OPERATING EXPENSES				
5200 Office Supplies	729	330	600	600
5201 Computer Supplies/Software	30,896	10,592	19,900	23,900
5205 Safety & Training	330	595	1,000	1,000
5211 Cleaning & Janitorial Supplies	3,485	2,839	2,800	2,800
5219 Other Miscellaneous	-	4,665	-	-
5241 Small Equipment	3,060	6,509	300	300
5301 Auditing Services	2,789	3,122	2,500	2,500
5305 Medical Services/Testing Fees	-	-	300	400
5310 Contract Services	16,518	24,720	-	-
5312 Lobbyist Fees	-	1,000	-	-
5320 Data Services	-	2,506	8,200	12,900
5321 Telephone	11,659	11,336	6,900	7,200
5331 Training Expense	1,209	431	900	1,200
5335 Mileage Reimbursement - Local	104	291	100	100
5360 Insurance	222,899	359,800	412,000	192,700
5381 Electricity	12,817	15,281	12,000	12,000
5382 Water, Gas & Sewer	18,473	26,728	15,300	21,200
5384 Refuse Disposal	2,795	5,068	2,600	3,200
5401 Building Repair & Maintenance	10,416	5,601	7,500	7,500
5418 Vehicle/Equipment Lease	3,774	4,346	3,100	3,700
5433 Dues & Subscriptions	50	-	-	-
5438 Licenses	-	-	300	-
5441 Other Services & Charges	3,998	3,145	4,200	4,600
5450 Laundry	2,295	2,764	1,700	2,000
5457 Hydrant Maintenance	30,000	30,000	30,000	30,000
5493 Cost Allocation	408,199	408,200	408,200	383,200
5700 Transfer to General Fund	-	-	57,300	-
5700 Transfer to Internal Service Funds	869,000	695,100	369,800	-
TOTAL	1,655,495	1,624,969	1,367,500	713,000
1915 TOTAL - GENERAL EXPENSE	2,083,324	2,232,129	2,311,500	1,877,600

City of Duluth Minnesota - 2012 Budget

Engineering

510-500-1930

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

Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	274,205	299,542	293,700	279,400
5101 Permanent Employees - Overtime	25,247	20,569	20,000	20,000
5103 Temporary Wages	1,074	2,061	2,000	3,000
TOTAL	300,526	322,172	315,700	302,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	21,814	21,434	20,200	19,100
5122 F.I.C.A. Social Security	20,140	19,130	18,200	18,600
5123 F.I.C.A. Medicare	4,710	4,474	4,300	4,300
5124 Health Insurance	42,124	39,578	43,200	45,500
5125 Dental Insurance	1,933	1,837	1,900	1,800
5126 Life Insurance	785	861	900	900
5127 Health Care Savings	6,023	3,070	5,100	3,700
TOTAL	97,529	90,384	93,800	93,900
OPERATING EXPENSES				
5200 Office Supplies	493	383	1,200	800
5201 Computer Supplies	2,744	6,037	8,000	6,400
5203 Paper, Stationery and Forms	150	343	200	200
5205 Safety and Training Materials	-	-	-	200
5212 Motor Fuel	-	4,771	3,500	4,000
5219 Other Miscellaneous Supplies	1,653	978	1,900	-
5240 Small Tools	49	166	500	500
5241 Small Equipment	3,745	4,538	4,400	2,400
5242 Survey Equipment and Supplies	-	-	-	4,700
5320 Data Services	-	-	-	400
5321 Telephone	1,386	1,760	1,300	1,600
5322 Postage	56	-	100	100
5331 Training Expenses	4,449	1,234	3,300	4,700
5335 Mileage Reimbursement	60	44	200	200
5355 Printing and Copying	3,971	619	900	900
5404 Equipment Maintenance Repair	464	874	1,000	800
5409 Fleet Services	6,537	3,481	6,500	5,500
5418 Vehicle/Equipment Lease	1,371	1,549	2,200	2,500
5433 Dues and Subscriptions	358	259	600	600
5435 Books and Pamphlets	9	142	200	200
5438 Licenses	-	102	-	100
5441 Other Services and Charges	2,732	887	5,300	5,300
5486 One Call System	2,610	2,647	2,600	2,600
TOTAL	32,837	30,814	43,900	44,700
1930 TOTAL - ENGINEERING	430,892	443,370	453,400	441,000

City of Duluth Minnesota - 2012 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	795,455	805,930	774,400	783,900
5101 Permanent Employees - Overtime	84,550	49,594	61,600	52,600
5103 Temporary Wages	-	-	-	-
TOTAL	880,005	855,524	836,000	836,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	56,468	55,897	52,600	53,300
5122 F.I.C.A. Social Security	55,017	51,245	48,000	51,800
5123 F.I.C.A. Medicare	12,868	12,033	11,200	12,200
5124 Health Insurance	122,026	121,360	119,200	137,900
5125 Dental Insurance	5,960	5,902	5,700	5,700
5126 Life Insurance	2,452	2,767	2,700	2,700
5127 Health Care Savings	14,793	8,653	7,000	14,500
TOTAL	269,584	257,857	246,400	278,100
OPERATING EXPENSES				
5200 Office Supplies	8,711	11,942	5,100	4,600
5201 Computer Supplies	20	1,765	700	400
5203 Paper/Stationery	6,024	2,352	2,500	2,500
5212 Motor Fuel	436	14,021	35,500	26,100
5218 Uniforms	3,532	2,526	2,600	2,500
5220 Repair & Maintenance Supplies	20,088	15,598	36,800	36,800
5227 Utility System	46,763	117,906	101,400	79,600
5228 Painting Supplies	2,136	1,271	3,000	3,000
5240 Small Tools	862	735	1,500	1,500
5241 Small Equipment	532	5,361	9,200	8,500
5310 Contract Services	12,061	18,852	32,500	32,500
5320 Data Services	2,473	2,807	2,100	-
5321 Telephone	1,378	2,566	1,500	3,100
5322 Postage	57,127	50,430	49,900	49,200
5331 Training Expenses	-	735	1,300	1,700
5339 Armored Pickup	1,124	1,127	1,100	1,200
5355 Printing & Copying	956	161	500	500
5401 Building/Structure Repair & Maint	124	136	-	-
5404 Equipment Maintenance & Repair	6,977	7,967	4,000	3,900
5409 Fleet Services	13,076	13,556	25,600	20,800
5427 Credit Card Commission	4,075	5,287	8,300	8,300
5432 Uncollectible Accounts	139,203	(74,516)	10,000	10,000
5441 Other Services & Charges	1,702	843	3,000	2,400
TOTAL	329,380	203,428	338,100	299,100
1940 TOTAL - CUSTOMER SERVICE	1,478,969	1,316,809	1,420,500	1,413,700

City of Duluth Minnesota - 2012 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,198,621	1,312,081	1,428,700	1,384,000
5101 Permanent Employees - Overtime	314,060	346,925	250,000	325,000
5103 Temporary Wages	-	-	-	-
5118 Meal Allowance	-	-	6,000	6,000
TOTAL	1,512,681	1,659,006	1,684,700	1,715,000
EMPLOYEE BENEFITS				
5121 P.E.R.A.	98,862	109,850	97,800	94,600
5122 F.I.C.A. Social Security	92,888	99,277	88,600	106,000
5123 F.I.C.A. Medicare	21,824	23,296	20,700	24,800
5124 Health Insurance	193,858	203,371	261,600	244,800
5125 Dental Insurance	8,456	8,877	10,300	9,500
5126 Life Insurance	3,435	4,155	4,800	4,500
5127 Health Care Savings	28,333	14,634	12,900	12,400
5141 Unemployment Compensation	-	10,071	-	-
TOTAL	447,656	473,531	496,700	496,600
OPERATING EXPENSES				
5200 Office Supplies	3,010	4,587	3,000	3,000
5201 Computer Supplies/Software	-	-	20,300	-
5205 Safety & Training Materials	3,516	10,958	2,600	2,600
5210 Plant/Operating Supplies	8,388	15,638	9,600	9,600
5212 Motor Fuel	48,597	63,500	60,000	70,000
5215 Shop Materials	2,120	2,778	2,600	2,600
5218 Uniforms	3,085	2,954	5,200	4,900
5219 Other Miscellaneous Supplies	-	433	-	-
5220 Repair & Maintenance Supplies	2,632	4,763	2,500	2,500
5222 Paving Materials	17,773	17,028	35,000	25,000
5224 Gravel & Other Maintenance Mtls	69,239	60,681	70,000	70,000
5227 Utility Maintenance Supply	210,632	273,375	175,000	175,000
5228 Painting Supplies	-	5	300	300
5240 Small Tools	7,875	6,187	5,300	5,300
5241 Small Equipment	6,027	19,093	9,500	9,400
5310 Contract Services	30,779	28,958	15,500	28,500
5320 Data Services	-	5	1,200	-
5321 Telephone	1,808	2,853	2,200	2,200
5331 Training Expenses	5,467	6,417	8,800	8,800
5335 Mileage Reimbursement	6,225	4,803	7,800	6,500
5355 Printing and Copying	602	1,320	500	500
5382 Water/Sewer/Gas	8,093	4,133	8,000	8,000
5384 Refuse Disposal	7,934	11,146	7,000	9,000
5404 Equipment Maintenance/Repair	2,448	-	400	400
5409 Fleet Service Charges	96,178	99,669	100,000	100,000
5415 Vehicle/Equipment Rental	5,714	10,286	3,000	3,000
5438 License	221	69	500	500
5441 Other Services & Charges	261	4,476	10,000	5,500
5450 Laundry	15,051	12,262	9,000	8,100
5700 Transfer to General Fund	291,400	337,626	280,000	280,000
TOTAL	855,075	1,006,003	854,800	841,200
1945 TOTAL - UTILITY OPERATIONS	2,815,412	3,138,540	3,036,200	3,052,800

City of Duluth Minnesota - 2012 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		2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	596,622	537,368	553,500	556,500
5101	Permanent Employees - Overtime	31,001	35,701	30,000	35,000
	TOTAL	627,623	573,069	583,500	591,500
EMPLOYEE BENEFITS					
5121	P.E.R.A.	37,941	37,794	38,000	38,200
5122	F.I.C.A. Social Security	35,716	34,820	34,300	36,700
5123	F.I.C.A. Medicare	8,353	8,143	8,000	8,600
5124	Health Insurance	77,827	77,911	86,800	93,400
5125	Dental Insurance	3,588	3,386	3,600	3,600
5126	Life Insurance	1,458	1,587	1,700	1,700
5127	Health Care Savings	15,401	6,164	5,100	5,100
	TOTAL	180,284	169,805	177,500	187,300
OPERATING EXPENSES					
5200	Office Supplies	2,609	2,515	2,000	2,000
5201	Computer Supplies/Software	-	-	10,200	-
5210	Plant/Operating Supplies	7,989	16,019	10,000	10,000
5212	Motor Fuel	2,513	3,874	2,500	2,500
5216	Treatment Chemicals	632,890	384,006	517,500	512,800
5218	Uniforms	1,498	1,271	2,500	2,300
5219	Other Miscellaneous Supplies	12,955	10,038	7,000	12,000
5220	Repair & Maintenance Supplies	46,183	28,677	80,000	68,000
5228	Painting Supplies	1,606	2,625	2,000	3,000
5240	Small Tools	1,586	4,879	4,500	4,500
5241	Small Equipment	3,959	17,528	7,800	7,000
5310	Contract Services	7,635	1,104	50,000	20,000
5319	Other Professional Services	14,857	25,517	15,000	15,000
5320	Data Services	-	797	500	500
5321	Telephone	1,539	2,079	2,700	2,700
5322	Postage	79	64	200	200
5331	Training Expenses	4,981	6,370	8,000	9,100
5335	Local Mileage Reimbursement	2,393	5,392	3,000	4,000
5355	Printing and Copying	390	347	1,500	1,500
5381	Electricity	891,147	1,054,886	1,100,000	1,120,000
5382	Water & Sewer	92,908	59,148	138,500	96,000
5400	Misc. Repair & Maintenance	55	-	2,000	2,000
5401	Building Repair & Maintenance	6,111	9,007	12,000	71,200
5404	Equipment Maintenance/Repair	181,397	27,221	75,000	105,000
5409	Fleet Services	6,170	4,031	5,000	5,000
5433	Dues and Subscriptions	5,039	7,062	5,000	5,000
5438	Licenses	23	23	300	300
5441	Other Services & Charges	62,472	63,377	65,500	65,500
5450	Laundry	3,644	4,007	4,000	4,000
5483	Water Testing Fees	111	880	2,500	2,500
	TOTAL	1,994,739	1,742,744	2,136,700	2,153,600
1955	TOTAL-WATER TRMT & PMPING	2,802,646	2,485,618	2,897,700	2,932,400

City of Duluth Minnesota - 2012 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 2012. The major category of expense is purchased gas, representing 67% 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
REVENUE				
Operating Revenues	1,315,758	1,267,344	1,237,000	1,386,400
Gas Sales	44,941,587	38,455,307	43,383,600	40,558,300
Non-Operating Revenues	133,402	35,334	40,400	31,900
	<u>46,390,747</u>	<u>39,757,985</u>	<u>44,661,000</u>	<u>41,976,600</u>
EXPENSES				
Personal Services	6,167,158	6,333,691	6,801,800	7,947,500
Supplies	763,122	791,004	827,900	743,500
Other Services & Charges	5,389,913	4,510,734	5,187,700	4,556,200
Natural Gas Purchases	27,647,450	25,014,748	27,939,500	29,108,100
Utilities	39,714	44,326	48,700	47,500
Depreciation/Amortization	1,056,585	1,219,538	1,281,800	1,337,100
Improvements -Non-Capital	80,469	93,335	49,300	6,300
Debt Service - Interest	475,180	366,001	341,100	232,600
Debt Service - Other	14,886	33,046	10,800	7,600
Capital Lease Interest	66,366	110,963	107,600	101,100
Transfers	1,128,793	914,500	780,500	20,000
	<u>42,829,636</u>	<u>39,431,886</u>	<u>43,376,700</u>	<u>44,107,500</u>
ESTIMATED OPERATING INCOME (LOSS)				
	3,561,111	326,099	1,284,300	(2,130,900)
Other Sources of Cash	3,794,361	1,699,788	1,456,200	2,227,100
Other Uses of Cash	(2,787,078)	(4,497,083)	(2,333,200)	(4,138,700)
Increase (Decrease) in Cash	<u>4,568,394</u>	<u>(2,471,196)</u>	<u>407,300</u>	<u>(4,042,500)</u>

City of Duluth Minnesota - 2012 Budget

Gas Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2011 Budget	2011 Projected	2012 Approved
ESTIMATED OPERATING INCOME (LOSS)	1,284,300	644,800	(2,130,900)
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,281,800	1,251,700	1,337,100
Bond Amortization	10,800	7,600	7,600
Other Post Employment Benefits Not Funded	-	179,800	719,100
Due from Other Funds	-	71,815	-
Interfund Loan Receivable	-	107,108	-
Energy Fund Loan Repayment	150,000	150,000	150,000
Special Assessment Principal	13,600	13,300	13,300
Total Other Sources of Cash	<u>1,456,200</u>	<u>1,781,323</u>	<u>2,227,100</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	-	157,302	-
Budget Carry-Over for Encumbrances	-	162,600	144,800
Net Project Timing Adjustments	-	-	(33,600)
Capital Improvements from Current Revenues	820,000	946,300	2,620,000
Capital Equipment Purchases	292,300	281,800	378,200
Bond Principal Payments	1,054,000	821,000	856,000
AMR Lease Principal Payment	166,900	166,900	173,300
Total Other Uses of Cash	<u>2,333,200</u>	<u>2,535,902</u>	<u>4,138,700</u>
INCREASE (DECREASE) IN CASH	407,300	(109,779)	(4,042,500)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>9,024,594</u>	<u>2,097,198</u>	<u>1,987,419</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>9,431,894</u></u>	<u><u>1,987,419</u></u>	<u><u>(2,055,081)</u></u>

City of Duluth Minnesota - 2012 Budget

Gas Fund

520

Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
OPERATING REVENUES:				
4636 Sale of Scrap	6,482	666	2,000	1,500
4801 Off/On Charge	25,238	60,912	35,000	62,000
4802 Interest Earned on Customer Accts	165,476	127,288	145,000	140,000
4805 Reimbursements	330,863	386,024	300,000	280,000
4809 Miscellaneous Operating Revenue	129,393	25,632	100,000	86,000
4818 Servicing Appliances	269,088	235,535	255,000	280,000
4819 Comfort Policy	363,720	357,116	330,000	355,000
4820 Residential Firm	25,756,949	20,819,659	23,231,300	21,359,800
4821 Comm/Industrial Firm Small	7,307,540	-	-	-
4822 Comm/Industrial Firm Large	5,303,801	9,701,095	11,487,900	9,995,800
4823 Comm/Industrial Interruptible Small	-	-	-	-
4824 Comm/Industrial Interruptible Large	4,303,853	4,742,939	5,430,000	5,993,000
4825 Purchase Gas Adjustment	775	-	-	-
4826 Large Transport	4,252	-	-	-
4827 Gas-Interruptible Transport	-	50,353	50,000	135,000
4829 Two Tier Rate	21,246	23,818	20,000	46,900
4831 Fixed Rate Charges	2,268,669	3,191,614	3,234,400	3,209,700
TOTAL OPERATING REVENUES	46,257,345	39,722,651	44,620,600	41,944,700
NON-OPERATING REVENUES:				
4220 State of Minnesota	-	1,250	-	-
4230 Pera Aid	23,365	23,365	23,400	23,400
4850 Earnings on Investments	3,877	3,937	10,000	3,500
4851	4,916	2,424	5,000	3,000
4853 Gain on Sale of Assets	100,726	3,388	2,000	2,000
4854 Utility Special Assessments	518	970	-	-
TOTAL NON-OPERATING REVENUES	133,402	35,334	40,400	31,900
TOTAL REVENUE	46,390,747	39,757,985	44,661,000	41,976,600

City of Duluth Minnesota - 2012 Budget

Director's Office

520-500-1900

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

Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	53,608	52,881	53,000	53,200
5101 Permanent Employees - Overtime	431	304	-	-
TOTAL	<u>54,039</u>	<u>53,185</u>	<u>53,000</u>	<u>53,200</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	4,056	3,470	3,600	3,600
5122 F.I.C.A. Social Security	3,317	3,127	3,300	3,300
5123 F.I.C.A. Medicare	776	760	800	800
5124 Health Insurance	6,055	4,846	4,800	5,600
5125 Dental Insurance	352	326	300	300
5126 Life Insurance	143	153	200	200
5127 Health Care Savings	498	1,176	500	3,200
TOTAL	<u>15,197</u>	<u>13,858</u>	<u>13,500</u>	<u>17,000</u>
OPERATING EXPENSES				
5200 Office Supplies	256	195	100	100
5241 Small Equipment	84	554	500	200
5321 Telephone	115	278	200	200
5331 Training/Travel	-	-	300	300
5335 Mileage Reimbursement Local	-	43	100	100
5441 Other Services & Charges	135	27	-	-
5452 Pipeline Safety	7,457	-	-	-
TOTAL	<u>8,047</u>	<u>1,097</u>	<u>1,200</u>	<u>900</u>
1900 TOTAL - DIRECTOR'S OFFICE	77,283	68,140	67,700	71,100

City of Duluth Minnesota - 2012 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
OPERATING EXPENSES				
5420 Depreciation	1,056,585	1,219,538	1,281,800	1,337,100
5441 Other Services and Charges	788	-	-	
5535 Improvements (Non-Capital)	80,469	93,335	49,300	6,300
5540 Equipment (Non-Capital)	5,688	8,000	-	
5611 Bond Interest	475,180	366,001	341,100	232,600
5613 Interest - Bond Amortization	13,429	26,324	4,100	900
5614 Capital Lease Interest	66,366	110,963	107,600	101,100
5620 Fiscal Agents Fee	1,079	948	800	600
5622 Bond Amortization	1,457	6,722	6,700	6,700
TOTAL	1,701,041	1,831,831	1,791,400	1,685,300
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue Financing	1,272,710	1,184,839	820,000	2,620,000
5580 Capital Equipment	151,845	235,065	292,300	378,200
TOTAL	1,424,555	1,419,904	1,112,300	2,998,200
1905 TOTAL - CAPITAL	3,125,596	3,251,735	2,903,700	4,683,500

City of Duluth Minnesota - 2012 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	4,328	6,513	24,000	67,100
TOTAL	4,328	6,513	24,000	67,100
EMPLOYEE BENEFITS				
5121 P.E.R.A.	252	345	1,600	4,600
5122 F.I.C.A. Social Security	268	405	1,500	4,200
5123 F.I.C.A. Medicare	63	95	300	1,000
5124 Health Insurance	482	760	5,100	13,000
5125 Dental Insurance	36	51	200	500
5126 Life Insurance	2,945	4,201	100	200
5127 Health Care Savings	1,237	47	200	600
5134 Other Post Retirement Benefits	(633,773)	(146,795)	-	719,100
5135 Retiree Health Insurance	944,183	787,277	817,400	930,300
5151 Worker's Compensation	145,800	153,000	186,800	132,500
TOTAL	461,493	799,386	1,013,200	1,806,000
OPERATING EXPENSES				
5200 Office Supplies	1,626	2,430	1,400	1,800
5201 Computer Supplies/Software	40,096	16,270	32,500	35,600
5205 Safety & Training	435	728	1,100	1,100
5211 Cleaning & Janitorial Supplies	3,181	3,435	2,900	2,900
5241 Small Equipment	4,275	14,017	300	300
5301 Auditing Services	2,789	2,229	3,000	3,000
5305 Medical Services/Testing Fees	5,366	6,703	4,000	4,000
5319 Other Professional Services	6,925	23,447	15,000	15,000
5320 Data Services	-	2,763	6,600	17,000
5321 Telephone	28,066	29,958	7,500	16,600
5331 Training Expense	23,245	30,193	17,300	17,800
5335 Mileage Reimbursement	115	299	100	100
5360 Insurance	62,800	67,700	67,300	62,000
5381 Electricity	12,876	15,373	15,100	15,100
5382 Water, Gas & Sewer	18,369	14,354	18,400	16,900
5384 Refuse Disposal	2,545	2,457	2,200	2,500
5401 Building Repair & Maintenance	6,125	8,385	6,500	6,500
5404 Equipment/Machinery Repair	-	4,347	-	-
5418 Vehicle/Equipment Rental	3,545	3,836	2,900	3,100
5433 Dues and Subscriptions	6,890	9,786	8,300	8,300
5438 Licenses	-	-	400	100
5441 Other Services & Charges	26,960	17,636	32,300	32,700
5450 Laundry	2,295	2,764	1,700	2,000
5452 Pipe Line Safety	-	15,109	12,000	12,000
5493 Cost Allocation	519,500	519,500	519,500	489,200
5711 Payment in Lieu of Taxes	4,091,122	3,236,527	3,459,000	2,870,000
5700 Transfer to General Fund	-	-	41,400	-
5700 Transfer to Internal Service Funds	1,108,700	894,500	719,100	-
TOTAL	5,977,846	4,944,746	4,997,800	3,635,600
1915 TOTAL - GENERAL EXPENSE	6,443,667	5,750,645	6,035,000	5,508,700

City of Duluth Minnesota - 2012 Budget

Engineering

520-500-1930

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

Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	454,389	423,919	489,400	559,000
5101 Permanent Employees - Overtime	48,389	51,331	50,000	50,000
5103 Temporary Wages	1,074	2,061	2,000	3,000
TOTAL	503,852	477,311	541,400	612,000
EMPLOYEE BENEFITS				
5121 P.E.R.A.	30,594	32,265	33,700	38,400
5122 F.I.C.A. Social Security	29,457	28,394	30,300	37,800
5123 F.I.C.A. Medicare	6,889	6,641	7,100	8,800
5124 Health Insurance	58,456	59,048	66,300	95,300
5125 Dental Insurance	2,601	2,592	3,000	3,600
5126 Life Insurance	1,057	1,215	1,400	1,700
5127 Health Care Savings	7,305	4,184	9,200	6,300
TOTAL	136,359	134,339	151,000	191,900
OPERATING EXPENSES				
5200 Office Supplies	589	272	1,200	800
5201 Computer Supplies	8,311	18,102	8,500	13,400
5203 Paper, Stationery and Forms	193	249	200	200
5205 Safety & Training Materials	52	70	-	500
5212 Motor Fuel	9,942	8,666	5,000	6,000
5219 Other Miscellaneous Supplies	4,508	1,023	2,700	-
5240 Small Tools	49	153	500	500
5241 Small Equipment	5,505	6,241	5,200	3,700
5242 Survey Equipment and Supplies	-	-	-	4,700
5303 Engineering Services	630	-	-	40,000
5320 Data Services	-	-	-	400
5321 Telephone	1,386	2,109	1,300	1,800
5322 Postage	40	-	100	100
5331 Training Expenses	6,078	5,917	4,100	5,500
5335 Mileage Reimbursement	60	44	200	200
5355 Printing and Copying	1,005	2,064	1,100	1,100
5404 Equipment Maintenance Repair	464	885	1,000	800
5409 Fleet Services	8,437	7,711	5,000	5,000
5418 Vehicle/Equipment Lease	1,371	1,549	2,200	2,500
5433 Dues and Subscriptions	358	154	400	400
5435 Books and Pamphlets	15	147	200	200
5438 Licenses	-	207	-	100
5441 Other Services and Charges	1,827	2,429	2,100	2,500
5486 One Call System	2,612	2,688	2,600	2,600
TOTAL	53,432	60,680	43,600	93,000
1930 TOTAL - ENGINEERING	693,643	672,330	736,000	896,900

City of Duluth Minnesota - 2012 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	2,137,299	2,078,725	2,218,300	2,221,800
5101 Permanent Employees - Overtime	219,065	148,231	162,900	162,600
5103 Temporary Wages	-	-	-	14,500
TOTAL	2,356,364	2,226,956	2,381,200	2,398,900
EMPLOYEE BENEFITS				
5121 P.E.R.A.	146,698	146,229	151,200	151,300
5122 F.I.C.A. Social Security	141,365	133,528	137,600	147,800
5123 F.I.C.A. Medicare	33,061	31,357	32,100	34,600
5124 Health Insurance	300,259	304,777	343,000	392,800
5125 Dental Insurance	14,595	14,463	15,700	16,000
5126 Life Insurance	5,975	6,780	7,300	7,400
5127 Health Care Savings	32,480	21,436	20,000	35,500
TOTAL	674,433	658,570	706,900	785,400
OPERATING EXPENSES				
5200 Office Supplies	11,777	15,654	5,800	5,300
5201 Computer Supplies/Software	67	5,194	1,900	600
5203 Paper/Stationery	8,102	3,163	3,800	3,800
5210 Plant/Operating Supplies	7,044	2,322	7,500	7,500
5212 Motor Fuel	60,012	55,648	56,400	62,400
5215 Shop Materials	6,494	2,509	7,000	7,000
5218 Uniforms	5,343	5,062	5,600	5,800
5219 Other Miscellaneous Supplies	58,880	95,147	71,000	71,000
5220 Repair & Maintenance Supplies	14,993	33,106	22,000	22,000
5227 Utility System Maintenance Supply	146,063	99,334	159,200	119,500
5228 Painting Supplies	3,799	1,869	7,500	7,500
5240 Small Tools	6,566	9,084	8,000	8,000
5241 Small Equipment	2,634	17,965	29,400	31,200
5310 Contract Services	16,220	28,359	48,800	48,800
5320 Data Services	10,029	12,035	8,300	-
5321 Telephone	3,286	8,396	3,900	7,500
5322 Postage	76,827	75,629	74,900	73,900
5331 Training / Travel	2,563	3,454	8,800	9,000
5339 Armored Pickup	1,512	1,690	1,600	1,700
5340 Advertising and Promotion	100,123	123,808	133,800	134,600
5355 Printing & Copying	1,433	212	1,100	1,100
5404 Equipment Maintenance & Repair	9,340	9,268	6,100	5,900
5409 Fleet Services	80,083	35,988	56,200	46,600
5427 Credit Card Commissions	21,508	22,725	28,000	28,000
5432 Uncollectible Accounts	30,444	(14,717)	75,000	75,000
5433 Dues and Subscriptions	225	450	900	900
5438 Licenses	-	-	100	100
5441 Other Services & Charges	2,387	3,788	4,700	3,700
5487 Conservation Improvement	55,502	33,321	368,900	305,900
5615 Customer Deposit Refund Interest	7,083	3,627	-	-
TOTAL	750,339	694,090	1,206,200	1,094,300
1940 TOTAL - CUSTOMER SERVICES	3,781,136	3,579,616	4,294,300	4,278,600

