

# CITY OF DULUTH, MINNESOTA



## 2017 ADOPTED ANNUAL BUDGET



# CITY OF DULUTH

## 2017 Approved Annual Budget

### MAYOR

Emily Larson

### CITY COUNCILORS

Gary Anderson

Zack Filipovich

Jay Fosle

Elissa Hansen

Howie Hanson

Noah Hobbs

Barb Russ

Joel Sipress

Em Westerlund

### CHIEF ADMINISTRATIVE OFFICER

David Montgomery



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# INTRODUCTION





## City of Duluth Finance Department

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Duluth, Minnesota • 55802-1190  
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January 1, 2017

Members of the Duluth City Council  
And Other Interested Parties

Dear Reader,

The City of Duluth budget process is a disciplined practice which uses the strengths of highly skilled leaders to set City priorities while seeking strategic financial solutions and opportunities to achieve these priorities. The 2017 budget was completed in accordance with the City's budget policies, city charter and the State of Minnesota's truth in taxation laws.

The budget process began with Mayor Emily Larson presenting the proposed general fund budget and tax levy to the City Council on September 8, 2016. The City Council approved the proposed maximum tax levy on September 26, 2016. Finance committee meetings were scheduled in August, September, October, November, and December where City departments and authorities presented their budgets as well as strengths, opportunities, and future challenges. On December 5, 2016 a truth in taxation hearing was held in the Duluth City Council Chambers at 7:00 pm to allow citizens time for public comment and questions. The final 2017 budgets, budget appropriations, tax levies, capital improvement plan, and bonding intent and plan were approved by Council on December 12, 2016.

The 2017 budget is "Minnesota plaid and practical"; solid, problem solving, and forward looking. The 2017 budget is a modest budget that holds the line on new spending and fixes Duluth's precarious reliance on fees to pay for streets. Included in the 2017 budget presentation to the City Council was an executive summary of the general fund budget, discussion on the budget drivers to be considered, and the broad goals and assumptions to be used. These items are outlined below:

### 2017 Budget Highlights:

- **Revenue neutral street improvement swap** eliminating the Street Improvement fee on utility bills and adding the amount to the property tax levy (\$2.8 million).
- **Increase in electric franchise fee** charged to Minnesota Power for use of public rights-of-way from a fixed \$1.1 million to 3% of gross electric sales for service within the City (with a limit to any Minnesota Power customer not to exceed \$420 thousand)
- **Increase in health care** rates of 10%
- **No increase in LGA**
- **Increase in debt service payments** in the amount of \$258,300

### Budget Drivers:

- **State Budget Considerations**
  - LGA
  - Levy limits
- **Employee Expenses**
  - Collective bargaining agreement wage increases
  - Health insurance premiums
  - Retiree insurance
- **Economy**
  - Expanding tax base
  - Sales tax
  - Electric franchise fees

**Framework Goals and Assumptions:**

- A firm commitment to investing in streets through long term and reliable funding strategies. By eliminating the street fee on utility bills and adding the same amount to the property tax levy, the City has a more dependable, equitable, and transparent way to pay for streets.
- The revenue-neutral swap between the elimination of the street fee from utility bills and the increase in the property tax levy will result in minimal financial difference to the majority of Duluth homeowners.
- New tax base growth from economic development will translate into tax rate decreases for property owners.
- An increase in the franchise fee charged to Minnesota Power will be more in line with state averages. The fee is charged to Minnesota Power for use of the public rights-of-way by Minnesota Power to deliver electrical service to Duluth residents.
- An increase of 10% in health care rates. Indicators suggest the City needs to increase health care rates 10%.
- Duluth and other cities across the state were positioned to receive an increase in Local Government Aid during the 2016 legislative session. However, the increase in LGA did not come to fruition during the legislative session.
- The City continues to prioritize making debt payments to ensure the City remains in excellent standing with bond rating agencies which allows the City to leverage other investments and benefits.

The 2017 budget approvals were endorsed by the City Council, led by Council President Zack Filipovich. Mayor Larson's 2017 proposed levy and budget presentation can be seen by clicking the link <http://duluthmn.gov/mayor/2017-proposed-levy-and-budget/>.

The 2017 budget continues the application of strong and consistent financial principles that have been utilized to improve and strengthen the City's financial health and create budget stability over the past nine years. The City budget process embraces a series of principles which provide the foundation to short and long-term planning and have helped the City dramatically improve its financial health during a very turbulent and challenging period. Key principles in the City's financial stability include budget discipline; organizational and process reengineering using core competencies to seek out improvements in operational efficiency and effectiveness; seeking strategic solutions to financial opportunities such as the creative conversion of the over-65 plan to a Medicare supplement, the creations and funding of an OPEB trust to finance long-term retiree costs, the reduction of general fund revenue volatility; a focus on debt management through cautious borrowing and attention to interest rate opportunities all while protecting the City's bond rating; and seeking out the best employees both internally and externally to capitalize on diverse, innovative talents and ideas.

Throughout the budget process, employees dedicate numerous hours to innovative thinking for ways to achieve City priorities with a minimal effect on taxpayer dollars. A sincere appreciation goes out to managers, staff, and finance personnel who work collaboratively to develop a budget which reflects the annual priorities of the City.

Sincerely,



Jennifer Carlson  
Budget Manager



Wayne Parson  
Chief Financial Officer

# City of Duluth Strengths, Challenges, and Opportunities

Thanks to the talent and dedication of City staff and in cooperation with community partners, we are not only able to strategically plan for challenges but also make progress on the larger goals of economic growth and fiscal health. Heading into 2017, the City staff are working diligently to capitalize on the City's numerous strengths while strategically planning to solve the City's challenges.

## **Strengths:**

- For 2017, Duluth's net tax capacity grew by 5% indicating a strong resurgence in real estate values post-recession. The City continues to work with developers to finalize proposed development agreements and construction plans.
- In 2016, Cirrus Aircraft Corp completed its 68,000 square foot finishing center in Duluth and delivered the world's first single-engine personal jet.
- In 2016, Maurices completed the biggest downtown development in Duluth's history. The new \$80 million Maurices headquarters opened to include 200,000 square feet of office space.
- A number of large projects involving office, retail, housing and manufacturing continue to drive the local economy by adding jobs and increasing overall property values. In 2016, the combined investment in projects completed or under construction totaled in excess of \$160 million and created in excess of 350 new jobs.
- Standard & Poors and Moody's recognized Duluth's fiscal discipline and financial health in their latest reports and renewed the City of Duluth's AA and Aa2 bond ratings with a stable outlook.

## **Parks and Trails**

Duluth is rapidly becoming known as one of the premier outdoor and trails cities in the country, a designation that is attracting new visitors and generating additional economic development opportunities. In 2014, Duluth was voted "Best Town in America" by Outside magazine. As the City develops its wide ranging trail system, we recognize the need to provide corresponding resources

to maintain and protect these new amenities as well as our longstanding existing parks and trails.

### **Challenges:**

- In early 2016, the Duluth City Council approved a settlement agreement between the City and the Fond Du Lac Band of Lake Superior Chippewa. The settlement agreement resolved all of the outstanding litigation between the City and The Band. Prior to the litigation, the City was receiving annual casino rent payments of approximately \$6 million that was dedicated to a street improvement program. The settlement agreement now provides for an annual payment to the City of \$150,000 for city services. Given the resource limitations of the City, adequate funding levels for a street improvement program are in question.
- The Duluth Police Department continues to partner with law enforcement agencies to seize and arrest drug traffickers. With strong support of local organizations, citizens, and businesses, the Duluth Police Department and City Attorney's Office closed down the Last Place on Earth – a notorious retailer of synthetic drugs. This closure greatly reduced the area's nuisance and crime problems while helping increase business downtown.
- As the local economy continues to expand, hundreds of new jobs are being created. We are now seeing signs of population growth that Duluth has not seen in over 60 years. With this growth comes a new set of challenges including housing, workforce recruitment, and growing income inequality. These challenges are closely interconnected and we will address them concurrently and proactively.

### **Street and Road System**

The condition of Duluth's street and road system remains one of the biggest unmet challenges. We made significant progress on our road system given the severe limitations on available resources for street funding, but the essence of the problem remains. Given the resource limitations we face; we are focusing on maintaining the system we have today rather than rebuild new street sections in 2017. Duluth taxpayers gain a much greater benefit per dollar expended through maintenance measured by total miles of improved road surface than by expending the limited resources available on full resurfacing or reconstruction. Ultimately our roads will need to be fully rehabilitated to gain long-term benefit and cost effectiveness. But until a more permanent and appropriately funded street program can be established, utilizing the bulk of the

street fee dollars, not needed for street debt repayment, for enhanced street maintenance is the most beneficial use. Over the past two years we have identified newly available resources from positive budget performance and asked Council for one-off additional budget appropriations to apply these funds to enhanced street maintenance. This year we are providing for that level of maintenance resources from the street fee in the initial budget for the Street Maintenance Fund.

## **Housing**

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

To meet rising demand, we must add 1,000 new or fully renovated units by the end of 2017; and a total 2,300 by 2020. We must increase availability of housing options including senior housing, multi-family units, micro apartments, as well as new single family homes. We must also address perceived barriers to investment including availability of building sites, cost of construction, and access to financing.

## **Workforce**

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

## **Inequality**

Perhaps the most important reason to be intentional and proactive in regards to workforce challenges are the related issues of poverty and income inequality which continues to burden our community and the nation. We must build better pathways to help people in poverty to grow the skill sets needed by employers so they can create a better life for themselves and their families while making positive contributions to our community.

We must proactively engage with the labor community, especially the building trades, to ensure that we are developing a deep bench of trained and qualified

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

Duluth's reputation is improving as a “can do” city that tackles its toughest problems. In 2014, Minnesota's Leaders in Public Policy named the City of Duluth their Local Government of the Year.

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

### **Opportunities:**

Over five years of planning has gone into developing the St Louis River Corridor and the exciting opportunities are now ready to come to life.

#### **A Healthy River - A Healthy Future**

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

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

Each of the neighborhoods features distinctive strengths. The common thread is access to an amazing natural resource which is too often overlooked in Duluth – the St. Louis River. There's no question that if not for Lake Superior, Duluth would be defined as a river city.

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

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

From the discussion, seven working groups continued the conversation creating specific action plans which have inspired some amazing initiatives and projects. Implementation started slowly but is now gaining speed. The St. Louis River corridor can be a perfect case study on how a community can successfully weave together residential, industrial, recreational and environmental

considerations with each component enhancing and supporting the others for the benefit of the entire community and region. The river is the thread that pulls all these unique attributes together.

### **St. Louis River Corridor – Environmental Stewardship**

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

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

The environmental health of the river is key to the broader vision that is emerging - both to enhance the practical use of the river for fishing and recreation, but equally important to celebrate our stewardship. The environmental damage of the river has historically been a source of embarrassment but now we have committed to a nationally significant project that reflects our common commitment to protect the freshwater resource that we are blessed with.

### **St. Louis River Corridor – Infrastructure Improvements**

No area of the city has seen more public investment than the St. Louis River corridor. This investment in infrastructure is the foundation for private investment and job growth that we want to encourage. Key investments have included critical street and utility improvement projects, parks and trails, schools, environmental cleanup of brownfields and extending public infrastructure to foster industrial development sites.

### **St. Louis River Corridor – Jobs and Economy**

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

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

### **St. Louis River Corridor – Tourism**

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

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

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

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

Demographic studies show the St. Louis River neighborhoods are aging quickly and we must be deliberate about creating market demand for housing. This will inspire a new generation of home buyers to choose these neighborhoods. It should be our common goal for when a young family moves to our town, local

realtors are sure to show homes along the corridor because of the wealth of outdoor experiences in these close-knit, affordable neighborhoods.

Fifteen years ago, Lakeside and Lester Park neighborhoods faced the same demographics challenge. A large percent of those homes were owned by seniors. Today, the neighborhoods are booming and have become a magnet for young families. As our economy grows, we have the same opportunity in the St. Louis River neighborhoods. This is our moment to create a vibrant future for these neighborhoods and for Duluth.

### **City of Duluth Financial Principles**

The 2017 budget continues the application of strong and consistent financial principles that have been utilized to improve and strengthen the City's financial health and create budget stability over the past eight years. These principles have provided the foundation to our short and long-term financial planning and have helped the City dramatically improve its financial health during a very turbulent and challenging period. These principles include:

- **Budget Discipline** – that discipline encompasses several ideas including conservative revenue expectations, making difficult spending prioritization decisions, applying zero based budget concepts, aggressively challenging existing budget assumptions and emphasizing the need for spending rationales or return on investment analysis, tightly managing staffing level fluctuations and individual hiring decisions and creating a culture of budget accountability.
- **Organizational and Process Reengineering** - means striving toward a culture of every employee thinking, “How can I do things better and more efficiently today?” This culture focuses on identifying the organization's core competencies and seeks out improvements in operational efficiency and effectiveness by the constant reassessment of processes and procedures, the targeted application of technology and appropriate optimization of attrition opportunities.
- **Willingness to Seek Strategic Solutions to Financial Opportunities** – look for opportunities to bring about change to major assumptions, programs or structural impediments to improve or secure long-term financial security. Examples include the restructuring of our retiree health care program, creative conversion of the over-65 plan to a Medicare supplement, creation and funding of an OPEB trust to finance long-term retiree costs, reduction of general fund revenue volatility and professionalizing the management of our enterprise fund operations.

- **Focus on Debt Management** – through judicious use of borrowing, attention to interest rate opportunities, taking a rainy day approach to the use of windfalls or other significant proceeds realizations and jealously protect the City's bond rating.
- **Seek Out the Best Employees** – both internally and externally. Be willing to look out of the box in the search for new talent with unusual or non-standard backgrounds. Provide opportunities for internal staff to move up or across existing job channels to realize their full potential. Utilize attrition to improve the team's capabilities and capacity whether from external or internal talent.

# City of Duluth Minnesota – 2017 Budget

## Profile of Duluth, MN



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

The City is built into a steep rocky hillside, with an elevation change of approximately 900 feet, and temperatures that can vary greatly from season to season and even day to day, due to the proximity of Lake Superior. January has an average low temperature of 2°F and July has an average high temperature of 76°F. The average snowfall is 85 inches and the average precipitation is 31 inches.

Duluth was voted Outside magazine's best outdoors town in America. The City of Duluth provides 128 municipal parks with a total of 6,834 acres of city parkland, 14 hiking trails which boast 178 miles, 2 ski hills, 16 designated trout streams and Lake Superior, the world's largest freshwater lake by surface area. 3.5 million people visit Duluth annually.



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

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

After reaching a population peak of 107,312 in 1960, Duluth's 2015 population of 86,238, as estimated by the US Census Bureau, has remained relatively flat since the 1990 census. The labor force is estimated at 45,773, with 43,052 employed. Unemployment has steadily fallen since the 2010 peak of 7.6% to the current level of 5.6%.

There are 38,146 housing units in Duluth. The median income is \$45,034, while the average median income for state of Minnesota is \$58,476.

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



# City of Duluth Minnesota – 2017 Budget

## Form of Government

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

## ELECTED OFFICIALS

### Mayor – Emily Larson

January 2016 to January 2020

#### Councilors at Large

Zack Filipovich	January 2014	to	January 2018
Elissa Hansen	January 2016	to	January 2020
Noah Hobbs	January 2016	to	January 2020
Barb Russ	January 2014	to	January 2018

#### District Councilors

1	Gary Anderson	January 2016	to	January 2020
2	Joel Sipress	January 2014	to	January 2018
3	Em Westerlund	January 2016	to	January 2020
4	Howie Hanson	January 2014	to	January 2018
5	Jay Fosle	January 2016	to	January 2020

## APPOINTED OFFICIALS

#### Chief Administrative Officer

David Montgomery

#### City Attorney

Gunnar Johnson

#### Authorities Directors

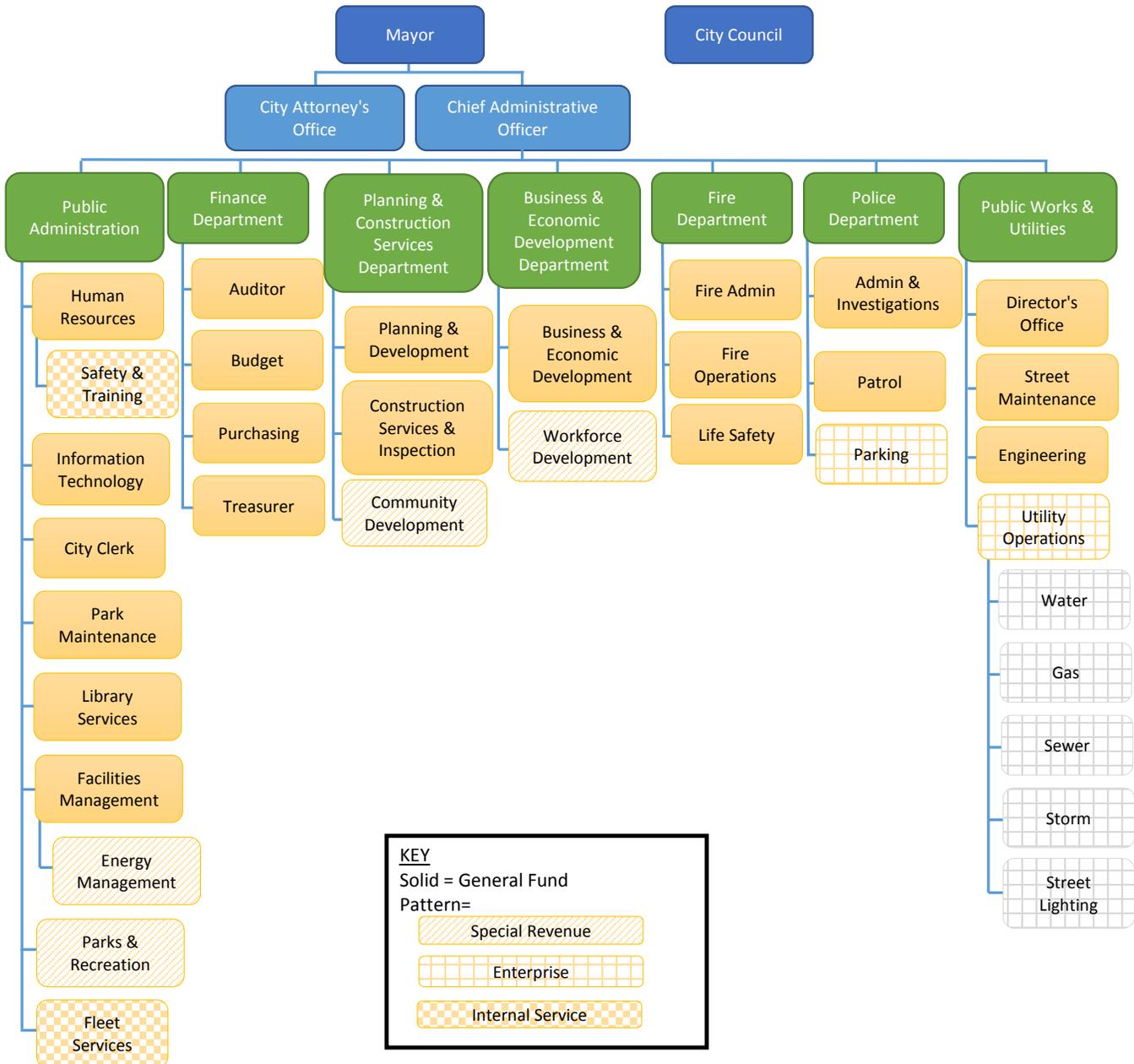
Airport	Tom Werner
DECC	Daniel Russell
DTA	Dennis Jensen
Spirit Mountain	Brandy Ream

#### City Department Heads

Chief Financial Officer	Wayne Parson
Public Administration	Jim Filby Williams
Business & Econ Dev	Heather Rand
Planning & Comm Dev	Keith Hamre
Fire	Dennis Edwards
Police	Mike Tusken
Public Works & Utilities	James Benning

# CITY OF DULUTH ORGANIZATION CHART

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



**CITYWIDE PERSONNEL SUMMARY**  
Fulltime, Permanent Positions

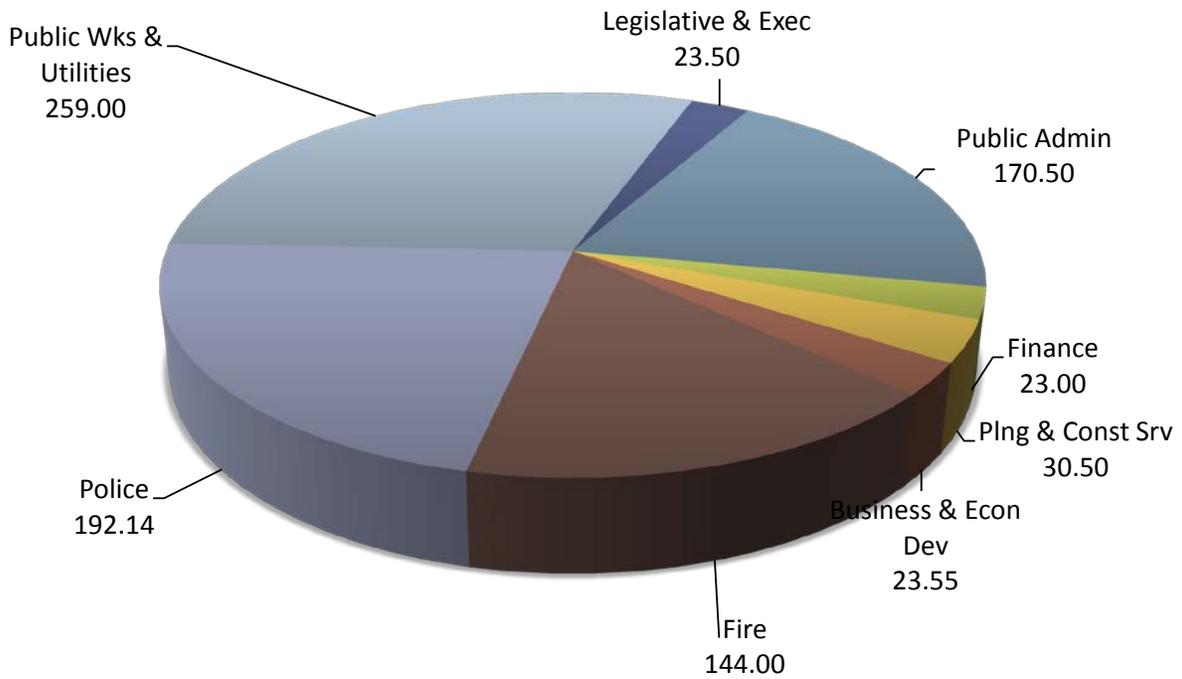
Department/Division	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>LEGISLATIVE AND EXECUTIVE</b>				
City Council	0.00	0.00	0.00	0.00
Mayor Office	3.00	4.00	4.00	4.00
Chief Administrative Officer	2.50	2.50	2.50	2.50
Attorney's Office	16.00	17.00	17.00	17.00
DEPARTMENT TOTAL	21.50	23.50	23.50	23.50
<b>PUBLIC ADMINISTRATION</b>				
Human Resources	12.00	12.00	11.75	11.00
Management Information Systems	22.00	21.00	21.00	22.00
City Clerk	8.00	7.00	7.00	7.00
Park Maintenance	24.35	24.35	24.60	24.35
Library Services	49.00	46.50	46.50	46.70
Parks and Recreation	10.00	9.75	11.75	11.95
Facilities Management	20.30	25.30	25.30	27.30
Fleet Services	18.35	18.35	18.35	18.20
Safety and Training	1.00	1.00	1.00	1.00
Energy Management	1.00	1.00	1.00	1.00
DEPARTMENT TOTAL	166.00	166.25	168.25	170.50
<b>FINANCE</b>				
Budget Office	3.00	3.00	3.00	3.00
Auditor's Office	8.50	8.50	9.50	9.00
Purchasing	2.00	2.00	2.00	2.00
Treasurer's Office	10.00	9.00	9.00	9.00
DEPARTMENT TOTAL	23.50	22.50	23.50	23.00
<b>PLANNING &amp; CONSTRUCTION SERVICES</b>				
Physical Planning	7.20	7.17	6.67	6.97
Construction Services	17.00	17.00	17.50	17.50
Community Development	6.83	6.83	6.33	6.03
DEPARTMENT TOTAL	31.03	31.00	30.50	30.50
<b>BUSINESS &amp; COMM DEV RESOURCES</b>				
Business Development	6.50	5.50	5.50	5.50
Workforce Development	22.00	19.00	18.05	18.05
DEPARTMENT TOTAL	28.50	24.50	23.55	23.55