City of Duluth Minnesota - 2012 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		2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	909,572	936,346	963,300	994,400
5101	Permanent Employees - Overtime	238,582	216,668	150,000	200,000
5103	Temporary Wages	-	-	-	-
5118	Meal Allowance	-	-	1,200	2,000
	TOTAL	1,148,154	1,153,014	1,114,500	1,196,400
EMPLOYEE BENEFITS					
5121	P.E.R.A.	72,546	77,315	65,800	67,900
5122	F.I.C.A. Social Security	68,339	70,869	59,700	74,100
5123	F.I.C.A. Medicare	16,188	16,601	14,000	17,300
5124	Health Insurance	119,118	132,899	164,400	155,300
5125	Dental Insurance	5,782	6,237	7,000	6,700
5126	Life Insurance	2,349	2,920	3,300	3,100
5127	Health Care Savings	14,902	10,849	8,700	8,900
5141	Unemployment Compensation	-	10,071	-	-
	TOTAL	299,224	327,761	322,900	333,300
OPERATING EXPENSES					
5200	Office Supplies	2,190	4,816	2,300	2,300
5201	Computer Supplies/Software	-	-	20,300	-
5205	Safety & Training Materials	4,338	15,035	4,500	4,500
5210	Plant Operations Supplies	9,093	10,353	7,000	7,600
5212	Motor Fuel	70,627	62,003	85,000	75,000
5215	Shop Materials	1,988	4,211	2,500	3,800
5218	Uniforms	4,155	4,414	3,700	3,700
5219	Other Miscellaneous Supplies	134	263	-	-
5220	Repair and Maintenance Supplies	4,953	4,856	3,300	3,300
5222	Paving Materials	7,505	12,034	5,000	8,000
5224	Gravel & Other Maintenance Supplies	15,145	22,869	12,000	12,000
5227	Utility Maintenance Supply	156,860	152,220	150,000	130,000
5228	Painting Supplies	352	253	400	400
5240	Small Tools	13,252	10,499	5,300	5,300
5241	Small Equipment	9,850	10,879	6,300	6,600
5310	Contract Services	2,666	1,706	3,600	16,100
5320	Data Services	-	-	600	-
5321	Telephone	2,428	4,108	3,000	3,000
5331	Training Expense	5,423	1,408	8,000	8,000
5333	Freight Charges	-	193	-	-
5335	Mileage Reimbursement	4,779	3,709	5,900	4,500
5355	Printing and Copying	13	1,320	500	500
5382	Water, Gas & Sewer	-	-	1,500	1,500
5384	Refuse Disposal	2,119	4,065	3,000	3,000
5404	Equipment Maintenance/Repair	2,861	1,465	1,000	1,000
5409	Fleet Service Charges	56,368	72,659	85,000	80,000
5415	Vehicle/Equipment Rental	6,488	2,245	3,000	3,000
5419	Other Rentals	-	9,273	-	-
5441	Other Services & Charges	3,521	2,065	6,000	1,500
5450	Laundry	15,051	9,606	5,800	5,100
5700	Transfer to General Fund	20,093	20,000	20,000	20,000
	TOTAL	422,252	448,527	454,500	409,700
1945	TOTAL - UTILITY OPERATIONS	1,869,630	1,929,302	1,891,900	1,939,400

City of Duluth Minnesota - 2012 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		2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	390,481	359,260	358,200	361,700
5101	Permanent Employees - Overtime	13,563	11,735	15,000	15,000
	TOTAL	<u>404,044</u>	<u>370,995</u>	<u>373,200</u>	<u>376,700</u>
EMPLOYEE BENEFITS					
5121	P.E.R.A. Contribution	23,276	24,689	24,700	24,900
5122	F.I.C.A. Social Security	22,600	22,185	22,200	23,400
5123	F.I.C.A. Medicare	5,285	5,188	5,200	5,500
5124	Health Insurance	47,622	48,524	48,500	49,400
5125	Dental Insurance	2,093	2,150	2,200	2,200
5126	Life Insurance	850	1,008	1,000	1,000
5127	Health Care Savings	7,945	8,059	3,200	3,200
	TOTAL	<u>109,671</u>	<u>111,803</u>	<u>107,000</u>	<u>109,600</u>
OPERATING EXPENSES					
5200	Office Supplies	305	-	2,500	2,500
5201	Computer Supplies/Software	-	277	16,700	-
5210	Plant Operations Supplies	15,146	16,249	21,000	15,900
5212	Motor Fuel	2,956	4,948	6,500	6,500
5218	Uniforms	230	741	1,200	1,200
5219	Other Miscellaneous Supplies	5,065	2,324	2,000	2,000
5220	Repair & Maintenance Supplies	10,168	16,833	20,000	24,500
5228	Painting Supplies	-	-	500	1,000
5241	Small Equipment	12,246	8,465	2,700	4,000
5280	Natural Gas Purchases	27,647,450	25,014,748	27,939,500	29,108,100
5310	Contract Services	29,149	-	-	-
5319	Other Professional Services	1,000	-	5,000	5,000
5320	Data Services	-	13,723	10,400	14,500
5321	Telephone	2,139	2,390	3,800	4,200
5331	Training Expense	3,293	5,640	12,600	14,000
5335	Local Mileage Reimbursement	-	703	1,500	1,500
5355	Printing and Copying	87	380	800	800
5381	Electricity	3,805	7,584	4,500	5,500
5382	Water/Sewer/Gas	-	493	4,000	3,000
5400	Miscellaneous Repair & Maint	2,969	752	3,000	3,000
5404	Equipment Maintenance Repair	5,255	8,053	12,000	14,000
5409	Fleet Services Charges	2,941	5,343	5,000	5,000
5433	Dues and Subscriptions	4,170	4,459	4,000	4,000
5441	Other Services & Charges	1,147	3,119	1,000	1,000
	TOTAL	<u>27,749,521</u>	<u>25,117,224</u>	<u>28,080,200</u>	<u>29,241,200</u>
1960	TOTAL - NATURAL GAS	28,263,236	25,600,022	28,560,400	29,727,500

City of Duluth Minnesota - 2012 Budget

Sewer Fund

530

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

The major expense category is for contractual services and charges paid to the Sanitary District of WLSSD, constituting 47% of total Approved expenses. Presented below is a tabular summary of the major categories of revenues and expenses over a four year period

Estimated Income and Expense	2009 Actual	2010 Actual	2011 Budget	2012 Approved
REVENUE				
Operating Revenue	17,888,908	17,399,259	18,346,500	17,420,000
Non-Operating Revenue	139,743	522,756	19,700	818,800
	<u>18,028,651</u>	<u>17,922,015</u>	<u>18,366,200</u>	<u>18,238,800</u>
EXPENSES				
Personal Services	3,011,218	2,945,849	3,264,300	3,586,000
Supplies	312,287	344,232	366,000	353,400
Other Services & Charges	1,319,123	1,111,862	1,246,500	1,005,100
WLSSD Treatment	8,469,042	7,478,829	8,063,200	8,647,300
Utilities	113,738	123,909	124,200	132,200
Depreciation/ Amortization	1,070,762	1,211,789	1,313,800	1,388,800
Sanitary Sewer -Grants	1,229,469	1,205,124	1,376,000	1,280,000
Improvements -Non-Capital	253,836	76,503	50,000	56,200
Debt Service - Interest	632,614	557,003	568,000	482,600
Debt Service - Other	29,749	15,376	14,600	14,000
Capital Lease Interest	62,344	104,238	101,000	95,100
Transfers	567,000	374,675	337,400	50,000
	<u>17,071,182</u>	<u>15,549,389</u>	<u>16,825,000</u>	<u>17,090,700</u>
ESTIMATED OPERATING INCOME (LOSS)				
	957,469	2,372,626	1,541,200	1,148,100
Other Sources of Cash	3,064,414	2,283,437	1,351,700	1,682,300
Other Uses of Cash	<u>(3,789,550)</u>	<u>(3,870,232)</u>	<u>(3,394,900)</u>	<u>(4,462,400)</u>
Increase (Decrease) in Cash	<u>232,333</u>	<u>785,831</u>	<u>(502,000)</u>	<u>(1,632,000)</u>

City of Duluth Minnesota - 2012 Budget

Sewer Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2011 Budget	2011 Projected	2012 Approved
ESTIMATED OPERATING INCOME (LOSS)	1,541,200	401,400	1,148,100
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,313,800	1,295,500	1,388,800
Bond Amortization	14,600	14,000	14,000
Other Post Employment Benefits Not Funded	-	65,400	261,400
Due from Other Funds	-	62,935	-
Special Assessment Principal	23,300	18,100	18,100
Total Other Sources of Cash	<u>1,351,700</u>	<u>1,455,935</u>	<u>1,682,300</u>
<u>Other Uses of Cash</u>			
Capital Grants	-	-	800,000
Due to Other Funds	-	833,139	-
Budget Carry-Over for Encumbrances	-	1,432,200	100,000
Net Project Timing Adjustments	-	-	238,700
Capital Improvements from Current Revenues	-	-	-
Infrastructure Improvements	1,420,300	1,478,800	1,302,000
Capital Equipment Purchases	341,000	290,100	319,600
Bond Principal Payments	1,476,800	1,226,800	1,539,300
AMR Lease Principal Payment	156,800	156,800	162,800
Total Other Uses of Cash	<u>3,394,900</u>	<u>5,417,839</u>	<u>4,462,400</u>
INCREASE (DECREASE) IN CASH	(502,000)	(3,560,504)	(1,632,000)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>3,191,013</u>	<u>3,240,019</u>	<u>(320,485)</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>2,689,013</u></u>	<u><u>(320,485)</u></u>	<u><u>(1,952,485)</u></u>

City of Duluth Minnesota - 2012 Budget

Sewer Fund

530

Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
OPERATING REVENUES:				
4636 Sale of Materials	-	-		1,500
4805 Reimbursements	-	-		3,800
4833 Sewer Revenues	16,395,339	15,316,199	16,280,500	15,346,900
4809 Misc. Operating Revenue	5,943	7,862	4,500	1,900
4802 Interest Earned on Customer Accounts	81,165	74,468	62,000	60,000
4831 Fixed Rate Charges	1,367,013	1,923,753	1,940,000	1,933,900
4834 Fond du Lac Grinder Pump Surcharge	10,914	12,740	14,500	12,000
4836 I & I Surcharge	5,500	(500)		
4839 Point of Sale Inspection Fee	23,034	64,737	45,000	60,000
TOTAL OPERATING REVENUES	17,888,908	17,399,259	18,346,500	17,420,000
NON-OPERATING REVENUES:				
4209 Federal Grants - Capital (ARRA)	-	269,795	-	-
4220 Minnesota Grants - Capital	75,363	-	-	800,000
4220 Minnesota Grants - Operating	-	1,250	-	-
4230 Pera Aid	8,283	8,283	8,200	8,300
4806 Connection Fees	-	9,000	5,000	4,500
4850 Earnings on Investments	641	1,181	1,500	1,000
4851 Interest Income - Other Sources	7,141	8,322	5,000	5,000
4853 Gain on Sale of Assets	2,160	720	-	-
4854 Utility Special Assessments	46,155	2,081	-	-
4730 Transfer from Special Revenue Fund	-	222,124	-	-
TOTAL NON-OPERATING REVENUES	139,743	522,756	19,700	818,800
TOTAL REVENUE	18,028,651	17,922,015	18,366,200	18,238,800

City of Duluth Minnesota - 2012 Budget

Director's Office

530-500-1900

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

Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	43,494	42,176	41,700	41,900
5101 Permanent Employees - Overtime	431	237		
TOTAL	<u>43,925</u>	<u>42,413</u>	<u>41,700</u>	<u>41,900</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,446	2,791	2,900	2,900
5122 F.I.C.A. Social Security	2,689	2,459	2,600	2,600
5123 F.I.C.A. Medicare	629	603	600	600
5124 Health Insurance	4,345	3,135	3,100	3,600
5125 Dental Insurance	237	211	200	200
5126 Life Insurance	96	99	100	100
5127 Health Care Savings	407	1,080	400	1,300
TOTAL	<u>11,849</u>	<u>10,378</u>	<u>9,900</u>	<u>11,300</u>
OPERATING EXPENSES				
5200 Office Supplies	28	109	100	100
5205 Safety & Training Materials	84	-		
5241 Small Equipment	-	500	200	200
5321 Telephone	294	139	100	200
5331 Training Expense	-	493	300	300
5335 Mileage Reimbursement	-	28	100	100
5441 Other Services & Charges	108	27		
TOTAL	<u>514</u>	<u>1,296</u>	<u>800</u>	<u>900</u>
1900 TOTAL - DIRECTOR'S OFFICE	56,288	54,087	52,400	54,100

City of Duluth Minnesota - 2012 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
OPERATING EXPENSES				
5420 Depreciation	1,070,762	1,211,789	1,313,800	1,388,800
5441 Other Services and Charges	788	-	-	-
5535 Improvements (Non-Capital)	253,836	76,503	50,000	56,200
5540 Equipment (Non-Capital)	1,426	-	-	-
5611 Bond Interest	632,614	557,003	568,000	482,600
5613 Interest - from Amortization	12,713	407	100	(3,600)
5614 Capital Lease Interest	62,344	104,238	101,000	95,100
5620 Fiscal Agents Fee	2,217	2,120	2,100	1,800
5622 Bond Amortization	17,036	14,969	14,500	17,600
TOTAL	2,053,736	1,967,029	2,049,500	2,038,500
NON-OPERATING EXPENSES				
5532 Capital Improvements - Bonds	678,150	59,752	-	-
5533 Capital Improvements - Revenue	145,595	538,562	-	-
5536 Utility Infrastructure Replace. Proj.	10,943	412,973	1,420,300	1,302,000
5580 Capital Equipment	1,369	440,030	341,000	319,600
TOTAL	836,057	1,451,317	1,761,300	1,621,600
1905 TOTAL - CAPITAL	2,889,793	3,418,346	3,810,800	3,660,100

City of Duluth Minnesota - 2012 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	4,328	6,508	5,300	35,700
5101 Permanent Employees - Overtime	-	5		
TOTAL	4,328	6,513	5,300	35,700
EMPLOYEE BENEFITS				
5121 P.E.R.A.	252	345	400	2,400
5122 F.I.C.A. Social Security	268	405	300	2,200
5123 F.I.C.A. Medicare	63	95	100	500
5124 Health Insurance	482	760	1,100	7,100
5125 Dental Insurance	36	52	-	300
5126 Life Insurance	421	833	-	100
5127 Health Care Savings	1,237	47	100	300
5134 Other Post Retirement Benefits	(295,055)	(37,705)	-	261,400
5135 Retiree Health Insurance	334,081	165,104	132,100	209,400
5151 Worker's Compensation	127,700	62,900	89,100	8,900
TOTAL	169,485	192,836	223,200	492,600
OPERATING EXPENSES				
5200 Office Supplies	712	331	600	600
5201 Computer Supplies/Software	25,424	9,370	21,100	24,800
5205 Safety & Training	378	286	800	800
5211 Cleaning & Janitorial Supplies	3,125	2,831	2,800	2,800
5219 Other Miscellaneous Supplies	-	3,830		
5241 Small Equipment	2,933	486	300	300
5301 Auditing Services	2,789	2,229	2,500	2,500
5305 Medical Services/Testing Fees	2,392	1,590	2,000	2,000
5310 Contract Services	16,079	-	6,000	3,000
5312 Lobbyist Fee	-	1,000		
5320 Data Services	-	2,506	6,600	12,400
5321 Telephone	14,656	16,571	7,200	8,800
5331 Training / Travel	1,286	281	900	1,200
5335 Mileage Reimbursement - Local	-	-	100	100
5360 Insurance	248,799	163,700	226,700	36,500
5381 Electricity	13,718	16,656	14,600	14,600
5382 Water, Gas & Sewer	14,244	10,573	17,800	17,000
5384 Refuse Disposal	2,406	2,223	2,200	2,400
5401 Building/structure Repair & Maint	4,865	3,963	6,300	6,300
5418 Vehicle/Equipment Lease	3,423	3,976	2,700	3,000
5433 Dues and Subscriptions	155	-		
5438 Licenses	-	57	300	
5439 Special Projects	-	93	1,500	1,500
5441 Other Services & Charges	3,848	2,000	4,400	2,800
5450 Laundry	2,295	2,764	1,700	2,000
5493 Cost Allocation	330,700	330,700	330,700	306,900
5700 Transfer to General Fund	-		26,000	
5700 Transfer to Internal Service Funds	517,000	324,675	261,400	
TOTAL	1,211,227	902,691	947,200	452,300
1915 TOTAL - UTILITY GENERAL	1,385,040	1,102,040	1,175,700	980,600

City of Duluth Minnesota - 2012 Budget

Engineering

530-500-1930

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

Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	262,673	277,846	309,200	315,300
5101 Permanent Employees - Overtime	14,646	12,395	15,000	15,000
5103 Temporary Wages	1,074	2,061	2,000	3,000
TOTAL	278,393	292,302	326,200	333,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	16,841	19,252	21,200	21,700
5122 F.I.C.A. Social Security	16,017	17,371	19,200	20,500
5123 F.I.C.A. Medicare	3,746	4,063	4,500	4,800
5124 Health Insurance	32,912	36,116	44,000	49,000
5125 Dental Insurance	1,491	1,683	2,000	2,000
5126 Life Insurance	606	789	900	900
5127 Health Care Savings	6,620	2,863	5,200	4,100
TOTAL	78,233	82,137	97,000	103,000
OPERATING EXPENSES				
5200 Office Supplies	507	254	900	800
5201 Computer Supplies	5,402	5,603	7,600	6,100
5203 Paper, Stationary & Forms	98	249	200	200
5212 Motor Fuels	-	1,126	1,200	500
5219 Other Miscellaneous Supplies	1,403	137	1,600	1,200
5240 Small Tools	49	120	200	500
5241 Small Equipment	1,953	5,876	4,200	2,200
5242 Survey Equipment and Supplies	-	-	-	4,600
5320 Data Services	-	-	-	400
5321 Telephone	606	1,268	800	1,100
5322 Postage	60	-	100	100
5331 Training Expenses	4,406	1,064	4,500	5,900
5335 Mileage Reimbursement - Local	60	44	100	100
5355 Printing and Copying	709	526	700	700
5404 Equipment Maintenance/Repair	464	874	600	800
5409 Fleet Services Charges	1,421	921	1,200	1,200
5418 Vehicle/Equipment Lease	1,267	1,549	2,200	2,500
5433 Dues & Subscriptions	516	34	600	600
5435 Books & Pamphlets	9	147	200	200
5438 Licenses	-	169	-	200
5441 Other Services and Charges	6,758	2,260	1,900	2,400
5486 One Call System	-	2,648	2,600	2,600
TOTAL	25,688	24,869	31,400	34,900
1930 TOTAL - ENGINEERING	382,314	399,308	454,600	471,200

City of Duluth Minnesota - 2012 Budget

Customer Services

530-500-1940

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

Expense Detail		2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	271,172	266,751	249,800	251,100
5101	Permanent Employees - Overtime	23,134	4,474	2,300	2,800
5103	Temporary Wages	-	-		
	TOTAL	294,306	271,225	252,100	253,900
EMPLOYEE BENEFITS					
5121	P.E.R.A.	17,421	17,503	16,900	17,000
5122	F.I.C.A. Social Security	17,741	16,260	15,500	15,700
5123	F.I.C.A. Medicare	4,149	3,825	3,600	3,700
5124	Health Insurance	40,162	40,848	39,500	47,700
5125	Dental Insurance	2,017	2,108	2,000	2,000
5126	Life Insurance	838	988	900	900
5127	Health Care Savings	6,259	3,195	2,200	6,900
	TOTAL	88,587	84,727	80,600	93,900
OPERATING EXPENSES					
5200	Office Supplies	4,602	8,116	1,400	1,400
5201	Computer Supplies	-	660	300	300
5203	Paper/Stationery	4,778	1,865	2,300	2,300
5212	Motor Fuel	-	457	300	700
5241	Small Equipment	130	1,138	2,100	2,100
5310	Contract Services	9,566	16,664	28,800	28,800
5321	Telephone	134	215	300	300
5322	Postage	45,308	44,329	44,300	43,600
5331	Training Expense	-	706	400	700
5339	Armored Pickup	892	997	1,000	1,000
5404	Equipment Maintenance & Repair	4,688	4,538	3,100	3,000
5409	Fleet Services	656	1,188	500	600
5427	Credit Card Commission	6,218	7,963	11,200	11,200
5432	Uncollectible Accounts	142,912	41,215	30,000	30,000
5441	Other Services & Charges	846	236	1,400	800
5451	Pay Station	-	-	-	-
	TOTAL	220,730	130,287	127,400	126,800
1940	TOTAL-CUSTOMER SERVICES	603,623	486,239	460,100	474,600

City of Duluth Minnesota - 2012 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		2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	894,632	906,857	993,500	1,076,100
5101	Permanent Employees - Overtime	185,186	139,432	150,000	145,000
5103	Temporary Wages	-	-	-	-
5118	Meal Allowance	-	-	1,000	2,000
	TOTAL	1,079,818	1,046,289	1,144,500	1,223,100
EMPLOYEE BENEFITS					
5121	P.E.R.A.	69,684	69,931	67,900	73,300
5122	F.I.C.A. Social Security	67,213	63,262	61,600	75,700
5123	F.I.C.A. Medicare	15,719	14,795	14,400	17,700
5124	Health Insurance	116,447	129,201	192,400	191,300
5125	Dental Insurance	6,272	6,349	7,400	7,700
5126	Life Insurance	2,652	2,973	3,500	3,600
5127	Health Care Savings	16,904	10,676	9,000	21,800
5141	Unemployment Compensation	12,515	1,104	-	-
	TOTAL	307,406	298,291	356,200	391,100
OPERATING EXPENSES					
5200	Office Supplies	7,495	13,020	4,500	4,500
5201	Computer Supplies	2,536	900	22,300	2,900
5205	Safety & Training Materials	7,992	17,297	6,000	6,000
5210	Plant Operations Supplies	23,067	18,877	20,400	20,400
5212	Motor Fuel	37,823	42,774	60,000	60,000
5215	Shop Materials	900	1,082	1,500	1,000
5218	Uniforms	7,771	5,428	6,300	5,300
5219	Other Miscellaneous Supplies	-	3,052	-	-
5220	Repair and Maintenance Supplies	11,964	12,953	13,300	13,300
5222	Paving Materials	14,820	13,947	10,000	13,000
5224	Gravel and other Mtc Materials	44,565	45,106	50,000	50,000
5227	Utility Maintenance Supply	51,637	90,195	49,000	49,000
5240	Small Tools	11,888	9,285	5,500	5,500
5241	Small Equipment	16,259	14,146	26,400	20,000
5310	Contract Services	40,248	12,898	13,000	29,500
5320	Data Services	-	5,263	1,600	7,700
5321	Telephone	698	1,786	9,300	2,100
5331	Training Expense	14,918	17,786	13,800	13,800
5333	Freight/Delivery Charges	39	416	500	500
5335	Mileage Reimbursement	31,666	31,586	6,600	6,600
5355	Printing and Copying	764	2,962	1,000	1,000
5381	Electricity	51,095	71,216	54,000	64,000
5382	Water, Gas & Sewer	19,699	8,789	20,000	20,500
5384	Refuse Disposal	12,576	14,452	15,600	13,700
5404	Equipment Maintenance/Repair	2,341	95	3,600	3,600
5409	Fleet Service Charges	95,424	87,982	130,000	110,000
5410	Fond Du Lac Grinder Pump	-	5,292	2,500	2,500
5415	Vehicle/Equipment Rental	1,873	5,089	3,000	3,000
5433	Dues and Subscriptions	350	310	500	500
5438	Licenses	161	241	400	400
5441	Other Services & Charges	3,207	15,333	13,000	8,500
5450	Laundry	9,480	9,093	10,000	8,000
5700	Transfer to General Fund	50,000	50,000	50,000	50,000
	TOTAL	573,256	628,651	623,600	596,800
1945	TOTAL - UTILITY OPERATIONS	1,960,480	1,973,231	2,124,300	2,211,000

City of Duluth Minnesota - 2012 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
5484 Western Lake Superior Sanitary District Srv Charge	8,469,042	7,478,829	8,063,200	8,647,300
5485 Western Lake Superior Sanitary District Testing	<u>204,419</u>	<u>216,985</u>	<u>217,000</u>	<u>222,500</u>
0575 TOTAL- SEWER TREATMENT	8,673,461	7,695,814	8,280,200	8,869,800

City of Duluth Minnesota - 2012 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		2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	465,117	451,091	530,800	427,100
5101	Permanent Employees - Overtime	50,394	41,518	45,000	50,000
	TOTAL	515,511	492,609	575,800	477,100
EMPLOYEE BENEFITS					
5121	P.E.R.A.	32,454	32,052	36,300	29,000
5122	F.I.C.A. Social Security	31,385	30,038	32,900	29,600
5123	F.I.C.A. Medicare	7,340	7,025	7,700	6,900
5124	Health Insurance	53,872	48,766	65,100	55,500
5125	Dental Insurance	3,008	2,912	3,500	2,900
5126	Life Insurance	1,222	1,365	1,600	1,400
5127	Health Care Savings	10,096	3,971	4,700	3,800
	TOTAL	139,377	126,129	151,800	129,100
OPERATING EXPENSES					
5200	Office Supplies	1,595	846	1,000	1,000
5201	Computer Supplies	-	666	500	500
5205	Safety & Training	100	26	300	300
5212	Motor Fuels	-	3,812	3,000	9,000
5218	Uniforms	497	689	1,500	1,300
5220	Repair & Maintenance Supplies	723	95	1,500	1,500
5227	Utility System Maintenance Supplies	960	143	2,000	2,000
5240	Small Tools	114	251	500	300
5241	Small Equipment	16,549	6,298	32,300	34,100
5319	Other Professional Services	1,933	3,485	20,000	-
5320	Data Services	1,236	1,599	2,900	1,700
5321	Telephone	5,474	4,567	5,200	5,200
5322	Postage	13	-	500	500
5331	Training Expense	3,655	1,536	6,100	6,100
5335	Mileage Reimbursement	6,474	2,080	37,800	30,000
5355	Printing & Copying	263	-	1,500	1,500
5404	Equipment Maintenance Repair	-	4,755	4,500	4,500
5409	Fleet Services	2,627	4,059	3,500	3,500
5441	Other Services and Charges	620	112		
5450	Laundry	-	-		1,700
5482	Private Property Sewer Grants	1,229,469	1,205,124	1,376,000	1,280,000
5535	Improvements (Non-Capital)	29,050	12,760		
	TOTAL	1,301,352	1,252,903	1,500,600	1,384,700
1970	TOTAL INFLOW & INFILTRATION	1,956,240	1,871,641	2,228,200	1,990,900

City of Duluth Minnesota - 2012 Budget

Clean Water Fund

532

Estimated Income and Expense	2009 Actual	2010 Actual	2011 Budget	2012 Approved
REVENUE				
Operating Revenue	2,423,186	2,938,400	3,010,000	1,915,000
Non-Operating Revenue	3,315,211	8,318,088	4,000,300	4,329,800
	<u>5,738,397</u>	<u>11,256,488</u>	<u>7,010,300</u>	<u>6,244,800</u>
EXPENSES				
Supplies	-	28,479	-	-
Other Services & Charges	20,762	30,998	10,600	22,800
Depreciation/ Amortization	-	17,212	420,600	443,600
Grants & Awards	733,656	928,606	1,000,000	800,000
Debt Service - Interest	897	40,139	239,500	209,100
Debt Service - Other	276	1,194	1,000	1,700
	<u>755,591</u>	<u>1,046,628</u>	<u>1,671,700</u>	<u>1,477,200</u>
ESTIMATED OPERATING INCOME (LOSS)	4,982,806	10,209,860	5,338,600	4,767,600
Other Sources of Cash	3,152,003	313,646	421,600	445,300
Other Uses of Cash	(7,746,090)	(9,628,173)	(4,981,400)	(5,368,100)
Increase (Decrease) in Cash	<u>388,719</u>	<u>895,333</u>	<u>778,800</u>	<u>(155,200)</u>

City of Duluth Minnesota - 2012 Budget

Clean Water Fund Estimated Unrestricted Cash Balance

<u>OPERATING FUND</u>	2011 Budget	2011 Projected	2012 Approved
ESTIMATED OPERATING INCOME (LOSS)	5,338,600	5,918,200	4,767,600
<u>Other Sources of Cash</u>			
Depreciation and Amortization	420,600	162,200	443,600
Bond Amortization	1,000	1,700	1,700
Total Other Sources of Cash	<u>421,600</u>	<u>163,900</u>	<u>445,300</u>
<u>Other Uses of Cash</u>			
Capital Grants	4,000,000	4,000,000	4,329,200
Budget Carry-Over for Encumbrances	-	133,000	-
Capital Improvements from Current Revenues	-	161,500	-
Infrastructure Improvements	-	-	-
Capital Equipment Purchases	-	-	-
Bond Principal Payments	981,400	981,400	1,038,900
Total Other Uses of Cash	<u>4,981,400</u>	<u>5,275,900</u>	<u>5,368,100</u>
INCREASE (DECREASE) IN CASH	778,800	806,200	(155,200)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>1,412,067</u>	<u>1,884,100</u>	<u>2,690,300</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>2,190,867</u></u>	<u><u>2,690,300</u></u>	<u><u>2,535,100</u></u>

City of Duluth Minnesota - 2012 Budget

Clean Water Surcharge Fund

532

Revenue Detail		2009 Actual	2010 Actual	2011 Budget	2012 Approved
OPERATING REVENUES					
4836	I & I Surcharge	-	103,250	100,000	80,000
4837	Clean Water Surcharge	2,423,186	2,835,150	2,910,000	1,835,000
	TOTAL	2,423,186	2,938,400	3,010,000	1,915,000
NON-OPERATING REVENUES					
4209	Federal Grants - Capital	835,207	-	4,000,000	
4209	Federal Grants - Capital (ARRA)	2,479,799	3,755,604		
4220	Minnesota Grants - Capital	-	4,561,903		4,329,200
4850	Earnings on Investments	205	581	300	600
	TOTAL	3,315,211	8,318,088	4,000,300	4,329,800
TOTAL REVENUE		5,738,397	11,256,488	7,010,300	6,244,800

City of Duluth Minnesota - 2012 Budget

Clean Water Surcharge Fund

532

Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
OPERATING EXPENSES				
5201 Computer Supplies/Software	-	28,479		
5301 Auditing Services	-	2,232		2,000
5420 Depreciation	-	17,212	420,600	443,600
5427 Credit Card Commissions	-	746	600	800
5432 Uncollectible Accounts	15,579	30,337	10,000	20,000
5434 Grants & Awards	733,656	928,606	1,000,000	800,000
5441 Other Services & Charges	5,183	(2,317)	-	
5481 Property Taxes	-		-	
5611 Bond Interest	897	40,139	239,500	209,100
5622 Bond Amortization	276	1,194	1,000	1,700
TOTAL	<u>755,591</u>	<u>1,046,628</u>	<u>1,671,700</u>	<u>1,477,200</u>
NON-OPERATING EXPENSES				
5532 Capital Improvements-Bond	219,306	11,950,973	-	8,911,500
5533 Capital Improvements-Revenue	1,679,569	659,311	-	-
5536 Utility Infrastructure Replacement	2,751,515	133,237	-	-
5580 Capital Equipment	-	450,744	-	-
TOTAL	<u>4,650,390</u>	<u>13,194,265</u>	<u>-</u>	<u>8,911,500</u>
TOTAL EXPENSES	5,405,981	14,240,893	1,671,700	10,388,700

City of Duluth Minnesota - 2012 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
REVENUE				
Stormwater Sewer Service	5,120,945	4,685,309	4,650,000	4,700,000
Miscellaneous Revenue	28,328	15,711	19,000	21,600
Non-Operating	101,616	31,479	34,000	3,800
	<u>5,250,889</u>	<u>4,732,499</u>	<u>4,703,000</u>	<u>4,725,400</u>
EXPENSES				
Personal Services	1,754,200	1,805,028	1,657,100	2,086,000
Supplies	172,627	257,860	230,700	229,000
Other Services and Charges	615,329	550,943	600,400	615,300
Utilities	30,863	36,613	45,000	40,900
Depreciation and Amortization	365,612	423,537	559,500	553,300
Improvements - Non-Capital	191,006	78,739	343,000	336,200
Debt Service - Interest	100,623	81,078	89,800	68,400
Bond Amortization	6,706	2,655	2,700	2,500
Transfers Out	699,858	658,425	691,200	685,900
	<u>3,936,824</u>	<u>3,894,878</u>	<u>4,219,400</u>	<u>4,617,500</u>
ESTIMATED OPERATING INCOME (LOSS)				
	1,314,065	837,621	483,600	107,900
Other Sources of Cash	978,630	671,596	580,000	565,900
Other Uses of Cash	(1,849,409)	(1,617,661)	(1,715,500)	(1,505,700)
Increase (Decrease) in Cash	<u>443,286</u>	<u>(108,444)</u>	<u>(651,900)</u>	<u>(831,900)</u>

City of Duluth Minnesota - 2012 Budget

Stormwater Utility Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2011 Budget	2011 Projected	2012 Approved
ESTIMATED OPERATING INCOME (LOSS)	483,600	412,100	107,900
<u>Other Sources of Cash</u>			
Depreciation and Amortization	559,500	476,700	553,300
Bond Amortization	2,700	2,500	2,500
Other Post Employment Benefits Not Funded	-	43,800	-
Due from Other Funds	-	36,849	-
Special Assessment Principal	17,800	10,100	10,100
Total Other Sources of Cash	<u>580,000</u>	<u>569,949</u>	<u>565,900</u>
<u>Other Uses of Cash</u>			
Capital Grants	32,500	6,700	-
Due to Other Funds	-	354,257	-
Budget Carry-Over for Encumbrances	-	669,900	-
Net Project Timing Adjustments	-	-	24,900
Capital Improvements from Current Revenues	820,000	423,900	899,000
Capital Equipment Purchases	676,000	193,300	386,800
Bond Principal Payments	187,000	95,000	195,000
Total Other Uses of Cash	<u>1,715,500</u>	<u>1,743,057</u>	<u>1,505,700</u>
INCREASE (DECREASE) IN CASH	(651,900)	(761,008)	(831,900)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>1,334,608</u>	<u>2,420,389</u>	<u>1,659,381</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>682,708</u></u>	<u><u>1,659,381</u></u>	<u><u>827,481</u></u>

City of Duluth Minnesota - 2012 Budget

Stormwater Utility Fund

535

Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
OPERATING REVENUES:				
4636 Sale of Materials	-	1,375		600
4835 Stormwater Revenues	5,120,945	4,685,309	4,650,000	4,700,000
4802 Interest Earned on Customer Accounts	22,867	11,361	15,000	18,000
4805 Reimbursements	-	468		2,500
4809 Miscellaneous Operating Revenues	5,461	2,507	4,000	500
TOTAL OPERATING REVENUE	5,149,273	4,701,020	4,669,000	4,721,600
NON-OPERATING REVENUES:				
4210 Federal Grants - Operating	62,797	28,339	-	2,600
4220 State of Minnesota Grant - Capital	10,981	1,250	32,500	
4220 State of Minnesota Grant - Operating	10,847		-	-
4850 Earnings on Investments	1,241	1,284	1,500	1,200
4851 Interest - Other Sources	462	286	-	-
4853 Gain/Loss - Sales of Fixed Assets	960	320	-	-
4854 Utility Assessments	14,328		-	-
4730 Transfer from Internal Service Fund	-		-	-
TOTAL NON-OPERATING REVENUES	101,616	31,479	34,000	3,800
TOTAL REVENUE	5,250,889	4,732,499	4,703,000	4,725,400

City of Duluth Minnesota - 2012 Budget

Director's Office

535-500-1900

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

Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	43,494	42,176	41,700	41,900
5101 Permanent Employees - Overtime	431	237	-	-
TOTAL	43,925	42,413	41,700	41,900
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,446	2,791	2,900	2,900
5122 F.I.C.A. Social Security	2,690	2,459	2,600	2,600
5123 F.I.C.A. Medicare	629	603	600	600
5124 Health Insurance	4,346	3,136	3,100	3,600
5125 Dental Insurance	237	211	200	200
5126 Life Insurance	96	99	100	100
5127 Health Care Savings	407	1,080	400	1,300
TOTAL	11,851	10,379	9,900	11,300
OPERATING EXPENSES				
5200 Office Supplies	-	-	100	100
5241 Small Equipment	84	-	100	200
5321 Telephone	148	200	100	200
5331 Training Expense	-	-	300	300
5335 Mileage Reimbursement-Local	22	49	100	100
5441 Other Services & Charges	108	27	-	-
TOTAL	362	276	700	900
1900 TOTAL - DIRECTOR'S OFFICE	56,138	53,068	52,300	54,100

City of Duluth Minnesota - 2012 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
OPERATING EXPENSES				
5420 Depreciation	365,612	423,537	559,500	553,300
5421 Amortization	-	-	-	-
5441 Other Services and Charges	778	-	-	-
5535 Improvements (Non-Capital)	191,006	78,739	343,000	336,200
5540 Equipment (Non-Capital)	2,324	-	-	-
5611 Bond Interest	100,623	81,078	89,800	68,400
5613 Interest from Amortization	305	516	700	(700)
5620 Fiscal Agent Fees	438	543	400	400
5622 Bond Amortization	6,401	2,139	2,000	3,200
TOTAL	<u>667,487</u>	<u>586,552</u>	<u>995,400</u>	<u>960,800</u>
NON-OPERATING EXPENSES				
5532 Capital Improvements - Bond	-	-	-	-
5533 Capital Improvements - Revenue	442,360	931,846	820,000	899,000
5580 Capital Equipment	189,169	412,178	676,000	386,800
TOTAL	<u>631,529</u>	<u>1,344,024</u>	<u>1,496,000</u>	<u>1,285,800</u>
1905 TOTAL - CAPITAL	1,299,016	1,930,576	2,491,400	2,246,600

City of Duluth Minnesota - 2012 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	2,164	3,257	5,300	23,100
TOTAL	2,164	3,257	5,300	23,100
EMPLOYEE BENEFITS				
5121 P.E.R.A.	126	173	400	1,500
5122 F.I.C.A. Social Security	134	203	300	1,400
5123 F.I.C.A. Medicare	31	48	100	300
5124 Health Insurance	241	381	1,100	5,800
5125 Dental Insurance	18	26	-	200
5126 Life Insurance	7	12	-	100
5127 Health Care Savings	619	24	100	200
5134 Other Post Retirement Benefits	(21,765)	9,817	-	-
5135 Retiree Health Insurance	-	-	-	32,300
5151 Worker's Compensation	800	1,500	1,800	2,100
TOTAL	(19,789)	12,184	3,800	43,900
OPERATING EXPENSES				
5200 Office Supplies	675	86	600	600
5201 Computer Supplies/Software	12,808	4,888	9,300	14,100
5205 Safety & Training Materials	292	204	700	700
5211 Cleaning and Janitorial Supplies	3,079	2,796	2,000	2,000
5241 Small Equipment	2,895	276	300	300
5301 Auditing Services	1,308	743	1,200	1,200
5305 Medical Services/Testing Fees	-	-	400	400
5310 Contract Services	5,079	-	-	-
5320 Data Services	-	2,506	6,600	9,000
5321 Telephone	5,003	4,863	5,100	5,100
5331 Training Expenses	273	281	900	1,200
5335 Mileage Reimbursement - Local	-	-	100	100
5360 Insurance	35,500	23,800	2,200	3,100
5381 Electricity	10,167	12,416	10,400	10,400
5382 Water & Gas	9,721	7,183	13,500	12,100
5384 Refuse Disposal	3,435	5,229	4,600	5,000
5401 Bldg/Structure Repair & Maint	4,150	2,739	4,600	4,600
5418 Vehicle/Equipment Lease	2,445	2,646	1,900	2,100
5433 Dues and Subscriptions	1,750	-	1,700	1,700
5439 Special Projects	61,747	52,218	9,500	9,500
5441 Other Services and Charges	41,509	25,671	22,400	22,500
5450 Laundry	2,295	2,764	1,700	2,000
5493 Cost Allocation Charges	170,000	170,000	170,000	150,700
5700 Transfer to General Fund	-	-	5,300	-
5700 Transfer to Internal Service Funds	197,100	147,825	175,300	175,300
TOTAL	571,231	469,134	450,300	433,700
1915 TOTAL - UTILITY EXPENSE	553,606	484,575	459,400	500,700

City of Duluth Minnesota - 2012 Budget

Engineering

535-500-1930

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

Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	223,958	267,716	325,600	345,400
5101 Permanent Employees - Overtime	12,572	9,836	13,000	13,000
5103 Temporary Wages	1,074	2,061	2,000	3,000
TOTAL	237,604	279,613	340,600	361,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	14,263	18,542	22,300	23,800
5122 F.I.C.A. Social Security	13,529	16,447	20,200	22,200
5123 F.I.C.A. Medicare	3,164	3,846	4,700	5,200
5124 Health Insurance	26,446	35,170	49,600	55,500
5125 Dental Insurance	1,248	1,613	2,100	2,100
5126 Life Insurance	507	756	1,000	1,000
5127 Health Care Savings	6,269	2,808	5,400	4,400
TOTAL	65,426	79,182	105,300	114,200
OPERATING EXPENSES				
5200 Office Supplies	477	254	900	800
5201 Computer Supplies	7,350	8,647	15,100	5,900
5203 Paper, Stationery and Forms	98	249	100	100
5205 Safety & Training Materials	52	70	-	400
5212 Motor Fuel	-	796	1,200	1,200
5219 Other Miscellaneous Supplies	646	67	1,400	-
5240 Small Tools	49	120	200	500
5241 Small Equipment	2,122	3,899	4,700	2,200
5242 Survey Equipment and Supplies	-	-	-	4,600
5303 Engineering Services	9,584	22,036	105,000	135,000
5310 Contract Services	-	7,422	5,000	5,000
5320 Data Services	-	-	-	400
5321 Telephone	658	534	800	800
5322 Postage	40	-	100	100
5331 Training Expenses	7,001	5,404	4,800	8,500
5335 Mileage Reimbursement	180	44	200	200
5355 Printing and Copying	13	526	300	300
5404 Equipment Maintenance Repair	464	874	600	800
5409 Fleet Services	1,805	843	1,800	1,800
5418 Vehicle/Equipment Lease	1,267	1,549	2,200	2,500
5433 Dues and Subscriptions	516	34	400	400
5435 Books and Pamphlets	9	147	200	200
5438 Licenses	-	169	-	200
5441 Other Services and Charges	170	703	30,900	30,900
5486 One Call system	-	2,647	2,600	2,600
TOTAL	32,501	57,034	178,500	205,400
1930 TOTAL - ENGINEERING	335,531	415,829	624,400	681,000

City of Duluth Minnesota - 2012 Budget

Customer Services

535-500-1940

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

Expense Detail		2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	86,903	93,069	106,900	108,100
5101	Permanent Employees - Overtime	8,460	2,042	1,200	1,500
5103	Temporary Wages	-	-	-	-
	TOTAL	95,363	95,111	108,100	109,600
EMPLOYEE BENEFITS					
5121	P.E.R.A.	5,823	6,149	7,200	7,300
5122	F.I.C.A. Social Security	5,909	5,719	6,600	6,800
5123	F.I.C.A. Medicare	1,382	1,337	1,500	1,600
5124	Health Insurance	13,899	14,793	17,900	20,500
5125	Dental Insurance	656	725	800	800
5126	Life Insurance	275	340	400	400
5127	Health Care Savings	2,226	1,191	1,000	3,400
	TOTAL	30,170	30,254	35,400	40,800
OPERATING EXPENSES					
5200	Office Supplies	1,821	3,282	700	700
5201	Computer Supplies	-	344	200	200
5203	Paper/Stationery	1,870	730	1,200	1,200
5212	Motor Fuels	-	-	100	
5241	Small Equipment	19	510	1,100	1,200
5310	Contract Services	3,743	8,685	15,000	15,000
5321	Telephone	52	128	100	100
5322	Postage	17,729	23,128	23,100	22,800
5331	Training Expense	-	603	200	400
5339	Armored Pickup	349	520	500	500
5355	Printing & Copying	-	47	-	-
5404	Equipment Maintenance & Repair	1,728	2,365	500	400
5409	Fleet Services	98	4,589	100	
5427	Credit Card Commission	1,686	2,251	2,500	2,500
5432	Uncollectible Accounts	83,363	247		
5441	Other Services & Charges	10	45	800	500
	TOTAL	112,468	47,474	46,100	45,500
1940	TOTAL - CUSTOMER SERVICES	238,001	172,839	189,600	195,900

City of Duluth Minnesota - 2012 Budget

Utility Operations

535-500-1945

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

Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	915,003	864,267	709,100	910,400
5101 Permanent Employees - Overtime	119,171	121,337	70,000	100,000
5103 Temporary Wages	-	-	-	-
5118 Meal Allowance	-	-	500	1,000
TOTAL	1,034,174	985,604	779,600	1,011,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	60,769	65,153	48,500	62,000
5122 F.I.C.A. Social Security	59,322	59,838	44,000	62,600
5123 F.I.C.A. Medicare	13,873	13,994	10,300	14,700
5124 Health Insurance	101,747	109,737	110,900	165,200
5125 Dental Insurance	5,695	5,938	4,900	6,600
5126 Life Insurance	2,314	2,781	2,300	3,100
5127 Health Care Savings	9,592	9,590	6,500	14,200
TOTAL	253,312	267,031	227,400	328,400
OPERATING EXPENSES				
5200 Office Supplies	2,901	4,623	2,000	2,000
5201 Computer Supplies/Software	12	2,389	20,500	1,100
5205 Safety & Training Materials	4,414	7,641	3,600	3,600
5210 Plant Operating Supplies	8,052	6,538	12,600	12,600
5212 Motor Fuels	26,484	52,562	35,000	50,000
5218 Uniforms	1,623	694	2,900	3,600
5219 Other Miscellaneous Supplies	512	577	-	-
5220 Repair and Maintenance Supplies	4,533	4,536	4,800	4,800
5222 Paving Materials	5,423	15,239	5,000	12,000
5224 Gravel and Other Maintenance Materials	22,326	42,903	14,900	20,700
5227 Utility Maintenance Supplies	40,195	72,367	60,500	53,500
5240 Small Tools	3,011	2,550	6,000	6,000
5241 Small Equipment	16,480	18,023	22,900	22,100
5310 Contract Services	3,922	2,681	2,500	16,300
5320 Data Services	364	380	2,900	2,000
5321 Telephone	699	2,135	1,500	2,300
5322 Postage	-	-	200	200
5331 Training Expense	4,265	9,198	10,700	10,700
5333 Freight and Delivery Charges	-	-	500	500
5335 Mileage Reimbursement	13,403	15,627	34,900	20,000
5355 Printing & Copying	3,056	3,378	5,500	5,500
5382 Water /Sewer/Gas	-	-	4,500	2,500
5384 Refuse Disposal	7,540	11,785	12,000	10,900
5404 Equipment/Maintenance Repair	684	3,793	6,300	6,300
5409 Fleet Services	116,040	124,828	90,000	90,000
5415 Vehicle/Equip Rent	6,938	-	7,000	7,000
5419 Other Rentals	-	3,993	-	-
5433 Dues and Subscriptions	967	2,175	500	500
5438 Licenses	-	400	500	500
5441 Other Services & Charges	628	354	5,400	900
5450 Laundry	1,345	7,411	5,100	6,500
5700 Transfer to General Fund	502,758	510,600	510,600	510,600
TOTAL	798,575	929,380	891,300	885,200
1945 TOTAL - UTILITY OPERATIONS	2,086,061	2,182,015	1,898,300	2,225,000

City of Duluth Minnesota - 2012 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
REVENUE				
Operating	5,885,868	6,335,614	7,170,800	7,647,200
Miscellaneous	266,400	281,732	160,600	174,500
	6,152,268	6,617,346	7,331,400	7,821,700
EXPENSES				
Duluth Steam Co-op				
Management Contract	1,881,600	2,099,010	2,150,500	2,084,700
Fuel Expense	2,320,320	2,429,489	3,194,900	3,821,500
Other Operating &				
Maintenance Expense	578,259	498,731	503,600	409,500
Depreciation	918,090	953,142	994,200	1,029,600
In Lieu of Taxes	117,000	117,000	128,400	152,800
Bond Interest	301,566	281,806	262,000	250,900
	6,116,835	6,379,178	7,233,600	7,749,000
ESTIMATED OPERATING INCOME/(LOSS)	35,433	238,168	97,800	72,700

City of Duluth Minnesota - 2012 Budget

Steam Utility Fund

540

Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
4801 Off/On Charge	360	212	400	400
4840 Energy Charge	2,585,084	2,697,363	3,163,400	3,790,000
4841 Steam Flat Rate	144	144	100	100
4842 Capacity Charge	3,069,251	3,244,370	3,637,500	3,468,000
4843 Steam Repair - Labor	2,901	18,737	2,400	2,400
4844 Steam Repair - Materials	4,510	2,666	2,400	2,400
4845 Hot Water Sales	73,480	83,126	84,000	84,000
4846 Chilled Water Capacity Charge	170,467	186,675	186,000	186,000
4847 Chilled Water Energy Charge	61,066	73,350	71,600	91,900
4855 DECC Capacity Charge	159,575	162,232	160,600	173,900
4850 Earnings on Investments	-	-	-	600
4802 Interest Earned on Customer Accounts	15,548	18,072	13,200	13,200
4809 Misc Non-Operating Income	9,882	130,399	9,800	8,800
TOTAL REVENUE	6,152,268	6,617,346	7,331,400	7,821,700

City of Duluth Minnesota - 2012 Budget

Steam Utility Fund

540

Expense Detail by Division		2009 Actual	2010 Actual	2011 Budget	2012 Approved
1490	Production	2,320,320	2,429,489	3,194,900	3,821,500
1491	Chiller Production	37,015	43,029	46,700	60,400
1492	Production Maintenance	175,446	162,769	170,100	136,800
1493	Transmission & Distribution	135,940	128,511	139,500	92,500
1494	Customer Accounting	4,876	2,400	2,700	2,700
1495	Administration & General	3,141,672	3,303,192	3,417,700	3,384,200
1499	Debt Service & Capital	301,566	309,788	262,000	250,900
TOTAL EXPENSES		6,116,835	6,379,178	7,233,600	7,749,000

City of Duluth Minnesota - 2012 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
5216 Chemicals	44,305	34,804	41,100	44,400
5310 Contract Services	892	0	0	0
5311 Security Services	204	17	300	300
5220 Repair and Mtc Supplies	124	2,986	0	0
5381 Electricity	162,851	187,019	184,400	221,500
5382 Water, Gas and Sewer	187,740	192,582	280,800	280,800
5383 Natural Gas	7,995	39,161	174,500	174,500
5384 Refuse Disposal	713	13,648	1,200	1,200
5385 Oil	24,408	27,481	34,400	50,800
5387 Coal	1,778,101	1,874,185	2,412,200	2,970,000
5388 Ash Handling	112,987	57,606	66,000	78,000
1490 TOTAL - PRODUCTION	2,320,320	2,429,489	3,194,900	3,821,500

City of Duluth Minnesota - 2012 Budget

Chiller Production

540-1491

Records the variable cost of producing and distributing chilled water.

Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
5216 Chemicals	5,575	2,740	4,400	4,400
5310 Contract Services	6,311	6,336	9,600	19,200
5381 Electricity	17,876	21,653	21,800	21,800
5382 Water, Gas & Sewer	7,253	12,300	10,900	15,000
1491 TOTAL - PRODUCTION	37,015	43,029	46,700	60,400

City of Duluth Minnesota - 2012 Budget

Production Maintenance

540-1492

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

Expense Detail		2009 Actual	2010 Actual	2011 Budget	2012 Approved
5205	Safety Equipment & Supplies	11,023	2,956	4,800	4,800
5220	Repair Materials & Supplies	77,699	110,412	108,000	88,000
5310	Contract Services	86,724	49,401	57,300	44,000
1492	TOTAL - PRODUCTION MAINTENANCE	175,446	162,769	170,100	136,800

City of Duluth Minnesota - 2012 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		2009 Actual	2010 Actual	2011 Budget	2012 Approved
5220	Repair Materials & Supplies	62,732	62,616	60,500	60,500
5310	Contract Services	73,208	65,895	79,000	32,000
1493	TOTAL - TRANSMISSIONS & DISTRIBUTION	135,940	128,511	139,500	92,500

City of Duluth Minnesota - 2012 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	2009 Actual	2010 Actual	2011 Budget	2012 Approved
5200 Office Supplies	0	0	300	300
5432 Uncollectible Accounts	<u>4,876</u>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>
1494 TOTAL - CUSTOMER ACCOUNTING	4,876	2,400	2,700	2,700

City of Duluth Minnesota - 2012 Budget

Administration & General

540-1495

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

Expense Detail		2009 Actual	2010 Actual	2011 Budget	2012 Approved
5301	Audit Fees	5,228	5,074	6,000	6,000
5304	Legal Services	41,864	0	0	0
5307	Management Contract	1,881,600	2,099,010	2,150,500	2,084,700
5319	Other Professional Services	88,808	33,894	42,000	0
5321	Telephone Service	4,081	4,731	4,800	4,800
5361	General Liability Boiler Insurance	1,162	1,160	1,200	3,200
5420	Depreciation	918,090	953,142	994,200	1,029,600
5438	Licenses Operating	34,319	35,663	40,500	53,000
5441	Other Services & Charges	20	18	600	600
5480	Payment in Lieu of Taxes	117,000	121,000	128,400	152,800
5493	Cost Allocation	49,500	49,500	49,500	49,500
1495	TOTAL - ADMINISTRATION & GENERAL	3,141,672	3,303,192	3,417,700	3,384,200

City of Duluth Minnesota - 2012 Budget

Debt Service

540-1499

To pay the interest expense on the outstanding bond issues, as well as the DEDA storefront loan.