**CITYWIDE PERSONNEL SUMMARY**  
**Fulltime, Permanent Positions**

Department/Division	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>FIRE DEPARTMENT</b>				
Fire Administration	4.00	3.00	4.50	3.50
Firefighting Operations	127.00	130.00	130.00	130.50
Life Safety	11.00	10.00	10.00	10.00
DEPARTMENT TOTAL	142.00	143.00	144.50	144.00
<b>POLICE DEPARTMENT</b>				
Administration, Investigative, Patrol	178.50	178.50	180.50	183.14
Parking	8.00	8.00	9.00	9.00
DEPARTMENT TOTAL	186.50	186.50	189.50	192.14
<b>PUBLIC WORKS &amp; UTILITIES</b>				
Public Works Operations				
Director's Office	0.40	0.40	0.40	0.40
Street Maintenance	45.00	45.00	45.00	45.50
Engineering	16.10	16.05	16.25	16.25
Public Works Subtotal	61.50	61.45	61.65	62.15
Utilities Operations				
Water	59.88	57.03	54.70	57.50
Gas	72.72	71.62	74.45	76.25
Sewer	39.33	36.93	35.80	32.65
Stormwater	25.52	26.87	27.30	25.35
Street Lighting	5.10	5.10	5.10	5.10
Utilities Subtotal	202.55	197.55	197.35	196.85
DEPARTMENT TOTAL	264.05	259.00	259.00	259.00
<b>TOTAL CITY EMPLOYEES</b>	<b>863.08</b>	<b>856.25</b>	<b>862.30</b>	<b>866.19</b>

# CITYWIDE PERSONNEL SUMMARY

## 2017 Permanent FTE's by Department



Department	2014 Budget	2015 Budget	2016 Budget	2017 Approved	Difference 2017-2016
Legislative & Executive	21.50	23.50	23.50	23.50	0.00
Public Administration	166.00	166.25	168.25	170.50	2.25
Finance	23.50	22.50	23.50	23.00	-0.50
Planning & Construction Services	31.03	31.00	30.50	30.50	0.00
Business & Economic Development	28.50	24.50	23.55	23.55	0.00
Fire Department	142.00	143.00	144.50	144.00	-0.50
Police Department	186.50	186.50	189.50	192.14	2.64
Public Works & Utilities	264.05	259.00	259.00	259.00	0.00
<b>TOTAL</b>	<b>863.08</b>	<b>856.25</b>	<b>862.30</b>	<b>866.19</b>	<b>3.89</b>

# BUDGET HIGHLIGHTS

## BUDGET PROCESS

The budget process began with Mayor Emily Larson presenting the proposed general fund budget and tax levy to the City Council on September 8, 2016. The City Council approved the proposed maximum tax levy on September 26, 2016. Finance committee meetings were scheduled in August, September, October, November, and December where City departments and authorities presented their budgets as well as strengths, opportunities, and future challenges. On December 5, 2016 a truth in taxation hearing was held in the Duluth City Council Chambers at 7:00 pm to allow citizens time for public comment and questions. The final 2017 budgets, budget appropriations, tax levies, capital improvement plan, and bonding intent and plan were approved by Council on December 12, 2016.

## 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 2017 budget proposals. Instructions will be emailed, 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:

<b>June 24</b>	General fund revenue
<b>July 29</b>	General fund personnel and non-personnel proposals, Parks fund, Parking fund, Fleet
<b>August 5</b>	Public Utilities enterprise funds
<b>August 12</b>	Special Revenue funds, Internal Service funds, Debt funds, Capital funds

### ADMINISTRATIVE REVIEWS

**Week of June 27** Administrative review of General Fund division revenue budget proposals

**Weeks of August 1, 8, 15** General Fund personnel & non-personnel, Parks, Parking, Fleet, PW Utilities administrative budget reviews

### CAPITAL BUDGETS

<b>August 22</b>	Instructions and packets sent out to departments
<b>September 26</b>	CIP and CEP committee meetings will be scheduled
<b>November</b>	Capital Improvement presentation to City Council

### MAYOR'S PRESENTATION TO COUNCIL

<b>Sept 8</b>	Proposed levy and budget resolutions on council agenda
<b>Sept (12,26)</b>	Council sets preliminary budget and maximum property tax levy

### COUNCIL BUDGET REVIEW

**Aug – Dec** Department and Authority budget presentations -schedule set by Finance Committee Chair of the Council

### TRUTH IN TAXATION MEETINGS

<b>Dec 5</b>	Truth in Taxation hearing
<b>Dec 12</b>	Council approves final budgets and levies to become effective January 1

**PROPERTY TAX LEVY REVENUES**

The **City’s final property tax levy** (not including the Parks referendum levy) certified to the County was \$25,448,392; an increase of 17.65% over the 2016 levy.

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

**2017 Approved Property Tax Levy**

	2016 Approved Levy	2017 Approved Levy	Change In Levy	% Change in Total City Levy
<b>General Operations Levy</b>				
General Operations	\$ 13,978,900	\$ 14,628,200	\$ 649,300	3.00%
Provision for Tax Delinquency	\$ 150,000	\$ 150,000	\$ -	
<b>Total General Operations Levy</b>	<b>\$ 14,128,900</b>	<b>\$ 14,778,200</b>	<b>\$ 649,300</b>	<b>3.00%</b>
<b>Capital Projects Levy</b>				
Debt Service	\$ 6,574,300	\$ 6,832,600	\$ 258,300	1.19%
Infrastructure Permanent Improvements	\$ 280,000	\$ 280,000	\$ -	
<b>Total Capital Projects Levy</b>	<b>\$ 6,854,300</b>	<b>\$ 7,112,600</b>	<b>\$ 258,300</b>	<b>1.19%</b>
<b>Street Maintenance Utility Fee Levy</b>	<b>\$ -</b>	<b>\$ 2,800,000</b>	<b>\$ 2,800,000</b>	<b>12.94%</b>
<b>Street Light Levy</b>	<b>\$ 647,592</b>	<b>\$ 757,592</b>	<b>\$ 110,000</b>	<b>0.51%</b>
<b>Total City Property Tax Levy</b>	<b>\$ 21,630,792</b>	<b>\$ 25,448,392</b>	<b>\$ 3,817,600</b>	<b>17.65%</b>
<b>Parks Referendum Levy</b>	<b>\$ 2,600,000</b>	<b>\$ 2,600,000</b>	<b>\$ -</b>	<b>0.00%</b>

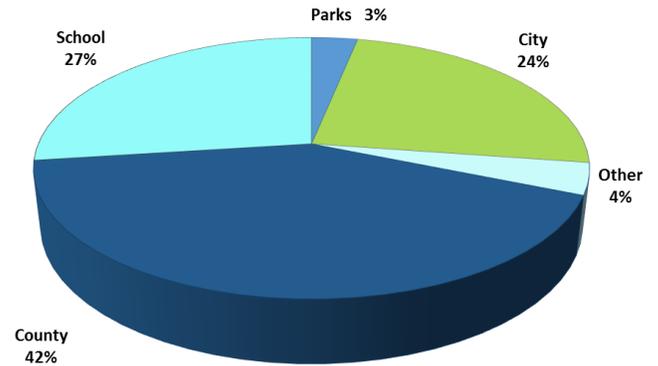
**INCREASE IN AVERAGE HOMESTEAD (\$166,900) ANNUAL CITY PROPERTY TAX BILL**

2016 City Property Taxes	\$ 558
2017 Property Taxes as Approved	\$ 614
<b>Approved Annual Increase</b>	<b>\$ 56</b>

In addition, the City, on behalf of three special taxing districts, approved levy requests as follows: The **Duluth Transit Authority** in the amount of \$1,491,900; the **Housing and Redevelopment Authority** in the amount of \$1,008,855; and **Parks Fund** in the amount of \$2.6 million as approved in a voter referendum. These levies are separate on the property tax statement and are not included in the city levy.

**Property tax bills for Duluth residents** are comprised of the taxes levied for the City of Duluth, St. Louis County, the School District, the Parks Fund, and several other smaller taxing districts. The City's portion is 27% of the total. The chart below shows an average resident's property tax bill with the breakdown by taxing entity.

<b>Taxing Entity</b>	<b>2017 Property Taxes</b>	
City of Duluth (incl. Parks)	\$ 614	27%
St. Louis County	\$ 940	42%
School District 709	\$ 608	27%
Other Entities	\$ 87	4%
<b>Total Average Bill</b>	<b>\$ 2,249</b>	<b>100%</b>



\*Based on Market Value of \$166,900

**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 2017 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 2016 tax bill with the proposed tax bill for 2017. The numbers are based on the property tax levy proposals by St. Louis County, the School District, other taxing districts, as well as the City of Duluth. It also factors in any changes in your property's market value and tax rate classification. The County mails these statements out to individual property owners to show the impact of all property tax proposals on a resident's tax.

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

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

**What services do property taxes fund?**

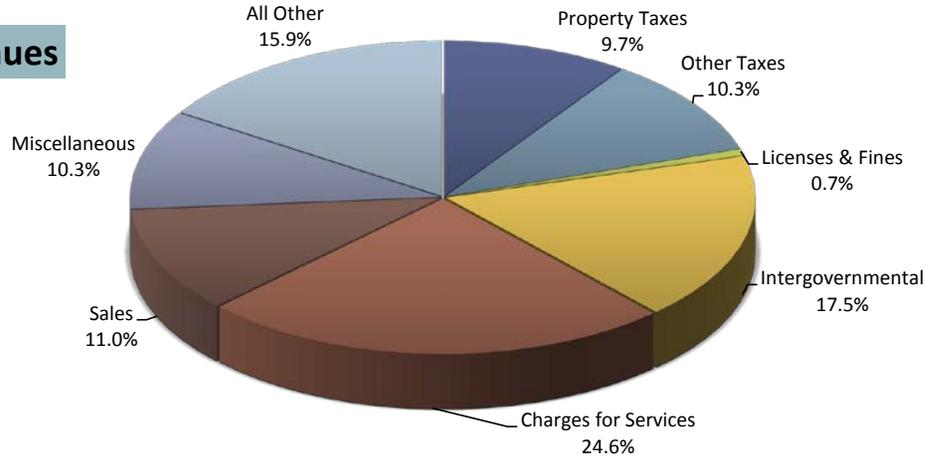
Approximately 11 percent of the City property tax levy goes to the Street Maintenance Utility fund to offset the fees collected in prior years on the Comfort Systems utility bills. Approximately 27 percent goes to fund debt service on capital improvements, equipment and neighborhood street improvements. 3 percent of the levy goes to the Street Light Utility fund. The remaining 59 percent goes into the City's General Fund to pay for services such as police, fire, libraries, planning and zoning, and street maintenance. For 2017, the portion of the City's general services paid for with property taxes is less than \$15 million or 18% of total general services. To put the amount into perspective, this does not even cover the Fire Department's 2017 funding requirements.

**If property taxes only cover 18% of the cost of city services, what other sources of revenue fund the City's General Fund?**

The General Fund revenues include over 200 separate sources. The largest single source of revenue is Local Government Aid from the State of Minnesota at \$29 million or 35% of the total, followed by Sales Tax at \$14 million or 17% of the total.

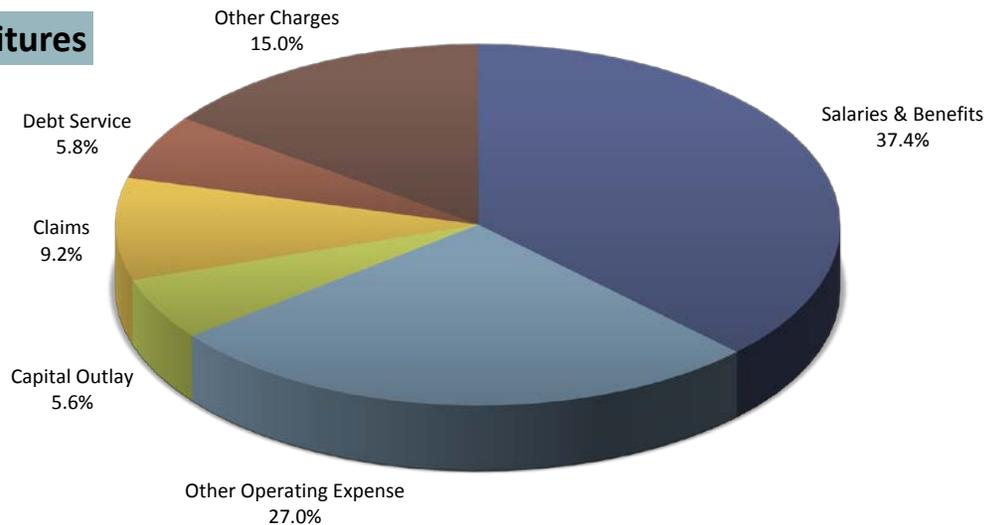
# TOTAL APPROVED CITY OF DULUTH BUDGET

## 2017 Revenues



REVENUES:	2014 Actual	2015 Actual	2016 Budget	2017 Approved
Property Taxes	22,082,553	22,718,043	24,230,800	28,048,400
Other Taxes	24,694,469	26,612,198	27,225,700	29,923,800
Licenses & Fines	2,235,969	2,264,218	1,988,900	1,922,700
Intergovernmental	48,916,854	49,644,181	63,616,861	50,630,443
Charges for Services	69,757,090	68,406,725	70,853,184	71,361,346
Sales	52,261,471	30,161,959	36,053,500	31,774,100
Miscellaneous Revenue	33,112,169	43,345,039	31,092,540	29,837,290
All Other Sources	35,945,299	45,538,872	41,662,480	46,151,302
<b>TOTAL REVENUES</b>	<b>289,005,874</b>	<b>288,691,234</b>	<b>296,723,965</b>	<b>289,649,381</b>

## 2017 Expenditures



EXPENDITURES	2014 Actual	2015 Actual	2016 Budget	2017 Approved
Salaries & Benefits	95,595,513	97,594,269	101,016,833	105,232,679
Other Operating Expense	90,274,978	69,323,653	79,530,795	75,969,181
Capital Outlay	13,702,164	12,780,847	12,705,000	15,770,500
Claims	11,509,621	11,989,092	23,097,821	25,734,343
Debt Service	16,977,849	20,698,322	14,011,000	16,361,200
Other Charges	37,047,336	40,701,995	58,798,001	42,155,723
<b>TOTAL EXPENDITURES</b>	<b>265,107,461</b>	<b>253,088,177</b>	<b>289,159,450</b>	<b>281,223,626</b>

## TOTAL APPROVED CITY OF DULUTH 2017 BUDGET

REVENUE COMPARISON	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference 2017-2016
<b>CURRENT PROPERTY TAXES</b>					
General Fund	12,931,648	13,042,989	14,128,900	14,778,200	649,300
Special Revenue Funds	2,596,388	2,608,789	2,600,000	5,400,000	2,800,000
Debt Service Funds	6,275,166	6,565,982	6,574,300	6,832,600	258,300
Capital Project Funds	279,351	279,989	280,000	280,000	-
Enterprise Funds	-	220,293	647,600	757,600	110,000
Total Current Property Taxes	<u>22,082,553</u>	<u>22,718,043</u>	<u>24,230,800</u>	<u>28,048,400</u>	<u>3,817,600</u>
<b>OTHER TAXES</b>					
General Fund	15,871,639	15,966,711	16,364,400	18,246,700	1,882,300
Special Revenue Funds	8,822,830	10,645,487	10,861,300	11,677,100	815,800
Total Other Taxes	<u>24,694,469</u>	<u>26,612,198</u>	<u>27,225,700</u>	<u>29,923,800</u>	<u>2,698,100</u>
<b>LICENSES &amp; FINES</b>					
General Fund	2,235,969	2,264,218	1,988,900	1,922,700	(66,200)
Total Licenses and Fines	<u>2,235,969</u>	<u>2,264,218</u>	<u>1,988,900</u>	<u>1,922,700</u>	<u>(66,200)</u>
<b>INTERGOVERNMENTAL</b>					
General Fund	33,216,496	33,463,147	33,510,200	33,199,300	(310,900)
Special Revenue Funds	9,788,260	8,771,745	25,691,661	9,366,143	(16,325,518)
Debt Service Funds	-	-	-	-	-
Capital Project Funds	5,912,098	7,409,289	4,415,000	8,065,000	3,650,000
Total Intergovernmental	<u>48,916,854</u>	<u>49,644,181</u>	<u>63,616,861</u>	<u>50,630,443</u>	<u>(12,986,418)</u>
<b>CHARGES FOR SERVICES</b>					
General Fund	5,911,770	5,610,882	5,419,700	5,411,100	(8,600)
Enterprise Funds	59,458,316	59,380,062	61,346,584	61,876,146	529,562
Internal Service Funds	4,387,004	3,415,781	4,086,900	4,074,100	(12,800)
Total Charges for Services	<u>69,757,090</u>	<u>68,406,725</u>	<u>70,853,184</u>	<u>71,361,346</u>	<u>508,162</u>
<b>SALES</b>					
Enterprise Funds	52,261,471	30,161,959	36,053,500	31,774,100	(4,279,400)
Total Sales	<u>52,261,471</u>	<u>30,161,959</u>	<u>36,053,500</u>	<u>31,774,100</u>	<u>(4,279,400)</u>
<b>MISCELLANEOUS REVENUE</b>					
General Fund	988,119	774,288	414,300	938,900	524,600
Special Revenue Funds	25,134,092	23,782,217	26,440,976	24,568,580	(1,872,396)
Debt Service Funds	390,434	219,253	238,800	238,800	-
Capital Project Funds	4,496,351	16,190,885	1,909,904	1,935,850	25,946
Internal Service Funds	2,103,173	2,378,396	2,088,560	2,155,160	66,600
Total Miscellaneous Revenue	<u>33,112,169</u>	<u>43,345,039</u>	<u>31,092,540</u>	<u>29,837,290</u>	<u>(1,255,250)</u>
<b>ALL OTHER SOURCES</b>					
General Fund	7,796,348	8,357,811	8,179,800	8,080,400	(99,400)
Debt Service Funds	8,631,134	14,680,429	7,250,200	8,530,400	1,280,200
Capital Project Funds	228,261	675,834	2,155,000	4,215,000	2,060,000
Enterprise Funds	5,831,760	8,954,855	1,636,400	999,100	(637,300)
Internal Service Funds	13,457,796	12,869,943	22,441,080	24,326,402	1,885,322
Total All Other Sources	<u>35,945,299</u>	<u>45,538,872</u>	<u>41,662,480</u>	<u>46,151,302</u>	<u>4,488,822</u>
<b>TOTAL REVENUES</b>	<b>289,005,874</b>	<b>288,691,234</b>	<b>296,723,965</b>	<b>289,649,381</b>	<b>(7,074,584)</b>

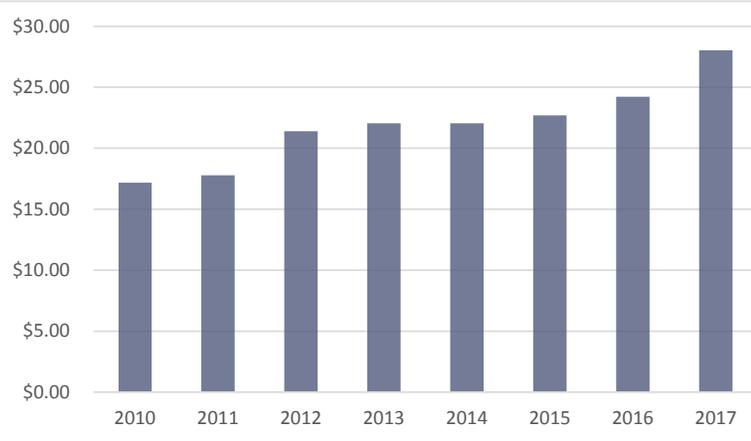
## TOTAL APPROVED CITY OF DULUTH 2017 BUDGET

EXPENDITURE COMPARISON	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference 2017-2016
<b>SALARIES &amp; EMPLOYEE BENEFITS</b>					
General Fund	62,417,096	63,588,452	65,408,800	68,314,200	2,905,400
Special Revenue Funds	12,722,643	13,922,162	13,321,633	13,957,679	636,046
Enterprise Funds	18,495,316	17,991,165	20,127,800	20,712,800	585,000
Internal Service Funds	1,960,458	2,092,490	2,158,600	2,248,000	89,400
Total Salaries & Employee Benefits	<u>95,595,513</u>	<u>97,594,269</u>	<u>101,016,833</u>	<u>105,232,679</u>	<u>4,215,846</u>
<b>OTHER OPERATING EXPENSE</b>					
General Fund	13,054,200	12,838,263	14,330,900	13,954,600	(376,300)
Special Revenue Funds	5,152,354	4,645,048	5,992,677	6,201,808	209,131
Enterprise Funds	66,997,956	47,408,274	54,276,447	51,081,074	(3,195,373)
Internal Service Funds	5,070,468	4,432,068	4,930,771	4,731,699	(199,072)
Total Other Operating Expense	<u>90,274,978</u>	<u>69,323,653</u>	<u>79,530,795</u>	<u>75,969,181</u>	<u>(3,561,614)</u>
<b>CAPITAL OUTLAY</b>					
General Fund	1,233,790	497,131	266,500	308,500	42,000
Capital Project Funds	12,468,374	12,283,716	12,438,500	15,462,000	3,023,500
Total Capital Outlay	<u>13,702,164</u>	<u>12,780,847</u>	<u>12,705,000</u>	<u>15,770,500</u>	<u>3,065,500</u>
<b>CLAIMS</b>					
Internal Service Funds	11,509,621	11,989,092	23,097,821	25,734,343	2,636,522
Total Claims	<u>11,509,621</u>	<u>11,989,092</u>	<u>23,097,821</u>	<u>25,734,343</u>	<u>2,636,522</u>
<b>DEBT SERVICE</b>					
Debt Service Funds	16,977,849	20,698,322	14,011,000	16,361,200	2,350,200
Total Debt Service	<u>16,977,849</u>	<u>20,698,322</u>	<u>14,011,000</u>	<u>16,361,200</u>	<u>2,350,200</u>
<b>OTHER CHARGES</b>					
Special Revenue Funds	20,970,861	24,278,976	42,314,180	26,081,789	(16,232,391)
Enterprise Funds	16,076,475	16,423,019	16,483,821	16,073,934	(409,887)
Total Other Charges	<u>37,047,336</u>	<u>40,701,995</u>	<u>58,798,001</u>	<u>42,155,723</u>	<u>(16,642,278)</u>
<b>TOTAL EXPENDITURES</b>	<b>265,107,461</b>	<b>253,088,177</b>	<b>289,159,450</b>	<b>281,223,626</b>	<b>(7,935,824)</b>

# MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

## Certified Property Tax Levy (in millions)



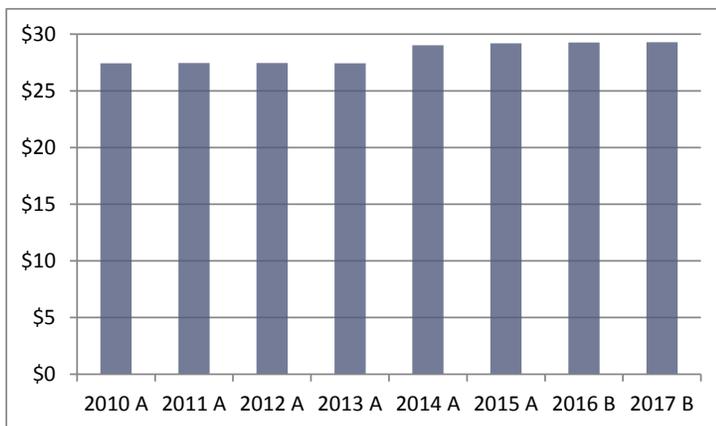
Year	Tax Levy in millions
2010	\$17.18
2011	\$17.79
2012	\$21.41
2013	\$22.04
2014	\$22.04
2015	\$22.69
2016	\$24.23
2017	\$28.05

### Description and 2017 Budget

Property taxes are levied against property based on their assessed value and classification in accordance with State Statute. Total market values within the City have increased. Estimated market value and tax rates can be found in the statistical section of the Appendix section of this book.