Expense Detail		2009 Actual	2010 Actual	2011 Budget	2012 Approved
5611	Bond Interest	291,887	272,628	252,400	241,300
5612	Other Debt Interest	350	10	0	0
5614	Bond Amortization	7,491	7,418	7,800	7,800
5620	Fiscal Agents Fee	1,838	1,750	1,800	1,800
5530	Improvements Other than Bldgs	0	27,982	0	0
1499	TOTAL - DEBT SERVICE	301,566	309,788	262,000	250,900

City of Duluth Minnesota - 2012 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 Actual	2011 Budget	2012 Approved
REVENUE				
Operating Revenue	1,209,061	1,190,746	2,479,500	2,134,700
Non-Operating	62,563	79,372	5,000	16,000
	<u>1,271,624</u>	<u>1,270,118</u>	<u>2,484,500</u>	<u>2,150,700</u>
EXPENSE				
Personal Services	362,763	400,552	396,200	517,700
Supplies	109,240	184,191	131,200	147,200
Other Services and Charges	43,241	678,128	206,100	204,600
Utilities	604,615	72,208	961,000	750,000
Depreciation	220,490	221,769	225,000	225,000
Capital Equipment	51,633	0	150,000	150,000
	<u>1,391,982</u>	<u>1,556,848</u>	<u>2,069,500</u>	<u>1,994,500</u>
ESTIMATED OPERATING INCOME / (LOSS)	(120,358)	(286,730)	415,000	156,200
BUDGETED FTE'S				
32 Traffic Operations Leadworker	1	1	1	1
30 Electrician	1	1	1	2
30 Signal Technician	2	2	2	2
16 Maintenance Worker Helper	0	0	1	0
Division Total	4	4	5	5

City of Duluth Minnesota - 2012 Budget

Street Lighting Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2011 Projected	2012 Approved
ESTIMATED UNRESTRICTED CASH BALANCE	(15,475)	61,525
Estimated Net Income (Loss)	2,000	156,200
<u>Other Sources</u>		
Depreciation	<u>225,000</u>	<u>225,000</u>
Total Other Sources	225,000	225,000
<u>Other Uses</u>		
Capital Equipment Purchases	<u>150,000</u>	<u>150,000</u>
Total Other Uses	150,000	150,000
ESTIMATED BUDGETARY YEAR END CASH BALANCE	<u>61,525</u>	<u>292,725</u>

City of Duluth Minnesota - 2012 Budget

Street Lighting Utility

550

Revenue Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
OPERATING REVENUES:				
4838 Street Lighting Fee	1,209,061	1,190,746	2,479,500	2,134,700
TOTAL OPERATING REVENUES	1,209,061	1,190,746	2,479,500	2,134,700
NON-OPERATING REVENUES				
4636 Sale of Scrap	865	2,073		
4654 Other Reimbursements		31,906		10,000
4680 Damages or Losses Recovered	58,477	39,061		
4802 Interest Earned	3,222	6,331	5,000	6,000
TOTAL NON-OPERATING REVENUES	62,564	79,371	5,000	16,000
TOTAL REVENUE	1,271,625	1,270,117	2,484,500	2,150,700

City of Duluth Minnesota - 2012 Budget

Street Lighting Utility

550

Operating Expense Detail	2009 Actual	2010 Actual	2011 Budget	2012 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	244,462	270,664	273,500	364,400
5101 Permanent Employees - Overtime	34,857	39,342	25,000	40,000
5103 Temporary Employees - Regular	0	0	0	0
TOTAL	<u>279,319</u>	<u>310,006</u>	<u>298,500</u>	<u>404,400</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	17,438	20,711	20,500	20,900
5122 F.I.C.A. Social Security	16,843	18,397	18,500	18,900
5123 F.I.C.A. Medicare	3,939	4,302	4,300	4,400
5131 Health Insurance	34,907	42,029	49,100	51,900
5132 Dental Insurance	1,558	1,824	1,900	1,900
5133 Life Insurance	633	855	900	900
5141 Unemployment Compensation	8,125	2,428	2,500	14,400
TOTAL	<u>83,443</u>	<u>90,546</u>	<u>97,700</u>	<u>113,300</u>
OTHER EXPENDITURES				
5200 Office Supplies	1,561	1,736	1,000	1,000
5201 Computer Supplies	337	451	900	900
5205 Safety & Training	1,407	867	1,500	1,500
5211 Cleaning/Janitorial Supplies	2,008	1,192	1,000	1,000
5212 Motor Fuels	20	38,542	20,000	35,000
5218 Uniforms	445	1,512	1,000	2,000
5219 Other Miscellaneous Supplies	1,580	8,694	1,800	1,800
5226 Sign & Signal Supplies	47,286	71,907	50,000	50,000
5230 Street Lighting Supplies	45,610	48,456	50,000	50,000
5240 Small Tools	8,182	4,319	3,000	3,000
5241 Small Equipment	803	6,515	1,000	1,000
5319 Other Professional Services	0	0	30,000	30,000
5321 Telephone	574	686	500	700
5331 Travel/Training	1,232	1,480	1,000	1,000
5335 Mileage Reimbursement - Local	4,868	3,811	5,200	3,500
5389 Electricity	604,615	678,128	961,000	750,000
5389 Street Lighting	0	19,397	15,000	15,000
5401 Bldg/Structure Repair & Maintenance	317	247	1,000	1,000
5404 Equipment Repair & Maintenance	70	786	500	500
5409 Fleet Service Charges	22,253	27,504	50,000	50,000
5415 Equipment Rental	0	281	500	500
5420 Depreciation	220,490	221,769	225,000	225,000

City of Duluth Minnesota - 2012 Budget

Street Lighting Utility

550

Operating Expense Detail		2009 Actual	2010 Actual	2011 Budget	2012 Approved
5432	Uncollectible Accounts	10,027	12,232	0	0
5433	Dues & Subscriptions	70	70	100	100
5435	Books	0	80	100	100
5438	Licenses	110	35	200	200
5441	Other Services & Charges	562	4,153	100	100
5450	Laundry	3,160	1,446	1,900	1,900
5493	Cost Allocation	0	0	100,000	100,000
5580	Capital Equipment	51,633	0	150,000	150,000
TOTAL		1,029,220	1,156,296	1,673,300	1,476,800
TOTAL STREET LIGHT UTILITY		1,391,982	1,556,848	2,069,500	1,994,500

Internal Service Funds

City of Duluth Minnesota - 2012 Budget

Internal Service Funds

Funds

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

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

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	9,346,770	10,470,262	10,707,609	9,207,309
REVENUES				
Participation from Other Funds	20,011,487	18,323,931	17,355,000	19,028,500
Charges for Services	3,186,585	3,333,297	3,570,100	3,557,100
Miscellaneous	3,929,171	2,783,806	2,825,600	3,584,400
TOTAL REVENUES	<u>27,127,243</u>	<u>24,441,034</u>	<u>23,750,700</u>	<u>26,170,000</u>
EXPENSES				
Personal Services	1,904,639	1,771,486	1,826,500	1,941,400
Other Expenditures	2,772,373	4,287,185	3,304,300	4,423,100
Claims	21,326,739	18,145,016	20,120,200	21,317,300
TOTAL EXPENSES	<u>26,003,751</u>	<u>24,203,687</u>	<u>25,251,000</u>	<u>27,681,800</u>
FUND BALANCE - DECEMBER 31	10,470,262	10,707,609	9,207,309	7,695,509

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	115,481	588,425	1,094,083	1,117,583
REVENUES				
Transfer from City Funds:				
General	700,000	900,000	700,000	800,000
Public Utility	1,114,314	334,200	418,400	243,400
Spirit Mountain	20,110	17,840	16,600	0
Duluth Airport	120,500	117,855	83,600	0
Other Reimbursements	221,100	48,553		50,000
TOTAL REVENUES	<u>2,176,024</u>	<u>1,418,448</u>	<u>1,218,600</u>	<u>1,093,400</u>
EXPENSES				
Personal Services	505,100	326,158	339,300	350,000
Claims:				
Worker's Compensation	846,720	110,995	421,500	346,600
Other Services and Charges	351,260	475,637	434,300	350,000
TOTAL EXPENSES	<u>1,703,080</u>	<u>912,790</u>	<u>1,195,100</u>	<u>1,046,600</u>
FUND BALANCE - DECEMBER 31	588,425	1,094,083	1,117,583	1,164,383

City of Duluth Minnesota - 2012 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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	252,134	422,972	1,116,034	1,129,434
REVENUES				
Transfer from City Funds:				
General	400,000	200,000	400,000	300,000
Public Utility	570,000	615,000	708,200	294,300
Duluth Steam	1,162	1,160	1,200	3,200
Spirit Mountain	21,413	22,174	22,200	0
Duluth Airport	59	57	100	0
DEDA	14,993	18,858	18,900	20,600
Other Reimbursements	14,643	121,182		
TOTAL REVENUES	<u>1,022,270</u>	<u>978,431</u>	<u>1,150,600</u>	<u>618,100</u>
EXPENSES				
Claims: Liability	455,998	11,737	798,000	325,100
Property/Boiler Insurance	101,937	101,293	101,000	110,000
Other Services and Charges	293,497	172,339	238,200	200,000
TOTAL EXPENSES	<u>851,432</u>	<u>285,369</u>	<u>1,137,200</u>	<u>635,100</u>
FUND BALANCE - DECEMBER 31	422,972	1,116,034	1,129,434	1,112,434

City of Duluth Minnesota - 2012 Budget

Medical Health Fund

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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	8,272,893	8,583,026	7,656,073	6,230,373
REVENUES				
Transfer from City Funds	16,738,268	15,781,011	14,669,000	17,034,000
Sub-Groups	1,344,709	1,260,714	1,327,000	1,378,300
Miscellaneous	1,970,852	955,563	1,094,000	1,739,100
TOTAL REVENUES	<u>20,053,829</u>	<u>17,997,288</u>	<u>17,090,000</u>	<u>20,151,400</u>
EXPENSES				
Personal Services	250,000	250,000	250,000	250,000
Claims	19,433,843	17,409,024	18,215,700	19,926,400
Other Services and Charges	59,853	1,265,217	50,000	1,253,800
TOTAL EXPENSES	<u>19,743,696</u>	<u>18,924,241</u>	<u>18,515,700</u>	<u>21,430,200</u>
FUND BALANCE - DECEMBER 31	8,583,026	7,656,073	6,230,373	4,951,573

City of Duluth Minnesota - 2011 Budget

Dental Health Fund

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.

	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	200,226	253,757	307,405	296,805
REVENUES				
Transfer from City Funds	310,668	315,776	316,800	333,000
Sub-Groups	58,486	64,657	60,000	65,000
Miscellaneous	319,381	333,137	344,600	352,000
TOTAL REVENUES	<u>688,535</u>	<u>713,570</u>	<u>721,400</u>	<u>750,000</u>
EXPENSES				
Claims	590,178	613,260	685,000	719,200
Other Services and Charges	44,826	46,662	47,000	49,300
TOTAL EXPENSES	<u>635,004</u>	<u>659,922</u>	<u>732,000</u>	<u>768,500</u>
FUND BALANCE - DECEMBER 31	253,757	307,405	296,805	278,305

City of Duluth Minnesota - 2012 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.

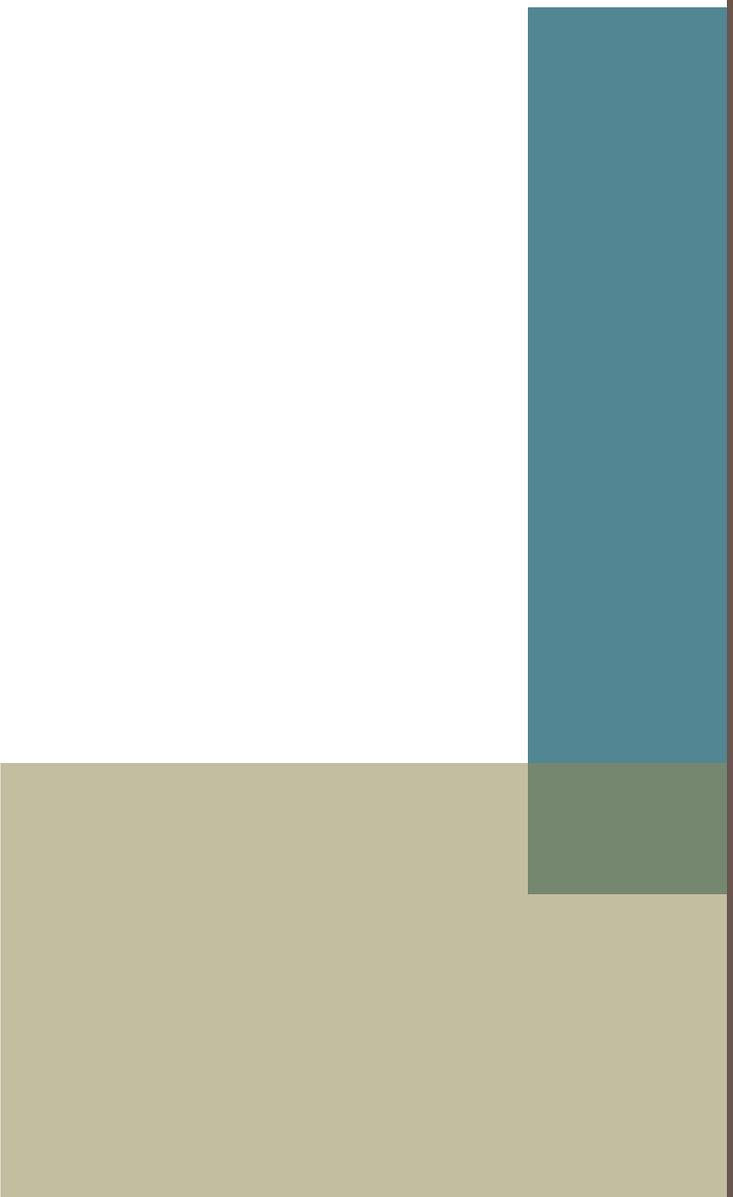
	2009 Actual	2010 Actual	2011 Budget	2012 Approved
FUND BALANCE - JANUARY 1	506,036	622,082	534,014	433,114
REVENUES				
Fleet Services				
General Fund	2,368,260	2,427,130	2,566,500	2,559,500
Golf Fund	36,997	52,633	60,000	60,000
Parking Fund	641	0	3,000	3,000
Water and Gas	464,873	459,871	542,700	520,400
Sewer	137,951	142,321	199,700	186,200
Stormwater	144,428	183,618	128,200	143,000
Street Light Utility	22,273	66,047	70,000	85,000
Other	11,162	1,677		
TOTAL REVENUES	3,186,585	3,333,297	3,570,100	3,557,100
EXPENSES				
Personal Services	882,419	916,200	945,200	1,009,000
Benefits	267,120	279,128	292,000	332,400
Other Expenses	1,921,000	2,214,955	2,433,800	2,460,000
Capital Outlay		11,082		
TOTAL EXPENSES	3,070,539	3,421,365	3,671,000	3,801,400
FUND BALANCE - DECEMBER 31	622,082	534,014	433,114	188,814
BUDGETED FTE'S				
1115 Manager, Maintenance Operations	0.2	0.2	0.2	0.2
1050 Mgr, Maintenance & Supply	1	1	1	1
133 Budget Analyst		0.2	0.2	0.2
32 Fleet Services Leadworker	1	2	2	2
28 Mechanic	5	5	5	6
28 Welder	2	2	2	2
27 Storekeeper	1	1	1	1
27 Industrial Equipment Technician	1	1	1	1
25 Equipment Maintenance Spec	3	2	2	2
24 Assistant Storekeeper	1	2	2	2
22 Maintenance Worker	1	1	1	1
Division Total	16.2	17.4	17.4	18.4

Fleet Services

660-015

EXPENSE DETAIL		2009	2010	2011	2012
		Actual	Actual	Budget	Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	869,288	898,612	930,200	989,000
5101	Permanent Employees - Overtime	13,131	17,588	15,000	20,000
5103	Temporary Employees - Regular	0	0	0	0
	TOTAL	<u>882,419</u>	<u>916,200</u>	<u>945,200</u>	<u>1,009,000</u>
5121	P.E.R.A.	56,614	60,298	63,700	68,800
5122	F.I.C.A. Social Security	53,836	55,865	58,600	62,600
5123	F.I.C.A. Medicare	12,591	13,065	13,700	14,600
5124	Health Insurance	123,271	128,068	138,000	149,100
5125	Dental Insurance	6,214	6,350	6,700	7,100
5126	Life Insurance	3,366	3,988	3,100	3,300
5127	Health Care Savings Plan	11,228	11,494	8,200	26,900
	TOTAL	<u>267,120</u>	<u>279,128</u>	<u>292,000</u>	<u>332,400</u>
OTHER EXPENDITURES					
5200	Office Supplies	2,240	3,392	4,000	4,000
5201	Computer Supplies/Software	0	142	5,000	5,000
5205	Safety & Training Materials	1,362	1,169	4,000	4,000
5210	Plant/Operating Supplies	19,756	8,443	15,000	15,000
5212	Motor Fuel	780,979	1,035,167	1,065,000	1,065,000
5215	Shop Materials	0	9,471	13,000	13,000
5219	Other Miscellaneous Supplies	18,345	11,858	17,000	17,000
5221	Equipment Repair Supplies	753,546	795,719	864,000	864,000
5240	Small Tools	2,958	6,044	7,000	7,000
5241	Small Equipment	5,913	1,938	5,000	5,000
5405	Medical Services/Testing Fees	2,771	0	500	500
5319	Other Professional Services	0	504	1,500	1,500
5320	Data Services	3,511	3,395	4,000	4,000
5321	Telephone	2,094	2,091	1,000	1,000
5334	Training Expense	3,174	1,372	4,500	4,500
5335	Mileage Reimbursement	4,911	4,481	6,000	6,000
5381	Electricity	13,592	16,400	20,000	20,000
5382	Water, Gas and Sewer	14,266	13,225	20,000	15,000
5384	Refuse Disposal	1,263	1,570	1,600	2,000
5401	Building Structure Repair	0	2,076	2,500	2,500
5404	Equipment Repair & Maintenance	83,292	77,008	125,500	125,500
5418	Vehicle/Equipment Lease	3,532	3,545	3,600	4,000
5419	Other Rental	0	0	1,500	1,500
5420	Depreciation	60,714	72,033	41,000	65,800
5438	Licenses	2,670	6,991	4,000	8,000
5441	Other Services and Charges	13,387	10,857	30,000	30,000
5450	Laundry	11,134	13,083	12,000	12,000
5493	Cost Allocation Charges	108,200	108,200	108,200	108,200
5604	Capital Lease Principle	0	0	33,100	47,200
5615	Capital Lease Interest	7,390	4,781	14,300	1,800
5580	Capital Equipment	0	11,082		
	TOTAL	<u>1,921,000</u>	<u>2,226,037</u>	<u>2,433,800</u>	<u>2,460,000</u>
	TOTAL EXPENSES	3,070,539	3,421,365	3,671,000	3,801,400

CAPITAL PROGRAM



CAPITAL BUDGET AND PLAN

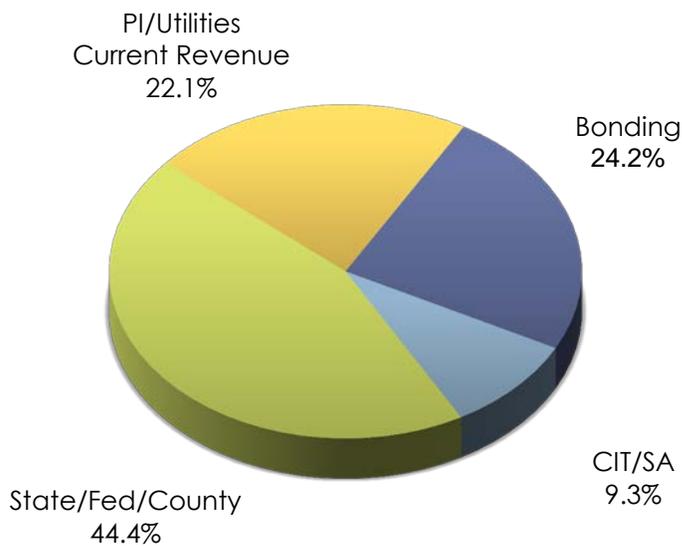
The City of Duluth's Capital Improvement Plan (CIP) is a plan for the development and maintenance of the city's "physical plant" covering items thought of as infrastructure – street, water, gas and sewer lines, bridges etc. as well as city facilities and property. Also included in this plan is the city's 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 2012 Capital Budget and the 2013 through 2016 Capital Improvement Plan, as well as a summary of the Capital Equipment Budget and Plan.

2012 Proposed Improvements

The 2012 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 \$37,077,200 consisting of an array of projects and funding sources. The chart below shows the breakdown of funding for the 2012 program.

Capital improvements are funded by the sale of a capital improvement bond in the amount of \$1,375,000; a federal grant of \$3,026,100; and a matching grant bond of \$956,500 for a combined program total of \$5,913,600.



The Street and Bridge Reconstruction and Preservation program for 2012 totals \$16,435,100. Funding sources include bonding; aids and grants; special assessments; utility bonds; and Community Investment Trust Fund - CITF. In recent years, the CITF has been used to fund the street preservation program targeting streets that are in moderate to fair conditions to extend the street's useful life. For 2012, a scaled back program of \$750,000 will be aimed at reducing potholes by capping streets.

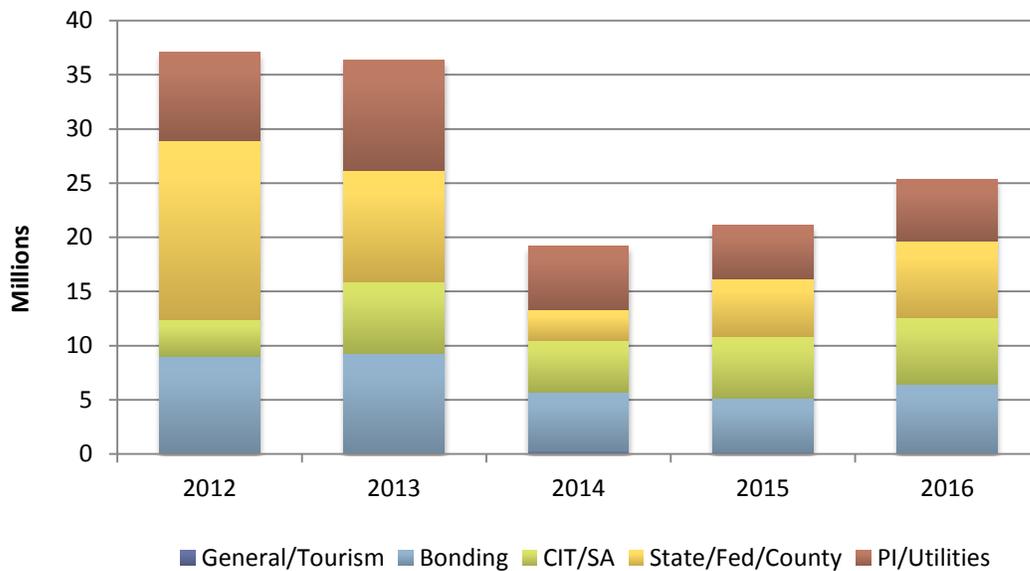
2012 Capital Utility Projects will be funded through aids and grants in the amount of \$4,329,200; utility bonds in the amount of \$4,582,300; and current year utility revenue of \$5,817,000 for a total of \$14,728,500.

Current Year Revenue	\$ 8,189,100
Bonding	\$ 8,993,800
CIT/SA	\$ 3,443,000
State/Fed County	<u>\$16,451,300</u>
Total 2012 Plan	\$37,077,200

Five Year Improvement Plan

The City has identified \$139.186 million in improvements along with funding sources over the course of the next five years. The General Fund contribution will total \$500,000 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 2012, the City is proposing to bond \$1.375 million for capital improvements and \$956,500 for trails; for 2013, the figures are \$1.995 million and \$400,000 respectively. The proposed bond amounts for the remaining three years are \$1.985 million in 2014; \$1.915 in 2015; and \$1.555 million in 2016 for a combined five year total of \$10.181 million for improvements and trail bonds. Other sources include property tax dollars levied in the Permanent Improvement Fund for street and bridge projects totaling \$2.31 million with \$1.841 million to come from current year property tax revenues and the balance from prior year balances. The Utility Funds will finance \$32.8 million utilizing current year operating revenues, with an additional \$24.5 million to be financed with bonds over the five year period for a combined total of \$57.3 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 \$18,238,000 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 \$21.9 million. Federal funding in the amount of \$18.5 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.