The 2017 property tax levy increase includes a revenue-neutral \$2.8 million street improvement fee swap eliminating the street improvement fee on utility bills and adding the amount to the property tax levy. The property tax levy also includes an increase in debt service payments in the amount of \$258,300, an increase in general operations of \$649,300, and an increase in the street light levy of \$110,000. The total increase in the 2017 property tax levy is \$3,817,600 or 17.65%.

## Local Government Aid (in millions)



Year	LGA in millions
2010 A	\$27.44
2011 A	\$27.45
2012 A	\$27.45
2013 A	\$27.44
2014 A	\$29.03
2015 A	\$29.20
2016 B	\$29.26
2017 B	\$29.30

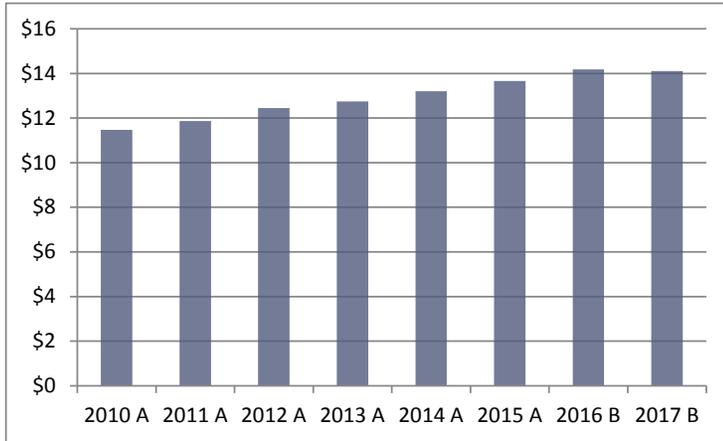
### Description and 2017 Budget

Since its inception in 1971, state aid known as Local Government Aid (LGA) has undergone many changes. These changes include modifications to the formula, legislative cuts, and governor unallotments in times of state budget deficits. 2015 was the first year in which LGA received was comparable to 2009. From 2010 through 2014, local government aid to the City was reduced below the 2009 level. A slight increase is budgeted for 2017 with a total amount of \$29.30 million expected.

# MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

## General Sales and Use Tax

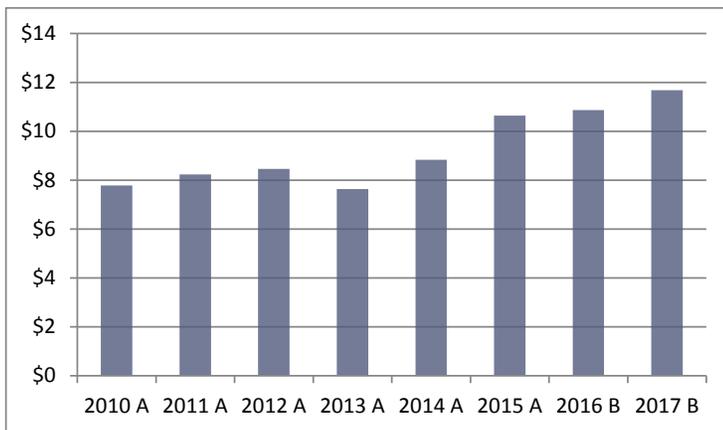


	Sales Tax in millions
2010 A	\$11.47
2011 A	\$11.87
2012 A	\$12.44
2013 A	\$12.74
2014 A	\$13.21
2015 A	\$13.66
2016 B	\$14.18
2017 B	\$14.10

### Description and 2017 Budget

General Sales and Use Tax is a one percent excise tax on gross receipts from retail sales or materials purchased for use in the City of Duluth. The tax collections do not have restrictions on use 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 taking over as collection agent for Duluth's sales tax, and the economy. The 2017 sales tax budget reflects a slight decrease under the 2016 budget to more accurately reflect current use tax trends.

## Tourism Taxes (in millions)



	Tourism Taxes in millions
2010 A	\$7.79
2011 A	\$8.24
2012 A	\$8.47
2013 A	\$7.64
2014 A	\$8.83
2015 A	\$10.64
2016 B	\$10.86
2017 B	\$11.68

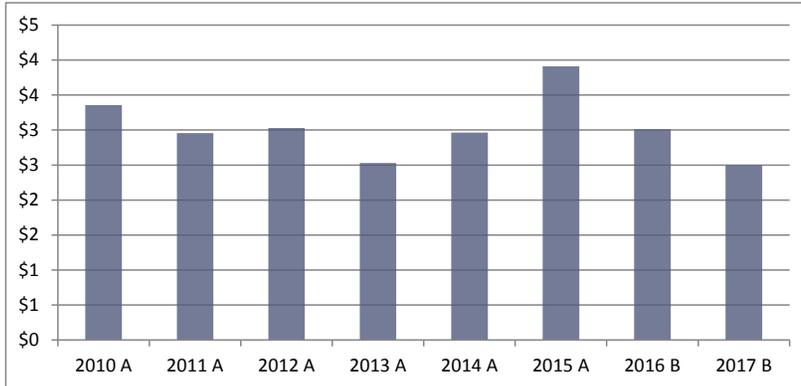
### Description and 2017 Budget

Tourism taxes are applied to food and beverage and hotel/motel sales. Revenues are recognized in the Special Revenue Fund 258 and distributed by Council action. Tourism tax revenue in 2017 is projected to increase 7.5% over the 2016 budget due to local trends. In 2015, the .5% hotel/motel tax and the .5% food and beverage tax were reinstated to be used for tourist-related capital improvement bond projects along the St Louis River corridor.

## MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

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



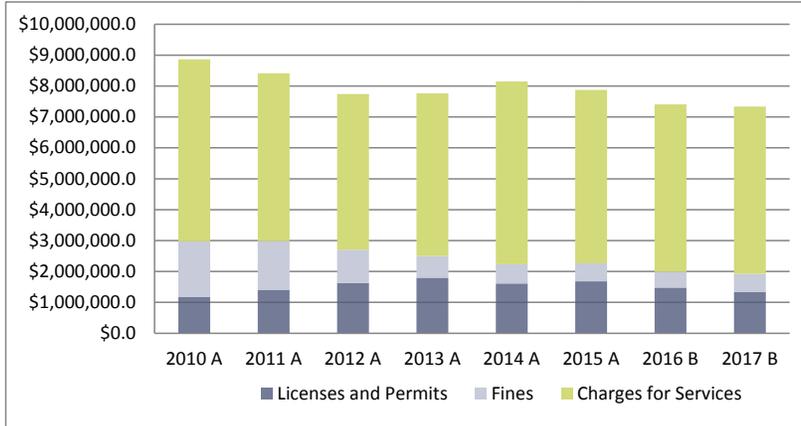
PILOT in millions

2010 A	\$3.36
2011 A	\$2.96
2012 A	\$3.03
2013 A	\$2.53
2014 A	\$2.96
2015 A	\$3.91
2016 B	\$3.01
2017 B	\$2.50

#### Description and 2017 Budget

Payment in Lieu of Taxes - PILOT revenue is derived from payments for municipal services provided in lieu of property taxes. The largest source of PILOT revenues is from the municipal gas utility, with a minimal amount from the steam utility. Payments are based on each utility's annual gross receipts. Per City ordinance, effective January 1, 2015, PILOT funds are reallocated between the general fund and the street system utility fund with the base amount of \$3.6 million (increased annually to reflect the CPI-U amount) going to the general fund and the incremental PILOT going to the street system utility fund. Due to fluctuations from factors related to the prior heating season - natural gas pricing and customer usage, payment in lieu of taxes for the gas utility is budgeted to decrease in 2017, while the payment in lieu of taxes for steam is budgeted to moderately increase.

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

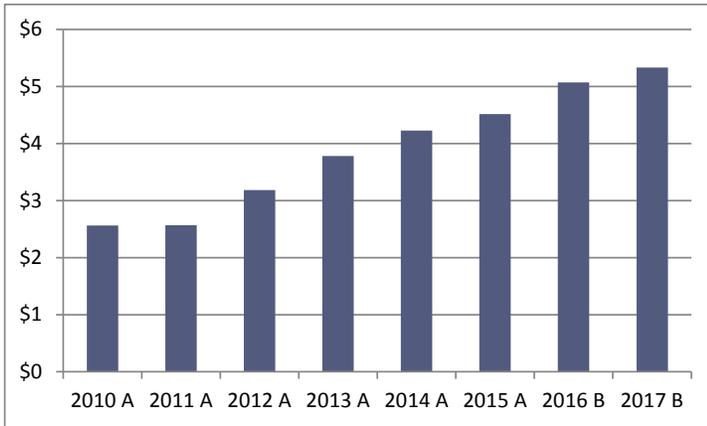


#### Description and 2017 Budget

These revenues for the city's General Fund represent a wide variety of sources such as licenses, permits, fines, forfeits, and charges for services -including fees. Fees are annually reviewed/modified by the Administration, updated for inflation (.67% for 2017), and then submitted as a complete package to the City Council for action. This process has resulted in fees that are current and more accurately reflect the cost of providing service. 2017 budgeted licenses, permits, and fines remained relatively unchanged with the exception of a \$151,200 decrease in multiple dwelling licenses, a \$10,000 increase in commercial use/occupancy permits, a \$20,000 increase in court fines, and a \$55,000 increase in administrative fines.

	Licenses and Permits	Fines	Charges for Services	Total
2010 A	\$1.18	\$1.79	\$5.89	\$8.87
2011 A	\$1.41	\$1.58	\$5.42	\$8.41
2012 A	\$1.63	\$1.08	\$5.05	\$7.75
2013 A	\$1.80	\$0.70	\$5.27	\$7.77
2014 A	\$1.61	\$0.62	\$5.91	\$8.15
2015 A	\$1.69	\$0.58	\$5.61	\$7.88
2016 B	\$1.48	\$0.51	\$5.42	\$7.41
2017 B	\$1.34	\$0.58	\$5.41	\$7.33

Parking Funds Operating Revenue



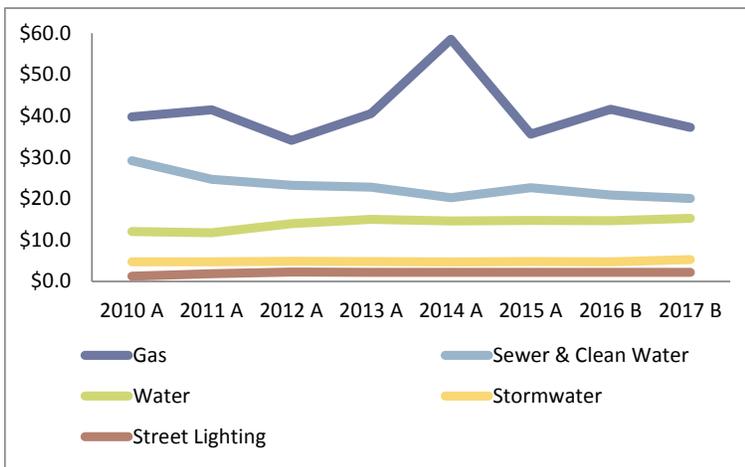
Earnings in millions

2010 A	\$2.56
2011 A	\$2.57
2012 A	\$3.19
2013 A	\$3.78
2014 A	\$4.23
2015 A	\$4.52
2016 B	\$5.07
2017 B	\$5.33

Description and 2017 Budget

The City of Duluth parking funds account for all revenue and expenses related to the operation and maintenance of City owned parking ramps, parking lots, and parking meters - both on and off-street. The City has two parking funds; one fund to account for the financial activity of the 410 West First Street facility, and one fund to account for the financial activity of all other parking ramps, lots, and meters.

Public Utility Operating Revenues (in millions)



Description and 2017 Budget

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

in millions	Gas	Sewer & Clean Water	Water	Stormwater	Street Lighting	Total
2010 A	\$39.76	\$29.18	\$12.04	\$4.73	\$1.27	\$86.98
2011 A	\$41.46	\$24.66	\$11.77	\$4.78	\$1.89	\$84.55
2012 A	\$34.09	\$23.23	\$13.98	\$4.89	\$2.27	\$78.46
2013 A	\$40.58	\$22.76	\$14.98	\$4.79	\$2.20	\$85.30
2014 A	\$58.53	\$20.27	\$14.63	\$4.72	\$2.23	\$100.37
2015 A	\$35.61	\$22.67	\$14.75	\$4.78	\$2.19	\$80.01
2016 B	\$41.58	\$20.92	\$14.69	\$4.73	\$2.20	\$84.12
2017 B	\$37.22	\$20.05	\$15.25	\$5.28	\$2.21	\$80.01

## 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 2017 as approved.

### Governmental Fund Types

#### General Fund

#### Special Revenue Funds

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

#### Debt Service Funds

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

#### Capital Projects Funds

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

### Proprietary Fund Types

#### Enterprise Funds

- Water Fund
- Gas Fund
- Sewer Fund
- Clean Water Surcharge Fund
- Stormwater Fund
- Steam Fund
- Golf Fund
- Parking Fund
- 410 W First Street Parking Facility
- Street Lighting Fund

#### Internal Service Funds

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

## TOTAL APPROVED CITY OF DULUTH 2017 BUDGET

DETAIL BY FUND	Estimated			
	Beg. Balance	Revenues	Expenditures	Balance
GENERAL FUND	12,000,000	82,577,300	82,577,300	12,000,000
SPECIAL REVENUE FUNDS:				
Lake Superior Zoo	(505,908)	2,031,874	2,031,874	(505,908)
Parks Fund	1,011,181	2,739,540	2,739,540	1,011,181
Special Projects	898,284	799,700	799,700	898,284
Police Grants	(9,200)	1,491,948	1,491,948	(9,200)
Capital Equipment	2,378,618	3,950,000	3,950,000	2,378,618
Economic Development	20,788	818,088	818,088	20,788
Community Investment Trust	18,954,798	400,000	400,000	18,954,798
Energy Management	97,245	150,000	240,400	6,845
Special City Excise and Sales Tax	1,850,196	11,677,100	11,982,100	1,545,196
Home Program	(21,530)	471,511	471,511	(21,530)
Community Development	(306,968)	3,025,755	3,025,755	(306,968)
Community Development Administration	0	674,539	679,839	(5,300)
Workforce Investment Act	245,685	2,316,611	2,316,611	245,685
Senior Programs	10	345,119	345,119	10
OPEB	47,860,404	13,668,738	9,895,891	51,633,251
DECC Revenue Fund	3,421,231	3,651,300	2,252,900	4,819,631
Street System Maintenance Utility	681,697	2,800,000	2,800,000	681,697
<b>TOTAL SPECIAL REVENUE FUNDS:</b>	<b>76,576,531</b>	<b>51,011,823</b>	<b>46,241,276</b>	<b>81,347,078</b>
DEBT SERVICE FUNDS:				
General Obligation Debt Service - Tax Levy	7,471,942	7,071,400	6,895,900	7,647,442
General Obligation Debt Service - Other Sources	5,018,350	6,428,700	7,111,200	4,335,850
Special Assessment Debt Service	999,540	450,000	760,900	688,640
Street Improvement Debt Service	3,202,410	1,651,700	1,593,200	3,260,910
<b>TOTAL DEBT SERVICE FUNDS:</b>	<b>16,692,242</b>	<b>15,601,800</b>	<b>16,361,200</b>	<b>15,932,842</b>
CAPITAL PROJECTS FUNDS:				
Special Assessment Capital Project	(226,155)	33,850	0	(192,305)
Permanent Improvements	517,753	8,560,000	8,560,000	517,753
Street Improvement Program	868,556	302,000	302,000	868,556
Capital Improvement Fund	3,536,222	4,600,000	4,600,000	3,536,222
Tourism & Recreational Projects	8,580,343	1,000,000	2,000,000	7,580,343
<b>TOTAL CAPITAL PROJECTS FUNDS:</b>	<b>13,276,719</b>	<b>14,495,850</b>	<b>15,462,000</b>	<b>12,310,569</b>
INTERNAL SERVICE FUNDS:				
Self Insurance - Worker's Compensation	1,282,619	810,700	959,800	1,133,519
Self Insurance - Liability	1,615,745	521,700	748,000	1,389,445
Medical Health Fund	5,989,259	24,272,958	26,066,999	4,195,218
Dental Health Fund	199,249	876,204	859,743	215,710
Fleet Services	(215,763)	4,074,100	4,079,500	(221,163)
<b>TOTAL INTERNAL SERVICE FUNDS:</b>	<b>8,871,109</b>	<b>30,555,662</b>	<b>32,714,042</b>	<b>6,712,729</b>
ENTERPRISE FUNDS ESTIMATED INCOME AND EXPENSE				
		REVENUE	EXPENSE	INCOME/(LOSS)
Water Fund		15,252,900	12,266,300	2,986,600
Gas Fund		37,216,300	36,165,400	1,050,900
Sewer Fund		18,435,700	15,799,000	2,636,700
Clean Water Surcharge Fund		1,615,000	875,300	739,700
Stormwater Fund		5,282,200	4,667,000	615,200
Steam Fund		7,676,000	8,378,300	(702,300)
Golf Fund		2,003,089	2,208,770	(205,681)
Parking Fund		5,181,257	4,434,132	747,125
410 West First Street Parking Facility		534,000	980,406	(446,406)
Street Lighting Utility		2,210,500	2,093,200	117,300
<b>TOTAL ENTERPRISE FUNDS:</b>		<b>95,406,946</b>	<b>87,867,808</b>	<b>7,539,138</b>
<b>TOTAL ALL FUNDS</b>	<b>127,416,600</b>	<b>289,649,381</b>	<b>281,223,626</b>	<b>135,842,355</b>

## 2017 HIGHLIGHTS BY FUND

### General Fund

**Revenue Assumptions** - The final approved 2017 General Fund revenue budget of \$82,577,300 is \$2.57 million more than the 2016 approved budget. Major revenue sources in the 2017 General Fund budget include local government aid, sales tax, property tax, transfers from other funds, and charges for services.

Due to the economic downturn and the State's budget deficits, Duluth's **Local Government Aid (LGA)** had been reduced annually 2008 through 2011 for a total reduction of \$10,846,314. Due to economic improvements, in 2013 the State legislature revamped the LGA formula and increased the allocation while stabilizing future funding levels. For 2017 the City will receive a slight increase of \$35,600 in its local government aid. The schedule below shows the changes in revenues by major type along with the assumptions used also noted.

<b>2016 Approved Revenues</b>		<b>80.01</b>	
MN Power Franchise Fee		1.95	Increased from fixed \$1.1 million to 3%
Property Tax		0.65	3% levy increase for operations
Miscellaneous		0.52	Increase in rent revenue
Other Financing Sources		0.44	Grant transfers and Fond du Luth revenue
Gas Utility in Lieu of Tax		(0.52)	Based on projected gas sales decrease
Intergovernmental		(0.31)	Grant transfer budgeted in Other Financing
All Other Revenues		(0.16)	All other changes throughout
Total Revenue Changes		2.57	
<b>2017 Approved Revenues</b>		<b>82.58</b>	

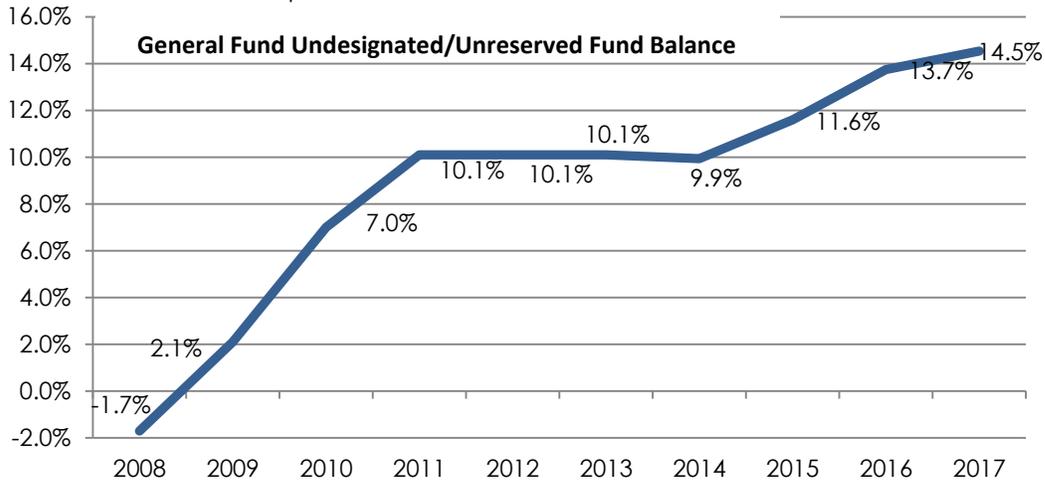
**Expense Assumptions** - As with revenues, the final approved 2017 General Fund budget is \$2.57 million more than the 2016 budget. Primary changes include increases in salaries per contract settlements along with the corresponding increases in employer contributions for taxes and PERA, and a ten percent increase in health insurance.

<b>2016 Approved Expenses</b>		<b>80.01</b>	
Permanent Salaries	1.31	Contract negotiations	
PERA, Payroll Taxes	0.27	Due to salary increases	
Employee Insurances	0.85	10% Increase in health insurance	
Retiree Insurance	0.45	10% Increase in retiree health insurance	
Other Services and Charges	(0.26)	hired two public safety janitors instead of using St Louis County	
All Other Operating Expenses	(0.05)	All other changes throughout	
Total Expense Changes		2.57	
<b>2017 Approved Expenses</b>		<b>82.58</b>	

The **number of general fund positions for 2017 increased 4.64 FTE's over 2016**, from 599.47 FTE's to 604.11 FTE's. Increased positions include two janitors in the Public Administration department hired to maintain the Public Safety building previously maintained by St Louis County, two Police grant-funded officers, and a records technician for the DTA substation. The changes by department are as follows:

<b>Position Bridge Schedule</b>	<b>Full Time Equivalent Variance</b>	
<b>2016 Fulltime Equivalents (FTE's)</b>		<b>599.47</b>
<b>Legislative &amp; Executive</b>		
<b>Public Administration</b>	2.20	
<b>Finance</b>	(.50)	
<b>Planning &amp; Construction Services</b>	.30	
<b>Business &amp; Economic Development</b>		
<b>Fire Department</b>	(.50)	
<b>Police Department</b>	2.64	
<b>Public Works</b>	.50	
<b>Total Changes in FTE's</b>		<b>4.64</b>
<b>2017 Fulltime Equivalents (FTE's)</b>		<b>604.11</b>

**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 2017 General Fund budget of \$82 million, the minimum level (5%) would require a fund balance of \$4 million.



2008 ended with a negative fund balance of \$1.35 million. As was the case nationally, Duluth saw record revenue deficits coupled with a late December cut in Local Government Aid from the state. Due to the timing of that reduction, the City was not able to put any recovery actions into place before year end.

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

As a result, fund balance has improved by \$13.3 million since 2008 with an estimated ending 2016 balance of \$12 million. Restoring fund balance continues to be included as an important and necessary part of the budget recovery strategy.

### Special Revenue Funds

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

The **OPEB fund** was created in 2007 for the purpose to accumulate resources to be deposited into an irrevocable trust fund for retiree health care costs. The 2007 revenues in the fund included a one-time contribution from the Community Investment Trust Fund in the amount of \$10 million, contributions from the enterprise funds and all grant funds which have employees. There was also a one-time transfer from the Group Health Fund in the amount of \$1 million - with \$500,000 of that returned to the Group Health Fund in 2008. Property taxes were levied in 2008 and 2009 based on the value of retiring tax increment finance districts. Per City ordinance, the city shall transfer all earnings from the city's investments in the pooled portfolio to the OPEB trust fund with the exception of investment income from authority deposits, bond proceeds, or legally restricted investment income. At the end of 2016 the trust fund has accumulated assets of \$48.8 million.

The **Tourism Tax Fund** provides the accounting for the revenue generated by the different tourism taxes received from food and beverage and hotel/motel receipts. In 2015, the .5% food and beverage tax and the .5% hotel/motel tax were reinstated to pay principal and interest on bonds to fund recreational and tourism-related activities in the part of the City lying west of 34<sup>th</sup> Avenue West (also referred to as the St Louis River Corridor). In 2017, \$1,707,500 is budgeted to make debt payments for the projects along the St Louis River Corridor. Including those taxes, budgeted revenue will increase 7.5% over 2016. Visit Duluth will receive a \$125,000 increase in funding, bringing Visit Duluth's total tax allocation to \$1,900,000. The Great Lakes Aquarium, Spirit Mountain, and the Lake Superior Zoo will receive operating subsidies from tourism taxes in the amounts of \$372,500, \$200,000, and \$510,000 respectively. Debt service payments totaling \$4,151,300 funded by the tourism tax fund go toward DECC improvements and Spirit Mountain. One new tourism tax allocation was approved in the amount of \$500,000 for the repair of the Minnesota Slip Bridge.

The **Parks Fund** was established to account for the property tax money dedicated to be used for City parks only, as approved by the citizens of Duluth in a November 2011 special referendum vote. The Parks property tax levy is a fixed annual amount of \$2.6 million.

The **Street System Maintenance Utility Fund** accounts for the newly established street maintenance property tax levy that was established to finance existing street improvement debt, enhanced maintenance, and street reconstruction activities. The 2017 budget includes \$2.8 million in dedicated property tax revenue to be used for the following costs; \$1.48 million will be used to pay existing street improvement debt, \$1 million will be used for enhanced street maintenance, and \$.32 million will be transferred to the City's street improvement fund.

## **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 2016 is \$168,300,000. The property tax levy for debt service in 2017 is \$6,832,600. The property tax supported bond issues proposed for 2017 include capital equipment and improvements. Debt is discussed in greater detail in the Debt Service Section of the document.

## **Capital Project Funds**

The Capital Project Funds account for the Special Assessment Capital, Permanent Improvement Projects, Street Improvements Program, Capital Improvements, and Tourism and Recreation Projects. For 2017, a total of \$13.4 million in improvements are planned. The City will bond for \$1.6 million of capital improvement projects including fire hall improvements, fleet building improvements, and other city building improvements. Additional capital projects funding will come from intergovernmental contributions from the State of Minnesota and Federal grants, and assessments.

Also included in the 2017 budget are \$2 million in tourism and recreational projects. In 2015, the city bonded \$13.5 million for tourism and recreational capital projects along the St Louis River Corridor. The payments on the bonds will be paid using the .5% food and beverage tax as well as the .5% hotel/motel tax included in the tourism tax special revenue fund.

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

## **Enterprise Funds**

Enterprise Funds account for the expenditures of the municipal utilities of Water, Gas, Sewer, Clean Water, Stormwater, Steam, and the Street Lighting fund; the Golf Division of the Parks and Recreation Department; The Parking Enterprise fund; and the 410 West First Street Parking facility fund. Rates are reviewed annually during budget time - with increases approved by the Public Utilities Commission and the City Council through resolution.

The **Golf Enterprise Fund** accounts for the expenses and revenues associated with municipal golf in the City. The golf fund continues without a subsidy from the General Fund in order to maintain the current level of operations. For 2017, the City will once again contract out the operation of the two municipal golf courses.

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

The **410 West First Street** fund was established to account for the construction, operation, and maintenance of the parking ramp located at 410 West First Street. The parking facility was under construction in 2014, 2015, and 2016. It became operational in May 2016.

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

## **Internal Service Funds**

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

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

## **CITY PLANNING PROCESSES**

The City of Duluth has several planning processes in place – some have been used for many years such as the capital budget and plan, while others are new such as departmental business plans. The 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 can be found by following the link [http://www.duluthmn.gov/media/105609/Business\\_Plans.pdf](http://www.duluthmn.gov/media/105609/Business_Plans.pdf)

**Citizen Surveys** – The City has contracted with International Cities Management Association (ICMA) to perform a National Citizens survey to measure citizen opinion on a variety of issues and services provided by the City of Duluth. The 2015 citizen survey can be found by following the link <http://www.duluthmn.gov/media/367846/The-NCS-Duluth-2015-FINAL.pdf>

**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.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Duluth  
Minnesota**

For the Fiscal Year Beginning

**January 1, 2016**

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, 2016.

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

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

# FINANCIAL POLICIES

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

These policies cover the following areas:

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

## **Operating Budget Policy**

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

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

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

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

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

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

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

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

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

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

	<u>Annual Operating Budget</u>	<u>Audited Financial Statements</u>
<b><u>Governmental Funds</u></b>		
General Fund	Modified Accrual	Modified Accrual
Special Revenue Funds	Modified Accrual	Modified Accrual
Debt Service Funds	Modified Accrual	Modified Accrual
Capital Projects Funds	Modified Accrual	Modified Accrual
<b><u>Proprietary Funds</u></b>		
Enterprise Funds	Accrual	Accrual
Internal Service Funds	Accrual	Accrual
<b><u>Fiduciary Funds</u></b>		
Pension (and Other Post Employment Benefits) Trust Funds	Accrual	Accrual

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

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

#### **Scope of Budget –**

- The operating budget will describe major goals to be achieved, and services and programs to be delivered, within the confines of funding levels.
- The budget will provide for the adequate maintenance of capital facilities and equipment and for their orderly replacement within the confines of available revenue resources.
- The budget process will include input from the Administration, City staff, elected officials, and citizens alike by providing budgetary information in a meaningful, useful format in a timely manner.
- Staffing will be reported as full-time equivalents (FTE's) in order to more easily reflect City staffing levels by department.
- The budget will provide for adequate levels to fund the current year's PERA contribution.
- Where possible, the City will integrate performance measurement and productivity indicators with the budget.
- A contingency account will be maintained in the annual operating budget to provide for unexpected expenditures of a non-recurring nature or to meet unexpected increases in service delivery costs.
- The Finance Department will publish the proposed and final approved budgets in accordance with the Home Rule Charter and State Law.
- Annually, the City will submit its Budget to the Government Finance Officers Association (GFOA) to determine its eligibility for the GFOA's Distinguished Budget Presentation Award.
- The City Chief Administrative Officer is deemed the budget officer of the City. He or she will administer policies and procedures necessary to ensure consistency of application of City policies between departments.

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

#### **Revenue Policy**

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

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

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

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

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

**Enterprise Service Fees** - The City will establish user charges and set fees for services for each of its enterprise funds: water, sewer, gas, parking, golf, street lighting and storm water, at a level that fully supports all direct and indirect operating, capital, reserve, working capital and debt service costs of the activities. Overhead expenses and general government services provided to the enterprise activities shall be included as indirect costs. Rates will be set such that these enterprise funds are not in a cash deficit during the year. Cash flow requirements to adequately defray bond retirement and capital outlay will be a determinant in the development of user charges. Transfers from an enterprise fund to the General Fund may only be done as authorized through the annual budget process.

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

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

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

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

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

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

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

### **Capital Budget Policy**

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

**Capital Improvement Program** - The City will develop a five-year Capital Improvement Program (CIP) with the annual operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts. All construction projects will include a contingency for unexpected costs.

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

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

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

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

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

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

## Debt Management Policy

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

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

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

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

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

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

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

### Bond Specifics:

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

**General Obligation Revenue Bonds** - The City issues general obligation revenue bonds to finance assets associated with its primary enterprise businesses including storm water and sanitary sewers, water and gas utilities, golf, street lighting and parking ramps. Financial feasibility of capital projects is reviewed each year, including a review of the cash basis pro formas for these

funds. Five-year business plans detailing projected operating costs and prior debt obligations are reviewed as well as revenue performance and rate setting analysis to ensure that adequate bond coverage ratios are achieved.

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

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

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

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

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

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

## **Reserve Policy**

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

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

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 - 2017 Budget

## General Fund

### Departments

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

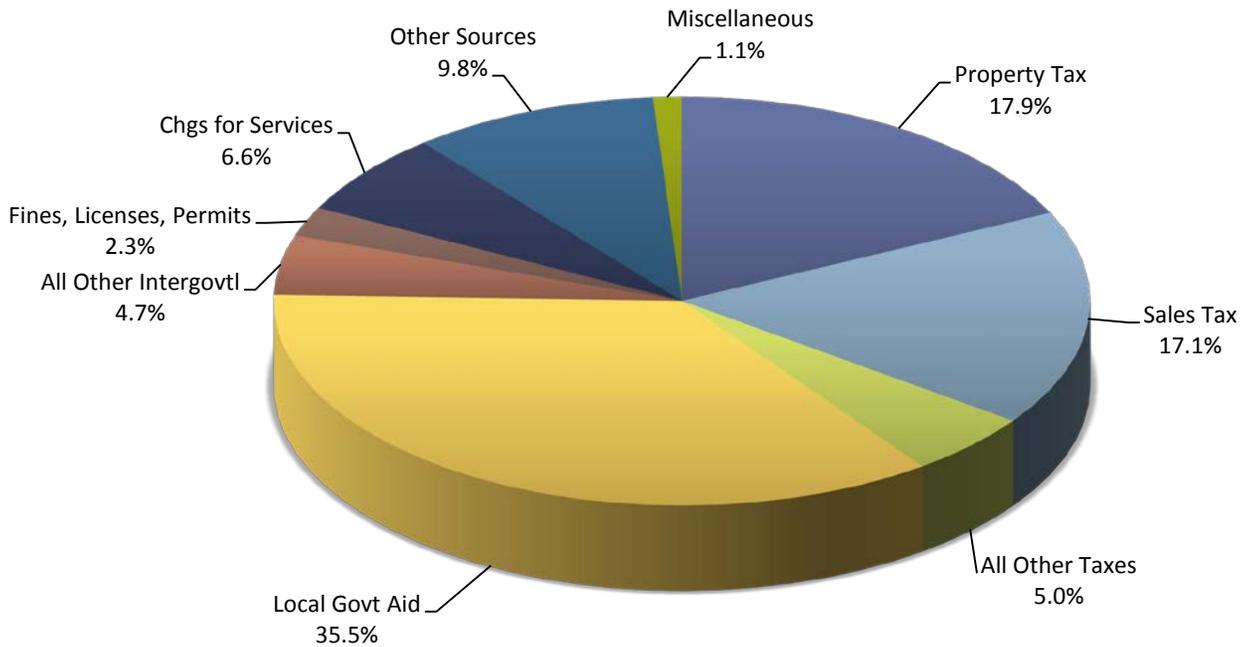
The General Fund provides general purpose government to the citizens of Duluth and accounts for all financial transactions not accounted for in another fund. This fund is used to finance activities such as general government, public safety, public works, libraries, recreation and business and economic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

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

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>REVENUES</b>				
Property Tax				
General Operations Levy	12,595,326	12,800,449	13,978,900	14,628,200
Delinquent Property Taxes	336,323	242,540	150,000	150,000
City Sales Tax	13,208,184	13,659,806	14,175,000	14,102,800
All Other Taxes	2,663,455	2,306,905	2,189,400	4,143,900
Local Government Aid	29,030,643	29,203,638	29,264,100	29,299,700
All Other Intergovernmental	4,185,853	4,259,509	4,246,100	3,899,600
Licenses and Fines	2,235,969	2,264,218	1,988,900	1,922,700
Charges for Services	5,911,770	5,610,882	5,419,700	5,411,100
Earnings on Investments	110,051	978	-	-
Other Financing Sources	7,796,348	8,357,811	8,179,800	8,080,400
Miscellaneous	878,068	773,310	414,300	938,900
<b>Total Revenues</b>	<b>78,951,989</b>	<b>79,480,045</b>	<b>80,006,200</b>	<b>82,577,300</b>
<b>EXPENDITURES</b>				
Permanent Salaries	37,262,575	38,172,642	40,036,400	41,353,800
Premium Pay	1,946,987	1,778,470	1,507,800	1,499,100
Other Wages	554,011	533,596	634,800	659,800
Employee Benefits	15,667,572	16,197,285	16,329,800	17,452,400
Supplies	3,764,417	2,895,672	3,065,600	2,940,700
Other Services & Charges	7,389,733	7,857,902	9,013,900	8,742,500
Utilities	1,900,050	2,084,688	2,251,400	2,271,400
Retiree Insurance	6,985,951	6,906,459	6,900,000	7,349,100
Capital	1,233,790	497,131	266,500	308,500
<b>Total Expenditures</b>	<b>76,705,086</b>	<b>76,923,846</b>	<b>80,006,200</b>	<b>82,577,300</b>

# City of Duluth Minnesota - 2017 Budget

## GENERAL FUND PROPOSED REVENUES Percent of Total by Major Category



Property Tax - Current & Delinquent	\$	14,778,200
City Sales Tax	\$	14,102,800
All Other Taxes	\$	4,143,900
Local Government Aid	\$	29,299,700
All Other Intergovernmental	\$	3,899,600
Licenses and Fines	\$	1,922,700
Charges for Services	\$	5,411,100
Other Financing Sources	\$	8,080,400
Miscellaneous	\$	938,900
<b>TOTAL 2017 REVENUES</b>	<b>\$</b>	<b>82,577,300</b>

This graph shows the major categories of revenues expressed as a percent of total General Fund revenues estimated for budget fiscal year 2017. 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 35.5% of all General Fund revenues.

# City of Duluth Minnesota - 2017 Budget

General Fund Revenues	2014 Actual	2015 Actual	2016 Budget	2017 Approved
CATEGORY 10 - TAXES				
4005 Current Property Tax	12,595,326	12,800,449	13,978,900	14,628,200
4010 Delinquent Property Tax	336,323	242,540	150,000	150,000
4015 Mobile Home Tax	35,703	51,359	58,700	58,700
4040 City Sales Tax	13,208,184	13,659,806	14,175,000	14,102,800
4050 Charitable Gambling Tax	57,940	59,506	60,000	60,000
4070 MN Power Franchise Fee	1,100,000	1,100,000	1,100,000	3,048,500
4071 Cable Franchise Fee	901,875	899,897	890,000	899,000
4072 No. MN Utility Franchise Fee	11,251	8,297	11,300	8,300
4080 Forfeit Tax Sale	14,027	19,462	19,400	19,400
4090 Other Taxes	542,659	168,384	50,000	50,000
<b>TOTAL TAXES</b>	<b>28,803,287</b>	<b>29,009,700</b>	<b>30,493,300</b>	<b>33,024,900</b>
CATEGORY 20 - LICENSES AND PERMITS				
4101 Liquor License	459,607	495,705	455,000	455,000
4102 Beer License	13,315	15,907	14,000	14,000
4105 Hotel License	9,259	10,516	9,000	9,000
4106 Garbage Collection	16,758	17,582	16,000	16,000
4107 Horse & Carriage	819	572	700	700
4108 Emergency Wrecker License	7,055	6,230	6,000	6,000
4109 Gas Station License	8,654	10,148	8,500	8,500
4111 Pawnbroker License	1,143	772	1,100	1,100
4112 Peddler's License	3,501	1,769	1,000	1,000
4113 Precious Metal Dealer	1,524	1,544	1,500	1,500
4114 Pet Shop License	851	944	600	600
4115 Dog & Cat Hospitals License	1,070	747	700	700
4116 Dog Kennels License	424	479	400	400
4117 Massage Parlor	13,589	13,756	12,000	12,000
4118 Cigarette License	13,113	13,583	13,000	13,000
4119 Motor Vehicle	6,771	6,498	6,200	6,200
4120 Taxi Permit	16,475	12,752	11,000	11,000
4121 Coin Operating Device	10,250	10,435	9,000	9,000
4122 Pool & Bowling	1,200	1,366	1,000	1,000
4150 Pet License	-	-	-	-
4151 Fill Permits	1,536	3,042	1,200	1,200
4152 Excavation Permits	19,040	17,430	20,000	20,000
4153 Multiple Dwell License	776,051	878,248	785,000	633,800
4154 Commercial Use/Occupancy	62,467	95,869	80,000	90,000
4155 Special Event Permit	3,633	4,751	3,000	3,000
4170 Misc. Perm. & Licenses	166,284	65,405	27,000	27,000
<b>TOTAL LICENSE AND PERMITS</b>	<b>1,614,388</b>	<b>1,686,051</b>	<b>1,482,900</b>	<b>1,341,700</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Revenues	2014 Actual	2015 Actual	2016 Budget	2017 Approved
CATEGORY 30 - INTERGOVERNMENTAL				
4209 Direct Federal Grants	234,640	27,849	-	-
4210 Pass Through Grants	63,230	96,771	-	-
4220 State of Minnesota	76,865	104,142	285,000	5,000
4221 Local Government Aid	29,030,643	29,203,638	29,264,100	29,299,700
4222 State Property Tax Aid	594	2,890	-	-
4225 Ski Trail Reimbursement	11,000	15,400	11,000	11,000
4226 Snowmobile Trail Grants	19,292	7,659	13,900	13,900
4227 Police Training Reimbursement	46,019	47,312	50,000	50,000
4230 PERA Aid	124,428	124,428	124,400	124,400
4232 State Insurance Premium	1,839,639	1,901,931	1,775,000	1,775,000
4240 Municipal State Aid - Maintenance	1,380,060	1,533,400	1,533,400	1,533,400
4260 St. Louis County	148,311	164,435	164,400	143,500
4261 ISD 709	239,774	233,291	225,200	243,400
4262 Housing & Redevelopment Authority	-	-	63,800	-
4270 Other Grants	2,000	-	-	-
<b>TOTAL INTERGOVERNMENTAL</b>	<b>33,216,496</b>	<b>33,463,147</b>	<b>33,510,200</b>	<b>33,199,300</b>
CATEGORY 40 - CHARGES FOR SERVICES				
4300 In Lieu of Tax	66,304	45,644	61,600	72,000
4301 Zoning Appeals Fees	-	-	600	600
4303 Use Permit - Flood & Wetlands	2,808	3,130	1,000	1,000
4306 Building Appeals Fees	-	120	-	-
4307 Planning/Zoning Fees	126,885	92,295	80,000	80,000
4310 Assessment Cost Services	44,639	1,768	24,600	17,000
4311 Assessment Certification Fee	21,364	28,876	30,000	8,000
4313 Assessment Handling Fee	8,704	-	-	-
4315 Stormwater Administrative Service	150,700	151,800	150,700	154,500
4315 Sewer Administrative Service	306,900	308,000	306,900	232,800
4315 Steam Administrative Service	49,500	49,500	49,500	44,100
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	79,968	67,749	87,200	69,000
4315 Airport Administrative Service	45,200	45,200	45,200	45,200
4315 DEDA Administrative Service	365,000	365,000	365,000	365,000
4315 Public Utility Admin Service	872,400	876,600	872,400	771,300
4315 Fleet Administrative Service	108,200	108,200	108,200	136,800
4315 Golf Administrative Service	66,800	55,000	66,800	34,000
4315 Group Health Admin Service	255,000	255,000	255,000	255,000
4315 Self Insurance Admin Service	283,200	283,200	283,200	426,000
4315 Spirit Mt. Administrative Service	37,700	37,700	37,700	37,700
4315 Parking Administrative Service	23,300	23,300	23,300	127,400
4315 Street Lighting System Utility	59,000	59,000	59,000	56,100

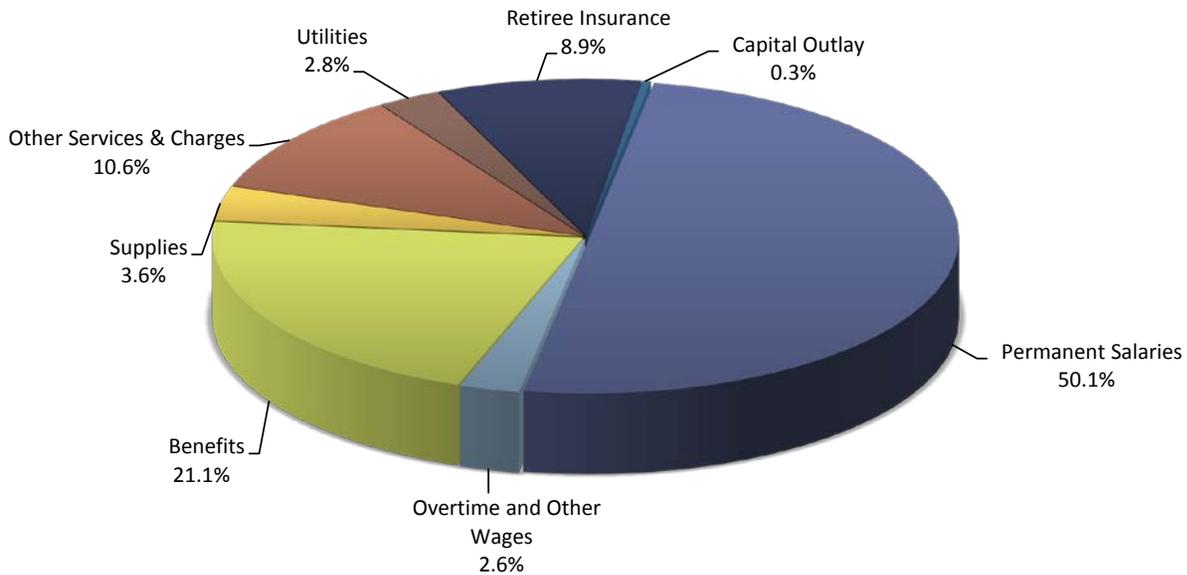
# City of Duluth Minnesota - 2017 Budget