	2012	2013	2014	2015	2016	Total
General Fund	0	0	300,000	200,000	0	500,000
Bonding	8,993,800	9,245,000	5,385,000	4,915,000	6,455,000	34,993,800
SIF/CIT/SA	3,443,000	6,660,000	4,789,000	5,713,000	6,100,000	26,705,000
State/Federal/County	16,451,300	10,250,000	2,800,000	5,360,000	7,050,000	41,911,300
PI & Utilities	8,189,100	10,219,500	5,937,500	4,950,000	5,780,000	35,076,100
Total Plan	37,077,200	36,374,500	19,211,500	21,138,000	25,385,000	139,186,200

2012 CAPITAL IMPROVEMENTS PROGRAM FUNDING SOURCES

	CIP/Grant Bond	Prior Yr Bond	PI/ Prior Yr PI	Aids/ Grants	CIF/ SA	Utility Bond	Utility Revenue	Total
Capital Improvement Program								
Buildings City-Wide	315,000							315,000
City Hall	810,000							810,000
Lakewalk & Munger Trails	956,500			3,582,100				4,538,600
Library	250,000							250,000
	2,331,500			3,582,100				5,913,600
Street & Bridge Reconstruction and Preservation Program								
Misc Annual Infrastructure			142,100	200,000	800,000			1,142,100
10th Avenue East				300,000				300,000
11th Avenue East Diagonal Parking					25,000			25,000
26th Avenue East Signals			10,000	40,000				50,000
46th Avenue West Signals			10,000	40,000				50,000
Anderson Road				1,500,000	188,000		570,000	2,258,000
Chris Jensen Road		280,000		280,000				560,000
Concrete Pavement Repairs				600,000				600,000
East 1st Street Retaining Wall				400,000				400,000
Fairmont Street Bridge L8516			250,000	250,000				500,000
Oxford/Livingston/Glenwood				2,500,000	500,000		826,000	3,826,000
Plum Street					80,000			80,000
Raleigh Street				230,000			30,000	260,000
Ridgeview Road				1,400,000				1,400,000
Riverside		1,571,000			279,000	1,800,000	334,000	3,984,000
Skyline Parkway Bridge			200,000	800,000				1,000,000
		1,851,000	612,100	8,540,000	1,872,000	1,800,000	1,760,000	16,435,100
Capital Utility Projects								
Amex Upgrades							250,000	250,000
Filtration Controls							140,000	140,000
Lakewood Sludge Removal							420,000	420,000
Water Main Replacement							450,000	450,000
Copper Risers							750,000	750,000
First Street Gas Project							1,000,000	1,000,000
Gas Capital Project							300,000	300,000
Gas Main Extensions							500,000	500,000
Lift Station Improvements							452,000	452,000
Manhole Adjustments							100,000	100,000
Sanitary Sewer Rehab/Reline							500,000	500,000
Clean Water Infrastructure				4,329,200		4,582,300		8,911,500
Miscellaneous Stormwater Projects							415,000	415,000
Storm Sewer Replacement							250,000	250,000
Brewery & Gray's Creek							290,000	290,000
Capital Utility Projects Total				4,329,200		4,582,300	5,817,000	14,728,500
GRAND TOTAL	2,331,500	1,851,000	612,100	16,451,300	1,872,000	6,382,300	7,577,000	37,077,200

2012-2016 Capital Improvement Program Project Summary

	2012	2013	2014	2015	2015	TOTAL
Capital Improvement Program						
Furnace/Boiler Replacements			150,000	175,000	175,000	500,000
Masonry Repair	150,000	150,000	150,000	150,000	150,000	750,000
Storage Buildings		75,000				75,000
Security/Entry Systems		125,000				125,000
Facility Needs Priorities	165,000	400,000	950,000	1,000,000	1,000,000	3,515,000
Modernization/Remodeling	110,000	110,000	110,000	110,000	110,000	550,000
Window Replacement	500,000					500,000
Switch Closet Air Conditioning	200,000					200,000
Firehall #1 Masonry			50,000			50,000
Firehall #1 Remodel		250,000				250,000
Firehall #2 Window Replacement					120,000	120,000
Firehall #2 Roof Replacement			250,000			250,000
Firehall #4 & 7 Brick Repair			100,000			100,000
Firehall #10 Apparatus Bay Floor & Upgrade		130,000				130,000
Firehall Carpet Replacement		55,000				55,000
Firehall Furnace Replacements				50,000		50,000
Firehall Keyless Entry System			100,000			100,000
Firehall Overhead Doors		100,000	75,000	120,000		295,000
Firehall Roof Replacements				250,000		250,000
Firehall Structural Access Approaches		50,000				50,000
Firehall Ventilation		100,000	50,000	60,000		210,000
Lakewalk	1,851,400					1,851,400
Munger Trail	2,687,200	900,000	800,000	700,000		5,087,200
Library Mechanical Systems	250,000	300,000				550,000
Solar and Green Roof		150,000				150,000
Capital Improvement Program Total	5,913,600	2,895,000	2,785,000	2,615,000	1,555,000	15,763,600

2012-2016 Capital Improvement Program Project Summary

	2012	2013	2014	2015	2015	TOTAL
Street & Bridge Reconstruction and Preservation Program						
Misc Annual Infrastructure	1,142,100	770,000	580,000	680,000	350,000	3,522,100
3rd Street Bridge 91143				640,000		640,000
10th Avenue East	300,000	2,672,000				2,972,000
11th Avenue East Diagonal Parking	25,000					25,000
26th Avenue East Signals	50,000	418,700				468,700
27th Avenue West		300,000	2,690,000			2,990,000
40th Avenue West			321,500			321,500
43rd Avenue East					50,000	50,000
45th Avenue East		941,000				941,000
46th Avenue West Signals	50,000	418,800				468,800
47th Avenue East				1,183,500		1,183,500
52nd Avenue East				762,500		762,500
63rd Avenue West Bridge L3140				420,000		420,000
Aerial Lift Bridge		5,000,000				5,000,000
Anderson Road	2,258,000					2,258,000
Bristol Street Bridge L8485					300,000	300,000
Carver Avenue			289,500			289,500
Central Avenue Bridge L88550				450,000		450,000
Chambersberg				684,000		684,000
Chris Jensen Road	560,000					560,000
Concrete Pavement Repairs	600,000					600,000
Congdon Blvd			2,320,500			2,320,500
Decker Road				1,085,000		1,085,000
Downtown Area Brick Reconstruction		50,000	550,000		7,800,000	8,400,000
Duluth Heights Connector					5,700,000	5,700,000
East 1st Street Retaining Wall	400,000					400,000
Eklund Avenue			297,500			297,500
Fairmont Street Bridge L8516	500,000					500,000
Lakeside - Lower West				160,000	1,935,000	2,095,000
Maxwell Avenue				452,500		452,500
Norton Road		1,210,000				1,210,000
Oxford Street Bridge L9419					300,000	300,000
Oxford/Livingston/Glenwood	3,826,000					3,826,000
Pleasant View		739,000				739,000
Plum Street	80,000					80,000
Raleigh Street	260,000	2,656,000				2,916,000
Redwing Street				600,500		600,500
Ridgeview Road	1,400,000					1,400,000
Riverside	398,400	4,034,000				8,018,000
Skyline Parkway		880,000		490,000	1,130,000	2,500,000
Skyline Parkway Bridge	1,000,000					1,000,000
Toledo Avenue Bridge L8496			150,000			150,000
Triggs Avenue Bridge L5833			150,000			150,000
West First Street Reconstruct			300,000	4,450,000		4,750,000
West Superior Street			702,500			702,500
Street, Bridge and Preservation Total	16,435,100	20,089,500	8,351,500	12,058,000	17,565,000	74,499,100

2012-2016 Capital Improvement Program Project Summary

	2012	2013	2014	2015	2015	TOTAL
Capital Utility Projects						
57th Avenue West		750,000				750,000
Amex Upgrades	250,000					250,000
Backwash MCC at Water Plant		610,000				610,000
Building & Structure Repairs				100,000	100,000	200,000
Filtration Controls	140,000					140,000
Intake Screen Repairs			100,000			100,000
Lakewood Pump Station upgrade		75,000				75,000
Lakewood Sludge Removal	420,000	400,000				820,000
Middle Pump Station				2,000,000		2,000,000
Pump House Roof			650,000			650,000
Switch Gear		280,000				280,000
Water Filter Upgrades			1,800,000	440,000	440,000	2,680,000
Water Main Replacement	450,000	1,500,000	1,000,000	1,000,000	1,000,000	4,950,000
Water Plant electrical upgrades			1,600,000			1,600,000
West Duluth Reservoir		5,000,000				5,000,000
Woodland Booster Station					2,000,000	2,000,000
Copper Risers	750,000	750,000				1,500,000
First Street Gas Project	1,000,000	600,000				1,600,000
Gas Capital Project	300,000	500,000	500,000	500,000	500,000	2,300,000
Gas Main Extensions	500,000	500,000	500,000	500,000	500,000	2,500,000
Lift Station Improvements	452,000	675,000	400,000	400,000	450,000	2,377,000
Manhole Adjustments	100,000	100,000	100,000	100,000	100,000	500,000
Sanitary Sewer Rehab/Reline	500,000	750,000	750,000	750,000	750,000	3,500,000
Clean Water Infrastructure	8,911,500					8,911,500
Miscellaneous Stormwater Projects	415,000	400,000	175,000	175,000	175,000	1,340,000
Storm Sewer Replacement	250,000	250,000	250,000	250,000	250,000	1,250,000
Brewery & Gray's Creek	290,000	250,000	250,000	250,000		1,040,000
Capital Utility Projects Total	14,728,500	13,390,000	8,075,000	6,465,000	6,265,000	48,923,500
GRAND TOTAL	37,077,200	36,374,500	19,211,500	21,138,000	25,385,000	139,186,200

5 YEAR CAPITAL IMPROVEMENTS PROGRAM BY FUNDING SOURCE

	2012	2013	2014	2015	2016	TOTAL
Capital Improvement Bond	1,375,000	1,995,000	1,985,000	1,915,000	1,555,000	8,825,000
Matching Grant Bond	956,500	400,000				1,356,500
Prior Year Bond	280,000					280,000
General Fund - Current Year Revenue			300,000	200,000		500,000
Permanent Improvement Fund	142,100	407,500	510,000	180,000	600,000	1,839,600
Prior Year Permanent Improvement	470,000					470,000
Federal Grants	5,426,100	6,550,000	500,000	2,050,000	4,000,000	18,526,100
State Funding						
MSA	4,410,000	3,700,000	2,300,000	2,680,000	3,050,000	16,140,000
Cleanwater Infrastructure Fund	4,329,200					4,329,200
State Bonding	250,000			630,000		880,000
DNR	556,000					556,000
St Louis County	1,480,000					1,480,000
Street Improvement Fund	1,571,000					1,571,000
Community Investment Trust Fund	750,000	4,767,000	3,356,000	4,515,000	4,850,000	18,238,000
Special Assessment	1,122,000	1,893,000	1,433,000	1,198,000	1,250,000	6,896,000
Utilities - Bonding						
Water	800,000	5,850,000	3,400,000	3,000,000	3,400,000	16,450,000
Clean Water	4,582,300					4,582,300
Utilities - Current Year Revenue						
Water	1,946,000	3,721,000	2,012,500	1,620,000	1,965,000	11,264,500
Gas	2,620,000	2,470,000	1,000,000	1,000,000	1,050,000	8,140,000
Sewer	1,472,000	2,057,000	1,620,000	1,400,000	1,610,000	8,159,000
Stormwater	1,539,000	1,564,000	795,000	750,000	555,000	5,203,000
TOTAL ALL FUNDING SOURCES	36,077,200	35,374,500	19,211,500	21,138,000	23,885,000	135,686,200

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	2012	2013	2014	2015	2016	Total
Buildings City-Wide	315,000	750,000	1,250,000	1,325,000	1,325,000	4,965,000
City Hall	810,000	110,000	110,000	110,000	110,000	1,250,000
Fire	-	685,000	625,000	480,000	120,000	1,910,000
Lakewalk & Munger Trail	4,538,600	900,000	800,000	700,000		6,938,600
Library	250,000	300,000				550,000
Maintenance Shop		150,000				150,000
Total	5,913,600	2,895,000	2,785,000	2,615,000	1,555,000	15,763,600

Funding	2012	2013	2014	2015	2016	Total
General Fund			300,000	200,000		500,000
Capital Improvement Bond	1,375,000	1,995,000	1,985,000	1,915,000	1,555,000	8,825,000
Matching Grant Bond	956,500	400,000				1,356,500
Federal Grants	3,026,100	500,000	500,000	500,000		4,526,100
State Grants	556,000					556,000
Total	5,913,600	2,895,000	2,785,000	2,615,000	1,555,000	15,763,600

Buildings City-Wide

Description:

It is important to maintain a city-wide program of furnace/boiler replacement and accessibility compliance for structures . structures. Many remote sites need masonry tuck pointing; this is our primary point of water migration into finished spaces. We have damaged window heads, sills and parapets which need repairs under this funding. Additionally, many remote sites are being heated with boilers or furnaces which are 20 years old and beyond. Replacing these with modern, high efficient units with electronic controls can realize 15% annual energy savings over the continued life of the structure.

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

Project	2012	2013	2014	2015	2016	Total
Furnace/Boiler Replacements			150,000	175,000	175,000	500,000
Masonry Repair	150,000	150,000	150,000	150,000	150,000	750,000
Storage Buildings		75,000				75,000
Security/Entry Systems		125,000				125,000
Facility Needs Priorities	165,000	400,000	950,000	1,000,000	1,000,000	3,515,000
Total	<u>315,000</u>	<u>750,000</u>	<u>1,250,000</u>	<u>1,325,000</u>	<u>1,325,000</u>	<u>4,965,000</u>

Funding	2012	2013	2014	2015	2016	Total
Capital Improvement Bond	315,000	750,000	1,250,000	1,325,000	1,325,000	4,965,000
Total	<u>315,000</u>	<u>750,000</u>	<u>1,250,000</u>	<u>1,325,000</u>	<u>1,325,000</u>	<u>4,965,000</u>

City Hall

Description:

City Hall windows were installed in the mid 1970's under less than optimal window manufacturing conditions. All 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
- Replace main entry doors
- Paint metal frieze at the exterior
- Install air conditioning for elevator switch board

Project	2012	2013	2014	2015	2016	Total
Modernization/Remodeling	110,000	110,000	110,000	110,000	110,000	550,000
Window Replacement	500,000					500,000
Switch Closet Air Conditioning	200,000					200,000
Total	810,000	110,000	110,000	110,000	110,000	1,250,000

Funding	2012	2013	2014	2015	2016	Total
Capital Improvement Bond	810,000	110,000	110,000	110,000	110,000	1,250,000

Fire Department

Description:

Over the next five years, the City is proposing to invest almost \$1.9 million in repair and maintenance projects, and energy improvements at firehalls throughout the City. Repair and maintenance projects consist of masonry 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.

Project	2012	2013	2014	2015	2016	Total
Firehall #1 Masonry			50,000			50,000
Firehall #1 Remodel		250,000				250,000
Firehall #2 Roof Replacement			250,000			250,000
Firehall #2 Window Replacement					120,000	120,000
Firehall #4 & 7 Brick Repair			100,000			100,000
Firehall #10 Floor & Upgrade		130,000				130,000
Structural Access Approaches		50,000				50,000
Carpet Replacement		55,000				55,000
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	-	685,000	625,000	480,000	120,000	1,910,000

Funding	2012	2013	2014	2015	2016	Total
Capital Improvement Bond	-	685,000	625,000	480,000	120,000	1,910,000

Lakewalk and Munger Trails

Description:

Lakewalk is a combination of a \$1.2 million federal transportation enhancement grant, a \$381,000 state 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 2012 Munger Trail project is a combination of a \$1.8 million federal grant, a \$175,000 state grant and the City's match for engineering, right of way acquisition, design to 24th Avenue West and construction of the trail from Pulaski to 37th Avenue West.

Project	2012	2013	2014	2015	2016	Total
Lakewalk	1,851,400					1,851,400
Munger Trail	2,687,200	900,000	800,000	700,000		5,087,200
Total	<u>4,538,600</u>	<u>900,000</u>	<u>800,000</u>	<u>700,000</u>	<u>-</u>	<u>6,938,600</u>

Funding	2012	2013	2014	2015	2016	Total
Federal Grant	3,026,100	500,000	500,000	500,000		4,526,100
State Grant	556,000					556,000
Matching Grant Bond	956,500	400,000				1,356,500
General Fund			300,000	200,000		500,000
Total	<u>4,538,600</u>	<u>900,000</u>	<u>800,000</u>	<u>700,000</u>	<u>-</u>	<u>6,938,600</u>

Library

Description:

The main library mechanical system is the original installation and has not seen major energy modifications or 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. As part of these improvements, the building envelope will be addressed in terms of improving energy efficiency and overall building performance.

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

Project	2012	2013	2014	2015	2016	Total
Mechanical Systems	250,000	300,000				550,000
Total	<u>250,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>550,000</u>

Funding	2012	2013	2014	2015	2016	Total
Capital Improvement Bond	250,000	300,000	-			550,000
Total	<u>250,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>550,000</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 replacement.

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

Project	2012	2013	2014	2015	2016	Total
Solar and Green Roof		150,000				150,000
Total		150,000				150,000

Funding	2012	2013	2014	2015	2016	Total
Capital Improvement Bond		150,000				150,000

Street & Bridge Reconstruction and Preservation Program Summary

Description:

This program includes street and bridge reconstruction and preservation projects that have various funding sources to include municipal state aid, state bridge bond, federal, permanent improvement or Community Investment Fund sources.

Reconstruction projects consist of the removal of existing road and subgrade, and placement of new granular base and surface, including new curb and gutter and sidewalk. The existing utilities are also replaced as appropriate, depending on age and condition.

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

Funding	2012	2013	2014	2015	2016	Total
Community Investment Fund	750,000	4,767,000	3,356,000	4,515,000	4,850,000	18,238,000
Street Improvement Fund	1,571,000					1,571,000
Special Assessment	1,122,000	1,893,000	1,433,000	1,198,000	1,250,000	6,896,000
Permanent Improvement	142,100	407,500	510,000	180,000	600,000	1,839,600
Prior Year PI	470,000					470,000
Federal	2,400,000	6,050,000		1,550,000	4,000,000	14,000,000
MSA	4,410,000	3,700,000	2,300,000	2,680,000	3,050,000	16,140,000
State Bond	250,000			630,000		880,000
St. Louis County	1,480,000					1,480,000
Water	686,000	606,000	262,500	80,000	425,000	2,059,500
Water Bond	800,000	850,000		1,000,000	1,400,000	4,050,000
Gas	70,000	120,000			50,000	240,000
Sewer	470,000	332,000	420,000	200,000	360,000	1,782,000
Sewer Bond	1,000,000	1,000,000			1,500,000	3,500,000
Storm	534,000	364,000	70,000	25,000	80,000	1,073,000
Prior Year Bond	280,000					280,000
Total	16,435,100	20,089,500	8,351,500	12,058,000	17,565,000	74,499,100

Street & Bridge Reconstruction and Preservation Program Summary

Project	2012	2013	2014	2015	2016	Total
Misc Annual Infrastructure	1,142,100	770,000	580,000	680,000	350,000	3,522,100
3rd Street Bridge 91143				640,000		640,000
10th Avenue East	300,000	2,672,000				2,972,000
11th Avenue East Diagonal Parking	25,000					25,000
26th Avenue East Signals	50,000	418,700				468,700
27th Avenue West		300,000	2,690,000			2,990,000
40th Avenue West			321,500			321,500
43rd Avenue East					50,000	50,000
45th Avenue East		941,000				941,000
46th Avenue West Signals	50,000	418,800				468,800
47th Avenue East				1,183,500		1,183,500
52nd Avenue East				762,500		762,500
63rd Avenue West Bridge L3140				420,000		420,000
Aerial Lift Bridge		5,000,000				5,000,000
Anderson Road	2,258,000					2,258,000
Bristol Street Bridge L8485					300,000	300,000
Carver Avenue			289,500			289,500
Central Avenue Bridge L88550				450,000		450,000
Chambersberg				684,000		684,000
Chris Jensen Road	560,000					560,000
Concrete Pavement Repairs	600,000					600,000
Congdon Blvd			2,320,500			2,320,500
Decker Road				1,085,000		1,085,000
Downtown Area Brick Reconstruction		50,000	550,000		7,800,000	8,400,000
Duluth Heights Connector					5,700,000	5,700,000
East 1st Street Retaining Wall	400,000					400,000
Eklund Avenue			297,500			297,500
Fairmont Street Bridge L8516	500,000					500,000
Lakeside - Lower West				160,000	1,935,000	2,095,000
Maxwell Avenue				452,500		452,500
Norton Road		1,210,000				1,210,000
Oxford Street Bridge L9419					300,000	300,000
Oxford/Livingston/Glenwood	3,826,000					3,826,000
Pleasant View		739,000				739,000
Plum Street	80,000					80,000
Raleigh Street	260,000	2,656,000				2,916,000
Redwing Street				600,500		600,500
Ridgeview Road	1,400,000					1,400,000
Riverside	3,984,000	4,034,000				8,018,000
Skyline Parkway		880,000		490,000	1,130,000	2,500,000
Skyline Parkway Bridge	1,000,000					1,000,000
Toledo Avenue Bridge L8496			150,000			150,000
Triggs Avenue Bridge L5833			150,000			150,000
West First Street Reconstruct			300,000	4,450,000		4,750,000
West Superior Street			702,500			702,500
Street Reconstruction & Bridge Total	16,435,100	20,089,500	8,351,500	12,058,000	17,565,000	74,499,100

Miscellaneous Annual Infrastructure

Description:

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

Project	2012	2013	2014	2015	2016	Total
Permanent Improvements	62,100	190,000	-	100,000	-	352,100
Patch & Sidewalks	330,000	230,000	230,000	230,000	-	1,020,000
Pothole Reduction Program	750,000	350,000	350,000	350,000	350,000	2,150,000
Total	1,142,100	770,000	580,000	680,000	350,000	3,522,100

Funding	2012	2013	2014	2015	2016	Total
Community Investment Fund	750,000	350,000	380,000	350,000	350,000	2,180,000
Federal - CDBG	200,000	100,000	-	100,000	-	400,000
PI Fund	142,100	270,000	160,000	180,000	-	752,100
Special Assessment	50,000	50,000	40,000	50,000	-	190,000
Total	1,142,100	770,000	580,000	680,000	350,000	3,522,100

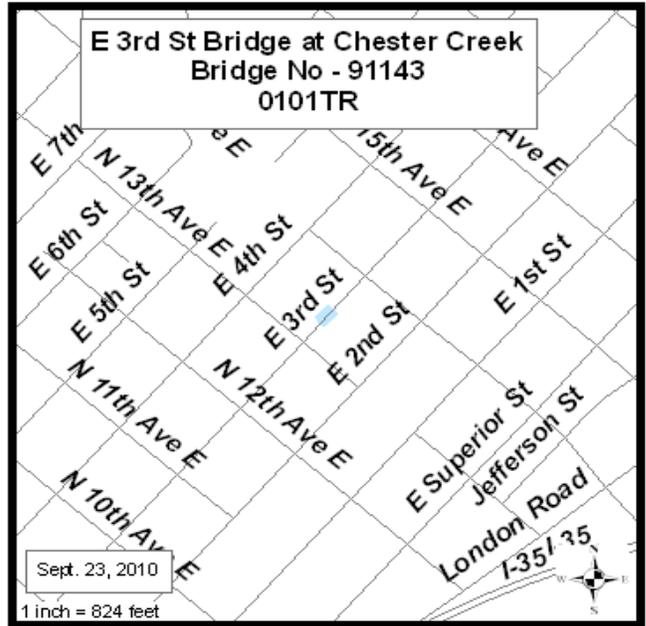
Street & Bridge Reconstruction and Preservation Program

Project Title:

3rd Street Bridge 91143

Funding Source:

	FY 2015
State Bond	320,000
MSA	320,000
PROJECT TOTAL:	\$640,000

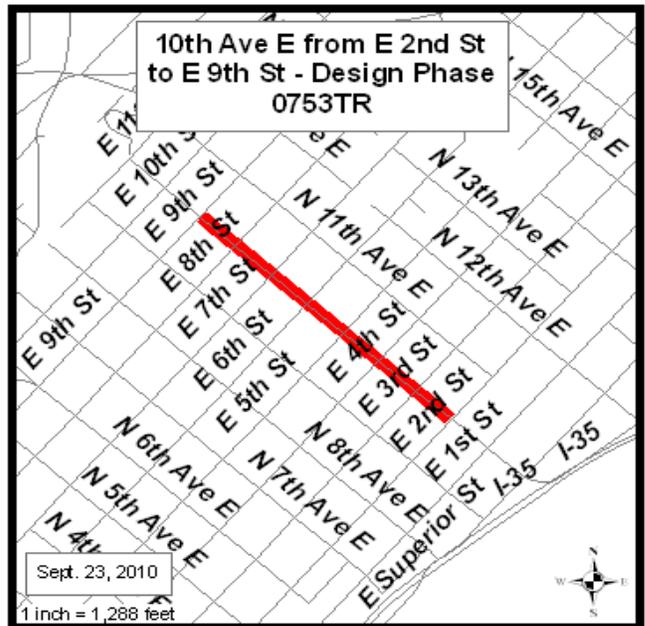


Project Title:

10th Avenue East: 2nd to 9th Street

Funding Source:

	FY 2012-2013
Federal	950,000
MSA	950,000
SA	400,000
Sewer	312,000
Storm	50,000
Water	260,000
Gas	50,000
PROJECT TOTAL:	2,972,000



Street & Bridge Reconstruction and Preservation Program

Project Title:

11th Avenue East:
Diagonal Parking

Funding Source:

	<u>FY 2012</u>
SA	25,000
PROJECT TOTAL:	25,000

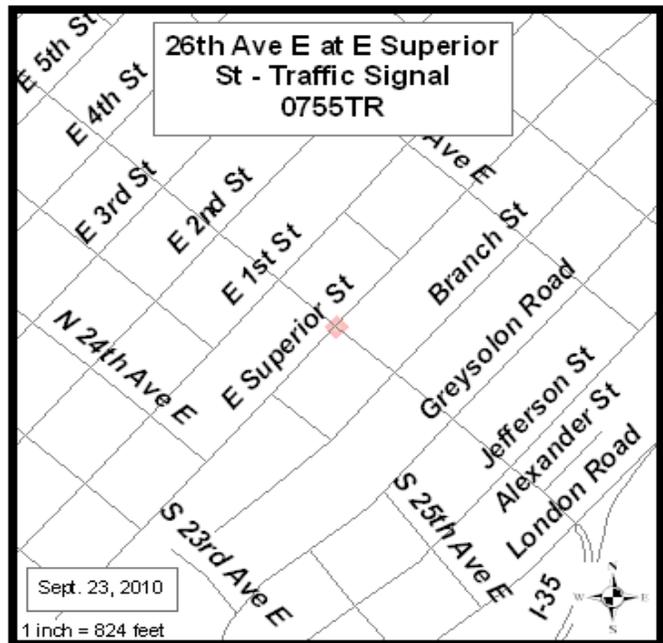


Project Title:

26th Avenue East:
Traffic Signals

Funding Source:

	<u>FY 2012-2013</u>
MSA	415,000
PI	43,700
Prior Year PI	10,000
PROJECT TOTAL:	468,700



Street & Bridge Reconstruction and Preservation Program

Project Title:

27th Avenue West: 3rd St to Skyline Pkwy

Funding Source:

FY 2013-2014

MSA	1,800,000
SA	500,000
Sewer	420,000
Storm	70,000
Water	200,000

PROJECT TOTAL: 2,990,000



Project Title:

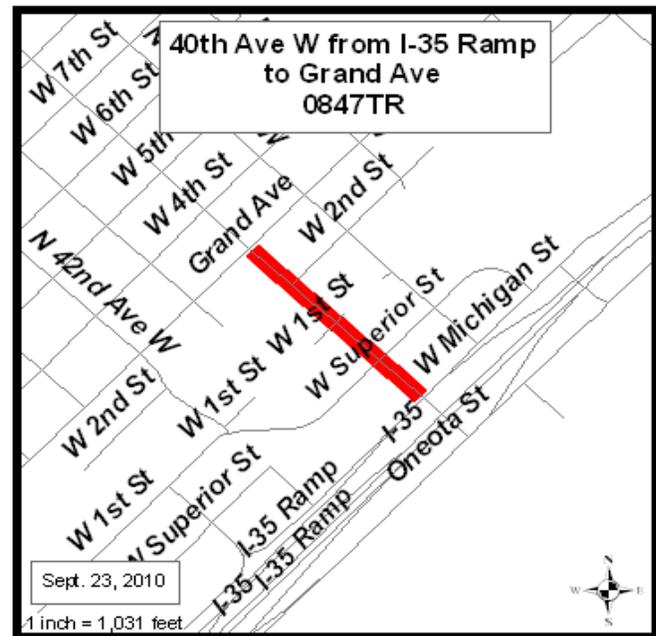
40th Avenue West

Funding Source:

FY 2014

CIF	309,000
Water	12,500

PROJECT TOTAL: \$321,500



Street & Bridge Reconstruction and Preservation Program

Project Title:

43rd Avenue East:
Preliminary Engineering

Funding Source:

	FY 2016
MSA	50,000
PROJECT TOTAL:	50,000

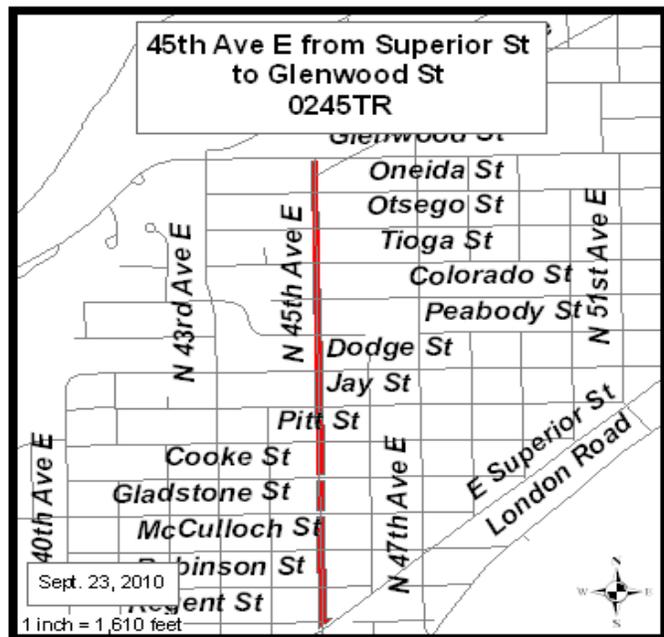


Project Title:

45th Avenue East

Funding Source:

	FY 2013
CIF	706,000
SA	235,000
PROJECT TOTAL:	\$941,000



Street & Bridge Reconstruction and Preservation Program

Project Title:

46th Avenue West: Traffic Signals

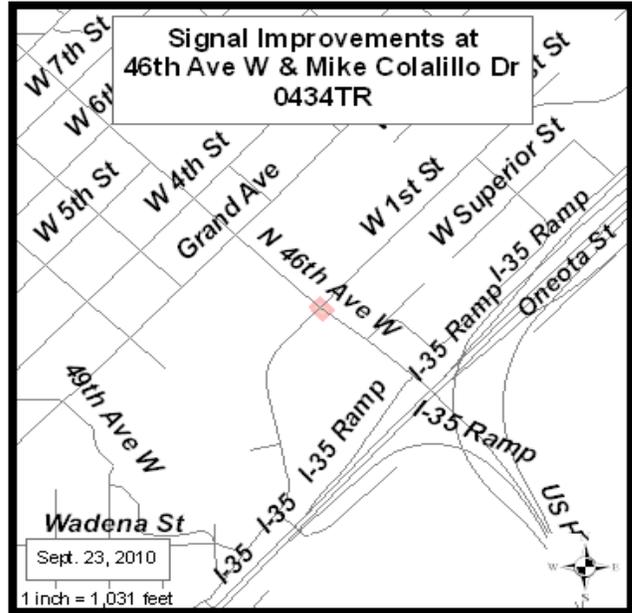
Funding Source:

FY 2012-2013

MSA	415,000
PI	43,800
Prior Year PI	10,000

PROJECT TOTAL:

468,800



Project Title:

47th Avenue East

Funding Source:

FY 2015

CIF	937,000
SA	234,000
Water	12,500

PROJECT TOTAL:

\$1,183,500



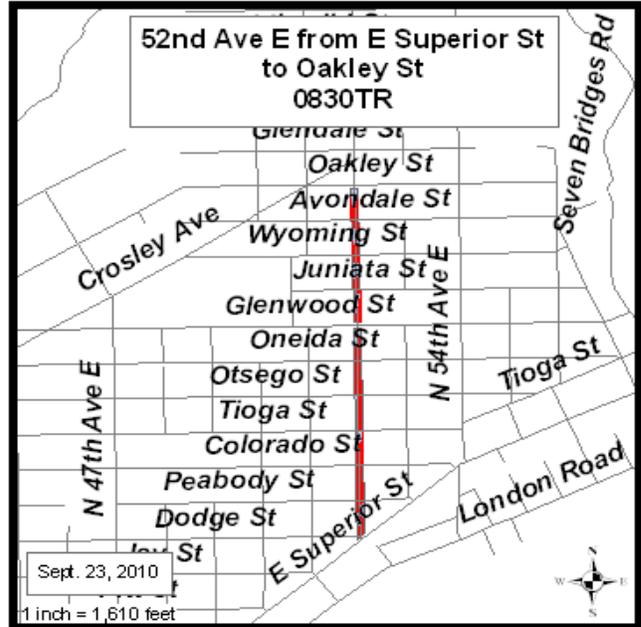
Street & Bridge Reconstruction and Preservation Program

Project Title:

52nd Avenue East

Funding Source:

	FY 2015
CIF	600,000
SA	150,000
Water	12,500
PROJECT TOTAL:	\$762,500

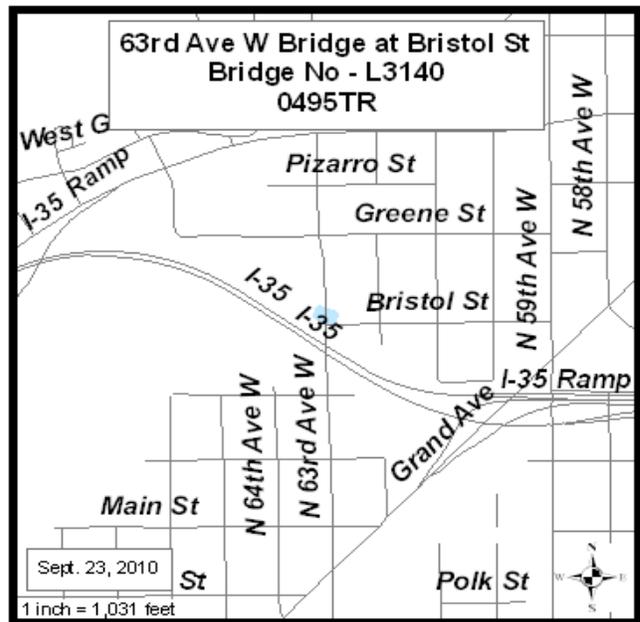


Project Title:

63rd Avenue West Bridge L3140

Funding Source:

	FY 2015
State Bond	160,000
MSA	260,000
PROJECT TOTAL:	\$420,000



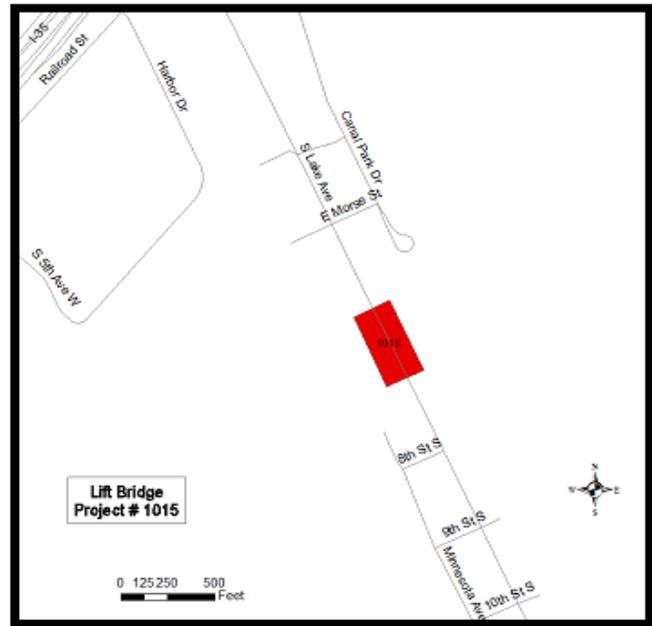
Street & Bridge Reconstruction and Preservation Program

Project Title:

Aerial Lift Bridge

Funding Source:

	<u>FY 2013</u>
Federal	5,000,000
PROJECT TOTAL:	\$5,000,000

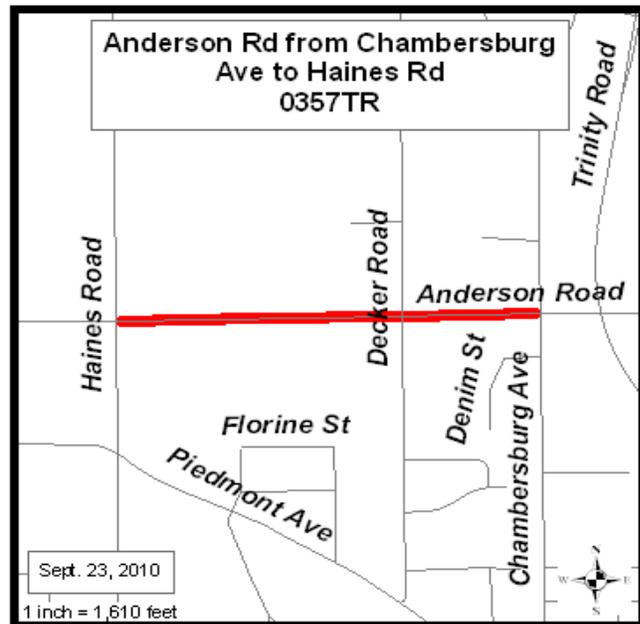


Project Title:

Anderson Road

Funding Source:

	<u>FY 2012</u>
MSA	300,000
SA	188,000
St Louis County	1,200,000
Sewer	120,000
Storm	200,000
Water	250,000
PROJECT TOTAL:	2,258,000



Street & Bridge Reconstruction and Preservation Program

Project Title:

Bristol Street Bridge L8485

Funding Source:

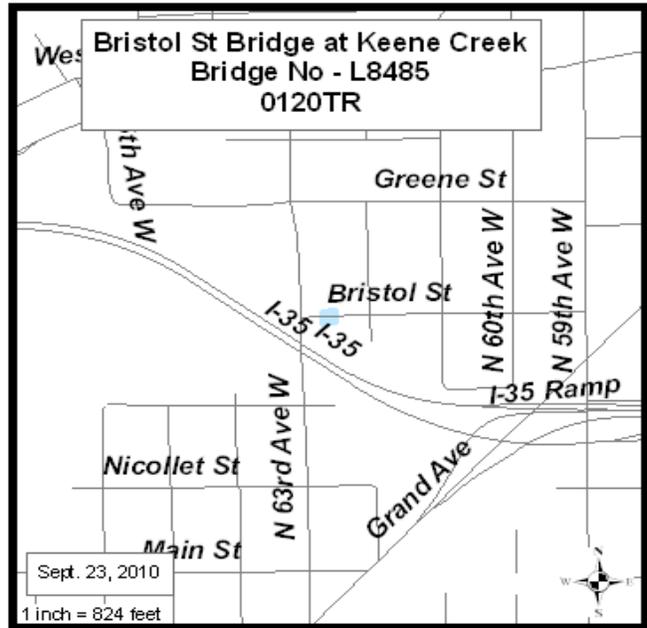
FY 2016

PI

300,000

PROJECT TOTAL:

\$300,000



Project Title:

Carver Avenue

Funding Source:

FY 2014

CIF

207,000

SA

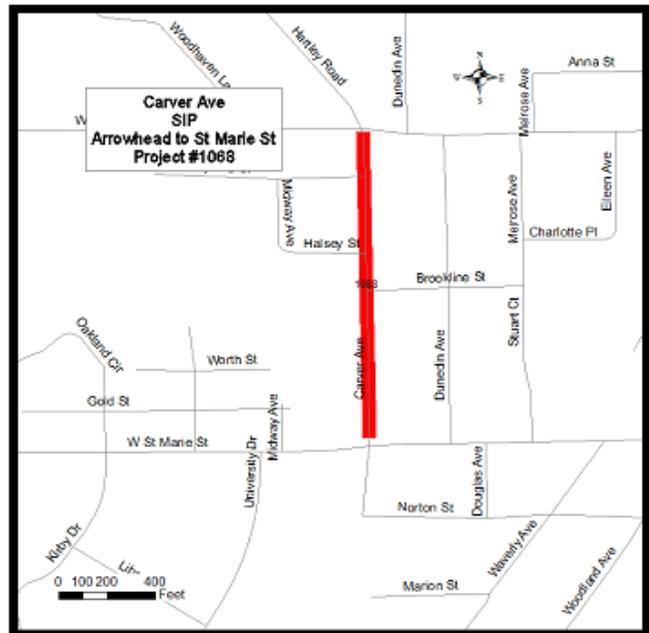
70,000

Water

12,500

PROJECT TOTAL:

\$289,500



Street & Bridge Reconstruction and Preservation Program

Project Title:

Central Avenue Bridge 88550

Funding Source:

FY 2015

State Bond

150,000

MSA

300,000

PROJECT TOTAL:

\$450,000



Project Title:

Chambersburg Avenue

Funding Source:

FY 2015

CIF

503,600

SA

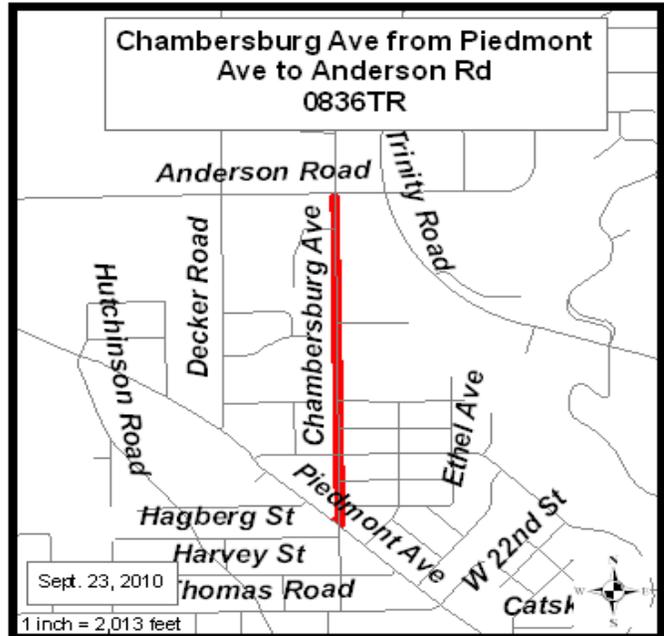
167,900

Water

12,500

PROJECT TOTAL:

\$684,000



Street & Bridge Reconstruction and Preservation Program

Project Title:

Chris Jensen Road

Funding Source:

	FY 2012	
Prior Year Bond	280,000	
St Louis County	280,000	
PROJECT TOTAL:	\$560,000	

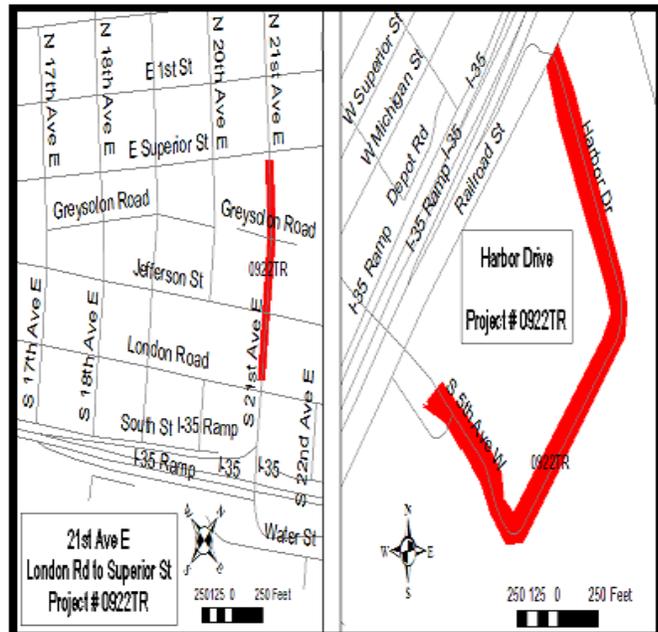


Project Title:

Concrete Pavement Repairs

Funding Source:

	FY 2012	
MSA	600,000	
PROJECT TOTAL:	600,000	



Street & Bridge Reconstruction and Preservation Program

Project Title:

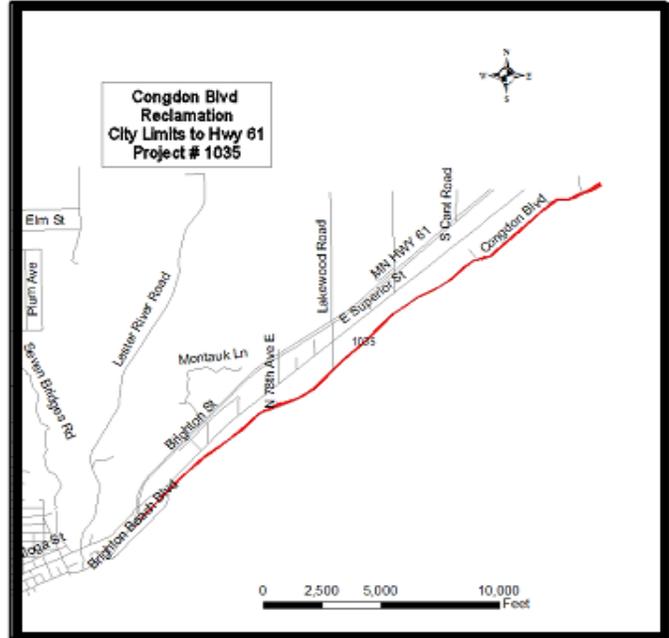
Condgon Boulevard

Funding Source:

FY 2014

CIF	1,730,000
SA	578,000
Water	12,500

PROJECT TOTAL: \$2,320,500



Project Title:

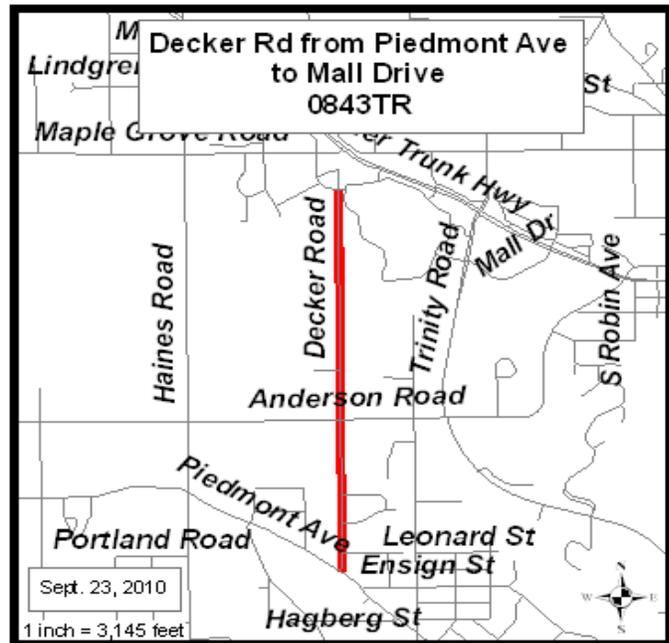
Decker Road

Funding Source:

FY 2015

CIF	804,400
SA	268,100
Water	12,500

PROJECT TOTAL: \$1,085,000



Street & Bridge Reconstruction and Preservation Program

Project Title:

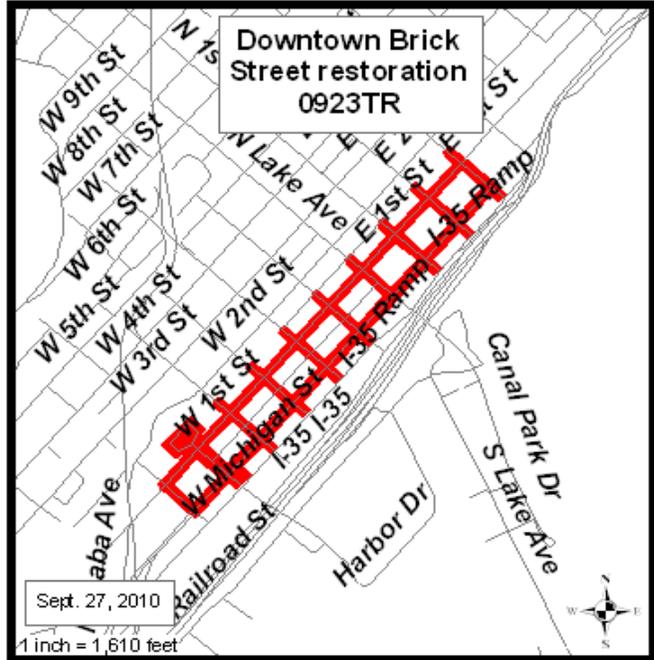
Downtown Brick Restoration
Phase One

Funding Source:

FY 2013-2016

CIF	2,400,000
SA	1,000,000
MSA	2,000,000
PI	100,000
Sewer Bond	1,500,000
Water Bond	1,400,000

PROJECT TOTAL: \$8,400,000



Project Title:

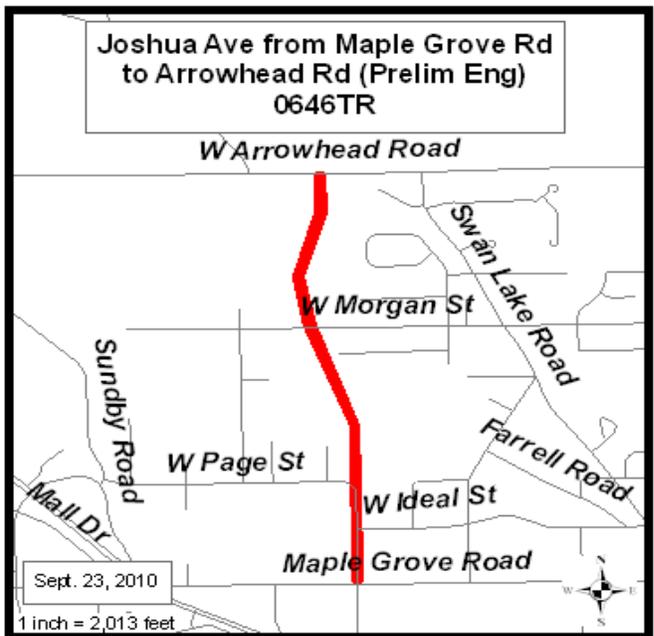
Duluth Heights Connector

Funding Source:

FY 2016

MSA	1,500,000
Federal	4,000,000
Sewer	50,000
Gas	50,000
Water	100,000

PROJECT TOTAL: \$5,700,000



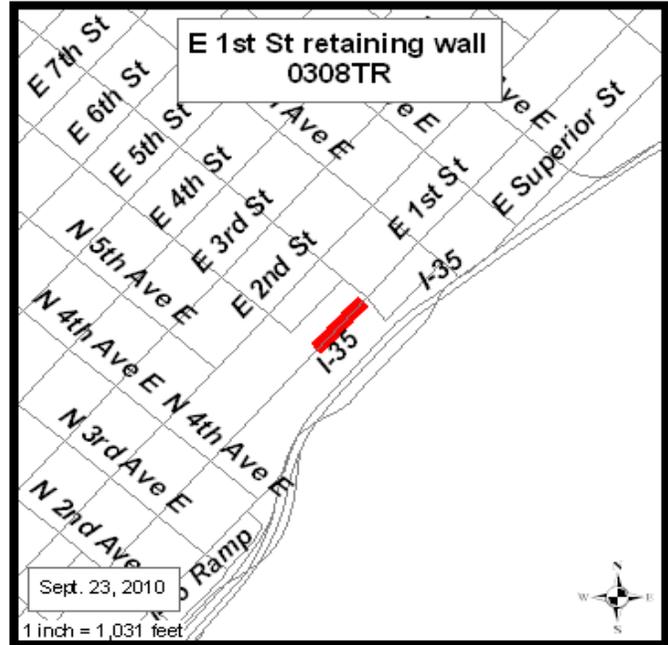
Street & Bridge Reconstruction and Preservation Program

Project Title:

East 1st Street Retaining Wall

Funding Source:

	FY 2012
MSA	400,000
PROJECT TOTAL:	\$400,000

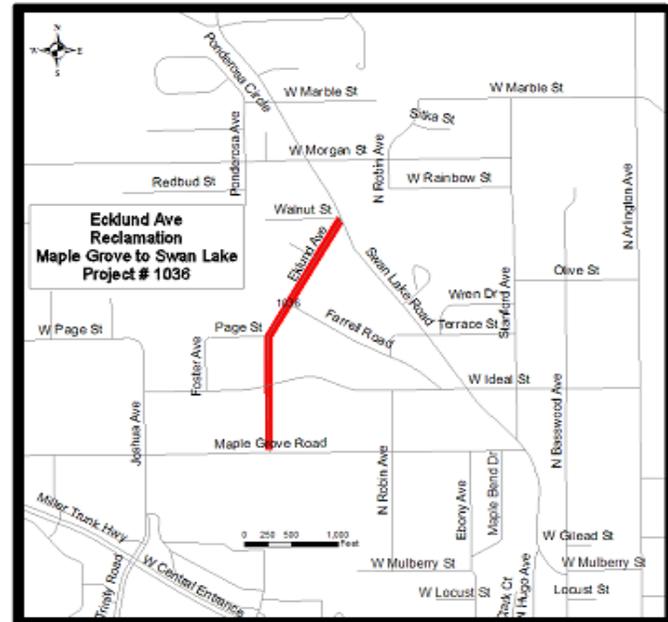


Project Title:

Eklund Avenue

Funding Source:

	FY 2014
CIF	213,000
SA	72,000
Water	12,500
PROJECT TOTAL:	\$297,500



Street & Bridge Reconstruction and Preservation Program

Project Title:

Fairmont Street Bridge L8516

Funding Source:

	FY 2012
State Bond	250,000
Prior Year PI	250,000
PROJECT TOTAL:	\$500,000



Project Title:

Lakeside - Lower West

Funding Source:

	FY 2015-2016
CIF	1,140,000
SA	270,000
Water	320,000
Sewer	310,000
Storm	55,000
PROJECT TOTAL:	\$2,095,000



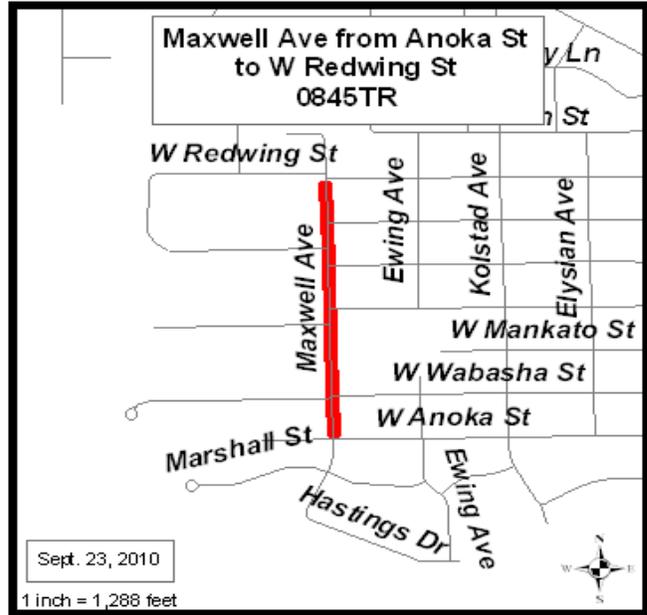
Street & Bridge Reconstruction and Preservation Program

Project Title:

Maxwell Avenue

Funding Source:

	FY 2015
CIF	330,000
SA	110,000
Water	12,500
PROJECT TOTAL:	\$452,500

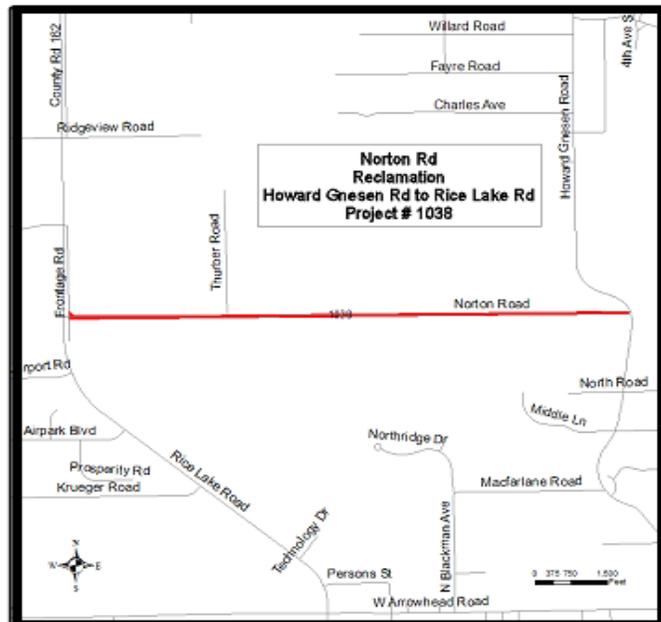


Project Title:

Norton Road

Funding Source:

	FY 2013
CIF	885,000
SA	295,000
Water	5,000
Storm	25,000
PROJECT TOTAL:	\$1,210,000



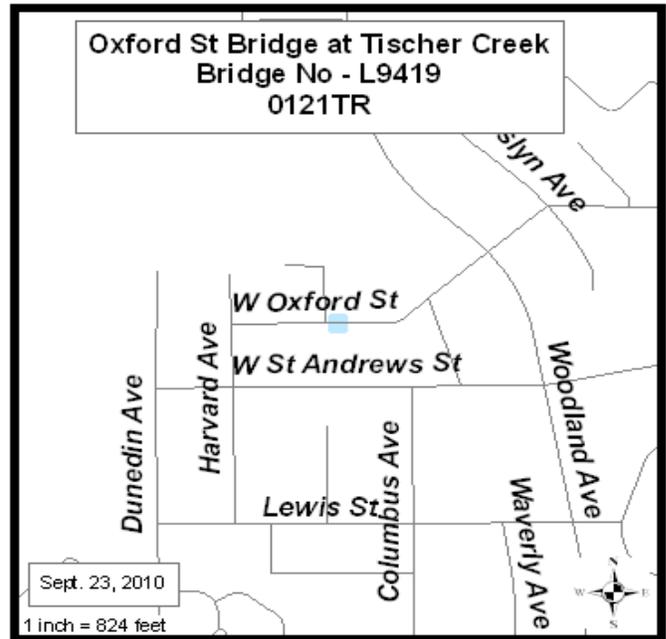
Street & Bridge Reconstruction and Preservation Program

Project Title:

Oxford Street Bridge L9419

Funding Source:

	FY 2016
PI	300,000
PROJECT TOTAL:	\$300,000



Project Title:

Oxford St /Livingston Ave/Glenwood St

Funding Source:

	FY 2012
MSA	2,500,000
SA	500,000
Water	406,000
Sewer	350,000
Storm	70,000
PROJECT TOTAL:	\$3,826,000



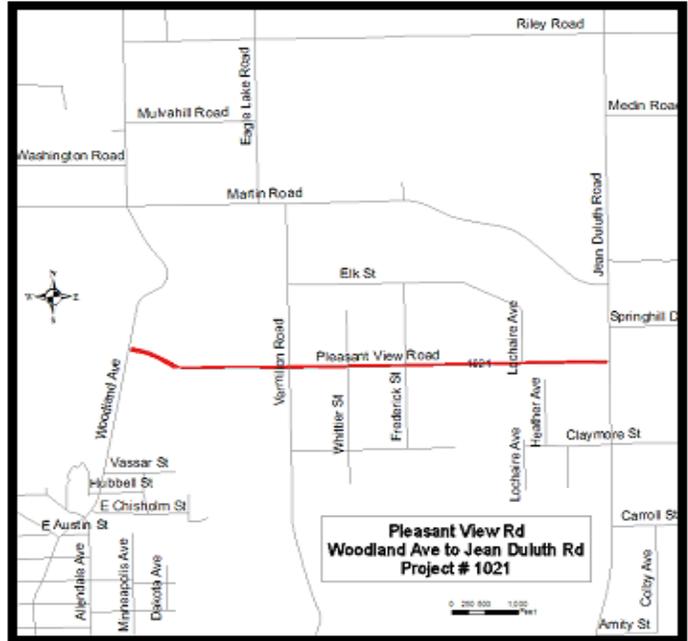
Street & Bridge Reconstruction and Preservation Program

Project Title:

Pleasant View Road

Funding Source:

	FY 2013
CIF	555,000
SA	184,000
PROJECT TOTAL:	\$739,000



Project Title:

Plum Street

Funding Source:

	FY 2012
SA	80,000
PROJECT TOTAL:	\$80,000



Street & Bridge Reconstruction and Preservation Program

Project Title:

Raleigh Street

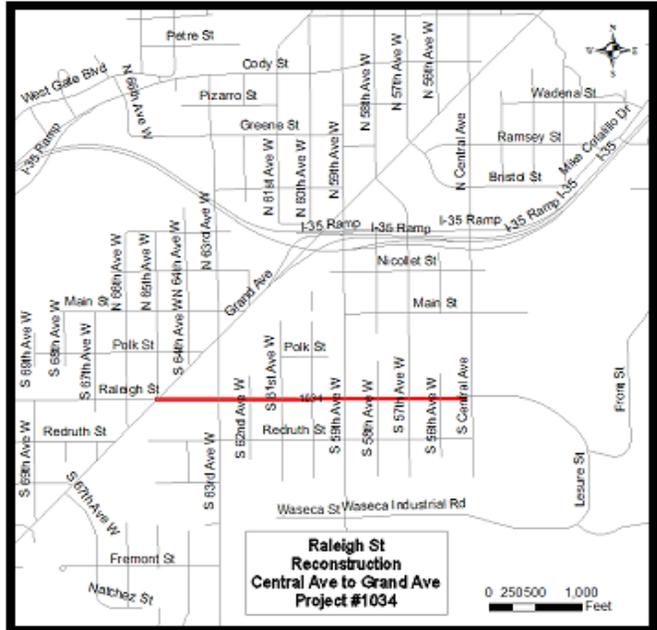
Funding Source:

FY 2012-2013

MSA	2,230,000
SA	300,000
Water	366,000
Sewer	20,000

PROJECT TOTAL:

\$2,916,000



Project Title:

Redwing Street

Funding Source:

FY 2015

CIF	450,000
SA	138,000
Water	12,500

PROJECT TOTAL:

\$600,500



Street & Bridge Reconstruction and Preservation Program

Project Title:

Ridgeview Road

Funding Source:

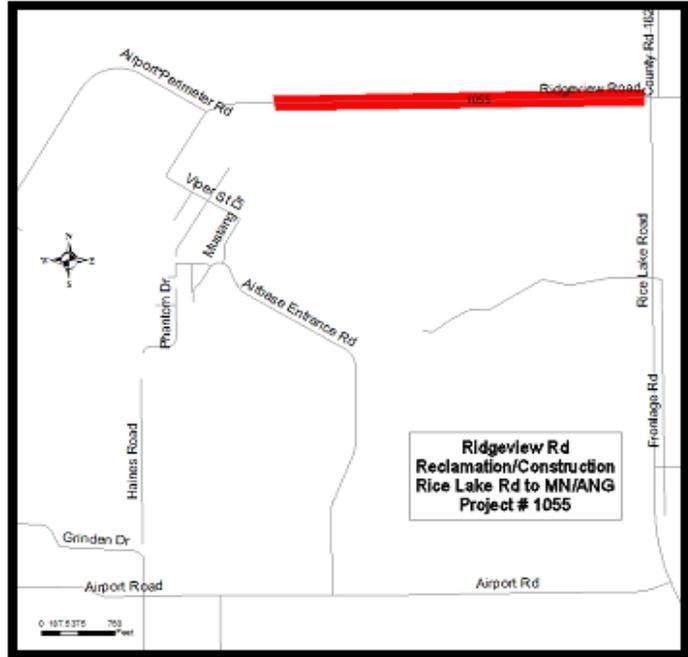
FY 2012

Federal

1,400,000

PROJECT TOTAL:

\$1,400,000



Project Title:

Riverside

Funding Source:

FY 2012-2013

SIF

1,571,000

CIT

1,571,000

SA

558,000

Water Bond

1,650,000

Sewer Bond

2,000,000

Storm

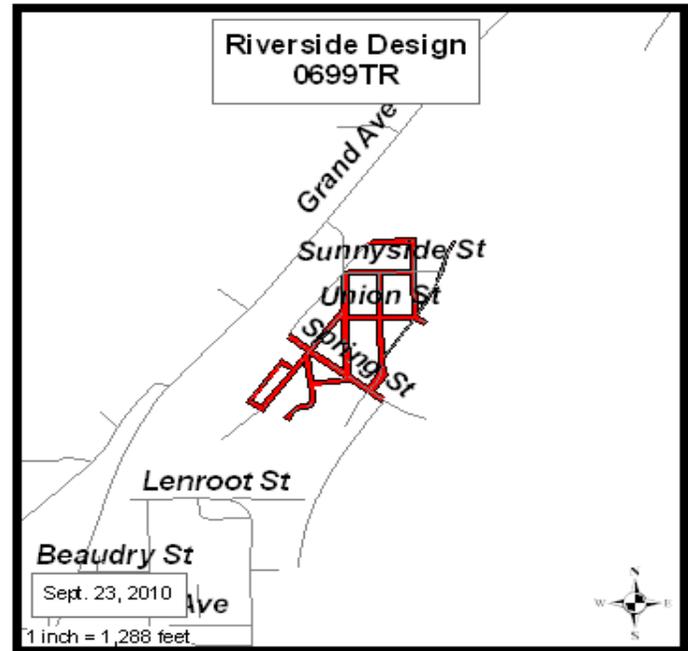
528,000

Gas

140,000

PROJECT TOTAL:

\$8,018,000



Street & Bridge Reconstruction and Preservation Program

Project Title:

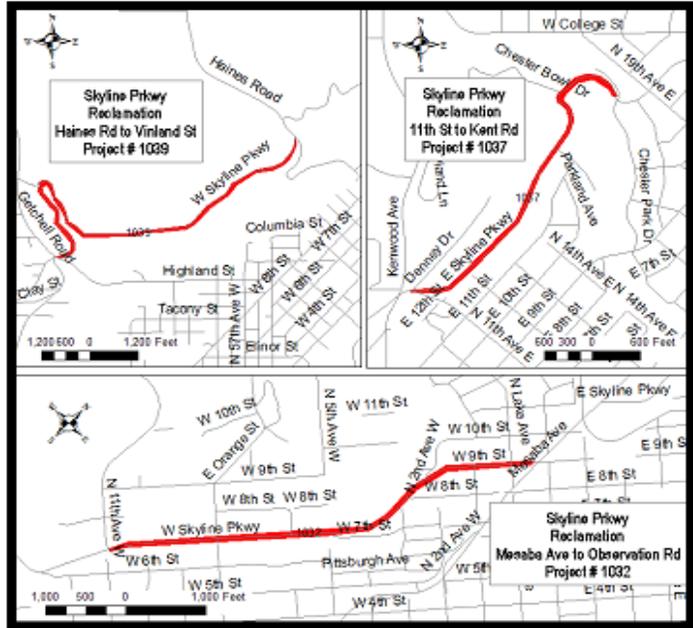
Skyline Parkway

Funding Source:

FY 2013-2016

CIF	2,200,000
SA	210,000
Water	15,000
Storm	75,000

PROJECT TOTAL: \$2,500,000



Project Title:

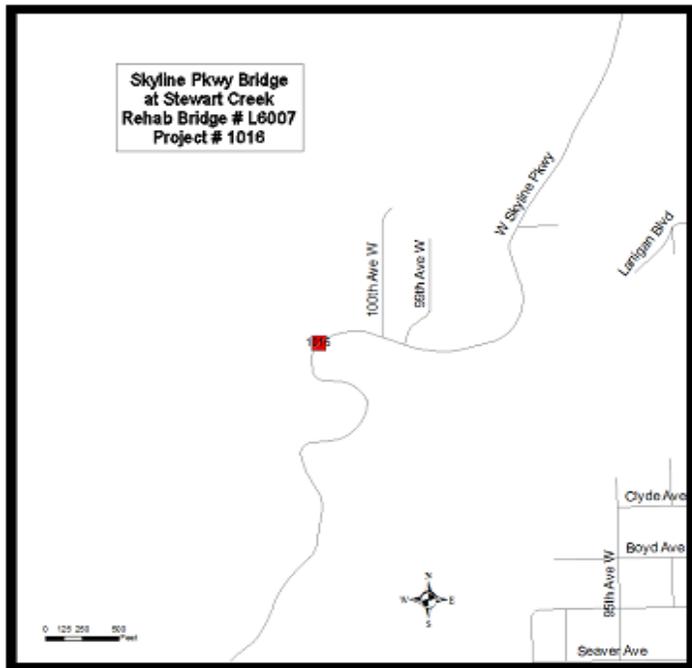
Skyline Parkway Bridge

Funding Source:

FY 2012

Federal	800,000
Prior Year PI	200,000

PROJECT TOTAL: \$1,000,000



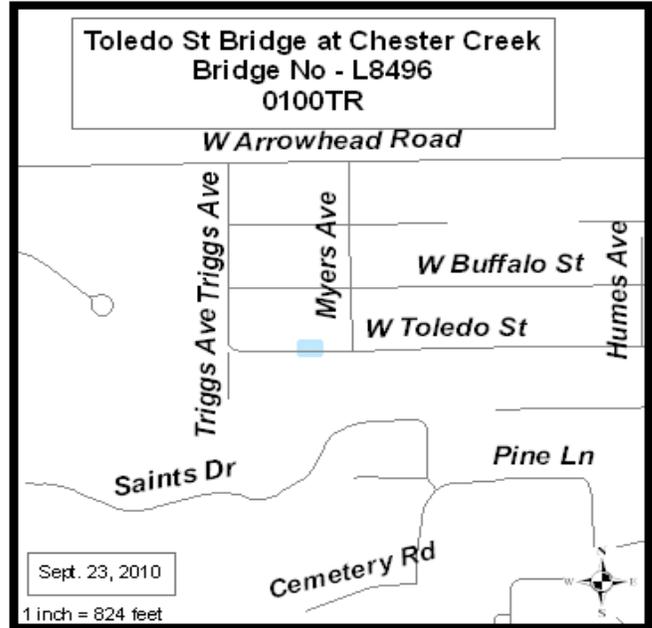
Street & Bridge Reconstruction and Preservation Program

Project Title:

Toledo Avenue Bridge L8496

Funding Source:

	FY 2014
PI	150,000
PROJECT TOTAL:	\$150,000

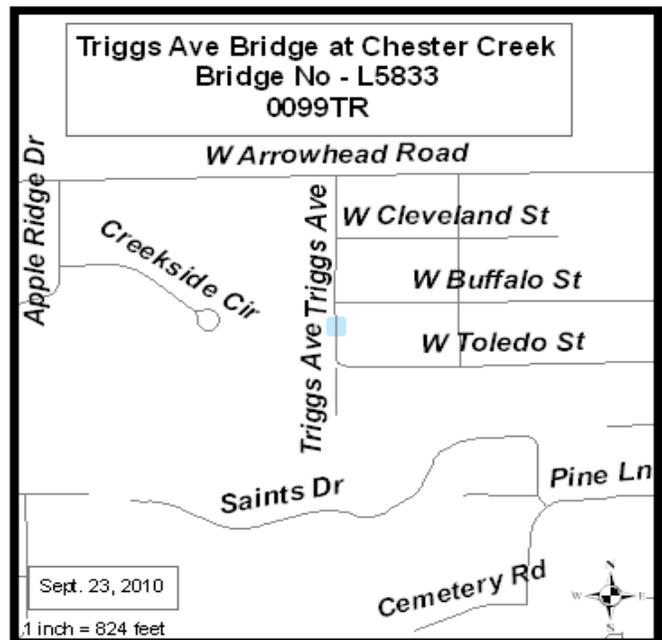


Project Title:

Triggs Avenue Bridge L5833

Funding Source:

	FY 2014
PI	150,000
PROJECT TOTAL:	\$150,000



Street & Bridge Reconstruction and Preservation Program

Project Title:

West First Street Reconstruction

Funding Source:

FY 2014-2015

Federal	1,450,000
MSA	2,100,000
Water Bond	1,000,000
Sewer	200,000

PROJECT TOTAL:

\$4,750,000



Project Title:

West Superior Street

Funding Source:

FY 2014

CIF	517,000
SA	173,000
Water	12,500

PROJECT TOTAL:

\$702,500



Capital Utility Projects Summary

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

Projects	2012	2013	2014	2015	2016	Total
Water	1,260,000	8,115,000	5,150,000	3,540,000	3,540,000	21,605,000
Gas	2,550,000	2,350,000	1,000,000	1,000,000	1,000,000	7,900,000
Sewer	1,002,000	1,725,000	1,200,000	1,200,000	1,250,000	6,377,000
Clean Water	8,911,500	-	-	-	-	8,911,500
Stormwater	1,005,000	1,200,000	725,000	725,000	475,000	4,130,000
Total	14,728,500	13,390,000	8,075,000	6,465,000	6,265,000	48,923,500

Funding	2012	2013	2014	2015	2016	Total
Water Improvement Bonds	-	5,000,000	3,400,000	2,000,000	2,000,000	12,400,000
Water - Current Revenue	1,260,000	3,115,000	1,750,000	1,540,000	1,540,000	9,205,000
Gas - Current Revenue	2,550,000	2,350,000	1,000,000	1,000,000	1,000,000	7,900,000
Sewer - Current Revenue	1,002,000	1,725,000	1,200,000	1,200,000	1,250,000	6,377,000
State Cleanwater Fund	4,329,200	-	-	-	-	4,329,200
Clean Water Bonds	4,582,300	-	-	-	-	4,582,300
Stormwater - Current Revenue	1,005,000	1,200,000	725,000	725,000	475,000	4,130,000
Total	14,728,500	13,390,000	8,075,000	6,465,000	6,265,000	48,923,500

Capital Utility Projects

Description: Water Annual Infrastructure

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

Project	2012	2013	2014	2015	2016	Total
57th Avenue West		250,000				250,000
Amex Upgrades	250,000					250,000
Backwash MCC at Water Plant		610,000				610,000
Building & Structure Repairs				100,000	100,000	200,000
Filtration Controls	140,000					140,000
Intake Screen Repairs			100,000			100,000
Lakewood Pump Station upgrade		75,000				75,000
Lakewood Sludge Removal	420,000	400,000				820,000
Middle Pump Station				2,000,000		2,000,000
Pump House Roof			650,000			650,000
Switch Gear		280,000				280,000
Water Filter Upgrades			1,800,000	440,000	440,000	2,680,000
Water Main Replacement	450,000	1,500,000	1,000,000	1,000,000	1,000,000	4,950,000
Water Plant electrical upgrades			1,600,000			1,600,000
West Duluth Reservoir		5,000,000				5,000,000
Woodland Booster Station					2,000,000	2,000,000
Total	<u>1,260,000</u>	<u>8,115,000</u>	<u>5,150,000</u>	<u>3,540,000</u>	<u>3,540,000</u>	<u>21,605,000</u>

Funding	2012	2013	2014	2015	2016	Total
Water - Current Revenue	1,260,000	3,115,000	1,750,000	1,540,000	1,540,000	9,205,000
Water Improvement Bond		5,000,000	3,400,000	2,000,000	2,000,000	12,400,000
Total	<u>1,260,000</u>	<u>8,115,000</u>	<u>5,150,000</u>	<u>3,540,000</u>	<u>3,540,000</u>	<u>21,605,000</u>

Capital Utility Projects

Description: Gas Annual Infrastructure

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

Project	2012	2013	2014	2015	2016	Total
Copper Risers	750,000	750,000				1,500,000
First Street Gas Project	1,000,000	600,000				1,600,000
Gas Capital Project	300,000	500,000	500,000	500,000	500,000	2,300,000
Gas Main Extensions	500,000	500,000	500,000	500,000	500,000	2,500,000
Total	2,550,000	2,350,000	1,000,000	1,000,000	1,000,000	7,900,000

Funding	2012	2013	2014	2015	2016	Total
Gas - Current Revenue	2,550,000	2,350,000	1,000,000	1,000,000	1,000,000	7,900,000

Capital Utility Projects

Description: Sanitary Sewer Annual Infrastructure

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

Project	2012	2013	2014	2015	2016	Total
57th Avenue West		250,000				250,000
Lift Station Improvements	452,000	675,000	400,000	400,000	450,000	2,377,000
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
Sanitary Sewer Rehab/Reline	500,000	750,000	750,000	750,000	750,000	3,500,000
Total	<u>1,002,000</u>	<u>1,725,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,250,000</u>	<u>6,377,000</u>

Funding	2012	2013	2014	2015	2016	Total
Sewer Current Revenue	1,002,000	1,725,000	1,200,000	1,200,000	1,250,000	6,377,000
Total	<u>1,002,000</u>	<u>1,725,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,250,000</u>	<u>6,377,000</u>

Capital Utility Projects

Description: Clean Water Infrastructure

Clean Water projects specifically address improvements to structures and facilities used to eliminate sanitary sewer overflows.

Project	2012	2013	2014	2015	2016	Total
Rehabilitate Basin 24	3,500,000					3,500,000
Lining Basin 2	3,150,000					3,150,000
Lift Station 45	2,261,500					2,261,500
Total	<u>8,911,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,911,500</u>

Funding	2012	2013	2014	2015	2016	Total
State Grant	4,329,200					4,329,200
Clean Water Bonds	4,582,300	-	-	-	-	4,582,300
Total	<u>8,911,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,911,500</u>

Capital Utility Projects

Description: Stormwater Annual Infrastructure

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

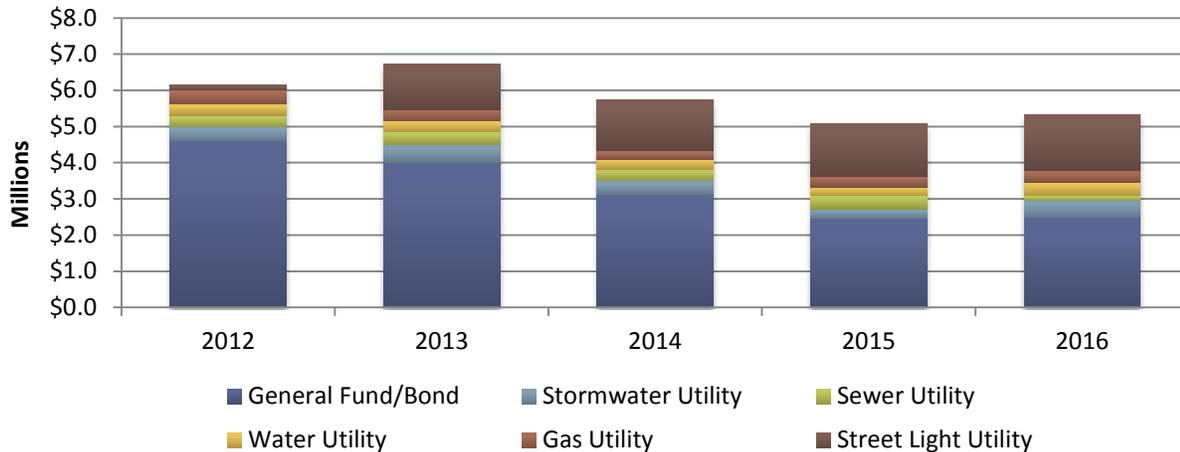
Project	2012	2013	2014	2015	2016	Total
57th Avenue West		250,000				250,000
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
Miscellaneous Projects	415,000	400,000	175,000	175,000	175,000	1,340,000
Storm Sewer Replacement	250,000	250,000	250,000	250,000	250,000	1,250,000
Brewery & Gray's Creek	290,000	250,000	250,000	250,000		1,040,000
Total	1,005,000	1,200,000	725,000	725,000	475,000	4,130,000

Funding	2012	2013	2014	2015	2016	Total
Stormwater - Current Revenue	1,005,000	1,200,000	725,000	725,000	475,000	4,130,000

CAPITAL EQUIPMENT BUDGET

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. \$28.99 million is proposed in this plan for the period of 2012 through 2016. Of that total, equipment for the General Fund is \$16.66 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.



	2012	2013	2014	2015	2016	Total
General Fund/Bond	4,598,000	3,994,700	3,124,400	2,464,000	2,478,500	16,659,600
Stormwater	386,800	514,350	378,000	258,500	478,000	2,015,650
Sewer	319,600	345,250	317,200	372,100	143,800	1,497,950
Water	317,600	307,450	279,300	233,600	355,200	1,493,150
Gas	378,200	305,950	222,500	300,800	317,000	1,524,450
Street Light	150,000	1,250,000	1,400,000	1,450,000	1,550,000	5,800,000
Total Plan	6,150,200	6,717,700	5,721,400	5,079,000	5,322,500	28,990,800

2012 Proposed Equipment

The City is proposing a total of \$6.15 million in capital equipment expenditures for 2012. This includes equipment for General Fund operating departments and the five city utilities named above. The General Fund portion is \$4.59 million to be financed with bonds and \$1.55 million for equipment for the utilities to be paid for out of current year revenues.

For General Fund departments, the City is proposing the purchase of \$2.73 million in rolling stock vehicles – the largest equipment purchase being fire apparatus totaling \$1,075,000; police vehicles totaling \$500,000; and Maintenance/Engineering/Parks equipment totaling \$801,000. The non-rolling stock equipment plan of \$2.02 million proposed by City Parks for 2012 includes \$1.18 million for technology improvements and replacements; \$500,000 for the police and fire communication conversion required by the FCC; \$120,000 for expanding the City's microwave system; \$130,000 for thermal imaging cameras; \$72,000 for defibrillators; plus \$20,000 for equipment for Library.

The breakdown of equipment for the utility funds is \$309,200 for non-rolling stock equipment and the balance of \$1.24 million for rolling stock vehicles for a total of \$1.55 million for 2012.