General Fund Revenues	2014 Actual	2015 Actual	2016 Budget	2017 Approved
Category 40 - Charges for Services continued				
4319 Attorney Fees	3,500	5,025	4,000	4,000
4320 IT Services	1,531	1,178	4,600	4,600
4322 Animal Shelter Fees	18,633	19,078	20,000	20,000
4323 Garnishment Fees	180	225	-	-
4325 Radio Services	6,500	6,500	-	-
4326 Criminal History Checks	419	280	2,000	500
4328 Pawnbroker Transaction Charge	63,992	60,008	65,000	65,000
4329 False Alarm Fees & Penalties	20,798	15,210	19,600	19,600
4340 Fire Protection Services	4,200	4,200	4,200	4,200
4341 Hydrant Maintenance Service	30,000	30,000	30,000	30,000
4350 Inspection Services	-	-	4,000	-
4351 Building Inspection Fees	1,749,387	1,560,893	1,626,400	1,597,800
4352 Plumbing Inspection Fees	189,127	162,866	200,500	196,500
4353 Electric Inspection Fees	218,073	212,785	211,600	207,400
4354 HVAC-R Inspection Fees	214,269	213,142	167,100	163,800
4355 Signs Inspection Fees	27,342	17,827	11,700	11,400
4356 House Moving Inspection Fees	22,847	10,243	10,000	9,800
4357 Mobile Home Inspection Fees	448	288	2,100	2,100
4359 CAF Administrative Fee	11,167	19,078	16,800	16,500
4360 Vacant Building Fee	4,500	11,900	7,500	-
4361 RZP Registration Fee	15,718	16,380	14,400	14,100
4370 Engineering Services	300,268	351,395	55,000	75,000
<b>TOTAL CHARGES FOR SERVICES</b>	<b>5,911,770</b>	<b>5,610,882</b>	<b>5,419,700</b>	<b>5,411,100</b>
CATEGORY 50 - FINES AND FORFEITS				
4470 License Penalties	5,933	5,007	2,000	2,000
4471 Library Fines	75,855	84,306	75,000	75,000
4472 Administrative Fines	22,561	26,240	19,000	74,000
4473 Court Fines	438,164	408,777	410,000	430,000
4474 Police Felony Forfeitures	79,067	53,836	-	-
<b>TOTAL FINES AND FORFEITS</b>	<b>621,581</b>	<b>578,166</b>	<b>506,000</b>	<b>581,000</b>
CATEGORY 60 - SPECIAL ASSESSMENTS				
4500 Assessments	438,450	435,018	411,600	405,600
4501 Assessments - Penalty & Interest	38,932	22,268	28,600	20,800
<b>TOTAL SPECIAL ASSESSMENTS</b>	<b>477,381</b>	<b>457,286</b>	<b>440,200</b>	<b>426,400</b>
CATEGORY 70 - MISCELLANEOUS				
4601 Earnings on Investments	110,051	978	-	-

# City of Duluth Minnesota - 2017 Budget

General Fund Revenues	2014 Actual	2015 Actual	2016 Budget	2017 Approved
Category 70 - Miscellaneous continued				
4602 Interest on Temporary Loans	77,369	27,959	-	33,000
4620 Telecommunications Space Rental	10,208	-	-	-
4622 Rent of Buildings	115,592	121,326	76,600	116,500
4623 Rent of Land	9,032	6,762	6,300	6,300
4624 Rent of Equipment	-	-	-	-
4627 Concessions & Commissions	9,557	9,416	9,000	10,000
4631 Media Sales	31,353	27,823	31,900	23,800
4635 Auction Proceeds	11,129	7,624	-	-
4636 Sale of Materials	9,109	3,484	6,000	6,000
4639 Sale of Equipment	87,238	90,543	70,000	40,000
4640 Sale of Land	104,274	3,000	55,000	65,700
4644 Miscellaneous Sales	146,394	123,635	64,800	100,100
4650 Salary Reimbursement	29,547	44,802	20,000	20,000
4651 Reimburse Extra Duty Employment	(5,858)	6,056	-	-
4654 Other Reimbursements	238,651	252,603	74,700	517,500
4660 Gifts & Donations	4,240	48,275	-	-
4680 Damages Recovered	231	-	-	-
<b>TOTAL MISCELLANEOUS</b>	<b>988,119</b>	<b>774,288</b>	<b>414,300</b>	<b>938,900</b>
CATEGORY 80 - OTHER FINANCING SOURCES				
4700 Other Sources	6,459	22,200	-	-
4701 2% Retention Surtax	1,596	1,541	1,500	1,500
4702 Fond du Luth Proceeds	-	-	-	150,000
4730 Transfer from Tourism Tax Fund	868,814	857,870	895,000	895,000
4730 Transfer from Tourism Tax - Park/Trail Maint	-	-	200,000	200,000
4730 Transfer from Special Revenue Funds	30,756	127,729	71,900	177,200
4730 Transfer from Comm Invest Fund	325,218	-	400,000	400,000
4730 Transfer from Police Grant Funds	667,385	686,994	740,900	774,400
4730 Transfer from Public Utility Funds	809,154	968,982	1,092,400	1,180,000
4730 Transfer from Parking Fund	1,326,700	1,326,700	1,326,700	1,376,700
4730 Transfer from Permanent Improvement	-	-	-	-
4730 Transfer from GASB 31 Interest Reallocation	318,133	-	-	-
4731 Gas Utility in Lieu of Taxes	2,832,296	3,778,400	2,876,000	2,357,800
4732 Steam Utility in Lieu of Taxes	132,456	130,109	135,200	141,400
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>7,318,967</b>	<b>7,900,525</b>	<b>7,739,600</b>	<b>7,654,000</b>
<b>GENERAL FUND TOTAL</b>	<b>78,951,989</b>	<b>79,480,045</b>	<b>80,006,200</b>	<b>82,577,300</b>

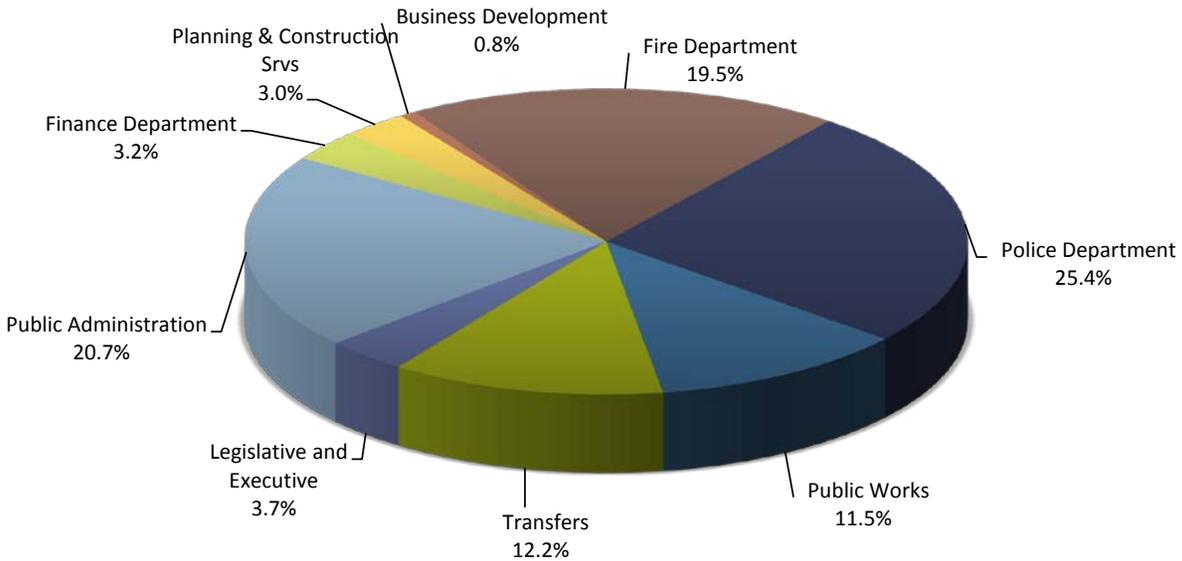
GENERAL FUND PROPOSED EXPENSES  
Percent of Total by Major Category



Permanent Salaries	\$ 41,353,800
Overtime and Other Wages	\$ 2,158,900
Benefits	\$ 17,452,400
Supplies	\$ 2,940,700
Other Services & Charges	\$ 8,742,500
Utilities	\$ 2,271,400
Retiree Insurance	\$ 7,349,100
Capital Outlay	\$ 308,500
<b>TOTAL 2017 EXPENDITURES</b>	<b>\$ 82,577,300</b>

This graph shows the General Fund budget by expense category. The largest single category of expense is Permanent Salaries at 50.1% of all expenses. When the cost of benefits, overtime and other wages is added, the total is 73.8% of all budgeted expenses. Other Services and Charges comprises 10.6% of the total; followed by Retiree Insurance at 8.9%; Supplies at 3.6%; Utilities at 2.8%; and Capital Outlay in the General Fund at .3%.

GENERAL FUND PROPOSED EXPENSES  
Percent of Total by Department



Legislative and Executive	\$	3,067,500
Public Administration	\$	17,116,200
Finance Department	\$	2,667,800
Planning & Construction Srvs	\$	2,454,500
Business Development	\$	609,200
Fire Department	\$	16,078,300
Police Department	\$	20,990,900
Public Works	\$	9,491,100
Transfers	\$	10,101,800
<b>TOTAL 2017 EXPENDITURES</b>	<b>\$</b>	<b>82,577,300</b>

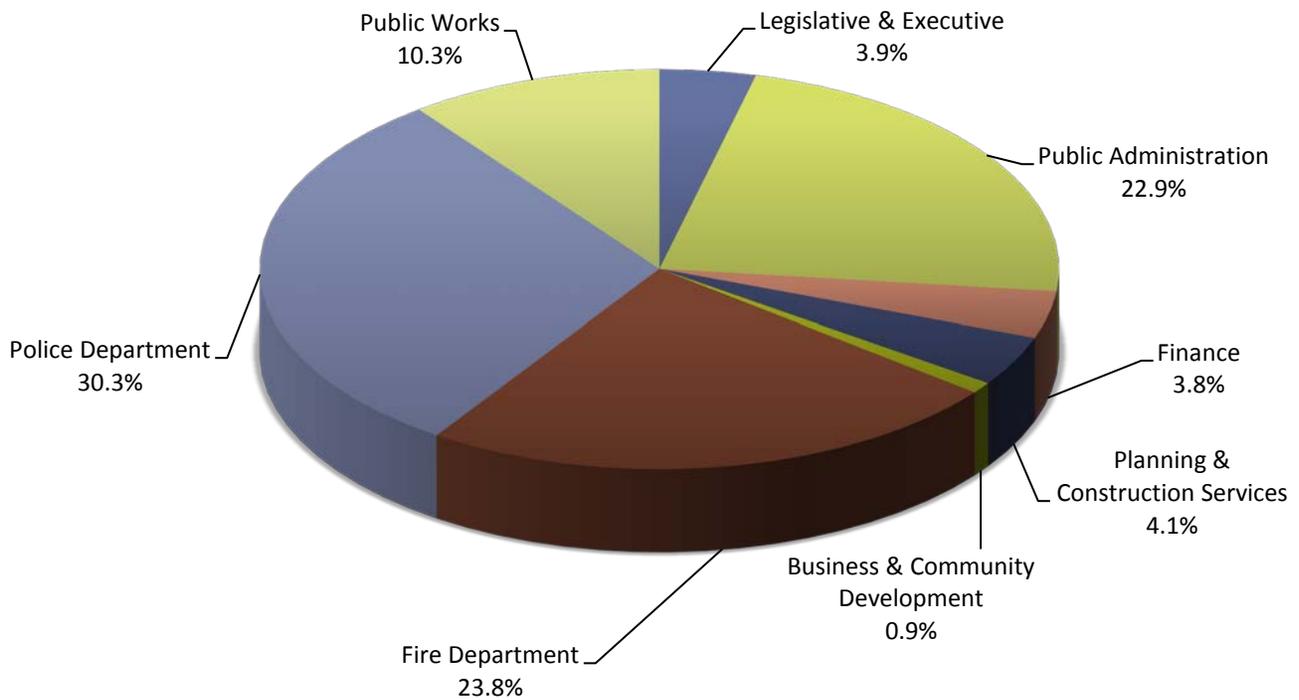
This graph shows the General Fund Departmental budgets as a percent of the total General Fund expenditures for budget fiscal year 2017. The largest category of expense is public safety with the Police and Fire departments comprising 44.9% of the total; followed by the Public Administration department which includes Human Resources, Information Technology, City Clerk, Park Maintenance, Library, and Facilities Management at 20.7%. The Transfers department comprises 12.2% of the total. The remaining five departments total 22.2%.

# General Fund - 2017 Proposed Expense Budget

General Fund Expenses	Permanent		Other		Other	Capital	TOTAL
	Salaries	Overtime	Wages	Benefits	Expense	Outlay	
<b>LEGISLATIVE AND EXECUTIVE</b>							
City Council	-	-	90,000	6,900	82,200	-	179,100
Mayor's Office	303,500	-	-	120,800	14,600	-	438,900
Chief Administrative Officer	221,500	-	-	95,200	10,600	-	327,300
Attorney's Office	1,537,100	-	30,000	514,000	39,100	2,000	2,122,200
<b>DEPARTMENT TOTAL</b>	<b>2,062,100</b>	<b>-</b>	<b>120,000</b>	<b>736,900</b>	<b>146,500</b>	<b>2,000</b>	<b>3,067,500</b>
<b>PUBLIC ADMINISTRATION</b>							
Human Resources	750,000	-	10,000	300,200	81,500	-	1,141,700
Information Technology	1,536,200	10,000	10,000	584,500	896,200	-	3,036,900
City Clerk's	495,900	1,000	75,000	244,600	84,500	-	901,000
Park Maintenance	1,434,600	50,000	118,500	623,500	947,500	-	3,174,100
Library Services	2,595,600	800	101,800	1,079,900	369,000	306,500	4,453,600
Facilities Management	1,494,700	25,000	10,000	726,000	2,153,200	-	4,408,900
<b>DEPARTMENT TOTAL</b>	<b>8,307,000</b>	<b>86,800</b>	<b>325,300</b>	<b>3,558,700</b>	<b>4,531,900</b>	<b>306,500</b>	<b>17,116,200</b>
<b>FINANCE</b>							
Budget Office	279,600	-	-	96,700	7,100	-	383,400
Auditor's Office	674,800	14,000	-	287,200	333,300	-	1,309,300
Purchasing	131,100	-	-	63,500	5,700	-	200,300
Treasurer's Office	530,500	-	-	230,300	14,000	-	774,800
<b>DEPARTMENT TOTAL</b>	<b>1,616,000</b>	<b>14,000</b>	<b>-</b>	<b>677,700</b>	<b>360,100</b>	<b>-</b>	<b>2,667,800</b>
<b>PLANNING &amp; CONST. SRVS.</b>							
Physical Planning	501,100	-	-	187,400	58,400	-	746,900
Const. Srvs & Inspection	1,078,500	9,000	-	469,300	150,800	-	1,707,600
<b>DEPARTMENT TOTAL</b>	<b>1,579,600</b>	<b>9,000</b>	<b>-</b>	<b>656,700</b>	<b>209,200</b>	<b>-</b>	<b>2,454,500</b>
<b>BUSINESS DEVELOPMENT</b>	<b>428,300</b>	<b>-</b>	<b>-</b>	<b>157,600</b>	<b>23,300</b>	<b>-</b>	<b>609,200</b>
<b>FIRE DEPARTMENT</b>							
Fire Administration	316,200	-	-	118,800	59,000	-	494,000
Fire Operations	9,352,000	630,000	-	3,951,500	601,900	-	14,535,400
Life Safety	689,000	11,300	-	293,900	54,700	-	1,048,900
<b>DEPARTMENT TOTAL</b>	<b>10,357,200</b>	<b>641,300</b>	<b>-</b>	<b>4,364,200</b>	<b>715,600</b>	<b>-</b>	<b>16,078,300</b>
<b>POLICE DEPARTMENT</b>	<b>13,236,200</b>	<b>575,000</b>	<b>122,700</b>	<b>5,597,300</b>	<b>1,459,700</b>	<b>-</b>	<b>20,990,900</b>
<b>PUBLIC WORKS</b>							
Director's Office	42,700	-	-	10,700	800	-	54,200
Street Maintenance	2,580,200	117,000	66,700	1,163,000	3,682,300	-	7,609,200
Transportation Engineering	1,144,500	56,000	25,100	452,100	150,000	-	1,827,700
<b>DEPARTMENT TOTAL</b>	<b>3,767,400</b>	<b>173,000</b>	<b>91,800</b>	<b>1,625,800</b>	<b>3,833,100</b>	<b>-</b>	<b>9,491,100</b>
<b>TRANSFERS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,500</b>	<b>10,024,300</b>	<b>-</b>	<b>10,101,800</b>
<b>2017 Proposed General Fund</b>	<b>41,353,800</b>	<b>1,499,100</b>	<b>659,800</b>	<b>17,452,400</b>	<b>21,303,700</b>	<b>308,500</b>	<b>82,577,300</b>

# City of Duluth Minnesota - 2017 Budget

## General Fund Personnel Summary



Department	2016 Approved	2017 Proposed
Legislative & Executive	23.50	23.50
Public Administration	136.15	138.35
Finance	23.50	23.00
Planning & Construction Services	24.17	24.47
Business & Community Development	5.50	5.50
Fire Department	144.50	144.00
Police Department	180.50	183.14
Public Works	61.65	62.15
<b>TOTAL</b>	<b>599.47</b>	<b>604.11</b>

# City of Duluth Minnesota - 2017 Budget

## General Fund Personnel Summary

	2016 Approved	2017 Proposed	Difference	Narrative
<b>LEGISLATIVE/EXECUTIVE</b>				
City Council	0.00	0.00	0.00	
Mayor	4.00	4.00	0.00	Delay hiring 1 position until 2018; Transfer HRO from H/R to Mayor
Chief Administrative Officer	2.50	2.50	0.00	
City Attorney	17.00	17.00	0.00	
<b>Department Total</b>	<b>23.50</b>	<b>23.50</b>	<b>0.00</b>	
<b>PUBLIC ADMINISTRATION</b>				
Human Resources	11.75	11.00	-0.75	Transfer HRO to Mayor; Wellness Coordinator to full-time
Mgmt Information Systems	21.00	22.00	1.00	Delay hiring 1 position until 2018; Transfer GIS Spec from Utilities
City Clerk	7.00	7.00	0.00	
Park Maintenance	24.60	24.35	-0.25	Volunteer Coordinator expensed 80% to Park Maintenance vs 1.0 FTE
Library Services	46.50	46.70	0.20	Volunteer Coordinator expensed 20% to Library
Facilities Management	25.30	27.30	2.00	Two janitors hired for PSB building
<b>Department Total</b>	<b>136.15</b>	<b>138.35</b>	<b>2.20</b>	
<b>FINANCE</b>				
Budget	3.00	3.00	0.00	
Auditor	9.50	9.00	-0.50	Eliminated Assistant City Treasurer, added .5 Payroll Practitioner
Purchasing	2.00	2.00	0.00	
Treasurer	9.00	9.00	0.00	
<b>Department Total</b>	<b>23.50</b>	<b>23.00</b>	<b>-0.50</b>	
<b>PLANNING &amp; CONSTRUCTION SERVICES</b>				
Physical Planning	6.67	6.97	0.30	Reallocated Sr Planners .3FTE to general fund from CD funds
Construction Svcs & Inspection	17.50	17.50	0.00	
<b>Department Total</b>	<b>24.17</b>	<b>24.47</b>	<b>0.3</b>	
<b>BUSINESS AND COMMUNITY DEVELOPMENT</b>				
Business & Comm Develop.	5.50	5.50	0.00	
<b>Department Total</b>	<b>5.50</b>	<b>5.50</b>	<b>0.00</b>	
<b>FIRE</b>				
Fire Administration	4.50	3.50	-1.00	Transfer Technical Services Coordinator to Fire Operations
Firefighting Operations	130.00	130.50	0.50	Technical Services Coordinator grant through 6/30/17
Life Safety	10.00	10.00	0.00	
<b>Department Total</b>	<b>144.50</b>	<b>144.00</b>	<b>-0.50</b>	
<b>POLICE</b>				
Police Administration/Patrol	180.50	183.14	2.64	SAKI grant officer; Sex Traffic grant officer; Records Tech at DTA substation; reduced hours for grant coordinator due to cut in reimbursement from St Louis County
<b>Department Total</b>	<b>180.50</b>	<b>183.14</b>	<b>2.64</b>	
<b>PUBLIC WORKS</b>				
Director's Office	0.40	0.40	0.00	
Street Maintenance	45.00	45.50	0.50	Manager allocated 100% to Street Maintenance
Engineering	16.25	16.25	0.00	
<b>Department Total</b>	<b>61.65</b>	<b>62.15</b>	<b>0.50</b>	
<b>TOTAL GENERAL FUND FTE'S</b>	<b>599.47</b>	<b>604.11</b>	<b>4.64</b>	

# City of Duluth Minnesota - 2017 Budget

## Legislative and Executive Department

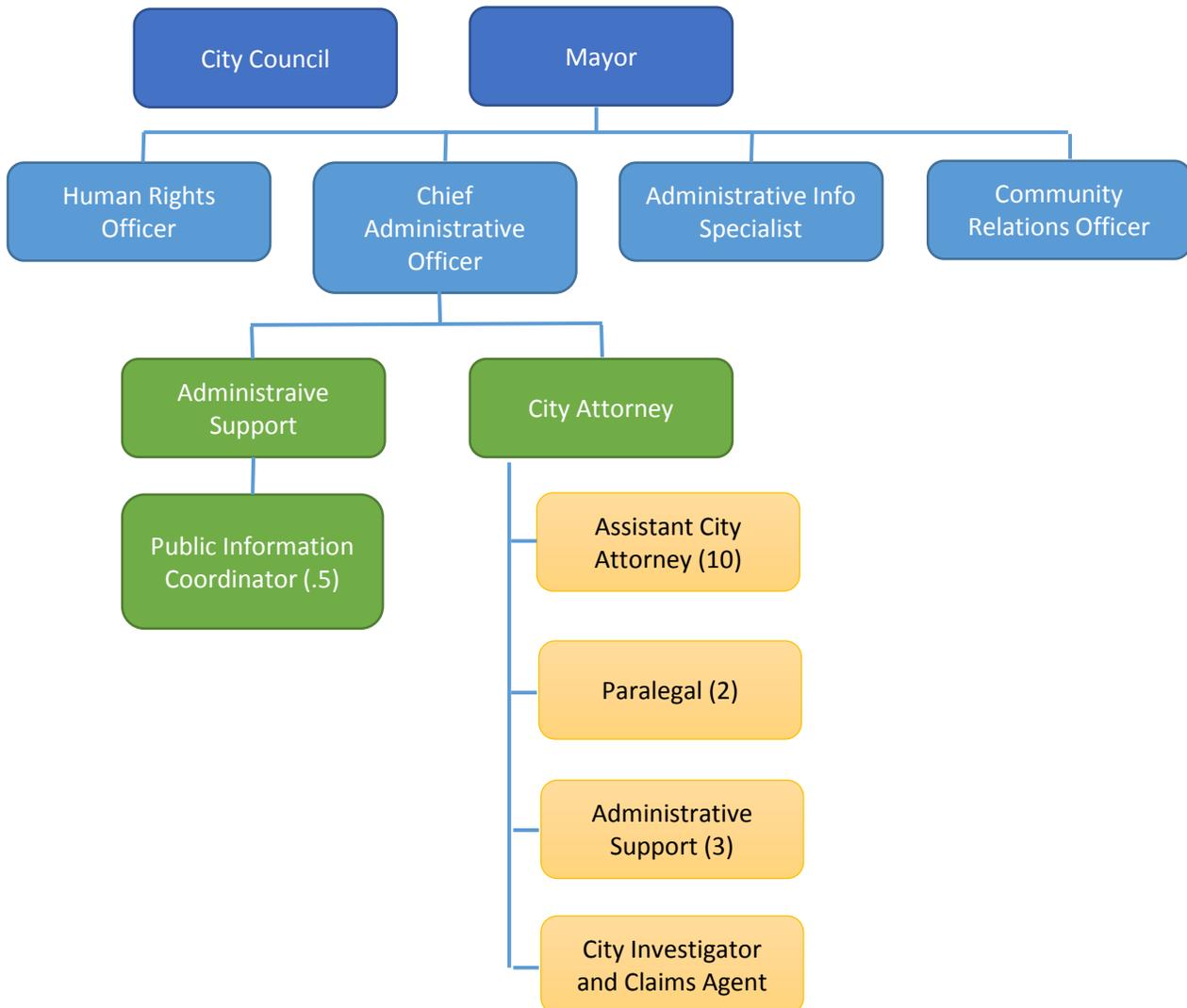
### Mission and Vision

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

### Structure

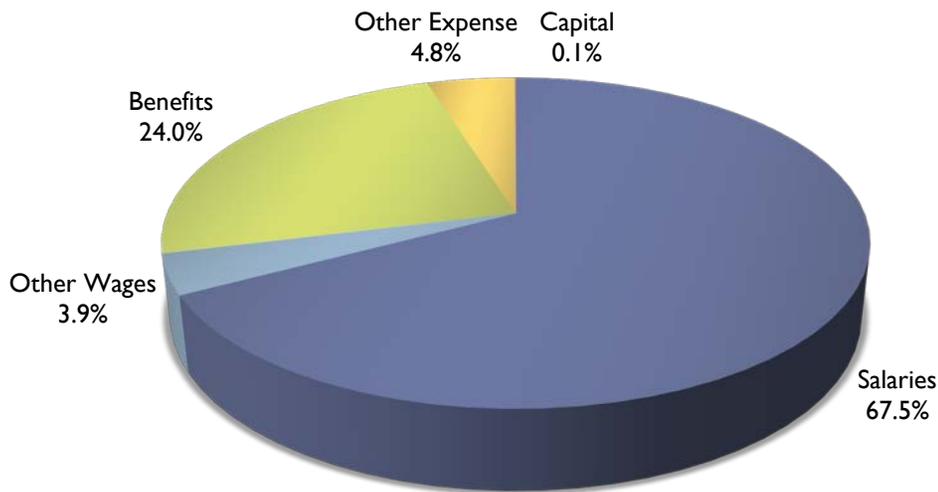
The divisions in this department are responsible for the legislative activity pursuant to City Charter; administration of the organization; enforcement and execution of City ordinances; and legal defense of the City.

### Organization Chart



# City of Duluth Minnesota - 2017 Budget

## Legislative & Executive Department 2017 Proposed Budget by Expense Category



Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Permanent Salaries	1,867,548	1,909,445	2,081,000	2,062,100	(18,900)
Overtime	1,166	1,909	-	-	-
Other Wages	112,882	152,300	120,000	120,000	-
Total Personal Services	1,981,596	2,063,654	2,201,000	2,182,100	(18,900)
Benefits	629,261	697,790	699,200	736,900	37,700
Other Expense	82,927	109,103	146,500	146,500	-
Capital Outlay	1,272	1,835	2,000	2,000	-
<b>Department Total</b>	<b>2,695,057</b>	<b>2,872,382</b>	<b>3,048,700</b>	<b>3,067,500</b>	<b>18,800</b>

Expenditures by Division	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
City Council	120,078	149,486	179,200	179,100	(100)
Mayor's Office	377,088	392,225	437,800	438,900	1,100
Chief Admin Officer	278,519	294,388	280,900	327,300	46,400
Attorney's Office	1,919,371	2,036,283	2,150,800	2,122,200	(28,600)
<b>Department Total</b>	<b>2,695,057</b>	<b>2,872,382</b>	<b>3,048,700</b>	<b>3,067,500</b>	<b>18,800</b>

Budgeted FTE's	2014	2015	2016	2017	Difference
	21.50	23.50	23.50	23.50	0.00

# City of Duluth Minnesota - 2017 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	2014	2015	2016	2017	Difference
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There are no fulltime, permanent employees assigned to this division.

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	-	-	-	-	-
Overtime	-	-	-	-	-
Other Wages	89,964	89,964	90,000	90,000	-
Total Salaries	89,964	89,964	90,000	90,000	-
Benefits	6,751	6,762	7,000	6,900	(100)
Other Expense					
Materials & Supplies	-	1,142	2,800	2,800	-
Services	9,629	19,367	24,000	24,000	-
Utilities & Maintenance	2,850	15,219	44,200	44,200	-
Other	10,885	17,032	11,200	11,200	-
Total Other Expense	23,363	52,760	82,200	82,200	-
<b>Division Total</b>	<b>120,078</b>	<b>149,486</b>	<b>179,200</b>	<b>179,100</b>	<b>(100)</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>City Council - 110-110-1101</b>				
PERSONAL SERVICES				
5103 Other Wages	89,964	89,964	90,000	90,000
TOTAL	89,964	89,964	90,000	90,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	541	500	700	-
5122 FICA - Social Security	4,906	4,958	5,000	5,600
5123 FICA - Medicare	1,304	1,304	1,300	1,300
TOTAL	6,751	6,762	7,000	6,900
OTHER EXPENDITURES				
5200 Office Supplies	-	471	1,000	1,000
5201 Computer Supplies/Software	-	368	1,000	1,000
5202 Audiovisual & Photography	-	-	500	500
5219 Other Miscellaneous Supplies	-	303	300	300
5319 Other Professional Services	8,168	18,368	10,000	10,000
5331 Travel/Training	1,407	988	12,000	12,000
5355 Printing & Copying	54	11	2,000	2,000
5456 Equipment/Machinery Repair & Mtc	-	17	-	-
5404 Equipment/Machinery Repair & Mtc	2,850	4,086	3,700	3,700
5414 Software Licenses & Mtce Agreements	-	11,116	40,500	40,500
5433 Dues & Subscription	608	741	1,000	1,000
5441 Other Services & Charges	4,224	10,904	8,000	8,000
5443 Board & Meeting Expenses	6,053	5,387	2,200	2,200
TOTAL	23,363	52,760	82,200	82,200
<b>DIVISION TOTAL</b>	120,078	149,486	179,200	179,100

# City of Duluth Minnesota - 2017 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	2014	2015	2016	2017	Difference
Mayor	1.0	1.0	1.0	1.0	-
1070 Comm Relations Officer	1.0	2.0	2.0	1.0	(1.0)
1050 Human Rights Officer	-	-	-	1.0	1.0
129 Admin Info Specialist	1.0	1.0	1.0	1.0	-
<b>Division Total</b>	<b>3.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>0.0</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	264,197	255,128	308,200	303,500	(4,700)
Overtime	69	65	-	-	-
Other Wages	5,669	7,134	-	-	-
Total Salaries	269,935	262,327	308,200	303,500	(4,700)
Benefits	86,232	115,451	115,000	120,800	5,800
Other Expense					
Materials & Supplies	2,934	998	1,700	1,700	-
Services	12,370	9,016	5,100	5,100	-
Other	5,617	4,433	7,800	7,800	-
Total Other Expense	20,921	14,447	14,600	14,600	-
<b>Division Total</b>	<b>377,088</b>	<b>392,225</b>	<b>437,800</b>	<b>438,900</b>	<b>1,100</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Mayor's Office - 110-110-1102</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	264,197	255,128	308,200	303,500
5101 Premium Pay	69	65	-	-
5103 Other Wages	5,669	7,134	-	-
TOTAL	269,935	262,327	308,200	303,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	16,782	16,226	22,500	21,800
5122 FICA - Social Security	16,850	15,756	19,100	18,800
5123 FICA - Medicare	3,941	3,685	4,500	4,400
5125 Dental Insurance	572	1,457	1,500	1,500
5126 Life Insurance	660	705	700	700
5127 Health Care Savings Plan (HCSP)	5,557	20,263	3,000	3,500
5130 Cafeteria Plan Benefits	41,870	57,359	63,700	70,100
TOTAL	86,232	115,451	115,000	120,800
OTHER EXPENDITURES				
5200 Office Supplies	496	847	1,000	1,000
5219 Other Miscellaneous Supplies	171	8	500	500
5241 Small Equip-Office/Operating	2,267	143	200	200
5320 Data Services	-	500	-	-
5321 Phone Service Cellular Phone	1,948	1,411	-	-
5322 Postage	-	-	100	100
5331 Travel/Training	10,323	6,988	3,000	3,000
5355 Printing & Copying	29	29	2,000	2,000
5356 Copier, Printer Lease & Supplies	70	88	-	-
5433 Dues & Subscription	1,737	403	300	300
5441 Other Services & Charges	265	-	1,500	1,500
5443 Board & Meeting Expenses	2,180	1,913	1,000	1,000
5444 Mayor's Contingent Account	1,434	2,117	5,000	5,000
TOTAL	20,921	14,447	14,600	14,600
<b>DIVISION TOTAL: MAYOR'S OFFICE</b>	<b>377,088</b>	<b>392,225</b>	<b>437,800</b>	<b>438,900</b>

# City of Duluth Minnesota - 2017 Budget

## Chief Administrative Officer

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

Budgeted FTE's	2014	2015	2016	2017	Difference
Res Chief Admin Officer	1.0	1.0	1.0	1.0	-
9 Executive Assistant	1.0	1.0	1.0	1.0	-
135 Public Info Coordinator	-	-	-	0.5	0.5
126 Information Technician	0.5	0.5	0.5	-	(0.5)
Division Total	2.5	2.5	2.5	2.5	0

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	191,202	189,941	200,800	221,500	20,700
Overtime	1,042	1,301	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	192,244	191,242	200,800	221,500	20,700
Benefits	80,353	94,677	69,500	95,200	25,700
Other Expense					
Materials & Supplies	1,152	619	2,000	2,000	-
Services	2,311	3,876	2,300	2,300	-
Utilities & Maintenance	-	-	300	300	-
Other	2,460	3,974	6,000	6,000	-
Total Other Expense	5,922	8,469	10,600	10,600	-
Division Total	278,519	294,388	280,900	327,300	46,400

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Chief Administrative Officer - 110-110-1103</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	191,202	189,941	200,800	221,500
5101 Premium Pay	1,042	1,301	-	-
5103 Other Wages	-	-	-	-
TOTAL	192,244	191,242	200,800	221,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	14,573	14,302	14,800	16,500
5122 FICA - Social Security	10,823	10,880	12,500	13,700
5123 FICA - Medicare	2,688	2,717	2,900	3,200
5125 Dental Insurance	390	868	900	900
5126 Life Insurance	450	420	500	500
5127 Health Care Savings Plan (HCSP)	13,300	20,502	2,000	15,200
5130 Cafeteria Plan Benefits	37,608	44,988	35,900	45,200
5133 Health or Fitness Program	521	-	-	-
TOTAL	80,353	94,677	69,500	95,200
OTHER EXPENDITURES				
5200 Office Supplies	1,152	619	1,000	1,000
5201 Computer Supplies/Software	-	-	500	500
5219 Other Miscellaneous Supplies	-	-	500	500
5321 Phone Service Cellular Phone	1,200	825	-	-
5331 Travel/Training	1,019	2,826	2,000	2,000
5356 Copier, Printer Leases & Supplies	92	225	-	-
5404 Equipment/Machinery Repair & Mtc	-	-	300	300
5418 Vehicle/Equip Lease (Long-term)	-	-	300	300
5433 Dues & Subscription	1,600	3,635	500	500
5435 Books & Pamphlets	-	-	500	500
5441 Other Services & Charges	126	109	4,000	4,000
5443 Board & Meeting Expenses	734	230	1,000	1,000
TOTAL	5,922	8,469	10,600	10,600
<b>DIVISION TOTAL</b>	278,519	294,388	280,900	327,300

# City of Duluth Minnesota - 2017 Budget

## City Attorney's Office

Provides legal advice and services to the City and related agencies.

Budgeted FTE's	2014	2015	2016	2017	Difference
Res City Attorney	1.0	1.0	1.0	1.0	-
Assistant Attorney	10.0	11.0	10.0	10.0	-
10 Claims Adjuster	1.0	1.0	1.0	1.0	-
131 Paralegal	2.0	2.0	2.0	1.0	(1.0)
131 Prosecution Assistant	-	-	1.0	1.0	-
6 Sr Secretarial Spec	1.0	1.0	-	-	-
129 Admin Legal Assistant	1.0	1.0	2.0	3.0	1.0
Division Total	<b>16.0</b>	<b>17.0</b>	<b>17.0</b>	<b>17.0</b>	<b>0.0</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	1,412,149	1,464,376	1,572,000	1,537,100	(34,900)
Overtime	55	543	-	-	-
Other Wages	17,249	55,202	30,000	30,000	-
Total Salaries	1,429,453	1,520,121	1,602,000	1,567,100	(34,900)
Benefits	455,926	480,900	507,700	514,000	6,300
Other Expense					
Materials & Supplies	3,337	3,789	3,300	3,300	-
Services	15,223	13,778	12,400	12,400	-
Other	14,159	15,860	23,400	23,400	-
Total Other Expense	32,720	33,427	39,100	39,100	-
Capital Outlay	1,272	1,835	2,000	2,000	-
Division Total	<b>1,919,371</b>	<b>2,036,283</b>	<b>2,150,800</b>	<b>2,122,200</b>	<b>(28,600)</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>City Attorney's Office - 110-110-1104</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	1,412,149	1,464,376	1,572,000	1,537,100
5101 Premium Pay	55	543	-	-
5103 Other Wages	17,249	55,202	30,000	30,000
TOTAL	1,429,453	1,520,121	1,602,000	1,567,100
EMPLOYEE BENEFITS				
5121 PERA Retirement	100,867	109,219	118,600	122,900
5122 FICA - Social Security	85,454	90,492	99,300	103,400
5123 FICA - Medicare	20,299	21,530	23,200	24,200
5125 Dental Insurance	2,451	6,005	6,300	6,300
5126 Life Insurance	2,731	2,781	3,100	3,100
5127 Health Care Savings Plan (HCSP)	40,749	63,856	15,500	29,000
5130 Cafeteria Plan Benefits	203,132	186,017	241,700	225,100
5133 Health or Fitness Program	243	1,000	-	-
TOTAL	455,926	480,900	507,700	514,000
OTHER EXPENDITURES				
5200 Office Supplies	3,337	3,789	3,300	3,300
5304 Legal Services	134	98	2,000	2,000
5321 Phone Service Cellular Phone	1,740	1,800	2,200	2,200
5331 Travel/Training	10,037	9,533	6,000	6,000
5335 Local Mileage Reimbursement	1,207	905	1,000	1,000
5355 Printing & Copying	29	22	-	-
5356 Copier, Printer Lease & Supplies	2,077	1,420	1,200	1,200
5414 Software Licenses & Maintenance	-	-	-	1,400
5433 Dues & Subscription	14,099	15,292	15,000	15,000
5441 Other Services & Charges	60	568	8,400	7,000
TOTAL	32,720	33,427	39,100	39,100
CAPITAL OUTLAY				
Library Materials	1,272	1,835	2,000	2,000
TOTAL	1,272	1,835	2,000	2,000
<b>DIVISION TOTAL</b>	1,919,371	2,036,283	2,150,800	2,122,200

# City of Duluth Minnesota - 2017 Budget

<b>General Fund Revenue Detail</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Budget</b>	<b>2017 Approved</b>
<b>City Attorney's Office - 110-110-1104</b>				
REVENUE SOURCE				
4319 Attorney Fees	3,500	5,025	4,000	4,000
4644 Miscellaneous Fees, Sales, Services	3,712	6,958	4,000	1,000
4654 Other Reimbursements	793	320	-	-
4730 Transfer from Police Grant Fund	9,680	1,124	-	-
<b>DIVISION TOTAL</b>	<b>17,685</b>	<b>13,427</b>	<b>8,000</b>	<b>5,000</b>

# City of Duluth Minnesota - 2017 Budget

## Public Administration Department

### Mission and Vision

The Department of Public Administration exists to cost-effectively provide two categories of public services:

1. **Internal services** such as those provided by Human Resources, Fleet Services, Property and Facilities Management, and Information Technology whose role is to increase the capacity of other City departments to serve the public well.
2. **Community services** such as those provided by Parks and Recreation, Park Maintenance, Library, and City Clerk.

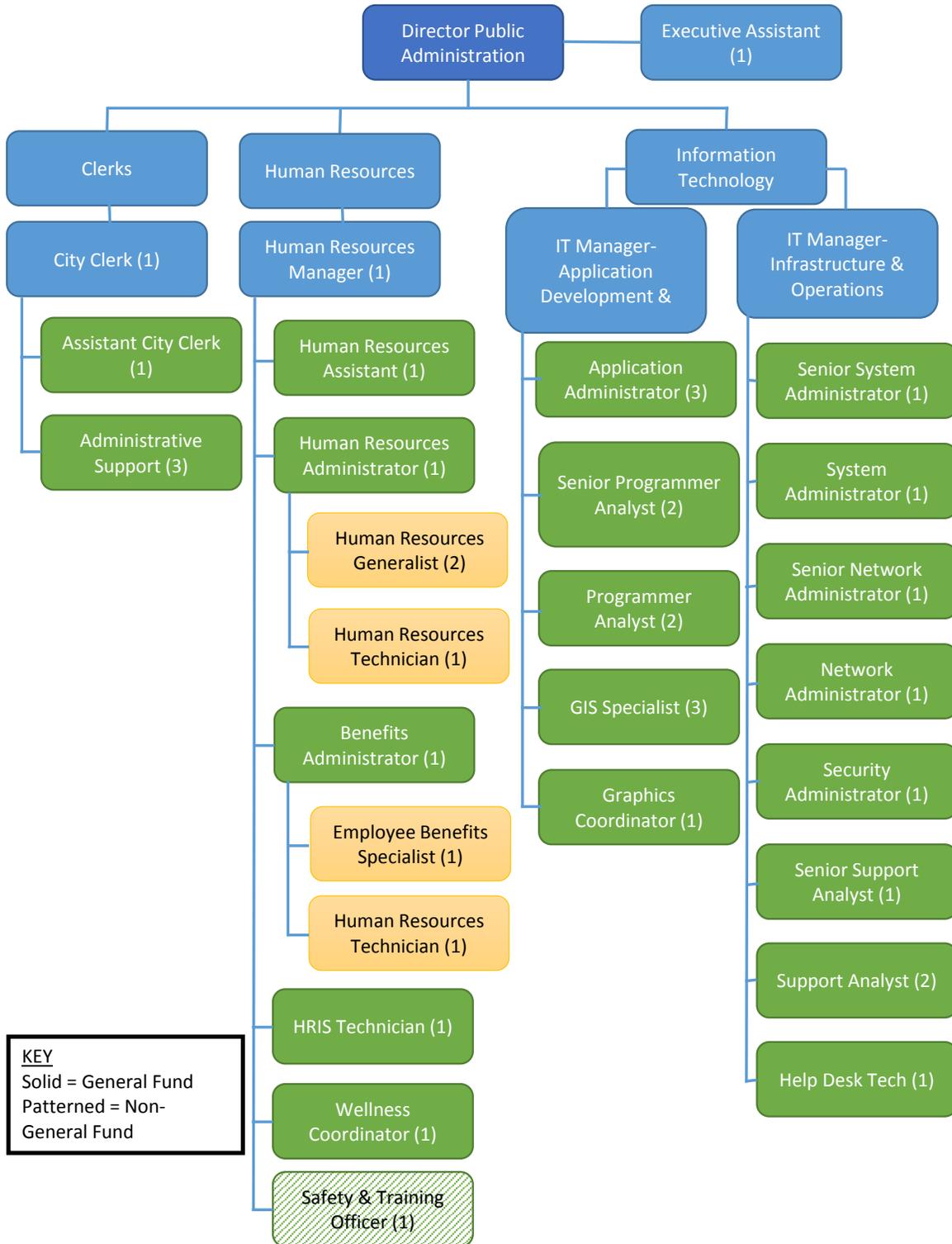
### Structure

The Department of Public Administration brings together and coordinates eight interrelated divisions: City Clerk, Human Resources, Information Technology, Library, Property and Facilities Management, Parks and Recreation, Park Maintenance, and Fleet Services. One manager oversees both Park Maintenance and Property and Facilities Management. Two managers oversee Information Technology. Parks and Recreation and portions of Park Maintenance are funded by the Parks Fund. Fleet Services is managed within a separate internal service fund with revenues paid from the General Fund. All other divisions operate primarily from the General Fund.