General Fund Rolling Stock Vehicles

	2012	2013	2014	2015	2016
Fire Department					
Fire Truck Apparatus/Trucks	1,075,000	850,000	575,000	580,000	620,000
Subtotal Fire Department	1,075,000	850,000	575,000	580,000	620,000
Construction Services					
Cars for Inspectors	0	25,000	25,000	50,000	25,000
Subtotal Constructive Services	0	25,000	25,000	50,000	25,000
Police Department					
Police Vehicles	500,000	550,000	575,000	750,000	750,000
Subtotal Police Department	500,000	550,000	575,000	750,000	750,000
Maintenance Operations					
Facilities Management					
1 Ton w/Service Body	30,500	80,000			40,000
1 Ton Cargo Van			76,000	38,000	38,000
Trailers and Tampers				5,000	
Subtotal Facilities Management	30,500	80,000	76,000	43,000	78,000
Traffic Maintenance					
4 x 4 Pick up		30,000	35,000		35,000
Trailers, Paint Striper		5,000		25,000	
Subtotal Traffic Maintenance	0	35,000	35,000	25,000	35,000
Street Maintenance					
Tandem Dump Truck	145,000		145,000	145,000	
Sander Trucks	140,000	170,000			
Sander with RDS	160,000	160,000	320,000	320,000	
Pick-up 3/4-Ton Ext Cab 4x4	30,000			35,000	160,000
Trailer, Compactor	5,500		45,000	18,000	16,000
Plow Trucks			280,000		290,000
Truck Snowblower		160,000			
3 yard Loader		370,000			185,000
Step/Cube Van			83,000		
Backhoe			95,000	95,000	95,000
Flusher Retrofits				160,000	
Highway Mower					80,000
1 Ton Dump Truck		60,000			
Subtotal Street Maintenance	480,500	920,000	968,000	773,000	826,000
Park Maintenance					
5 yd Dump Truck	110,000				
4x4 Crew Cab	37,000				
Cat 257B Loader	48,000	42,000	52,000		
Utility Van		17,300	16,500		
1 Ton w/Plow		68,000	70,000		71,000
Various Mowers		32,000	16,500	33,000	63,000
Trailer, Sand Spreader				68,000	10,500
Trail Groomer		212,000			
Sidewalk Cleaner				142,000	
Subtotal Park Maintenance	195,000	371,300	155,000	243,000	144,500
Subtotal Maintenance Operations					
	706,000	1,406,300	1,234,000	1,084,000	1,083,500
Parks and Recreation					
Pick-up 3/4-Ton 4x4	45,000				
Subtotal Parks and Rec	45,000				
Public Works					
Transportation Engineering					
Pick-up Truck	50,000	27,000			
Subtotal Transportation Engineering	50,000	27,000			
Street Lighting					
Bucket Truck	200,000				
Subtotal Street Lighting	200,000				
Rolling Stock Bond Total	\$ 2,576,000	\$ 2,858,300	\$ 2,409,000	\$ 2,464,000	\$ 2,478,500

City of Duluth 2012 - 2016 Capital Equipment Program

General Fund Non-Rolling Stock Equipment

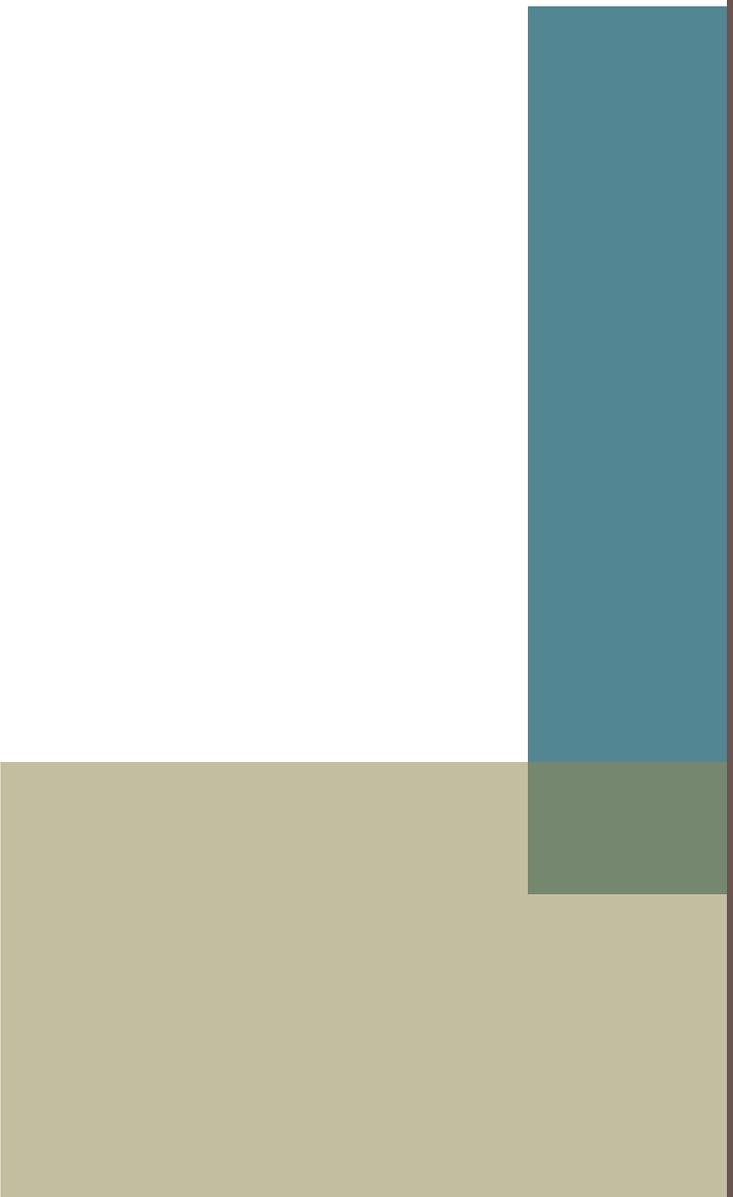
	2012 Bond	2013 Bond	2014 Bond
MIS			
Data Center Modernization			
VoIP Phone Replacements	30,000		
Centralized Backup Solution	180,000		
Enterprise Wide PC replacements (desktop)	200,000		
Enterprise Wide PC replacements (laptop)	100,000		
Network Infrastructure Equipment Refresh			
Desktop Re-cabing Project	150,000	150,000	100,000
Help Desk Software	100,000		
Disaster Recovery - New Police Station		250,000	
Legacy Software Conversions	150,000		
Conference Room Technology Needs (7 rooms)	70,000		
Time and Attendance Software	200,000		
City Clerk			
40 Voting Tabulators		260,000	
60 Electronic Poll book Rosters		120,000	
Election Software upgrade		10,000	
Library			
12 Computers and monitors	12,000	12,000	12,000
1 Self checkout machine	8,000		8,000
1 Digital microform reader printer		11,000	
Fire			
Communication System (Armer)	500,000		
Computer Replacement Needs		10,000	15,000
Defibrillators (18)	72,000		
Thermal Imaging Cameras (13)	130,000		
Station Speaker System Replacement (8)		40,000	
Scott EZScape III's (17)		20,000	
Construction Services			
Computer Replacement Needs		5,000	5,000
Engineering			
Computer Replacement Needs		8,400	6,100
Radio Shop/MIS - Communications Group			
Communications Needs - As Per Master Plan	120,000	240,000	120,000
Total Proposed Non-Rolling Stock	2,022,000	1,136,400	266,100
TOTAL EQUIPMENT BOND PROPOSAL	4,598,000	3,994,700	3,124,400

City of Duluth 2012 - 2016 Capital Equipment Program

Utility Funds Equipment

Utility Funds	2012	2013	2014	2015	2016
Water Fund					
Cars/Pick-ups	71,250	57,900	51,100	0	0
Trucks/Vans	40,600	52,800	136,200	28,100	121,450
Dump Trucks	137,750	108,750	87,000	72,500	150,000
Backhoe/Loader	0	0	0	0	78,750
Other Rolling Stock	6,400	78,000	0	128,000	0
Non-Rolling Capital Equip.	61,600	10,000	5,000	5,000	5,000
Subtotal Water Fund	317,600	307,450	279,300	233,600	355,200
Gas Fund					
Cars/Pick-ups	70,750	64,900	38,700	21,000	0
Trucks/Vans	75,400	54,800	120,800	122,300	235,750
Dump Trucks	152,250	36,250	58,000	72,500	50,000
Backhoe/Loader	0	0	0	0	26,250
Other Rolling Stock	9,600	145,000	0	80,000	0
Non-Rolling Capital Equip.	70,200	5,000	5,000	5,000	5,000
Subtotal Gas Fund	378,200	305,950	222,500	300,800	317,000
Sewer Fund					
Cars/Pick-ups	57,500	18,150	22,200	0	0
Trucks/Vans	0	35,600	0	55,600	48,800
Dump Trucks	0	42,000	145,000	72,500	0
Vactors	162,500	162,500	0	0	0
Backhoe/Loader	0	0	0	0	0
Other Rolling Stock	85,000	83,000	145,000	239,000	90,000
Non-Rolling Capital Equip.	14,600	5,000	5,000	5,000	5,000
Subtotal Sewer Fund	319,600	346,250	317,200	372,100	143,800
Stormwater Fund					
Cars/Pick-ups	22,500	10,050	13,000	0	0
Trucks/Vans	0	13,800	42,000	0	0
Dump Trucks	0	0	145,000	72,500	0
Vactors	162,500	162,500	0	0	0
Backhoe/Loader	0	105,000	0	0	0
Street Sweeper	173,000	173,000	173,000	173,000	173,000
Other Rolling Stock	16,000	45,000	0	8,000	300,000
Non-Rolling Capital Equip.	12,800	5,000	5,000	5,000	5,000
Subtotal Stormwater Fund	386,800	514,350	378,000	258,500	478,000
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	\$1,552,200	\$ 2,724,000	\$ 2,597,000	\$2,615,000	\$2,844,000

APPENDIX



FINANCE COMMITTEE

11-061-O

ORDINANCE NO. _____

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR GENERAL PURPOSES FOR THE YEAR 2012.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. The sum to be raised by taxation for the year 2012 for general operations is hereby determined to be the sum of \$18,804,700 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 \$12,057,700.

Section 3. For the pay of debt, there will be levied for the general obligation debt fund the sum of \$6,604,900.

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 \$142,100.

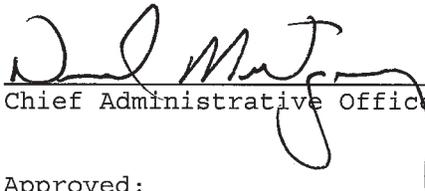
Section 5. That this ordinance shall take effect January 1, 2012.

Approved:



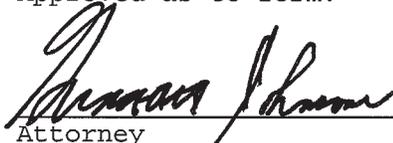
Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

BUDGET AH:PS:rb 11/22/2011

STATEMENT OF PURPOSE: This resolution sets the property tax levy for the year 2012 and matches the maximum levy approved by council in September.

FINANCE COMMITTEE

11-062-0

ORDINANCE NO. _____

AN ORDINANCE SETTING THE BUDGET FOR THE FISCAL YEAR 2012
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, 2012, 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 \$3,046,000 from the gas and steam public utility funds to the general fund for administrative services; comprised of \$2,900,000 or seven percent of the gross revenues of the gas utility fund to the general fund; and \$146,000 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 2012.

GENERAL FUND		
110	Legislative and executive - total	\$3,589,200
117	Management information systems - total	2,571,600
121	Public administration - total	17,880,900
125	Finance - total	3,443,900
132	Planning and construction services - total	2,138,600
135	Business and development resources - total	692,000
150	Fire - total	13,107,600
160	Police - total	18,544,800
500	Public works - total	1,744,500
700	Transfers and other functions - total	11,116,900
	Total general fund	\$74,830,000

PUBLIC ENTERPRISE		
503	Golf fund - total	\$2,094,700
505	Parking fund - total	3,416,100

PUBLIC UTILITIES		
510	Water fund - total	\$11,691,800
520	Gas fund - total	44,107,500
530 and 532	Sewer and clean water fund - total	18,567,900
535	Stormwater fund - total	4,617,500
540	Steam fund - total	7,749,022
550	Street lighting - total	1,994,500

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, 2012.

Approved:


Department Director

Approved for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

BUDGET PS:rb 11/29/2011

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 2012 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

11-063-O

ORDINANCE NO. _____

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL TAXING DISTRICT, DULUTH TRANSIT AUTHORITY, FOR THE YEAR 2012.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. The sum to be raised by taxation for the year 2012 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.

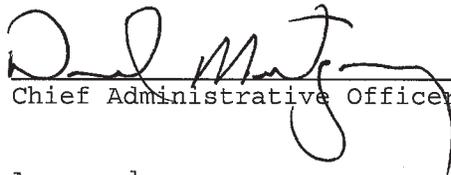
Section 3. That this ordinance shall take effect January 1, 2012.

Approved:



Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

BUDGET AH:PS:rb 11/22/2011

STATEMENT OF PURPOSE: This ordinance sets the proposed property tax levy for the year 2012 for the special taxing district, Duluth Transit Authority (DTA). Although the transit authority is a special taxing district per Minnesota Statute 275.066, the city is obligated through council action to levy on their behalf.

The DTA, in reviewing their needs for 2012 is opting not to request the full levy available by Minnesota Statute 485A.31. Instead, the DTA is requesting \$1,316,900 for the eighth consecutive year.

FINANCE COMMITTEE

11-0637R

RESOLUTION DISTRIBUTING THE ESTIMATED 2012 TOURISM TAXES OF HOTEL-MOTEL AND FOOD AND BEVERAGE. AND DISTRIBUTING AN ADDITIONAL \$231,900 TO DECC EXPANSION AND LAKE SUPERIOR CENTER DEBT SERVICE.

CITY PROPOSAL:

RESOLVED, that the 2012 tourism taxes of hotel-motel and food and beverages, as estimated, be distributed in the following manner:

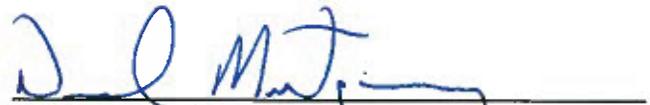
	3% Hotel- Motel	1% Hotel- Motel	2.25% Food & Beverage	Add'l 2.5% Hotel- Motel	Total
DECC Amsoil Arena Debt Service	1,092,400		1,438,600		\$ 2,531,000
Visit Duluth	588,200	196,100	631,700	184,000	\$ 1,600,000
Other Promotional Programs			6,000		\$ 6,000
Transfer to General Fund	88,500	260,100	292,500	96,800	\$ 737,900
DECC Expansion Debt Service			542,800		\$ 542,800
Lake Superior Zoo Fund			413,800	106,200	\$ 520,000
Spirit Mountain Debt/Capital				500,000	\$ 500,000
Great Lakes Aquarium		16,800	184,000	99,200	\$ 300,000
Business Improvement District			200,000		\$ 200,000
Lake Superior Center Debt Service				149,700	\$ 149,700
Heritage and Arts Center		81,500	56,100	14,200	\$ 151,800
Capital Projects			77,300	22,700	\$ 100,000
DECC - Bayfront Park		35,200	14,800		\$ 50,000
Undesignated Fund Balance			11,900	33,200	\$ 45,100
Rail Alliance				30,900	\$ 30,900
Duluth Public Arts Commission			20,000	10,000	\$ 30,000
Sister Cities			10,000	10,000	\$ 20,000
TOTALS	1,769,100	589,700	3,899,500	1,256,900	\$ 7,515,200

Further resolved, that \$231,900 in additional funds be allocated to DECC Expansion debt and Lake Superior Center debt service; this source coming from reserve for debt service, which is excess revenue from the dedicated .5% food and beverage tax and .5% hotel/motel tax.

Approved:


Department Director

Approved for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

BUDGET PS:rb 11/29/2011

STATEMENT OF PURPOSE: This resolution distributes the 2012 estimated tourism taxes to various agencies as determined by Minnesota State Statutes or city policy. Due to the fulfillment of bond obligations .5% of food and beverage tax and .5% of hotel/motel tax will sunset during the year. Excluding the taxes that are about to sunset, revenue is projected to increase by 8.26% over the 2011 budget due to local trends.

The 3% hotel/motel allocation to the DECC is increasing \$92,000 due to the increase in projected revenue and based on state law requiring the city to allocate 61.75%. Pursuant to the pledge agreement for Amsoil Arena debt, this allocation is now dedicated to debt service.

The Visit Duluth allocation will increase \$119,200 above the 2011 allocation and Spirit Mountain is increasing \$150,000 for capital.

FINANCE COMMITTEE

11-0638R

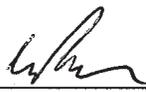
RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2012, TO
DECEMBER 31, 2012, OPERATION BUDGET OF THE DULUTH
TRANSIT AUTHORITY.

CITY PROPOSAL:

RESOLVED, that the operation budget for the fiscal year January 1, 2012,
to December 31, 2012, in the amount of \$13,488,790 for the Duluth transit
authority is hereby approved.

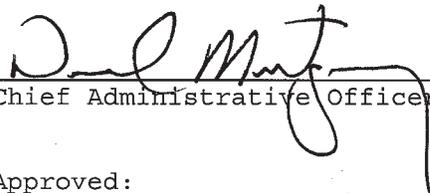
FURTHER RESOLVED, that the authority included in the resolution shall
submit to the city council its proposed budget in a prescribed format on or
before November 15 of each year.

Approved:



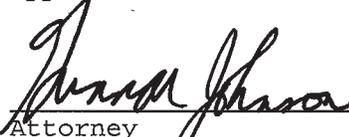
Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

BUDGET AH:PS:rb 11/22/2011

STATEMENT OF PURPOSE: This resolution adopts the 2012 operating budget for the
Duluth transit authority (DTA). The finance committee reviewed the Duluth
transit authority budget at its November 14, 2011, meeting. The 2012 budget
represents an increase of \$261,527 or 1.9 percent over the 2011 budget.

FINANCE COMMITTEE

11-0639R

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2012, TO DECEMBER 31, 2012, OPERATION BUDGET OF THE DULUTH AIRPORT AUTHORITY.

CITY PROPOSAL:

RESOLVED, that the operation budget for the fiscal year January 1, 2012, to December 31, 2012, in the amount of \$4,167,000 for the Duluth airport authority is hereby approved.

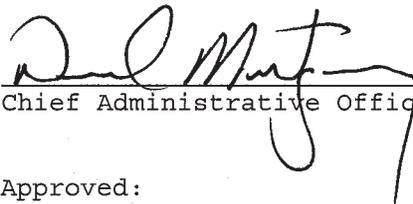
FURTHER RESOLVED, that the authority included in the resolution shall submit to the city council its proposed budget in a prescribed format on or before November 15 of each year.

Approved:



Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

BUDGET AH:PS:rb 11/22/2011

STATEMENT OF PURPOSE: This resolution adopts the 2012 operating budget for the Duluth airport authority. The finance committee reviewed the Duluth airport authority budget at its November 14, 2011, meeting. The 2012 budget represents an increase of \$334,850 or 8.7 percent over the 2011 budget.

FINANCE COMMITTEE

11-0640R

RESOLUTION OF THE CITY OF DULUTH, MINNESOTA, STATING THE INTENT TO ISSUE GENERAL OBLIGATION CAPITAL EQUIPMENT NOTES, SERIES 2012, AND APPROVING THE CAPITAL EQUIPMENT LIST ASSOCIATED WITH THE NOTES IN THE APPROXIMATE AMOUNT OF \$4,750,000.

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 2012 in an amount up to \$4,598,000 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 \$152,000.

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 2012.

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.

Approved:



Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

FINANCE RET:CW:rb 11/22/2011

STATEMENT OF PURPOSE: This resolution states the City's intent to issue general obligation capital equipment notes in 2012 to finance the purchase of capital equipment. It further approves the capital equipment list as items to be financed in 2012 in an amount up to \$4,598,000 plus an additional amount for costs of issuance and discount.

FINANCE COMMITTEE

11-0642R

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

CITY PROPOSAL:

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

Section 1. Capital improvement plan.

1.01 (a) Under and pursuant to Minnesota Statutes, Section 475.521 (the "Act"), the Council has authorized preparation of a capital improvement plan for the years 2012 through 2016 which has been presented to the Council in the section entitled "Capital Improvement Bond Summary" in the document entitled "2012-2016 Capital Improvement Plan-Capital Budget and Plan" (the "Plan");

(b) A notice of public hearings has been published in accordance with the Act, and the Council has held on December 5, 2011, a public hearing as required by the Act, to provide an opportunity for residents to express their views on the Plan;

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

- (1) The condition of the City's existing infrastructure, including the projected need for repair or replacement;
- (2) The likely demand for the improvement;
- (3) The estimated cost of the improvement;
- (4) The available public resources;
- (5) The level of overlapping debt in the City;
- (6) The relative benefits and costs of alternative uses of the funds;
- (7) Operating costs of the proposed improvements; and
- (8) Alternatives for providing services more efficiently through shared facilities with other cities or local government units.

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

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

1.03 The Plan is approved.

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

(b) The Council also held a public hearing on December 5, 2011, after notice of public hearing required by the Act, on the City's intention to issue general obligation capital improvement bonds, in an amount not to exceed \$1,475,000 for the purposes set forth in the notice of public hearing. All persons who desired to speak at the public hearing were heard and written comments were considered.

(c) The Council hereby finds and determines that it is necessary, expedient and in the best interests of the City's residents that the City issue, sell and deliver general obligation capital improvement bonds in the maximum amount of \$1,475,000 (the "Bonds"), for the purpose of providing funds for the following capital improvements under the Plan: improvements to the city hall, libraries, public safety facilities and public works facilities, citywide, including masonry repair and facility needs priorities; improvements to city hall including cooling of new switch closets (elevators), modernization/remodeling and window replacement; and improvements to the library, including an upgrade of the mechanical system; and for the payment of costs of issuance of the Bonds.

(d) If, within 30 days after December 5, 2011, a valid petition is filed with the City Clerk calling for a vote on the proposition of issuing the Bonds, signed by voters residing within the boundaries of the City equal to five percent of the votes cast in the City in the last general election, the Bonds

shall not be issued until the question of their issuance has been authorized by a majority of the voters voting on the question at the next general or special election called to decide the question.

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

Section 3. (a) The City previously issued its \$11,905,000 General Obligation Capital Improvement Bonds (Build America Bonds - Direct Pay), Series 2009C, dated December 17, 2009 (the "Series 2009 Bonds"). Up to \$2,500,000 of the proceeds from the Series 2009 Bonds allocated to the new law enforcement center shall be reallocated to improvements to City Hall, including remodeling of the former law enforcement space.

(b) The Council also held a public hearing on December 5, 2011, after notice of public hearing required by the Act, on the City's reallocation of proceeds of the Series 2009 Bonds. All persons who desired to speak at the public hearing were heard and written comments were considered.

(c) The City will reallocate up to \$2,500,000 of the proceeds of the Series 2009 Bonds if no petition requesting a vote on the reallocation of the Series 2009 Bonds signed by voters equal to five percent of 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 3(b) of this resolution.

Approved:



Department Director

Approved for presentation to council:



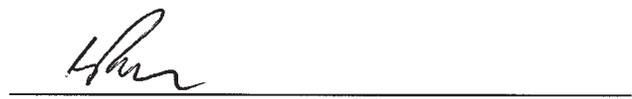
Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

FINANCE RET: CW:rb 11/22/2011

STATEMENT OF PURPOSE: This resolution approves the 2012-2016 capital improvement plan, declares the City's intent to issue general obligation capital improvement bonds in 2012 in an amount not to exceed \$1,475,000 for certain capital improvements as listed in the resolution and reallocating up to \$2,500,000 of the Series 2009C Capital Improvement Bonds to improvements to City Hall.

FINANCE COMMITTEE

11-0647R

RESOLUTION ESTABLISHING ANNUAL BONDING PLAN FOR 2012.

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 2012:

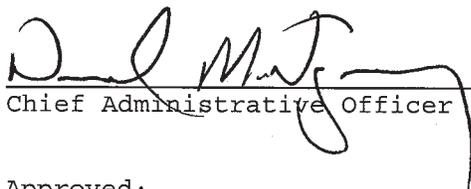
General obligation bonds and notes to be issued in 2012	\$10,973,000
General obligation bonds and notes to be retired in 2012	
Scheduled general obligation bonds anticipated	
to mature and be retired	\$16,216,805
General obligation bonds anticipated to be	
called and retired with CIT funds	<u>\$ 0</u>
Total Anticipated general obligation	
bond retirements for 2012	<u>\$16,216,805</u>
Net anticipated increase (decrease) in general	
obligation bonding for 2012	<u><u>(\$5,243,805)</u></u>

Approved:



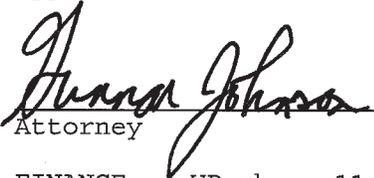
Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

STATEMENT OF PURPOSE: This resolution sets forth the City's estimated bond and note issuances and repayments for the year 2012 as required by Section 20-33 of the City Code. The City estimates its bonding activity in 2012 will result in a net decrease of \$5.2 million in the amount of the City's general obligation, outstanding debt during 2012.

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.

2012 Capital Projects	Estimated Debt Issuance	Funding Source
Bonds		
Capital Improvement	\$ 1,475,000	Tax Levy
Capital Equipment	\$ 4,698,000	Tax Levy
Lakewalk and Munger Trail Grant Matching	\$ 1,300,000	Tax Levy
Special Assessment	\$ -	Special Assessments
Utility	\$ -	Utility Revenues
Total Bonds	\$ 7,473,000	
Public Facilities Authority Notes		
Sanitary Sewer Overflow Projects	\$ 3,500,000	Clean Water Surcharge
Total Estimated Debt Issuance	\$ 10,973,000	

Scheduled 2012 Debt Payments	Principal Payments	Comments
Levy and General Fund Supported	\$ 4,511,227	
Special Assessment Supported	\$ 1,618,356	
CIT Revenue Supported	\$ 3,007,592	Funded by transfer from the CIT Fund
Utility Revenue Supported	\$ 4,788,977	Revenues from water, gas, sewer, stormwater and steam
Other Revenue Supported	\$ 2,290,653	Revenues include tourism taxes, tax increments, parking fees, golf revenues & other sources
Subtotal	<u>\$ 16,216,805</u>	
Street Improvement Callable Bonds	\$ -	Funded by transfer from the CIT Fund
Total Estimated Debt Run-Off	\$ 16,216,805	
Net Estimated Debt Reduction - 2012	\$ (5,243,805)	

Listing of City Officials

ELECTED OFFICIALS

Mayor – Don Ness

January 2008 to January 2016

Councilors at Large

Daniel Hartman	January 2010	to	January 2014
Tony Cuneo	January 2008	to	January 2012
Jeff Anderson	January 2008	to	January 2012
James Stauber	January 2002	to	January 2014

District Councilors

1	Todd Fedora	January 2008	to	January 2012
2	Patrick Boyle	January 2010	to	January 2014
3	Sharla Gardner	January 2008	to	January 2016
4	Jaqueline Halberg	January 2011	to	January 2012
5	Jay Fosle	January 2008	to	January 2016

APPOINTED OFFICIALS

Chief Administrative Officer

David Montgomery

City Attorney

Gunnar Johnson

City Department Heads

Chief Finance Officer	Adele Hartwick
Public Administration	Lisa Potswald
Business & Comm Dev	Brian Hanson
Public Works & Utilities	Jim Benning
Police	Gordon Ramsay

Authorities Directors

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

Charter Positions

Assessor	Gregg Swartwoudt
Auditor	Wayne Parson
Clerk	Jeffrey Cox
Fire	John Strongitharm

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 fourth largest city in the state. It is located on the western tip of Lake Superior and its city limits encompass 67 square miles of land and nearly 50 square miles of water. Situated on a hillside along Lake Superior's north shore, Duluth is 23 miles long and eight miles wide at its broadest point. Duluth's population exceeds 85,000 and contributes to a market area of more than 500,000 including Northern Minnesota, Northwest 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 1870; under special laws of Minnesota; returned to a village October 1877; and re-chartered as a city March 1887.

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

Main Services Provided by the City of Duluth

- Airport Facility
- Public Transit Support
- Duluth Entertainment and Convention Center (DECC)
- Natural Gas Utility and Water Supply
- Sanitary Sewer and Stormwater Utilities
- Street Lighting Utility
- Police and Fire Protection
- Library Services
- Public Works Operations including Street Maintenance
- Bridge Operations and Maintenance
- Building and Housing Inspection
- Recreation, Parks, Golf Courses and Municipal Zoo
- Ski Facilities – both Nordic and Alpine
- Planning and Business Development 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 Total Est.	
	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

<u>Fiscal Year Ended Dec 31</u>	<u>Total Tax Levy For Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
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

<u>Fiscal Year Ended Dec 31</u>	<u>Total Tax Levy for Fiscal Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
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%
		16,456		28.26%	17,002		29.37%

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.