# City of Duluth Minnesota - 2017 Budget

## Public Administration

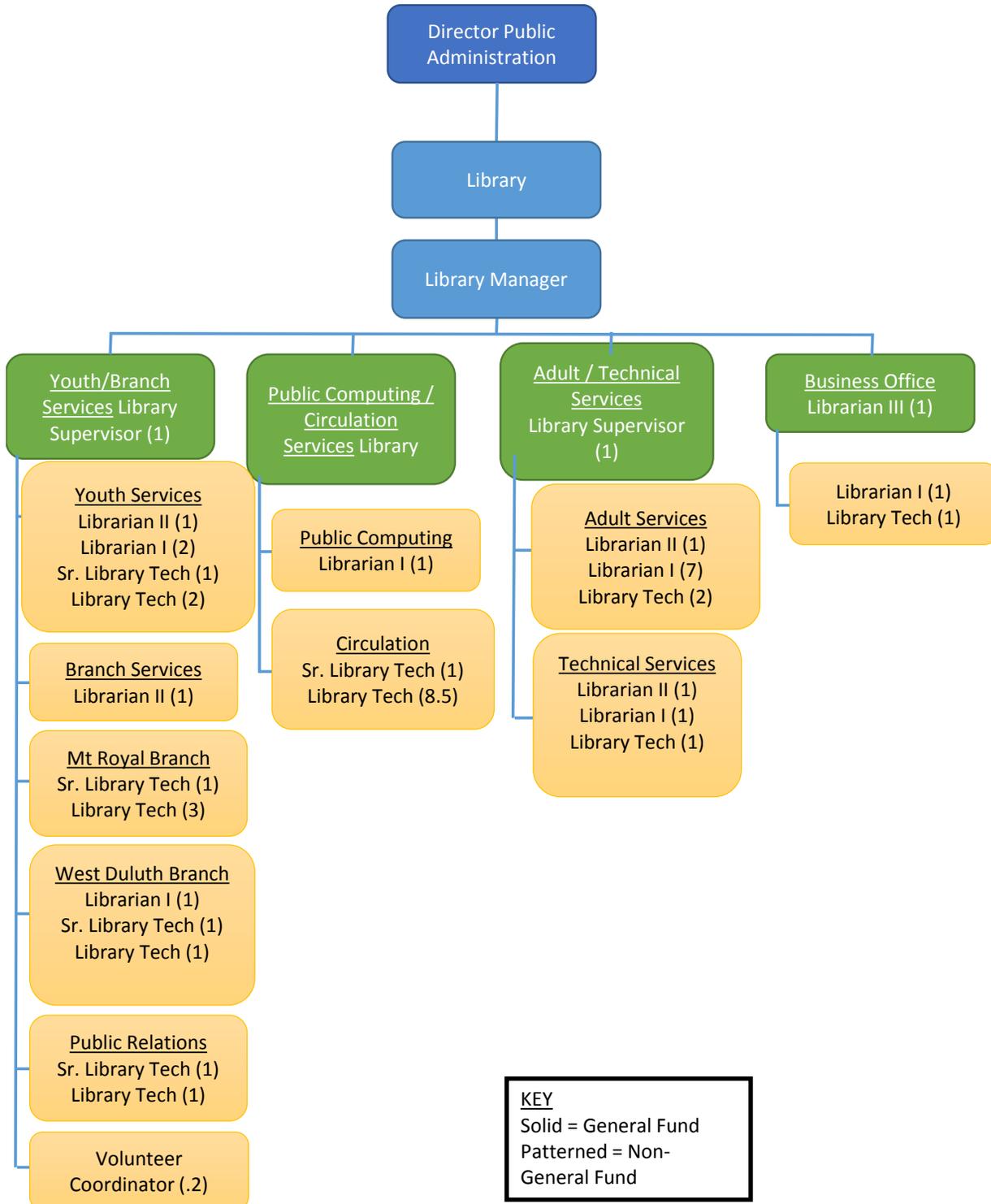
### Organization Chart



# City of Duluth Minnesota - 2017 Budget

## Public Administration

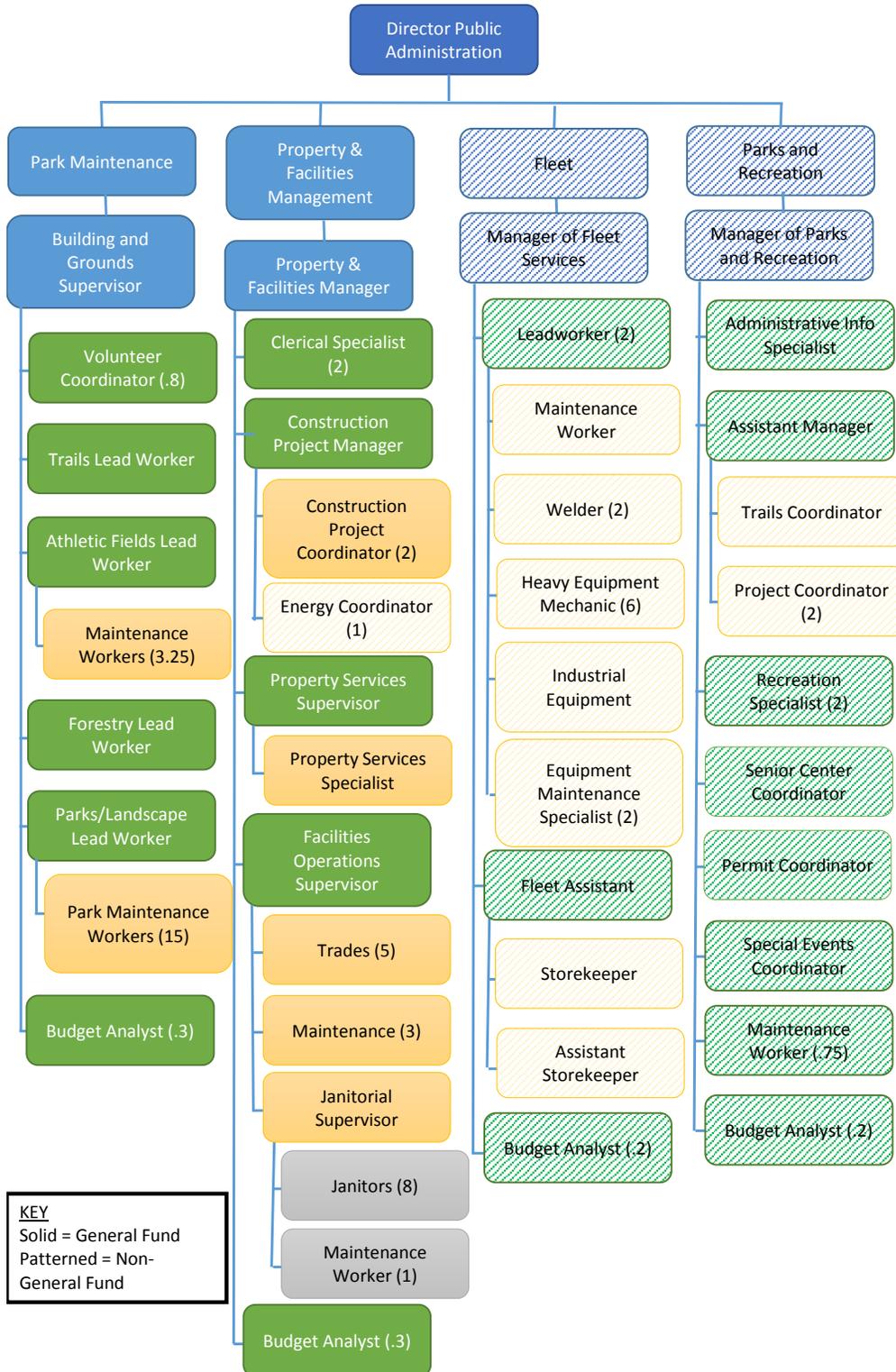
### Organization Chart - Continued



# City of Duluth Minnesota - 2017 Budget

## Public Administration

### Organization Chart - Continued



# City of Duluth Minnesota - 2017 Budget

## Public Administration Department - Goals and Objectives

### City Clerk

<p><b>Goal:</b> Improve the records management program.  <b>Objective:</b> Implement new systems for record organization, retention and availability.  <b>Strategy:</b></p> <ol style="list-style-type: none"> <li>1. Train department coordinators.</li> <li>2. Assess records management in each department.</li> <li>3. Help departments set and meet implementation deadlines.</li> </ol> <p><b>Measurements and Performance:</b> Percentage equals number of Divisions  Citywide inventory of department records</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
0%	40%	100%		
Implementation of new citywide records retention compliance schedule				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
0%	40%	100%		
<p><b>Goal:</b> Preserve historic City Council official proceedings and make them easily available.  <b>Objective:</b> Convert official proceedings from microfilm to digital and post online.  <b>Strategy:</b></p> <ol style="list-style-type: none"> <li>1. Scan and index official proceedings on 400 microfilm reels to digital format.</li> <li>2. Post on City website in easily searchable form.</li> <li>3. Educate citizens, staff, and Council how to access official proceedings online.</li> </ol> <p><b>Measurements and Performance:</b> Percent equals Completion</p>				
Complete conversion of all microfilmed Council proceeds				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
0%	100%	Complete		
Post official proceedings on website in easily searchable form				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
0%	100%	Complete		

# City of Duluth Minnesota - 2017 Budget

## Public Administration Department - Goals and Objectives

### Human Resources

<p><b>Goal:</b> Improve supervisory support for all employees.</p> <p><b>Objective:</b> Improve the coaching, supervision, evaluation, and development of City employees.</p> <p><b>Strategy:</b> 1. Develop new leadership competency model.                  2. Design and implement supervisory development program for new                  3. Implement new performance evaluation process with all employees.</p> <p><b>Measurements and Performance:</b></p> <p>% of leadership competency model complete</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
20%	100%			
<p>% of supervisory development program implemented</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
	50%	100%		
<p>Create and Implement new performance review process with 100% participation.</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
40%	100%			

<p><b>Goal:</b> Increase the ability of HR to strengthen organizational effectiveness City-wide.</p> <p><b>Objective:</b> Develop new HR strategic plan.</p> <p><b>Strategy:</b> 1. Forecast HR needs based on organizational goals and external circumstances.                  2. Develop HR strategies to support organizational effectiveness.</p> <p><b>Measurements and Performance:</b></p> <p>% of HR strategic plan completed</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
30%	100%			

<p><b>Goal:</b> Create more diverse, inclusive, and respectful City workplaces.</p> <p><b>Objective:</b> Develop and implement plan for increasing diversity and inclusiveness in City workplaces.</p> <p><b>Strategy:</b> 1. Assess work cultures via survey.                  2. Identify employee needs at each site.                  3. Equip leaders to teach and uphold inclusive and respectful behavior.</p>				
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# City of Duluth Minnesota - 2017 Budget

## Public Administration Department - Goals and Objectives

### Human Resources Continued

**Goal:** Support the health and wellbeing of all City employees and families.

**Objective:** Actively encourage healthy behaviors among City employees, retirees and dependents.

**Strategy:** 1. Analyze current employee needs.

2. Develop programming designed to increase employees' awareness and practice of healthy behaviors.

3. Track Wellness Program activities to ensure programming stays current with participants' needs and interests.

**Measurements and Performance:**

Increase in biometric screening participants from calendar year 2016.

<b>2016 Estimate</b>	<b>2017 Target</b> 10% increase	<b>2018 Target</b> 20% increase		
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Increased employee participation in wellness events (yoga, Diabetes Prevention Program, Financial Well-being courses, etc.)

<b>2016 Estimate</b>	<b>2017 Target</b> 10% increase	<b>2018 Target</b> 10% increase		
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**Goal:** Create work environments and cultures that support the safety of our employees.

**Objective:** Empower employees to engage in, contribute to, and take ownership of the safety program in their work areas.

**Strategy:** 1. Analyze current safety training needs.

2. Provide job-specific safety training to employees.

3. Support and grow division-level safety committees and accident review boards.

**Measurements and Performance:**

Completion of feedback from employees, unions and from supervisors/managers.

<b>2016 Estimate</b> 20%	<b>2017 Target</b> 100%	<b>2018 Target</b>		
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Improvement in annual employee ratings of workplace safety.

<b>2016 Estimate</b> -	<b>2017 Target</b> 70% average positive response	<b>2018 Target</b> 80% average positive response		
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# City of Duluth Minnesota - 2017 Budget

## Public Administration Department - Goals and Objectives

### Information Technology

<p><b>Goal:</b> Improve efficiency and effectiveness of IT services.  <b>Objective:</b> Implement new and improved IT systems for managing IT services.  <b>Strategy:</b> 1. Implement IT project management framework.                  2. Expand scope of IT change management system for all enterprise systems.                  3. Implement online support ticketing.  <b>Measurements and Performance:</b></p>				
Adherence to established project plan timelines				
<b>2016 Estimate</b> 50%	<b>2017 Target</b> 60%	<b>2018 Target</b> 70%		
Change management documentation in place for all enterprise systems				
<b>2016 Estimate</b> 60%	<b>2017 Target</b> 80%	<b>2018 Target</b> 100%		
Reduce manual entry of support tickets				
<b>2016 Estimate</b> 35% Email, 65% Phone, 0% Online	<b>2017 Target</b> 35% Email, 55% Phone, 10% Online	<b>2018 Target</b> 0% Email, 30% Phone, 70% Online		
Increased customer satisfaction results				
<b>2016 Estimate</b> Business Enablement 76%, IT Communication 79%, Services 79%, Applications 72%	<b>2017 Target</b>  Increase	<b>2018 Target</b>  Increase		

# City of Duluth Minnesota - 2017 Budget

## Public Administration Department - Goals and Objectives

### Information Technology Continued

**Goal:** Improve end user security awareness

**Objective:** Implement training and testing of end user security

**Strategy:** 1. Train all users on general user security at least annually.  
 2. Improve phishing and vishing awareness.  
 3. Track and monitor PCI end user training to ensure compliance.

**Measurements and Performance:**

Implement end user training schedule with tracking

2016 Estimate	2017 Target	2018 Target		
N/A	100%	100%		
Reduction in simulated phishing failures				
2016 Estimate	2017 Target	2018 Target		
14%	10%	5%		
Ensure 100% adherence to training requirements				
2016 Estimate	2017 Target	2018 Target		
0%	100%	100%		

# City of Duluth Minnesota - 2017 Budget

## Public Administration Department - Goals and Objectives

### Library

<p><b>Goal:</b> Improve early literacy to increase school readiness.</p> <p><b>Objective:</b> Increase the capacity of the library to improve early literacy</p> <p><b>Strategy:</b> 1. Build partnerships with Duluth-area early literacy organizations 2. Enrich library's early literacy collection 3. Develop plan for 2018 launch of early literacy initiative</p> <p><b>Measurements and Performance:</b> Library early literacy initiative developed</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
	Initiative 50% complete	Initiative complete		
<p>Early literacy specialist hired to implement initiative</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
		Specialist hired		
<p>Preschool nonfiction collection enhanced</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
	Standalone collection in place	Collection enhanced as needed		

<p><b>Goal:</b> Adopt supported self-service model to increase opportunity for staff to teach and inspire users</p> <p><b>Objective:</b> Remove barriers that discourage patrons from choosing supported self-service</p> <p><b>Strategy:</b> 1. Implement credit card processing 2. Implement PC management system 3. Prepare plan for 2018 in-library campaign to encourage patrons to try self-service. 4. Identify and lower other barriers to self-service</p> <p><b>Measurements and Performance:</b> Increase percentage of self-service checkouts</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
37%	40%	45%		
<p>Take advantage of staff time freed by self-service to identify and implement value-added services/projects.</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
	1 service/project identified	Service/project implemented		

# City of Duluth Minnesota - 2017 Budget

## Public Administration Department - Goals and Objectives

### Library Continued

**Goal:** Raise public awareness of library to increase use

**Objective:** Improve effectiveness of ongoing promotions and conduct broader public awareness

**Strategy:** 1. Develop, fund, and implement PR campaign to increase use

2. Develop plan to make ongoing promotions more targeted, effective, and efficient.

**Measurements and Performance:**

Items checked out

2016 Estimate	2017 Target	2018 Target		
807,000	925,000	950,000		

Library card holders

2016 Estimate	2017 Target	2018 Target		
45,000	47,000	50,000		

Attendance at programs

2016 Estimate	2017 Target	2018 Target		
21,000	22,000	23,000		

# City of Duluth Minnesota - 2017 Budget

## Public Administration Department - Goals and Objectives

### Park Maintenance

**Goal:** Improve the condition of city parks and trails.

**Objective:** Increase scope and quality of park maintenance activities.

**Strategy:** 1. Establish park tiers to guide the level and type of maintenance on all park property.

2. Develop parks maintenance plans for each park tier.

3. Implement work order system.

4. Implement improved garbage and recycling collection system.

5. Improve employee recruitment, retention, and training.

6. Strengthen coordination with Parks.

7. Increase the volume and practical value of citizen volunteer service in Parks and Parks Maintenance.

**Measurements and Performance:**

1. Development and implementation of new Parks Maintenance plan.

2017 Estimate	2018 Estimate	2019 Estimate		
Plan completed.	Begin plan implementation. Establish benchmarked performance measures,.	Annual performance report,		

2. Implementation of work order system pilot for each PM work group.

2017 Estimate	2018 Estimate	2019 Estimate		
Begin implementation.	Fully implement system and use to track all work.	Integrate work order data in annual reports,		

3. Implementation of garbage collection and recycling system in Tier 1 parks,

2017 Estimate	2018 Estimate	2019 Estimate		
Complete and assess pilot.	Expand program by 25% to include more park properties	Expand program by 25% to include more park properties		

# City of Duluth Minnesota - 2017 Budget

## Public Administration Department - Goals and Objectives

### Property and Facilities Management

<p><b>Goal:</b> Improve internal property and real estate service,  <b>Objective:</b> Establish a high-performance property management service for internal and external customers</p> <p><b>Strategy:</b> 1. Standardize property and real estate functions relating to the sale, purchase, leasing, and management of City property.                  2. Identify and prepare appropriate City properties for sale.</p> <p><b>Measurements and Performance:</b>                  1. Proceeds from sale of surplus property.</p>				
<p><b>2017 Estimate</b></p> <p>Present proposed list of properties to be sold to administration.</p>	<p><b>2018 Estimate</b></p> <p>Implement the process to sell surplus property.</p>	<p><b>2019 Estimate</b></p> <p>Begin property sales.</p>		
<p>2. Standardize lease, development and other associated agreements with all City partners</p>				
<p><b>2017 Estimate</b></p> <p>Align new and renewed agreements with standards.</p>	<p><b>2018 Estimate</b></p> <p>Align new and renewed agreements with standards.</p>	<p><b>2019 Estimate</b></p> <p>Align new and renewed agreements with standards.</p>		
<p>3. Internal customer satisfaction.</p>				
<p><b>2017 Estimate</b></p> <p>Survey internal customers. Establish baseline.</p>	<p><b>2018 Estimate</b></p> <p>Incremental improvement from baseline.</p>	<p><b>2019 Estimate</b></p> <p>Incremental improvement from baseline.</p>		

# City of Duluth Minnesota - 2017 Budget

## Public Administration Department - Goals and Objectives

### Property and Facilities Management Continued

<b>Goal:</b> Reduce environmental harms associated with City operations.				
<b>Strategy:</b> 1. Approve a 30-year Energy Plan to guide City operations 2. Develop capital plans and projects for implementation 3. Develop policy, procedures and educational programs to align City activities with the plan.				
<b>Measurements and Performance:</b>				
1. Completion and approval of Energy Plan to guide energy policy for the next 30-years.				
<b>2017 Estimate</b> Mayoral approval and roll-out				
2. Develop capital plans and projects that reduce carbon emissions.				
<b>2017 Estimate</b> Capital projects reduce City emissions by 3.5%	<b>2018 Estimate</b> Projects reduce emissions from City operations by 3.5%	<b>2019 Estimate</b> Projects reduce emissions from City operations by 3.5%		
3. Develop citywide operational policies and practices necessary to reduce emissions.				
<b>2017 Estimate</b> Approve plan.	<b>2018 Estimate</b> Increase organizational participation 25%	<b>2019 Estimate</b> Increase organizational participation 25%		
4. Leverage the Climate Smart exchange program with UM and Germany to reduce City emissions.				
<b>2017 Estimate</b> Implement associated internship program.	<b>2018 Estimate</b> Complete collaborative building energy use tracking project.	<b>2019 Estimate</b> Implement parallel Duluth/Germany energy projects using same approach and metrics.		

# City of Duluth Minnesota - 2017 Budget

## Public Administration Department - Goals and Objectives

### Fleet Services (Internal Service Fund)

<p><b>Goal:</b> Enhance communication and collaboration with Fleet Services customers.</p> <p><b>Objective:</b> Increase availability, clarity, and utility of information for Fleet customers.</p> <p><b>Strategy:</b> 1. Implement information recording standards and policies.</p> <p>2. Tailor the volume, frequency, and content of repair information to customer-specific needs to the extent possible.</p> <p>3. Establish clear communication roles, responsibilities, and channels between Fleet and Customers</p> <p>4. Establish customer feedback measurement and reporting systems focused on annual customer surveys and annual customer meetings.</p> <p><b>Measurements and Performance:</b></p> <p>Overall customer satisfaction based on surveys and direct customer feedback.</p>				
2017 Estimate	2018 Target	2019 Target		
Develop and administer customer survey to establish baseline. Present results.	Make changes based on customer feedback. Customer survey results improve.	Make changes based on customer feedback. Customer survey results improve.		

<p><b>Goal:</b> Fully implement all aspects of the new Fleet Information Management System (FIMS).</p> <p><b>Objective:</b> Use FIMS to improve inventory management, workflow, and capital replacement.</p> <p><b>Strategy:</b> 1. Reduce and refine on hand inventory by using the FIMS sales records, stocking guides, and obsolescence reporting systems.</p> <p>2. Reduce Fleet downtime by using the FIMS time tracking and repair history tracking functions to schedule work flow more precisely.</p> <p>3. Improve the available information for capital planning using the FIMS asset life cycle reporting function to develop evidence based vehicle replacement plans.</p> <p><b>Measurements and Performance:</b></p> <p>Reduce overall inventory.</p>				
2017 Estimate	2018 Target	2019 Target		
Establish baseline.	Reduce by 1-10%	Reduce by 10% +		
Reduce unit downtime.				
2017 Estimate	2018 Target	2019 Target		
Establish baseline.	Reduce by 1-10%	Reduce by 10% +		

# City of Duluth Minnesota - 2017 Budget

## Public Administration Department - Goals and Objectives

### Fleet Services (Internal Service Fund) Continued

<p><b>Goal:</b> Assess and improve functionality of Fleet building and grounds.</p> <p><b>Objective:</b> Plan changes to the layout of the Fleet facility and its finite space based on changing equipment and personnel needs.</p> <p><b>Strategy:</b> 1. Identify and prioritize facility needs on the repair floor and in the parts department. 2. Develop action plan in partnership with Property and Facilities Management.</p> <p><b>Measurements and Performance:</b> State of overall plan and peripheral reports from Leadworkers and Parts personnel.</p>				
<b>2017 Estimate</b>	<b>2018 Target</b>	<b>2019 Target</b>		
Complete assessment	Begin reconfiguration.	Complete reconfiguration.		

# City of Duluth Minnesota - 2017 Budget

## Public Administration Department - Goals and Objectives

### Parks and Recreation (Special Revenue Fund)

**Goal:** Establish the St. Louis River Corridor as an outdoor recreation hub for residents and visitors.

**Objective:** Leverage grants and community support to deliver maximum community benefit for city financial investment.

**Strategy:** 1. Meet or make progress toward individual project fundraising goals.  
2. Design, bid, and successfully oversee projects that are ready for construction in 2017.  
3. Engage community to develop high quality plans for 2018 projects.

**Measurements and Performance:**

Number of construction projects completed

2016 Estimate	2017 Target	2018 Target		
3	8	8		

Number of new park and trail plans completed

2016 Estimate	2017 Target	2018 Target		
15	5	1		

**Goal:** Improve effectiveness and efficiency of park facility reservation, permit, and payment system.

**Objective:** Provide easy, efficient, online park facility reservation, permit, and payment system.

**Strategy:** 1. Choose vendor and implement service.  
2. Evaluate effectiveness and make continual improvements

**Measurements and Performance:**

Number of facility reservations and league signups through new parks & rec software

2016 Estimate	2017 Target	2018 Target		
0	450	600		

**Goal:** In partnership with YMCA, improve alignment of True North AmeriCorps program with the Parks & Recreation mission.

**Objective:** Expand focus on non-academic aspects of youth development including outdoor education and recreation.

**Strategy:** 1. Finalize contract with YMCA that reflects expanded focus.  
2. Evaluate annually to make improvements each year.  
3. Implement recommendations.

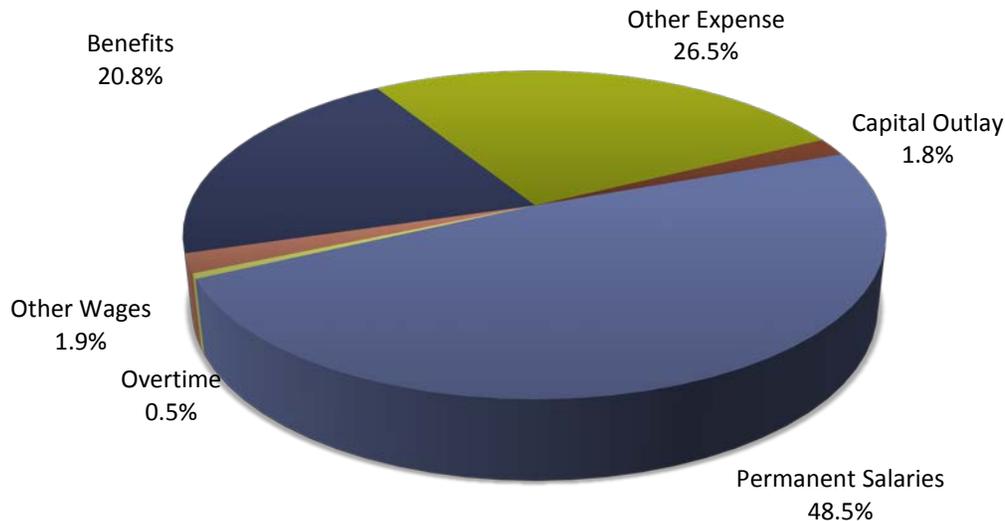
**Measurements and Performance:**

# of youth that have access to outdoor programming through True North AmeriCorps program

2016 Estimate	2017 Target	2018 Target		
8	10	13		

# City of Duluth Minnesota - 2017 Budget

## Public Administration Department 2017 Approved Budget by Expense Category



Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Permanent Salaries	7,337,026	7,448,424	8,059,100	8,307,000	247,900
Overtime	83,301	83,321	96,800	86,800	(10,000)
Other Wages	170,426	189,740	310,300	325,300	15,000
<b>Total Personal Services</b>	<b>7,590,753</b>	<b>7,721,485</b>	<b>8,466,200</b>	<b>8,719,100</b>	<b>252,900</b>
Benefits	2,845,582	2,914,516	3,208,300	3,558,700	350,400
Other Expense	3,803,143	3,770,694	4,521,100	4,531,900	10,800
Capital Outlay	306,502	379,567	264,500	306,500	42,000
<b>Department Total</b>	<b>14,545,980</b>	<b>14,786,262</b>	<b>16,460,100</b>	<b>17,116,200</b>	<b>656,100</b>

Expenditures by Division	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Human Resources	1,034,698	996,646	1,184,100	1,141,700	(42,400)
Information Technology	2,398,364	2,403,832	2,939,900	3,036,900	97,000
City Clerk	781,903	754,284	807,800	901,000	93,200
Park Maintenance	2,597,809	2,494,765	3,098,400	3,174,100	75,700
Library Services	4,194,933	4,120,434	4,241,200	4,453,600	212,400
Facilities Management	3,538,273	4,016,301	4,188,700	4,408,900	220,200
<b>Department Total</b>	<b>14,545,980</b>	<b>14,786,262</b>	<b>16,460,100</b>	<b>17,116,200</b>	<b>656,100</b>

Budgeted FTE's	2014	2015	2016	2017	Difference
	135.65	136.15	136.15	138.35	2.20

# City of Duluth Minnesota - 2017 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	2014	2015	2016	2017	Difference
1130 Mgr, Human Resources	1.0	1.0	1.0	1.0	-
Res EEO Compliance Officer	1.0	1.0	1.0	-	(1.0)
127 HR Assistant	2.0	2.0	1.0	1.0	-
11 Sr HR Generalist	1.0	1.0	-	-	-
10A Employee Benefit Admin	1.0	1.0	1.0	1.0	-
10 HR Generalist	3.0	2.0	3.0	3.0	-
10 Employee Benefits Rep	1.0	1.0	1.0	1.0	-
9 HR Technician	2.0	3.0	3.0	2.0	(1.0)
10 HRIS Analyst	-	-	-	1.0	1.0
7 Wellness Coordinator	-	-	0.8	1.0	0.3
<b>Division Total</b>	<b>12.0</b>	<b>12.0</b>	<b>11.8</b>	<b>11.00</b>	<b>(0.75)</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	700,291	664,469	759,500	750,000	(9,500)
Overtime	4,714	3,473	-	-	-
Other Wages	4,294	153	10,000	10,000	-
Total Salaries	709,299	668,095	769,500	760,000	(9,500)
Benefits	279,547	264,578	333,100	300,200	(32,900)
Other Expense					
Materials & Supplies	4,513	7,829	6,500	6,000	(500)
Services	34,433	34,573	50,000	50,500	500
Utilities & Maintenance	-	14,991	16,000	16,000	-
Other	6,906	6,580	9,000	9,000	-
Total Other Expense	45,852	63,973	81,500	81,500	-
<b>Division Total</b>	<b>1,034,698</b>	<b>996,646</b>	<b>1,184,100</b>	<b>1,141,700</b>	<b>(42,400)</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Human Resources - 110-121-1106</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	700,291	664,469	759,500	750,000
5101 Premium Pay	4,714	3,473	-	-
5103 Other Wages	4,294	153	10,000	10,000
TOTAL	709,299	668,095	769,500	760,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	44,723	43,365	50,500	55,300
5122 FICA - Social Security	42,615	40,335	47,700	47,100
5123 FICA - Medicare	9,966	9,433	11,200	11,000
5125 Dental Insurance	1,742	3,751	4,400	4,100
5126 Life Insurance	2,010	1,905	2,100	2,000
5127 Health Care Savings Plan (HCSP)	20,267	20,781	43,700	8,400
5130 Cafeteria Plan Benefits	157,294	141,801	170,500	169,300
5133 Health or Fitness Program	930	3,207	3,000	3,000
TOTAL	279,547	264,578	333,100	300,200
OTHER EXPENDITURES				
5200 Office Supplies	2,311	5,939	3,000	3,500
5201 Computer Supplies/Software	1,236	1,632	2,000	1,000
5219 Other Miscellaneous Supplies	967	258	1,500	1,500
5319 Other Professional Services	8,397	14,118	13,000	13,000
5321 Phone Service	600	437	1,000	1,500
5331 Travel/Training	8,921	11,338	15,000	15,000
5355 Printing & Copying	6,826	2,503	11,000	11,000
5356 Copier, Printer Lease & Supplies	9,689	6,177	10,000	10,000
5404 Equipment/Machinery Repair & Mtc	-	150	1,000	1,000
5414 Software Licenses & Mtce Agreements	-	14,841	15,000	15,000
5433 Dues & Subscription	2,343	1,393	3,000	3,000
5435 Books & Pamphlets	-	625	1,000	1,000
5441 Other Services & Charges	4,563	4,562	5,000	5,000
TOTAL	45,852	63,973	81,500	81,500
<b>DIVISION TOTAL</b>	1,034,698	996,646	1,184,100	1,141,700

# City of Duluth Minnesota - 2017 Budget

## Information Technology

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

Budgeted FTE's	2014	2015	2016	2017	Difference
1135 Mgr, Appl Dev/Desktop	2.0	1.0	1.0	1.0	-
1125 Manager, IT	1.0	1.0	1.0	1.0	-
142 Security Administrator	-	-	1.0	1.0	-
142 Sr Systems Administrator	-	-	1.0	1.0	-
142 Sr Network Administrator	-	-	1.0	1.0	-
142 Sr Programmer Analyst	2.0	1.0	2.0	2.0	-
137 Various Administrators	6.0	8.0	5.0	5.0	-
133 Programmer Analyst	3.0	1.0	2.0	2.0	-
135 Lead Support Analyst	-	1.0	-	-	-
131 Graphics Coordinator	1.0	1.0	1.0	1.0	-
136 GIS Specialist	2.0	2.0	2.0	3.0	1.0
134 Sr Support Analyst	-	-	1.0	1.0	-
131 Support Analyst	3.0	3.0	2.0	2.0	-
129 Help Desk Technician	1.0	1.0	1.0	1.0	-
126 Information Technician	1.0	1.0	-	-	-
Division Total	<b>22.0</b>	<b>21.0</b>	<b>21.0</b>	<b>22.0</b>	<b>1.0</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	1,259,326	1,232,897	1,449,800	1,536,200	86,400
Overtime	8,679	9,657	20,000	10,000	(10,000)
Other Wages	434	1,000	-	10,000	10,000
Total Salaries	1,268,439	1,243,554	1,469,800	1,556,200	86,400
Benefits	449,603	458,520	573,900	584,500	10,600
Other Expense					
Materials & Supplies	347,369	25,730	31,500	31,800	300
Services	234,200	186,649	275,500	295,500	20,000
Utilities & Maintenance	91,499	478,874	578,200	555,900	(22,300)
Other	7,255	10,505	11,000	13,000	2,000
Total Other Expense	680,323	701,758	896,200	896,200	-
Division Total	<b>2,398,364</b>	<b>2,403,832</b>	<b>2,939,900</b>	<b>3,036,900</b>	<b>97,000</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail		2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Information Technology - 110-121-1107</b>					
PERSONAL SERVICES					
5100	Permanent Salaries	1,259,326	1,232,897	1,449,800	1,536,200
5101	Premium Pay	8,679	9,657	20,000	10,000
5103	Other Wages	434	1,000	-	10,000
	<b>TOTAL</b>	<b>1,268,439</b>	<b>1,243,554</b>	<b>1,469,800</b>	<b>1,556,200</b>
EMPLOYEE BENEFITS					
5121	PERA Retirement	86,764	90,728	103,000	114,200
5122	FICA - Social Security	76,873	74,845	91,100	96,500
5123	FICA - Medicare	17,979	17,504	21,300	22,600
5125	Dental Insurance	2,898	6,665	7,600	7,700
5126	Life Insurance	3,330	3,225	3,700	3,700
5127	Health Care Savings Plan (HCSP)	15,905	15,582	37,900	21,200
5130	Cafeteria Plan Benefits	245,854	249,971	309,300	318,600
	<b>TOTAL</b>	<b>449,603</b>	<b>458,520</b>	<b>573,900</b>	<b>584,500</b>
OTHER EXPENDITURES					
5200	Office Supplies	1,446	1,507	2,500	2,500
5201	Computer Supplies/Software	341,986	23,153	26,500	26,500
5203	Paper/Stationery/Forms	96	-	-	-
5212	Motor Fuels	-	157	-	300
5241	Small Equip-Office/Operating	3,841	913	2,500	2,500
5309	MIS Services	1,531	2,856	10,000	10,000
5319	Other Professional Services	26,287	42,302	64,000	75,500
5320	Data Services	176,758	120,529	165,000	171,500
5321	Phone Service	4,996	4,205	6,000	6,000
5331	Travel/Training	20,549	11,040	25,000	25,000
5335	Local Mileage Reimbursement	908	806	1,500	500
5355	Printing & Copying	3,171	4,114	4,000	7,000
5356	Copier, Printer Lease, & Supplies	-	797	-	-
5404	Equipment/Machinery Repair & Mtc	91,408	145,257	221,000	190,000
5409	Fleet Service Charges	-	767	3,000	6,200
5414	Software Licenses & Mtce Agreements	91	332,850	354,200	359,700
5433	Dues & Subscription	7,255	10,505	11,000	13,000
	<b>TOTAL</b>	<b>680,323</b>	<b>701,758</b>	<b>896,200</b>	<b>896,200</b>
<b>DIVISION TOTAL</b>		<b>2,398,364</b>	<b>2,403,832</b>	<b>2,939,900</b>	<b>3,036,900</b>

# City of Duluth Minnesota - 2017 Budget

<b>General Fund Revenue Detail</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Budget</b>	<b>2017 Approved</b>
<b>Information Technology - 110-121-1107</b>				
REVENUE SOURCE				
4310 Assessment Cost Services	2,681	112	-	-
4320 IT Services	1,531	1,178	4,600	4,600
4730 Transfer in from Public Utility	86,600	86,600	97,100	195,300
<b>DIVISION TOTAL</b>	<b>90,812</b>	<b>87,890</b>	<b>101,700</b>	<b>199,900</b>

# City of Duluth Minnesota - 2017 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	2014	2015	2016	2017	Difference
1140 Director, Public Admin	1.0	1.0	1.0	1.0	-
1100 City Clerk	1.0	1.0	1.0	1.0	-
1055 Assistant City Clerk	1.0	1.0	1.0	1.0	-
09 Executive Assistant	1.0	1.0	1.0	1.0	-
129 Admin Info Specialist	2.0	2.0	2.0	2.0	-
126 Information Tech	1.0	1.0	1.0	1.0	-
120 Clerical Technician	1.0	-	-	-	-
<b>Division Total</b>	<b>8.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>0.0</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	479,378	426,664	463,400	495,900	32,500
Overtime	1,337	918	1,000	1,000	-
Other Wages	77,687	75,766	75,000	75,000	-
<b>Total Salaries</b>	<b>558,402</b>	<b>503,348</b>	<b>539,400</b>	<b>571,900</b>	<b>32,500</b>
Benefits	188,237	184,189	213,900	244,600	30,700
Other Expense					
Materials & Supplies	3,584	3,100	2,600	2,600	-
Services	20,433	38,433	22,600	52,600	30,000
Utilities & Maintenance	5,220	6,510	13,000	13,000	-
Other	6,028	18,704	16,300	16,300	-
<b>Total Other Expense</b>	<b>35,264</b>	<b>66,747</b>	<b>54,500</b>	<b>84,500</b>	<b>30,000</b>
<b>Division Total</b>	<b>781,903</b>	<b>754,284</b>	<b>807,800</b>	<b>901,000</b>	<b>93,200</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>City Clerk - 110-121-1211</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	479,378	426,664	463,400	495,900
5101 Premium Pay	1,337	918	1,000	1,000
5103 Other Wages	77,687	75,766	75,000	75,000
TOTAL	558,402	503,348	539,400	571,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	34,261	29,485	34,800	37,200
5122 FICA - Social Security	30,687	27,468	33,100	35,100
5123 FICA - Medicare	7,177	6,424	7,700	8,200
5125 Dental Insurance	1,163	2,240	2,600	2,600
5126 Life Insurance	1,364	1,088	1,300	1,300
5127 Health Care Savings Plan (HCSP)	7,817	7,171	4,500	17,300
5130 Cafeteria Plan Benefits	105,478	110,313	129,900	142,900
5133 Health or Fitness Program	291	-	-	-
TOTAL	188,237	184,189	213,900	244,600
OTHER EXPENDITURES				
5200 Office Supplies	2,746	2,466	1,100	1,100
5201 Computer Supplies/Software	20	73	500	500
5219 Other Miscellaneous Supplies	818	561	1,000	1,000
5321 Phone Service Cellular Phone	662	696	600	600
5331 Travel/Training	2,984	59	6,000	6,000
5335 Local Mileage Reimbursement	1,177	847	1,000	1,000
5355 Printing & Copying	15,566	36,127	15,000	45,000
5356 Copier, Printer Lease & Supplies	44	704	-	-
5404 Equipment/Machinery Repair & Mtc	5,220	6,510	13,000	13,000
5412 Building Rental	900	900	1,000	1,000
5414 Software Licenses & Mtce Agreements	1,260	8,901	10,000	10,000
5433 Dues & Subscription	703	520	400	400
5441 Other Services & Charges	3,164	8,383	4,900	4,900
TOTAL	35,264	66,747	54,500	84,500
<b>DIVISION TOTAL</b>	<b>781,903</b>	<b>754,284</b>	<b>807,800</b>	<b>901,000</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>City Clerk - 110-121-1211</b>				
REVENUE SOURCE				
4101 Liquor License	459,608	495,705	455,000	455,000
4102 Beer License	13,315	15,907	14,000	14,000
4105 Hotel License	9,259	10,516	9,000	9,000
4106 Garbage Collection	16,758	17,582	16,000	16,000
4107 Horse & Carriage	819	572	700	700
4108 Emergency Wrecker License	7,055	6,230	6,000	6,000
4109 Gas Station License	8,654	10,148	8,500	8,500
4111 Pawnbroker License	1,143	772	1,100	1,100
4112 Peddler's License	3,501	1,769	1,000	1,000
4113 Precious Metal Dealer	1,524	1,544	1,500	1,500
4114 Pet Shop License	851	944	600	600
4115 Dog & Cat Hospitals License	1,070	747	700	700
4116 Dog Kennels License	424	479	400	400
4117 Massage Parlor	13,589	13,756	12,000	12,000
4118 Cigarette License	13,113	13,583	13,000	13,000
4119 Motor Vehicle - Dealer	4,923	4,098	4,400	4,400
4119 Motor Vehicle - Rental	1,848	2,400	1,800	1,800
4120 Taxi Permit	16,475	12,752	11,000	11,000
4121 Coin Operating Device	10,250	10,435	9,000	9,000
4122 Pool & Bowling	1,200	1,366	1,000	1,000
4155 Special Event Permit	3,633	4,751	3,000	3,000
4170 Misc. Permits & Licenses	12,844	4,348	2,000	2,000
4470 License Penalties	5,933	5,007	2,000	2,000
4644 Miscellaneous Sales	13,857	61,674	25,000	55,000
4730 Interfund Transfers In	25,000	25,000	25,000	25,000
<b>DIVISION TOTAL</b>	<b>646,646</b>	<b>722,086</b>	<b>623,700</b>	<b>653,700</b>

# City of Duluth Minnesota - 2017 Budget

## Park Maintenance

Park Maintenance provides year-round services to a 12,000 acre park system that includes athletic fields, an urban forest, multi-use trails and other related facilities. Park Maintenance enhances the aesthetics of the environment, improves livability and contributes to a sustainable future. Parks Maintenance's mission is to provide the citizens and visitors of Duluth with safe, well maintained parks, trails and green spaces, including both recreational and athletic fields.

Budgeted FTE's	2014	2015	2016	2017	Difference
1115 Mgr Mtce Ops	0.25	0.25	0.25	-	(0.3)
1075 Spvsr FacOptn/Traf/Bldgs	1.00	1.00	1.00	1.00	-
32 Mtc Optns Leadworker	2.00	2.00	4.00	4.00	-
27 Park Mtceworker	15.00	15.00	14.00	15.00	1.0
22 Maintenanceworker	6.00	6.00	5.25	3.25	(2.0)
133 Budget Analyst	0.10	0.10	0.10	0.30	0.2
131 Volunteer Coordinator	-	-	-	0.80	0.8
<b>Division Total</b>	<b>24.35</b>	<b>24.35</b>	<b>24.60</b>	<b>24.35</b>	<b>(0.25)</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	1,272,303	1,278,226	1,392,200	1,434,600	42,400
Overtime	42,790	38,791	50,000	50,000	-
Other Wages	-	-	118,500	118,500	-
<b>Total Salaries</b>	<b>1,315,093</b>	<b>1,317,017</b>	<b>1,560,700</b>	<b>1,603,100</b>	<b>42,400</b>
Benefits	515,624	526,715	570,200	623,500	53,300
Other Expense					
Materials & Supplies	196,134	109,399	202,800	195,000	(7,800)
Services	56,615	74,678	257,100	237,100	(20,000)
Utilities & Maintenance	397,272	351,370	369,300	377,100	7,800
Other	117,071	115,586	138,300	138,300	-
<b>Total Other Expense</b>	<b>767,092</b>	<b>651,033</b>	<b>967,500</b>	<b>947,500</b>	<b>(20,000)</b>
<b>Division Total</b>	<b>2,597,809</b>	<b>2,494,765</b>	<b>3,098,400</b>	<b>3,174,100</b>	<b>75,700</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail		2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Park Maintenance 110-121-1217-2145</b>					
PERSONAL SERVICES					
5100	Permanent Salaries	1,272,303	1,278,226	1,392,200	1,434,600
5101	Premium Pay	42,790	38,791	50,000	50,000
5103	Other Wages	-	-	118,500	118,500
	<b>TOTAL</b>	<b>1,315,093</b>	<b>1,317,017</b>	<b>1,560,700</b>	<b>1,603,100</b>
EMPLOYEE BENEFITS					
5121	PERA Retirement	92,913	96,269	104,700	108,400
5122	FICA - Social Security	80,574	80,249	97,100	99,400
5123	FICA - Medicare	18,844	18,768	22,700	23,200
5125	Dental Insurance	3,752	8,770	9,200	9,100
5126	Life Insurance	4,323	4,243	4,400	4,400
5127	Health Care Savings Plan (HCSP)	12,814	12,724	18,800	35,500
5130	Cafeteria Plan Benefits	302,404	305,692	313,300	343,500
	<b>TOTAL</b>	<b>515,624</b>	<b>526,715</b>	<b>570,200</b>	<b>623,500</b>
OTHER EXPENDITURES					
5200	Office Supplies	2,065	1,844	1,500	1,500
5201	Computer Supplies/Software	-	-	700	700
5202	Audiovisual & Photography	393	-	500	500
5205	Safety & Training Materials	8,322	5,252	6,000	10,000
5210	Plant/Operating Supplies	5,032	1,516	-	2,000
5211	Cleaning/Janitorial Supplies	27,389	19,204	30,000	30,000
5212	Motor Fuels	79,982	47,004	62,800	55,000
5218	Uniforms	6,475	4,887	8,300	7,000
5219	Other Miscellaneous Supplies	5,575	4,826	4,500	5,800
5220	Repair & Maintenance Supplies	6,902	5,237	25,000	25,000
5225	Park/Landscape Materials	39,951	6,681	50,000	32,000
5226	Sign & Signal Materials	144	-	500	500
5228	Painting Supplies	4,468	3,421	3,000	15,000
5240	Small Tools	4,406	5,338	4,000	4,000
5241	Small Equip-Office/Operating	5,030	4,189	6,000	6,000
5305	Medical Svcs/Testing Fees	-	-	500	500
5310	Contract Services	42,137	62,788	232,000	212,000
5320	Data Services	624	174	1,100	1,100
5321	Phone Service	1,506	1,571	2,000	2,000
5331	Travel/Training	7,496	5,915	16,000	16,000
5335	Local Mileage Reimbursement	3,968	4,005	5,000	5,000
5356	Copier, Printer Lease & Supplies	884	225	500	500
5384	Refuse Disposal	41,442	52,634	32,500	32,500
5404	Equipment/Machinery Repair & Mtc	4,407	358	3,000	3,000

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Park Maintenance 110-121-1217-2145 Continued</b>				
5409 Fleet Services Charges	351,423	298,378	333,800	341,600
5414 Software Licenses & Mtce Agreements	268	12,544	13,100	13,100
5415 Vehicle/Equip Rent (Short-term)	5,643	1,317	27,500	27,500
5419 Other Rentals	46,449	47,130	51,100	51,100
5433 Dues & Subscription	965	-	1,000	1,000
5438 Licenses	245	321	700	700
5441 Other Services & Charges	34,206	21,804	16,000	16,000
5454 Contract Tree Services	29,295	32,470	28,900	28,900
TOTAL	767,092	651,033	967,500	947,500
<b>DIVISION TOTAL</b>	2,597,809	2,494,765	3,098,400	3,174,100
<b>REVENUE SOURCE</b>				
4220 State of MN Capital	14,647	-	-	-
4225 Ski Trails Grant	11,000	15,400	11,000	11,000
4226 Snowmobile Trails Grant	19,292	7,659	13,900	13,900
4654 Other Reimbursements	7,212	4,402	-	-
4730 Transfer from Special Revenue	-	-	200,000	200,000
TOTAL	52,151	27,461	224,900	224,900
<b>DIVISION TOTAL</b>	52,151	27,461	224,900	224,900

# City of Duluth Minnesota - 2017 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	2014	2015	2016	2017	Difference
1105 Mgr, Library Services	1.0	1.0	1.0	1.0	-
1075 Library Supervisor	3.0	3.0	3.0	3.0	-
136 Librarian III	1.0	1.0	1.0	1.0	-
133 Librarian II	4.0	4.0	4.0	4.0	-
131 Volunteer Coordinator	0.5	0.5	0.5	0.2	(0.3)
131 Librarian I	14.5	13.5	14.0	13.0	(1.0)
128 Sr. Library Tech	4.0	4.0	4.0	5.0	1.0
124 Library Technician	21.0	19.5	19.0	19.5	0.5
<b>Division Total</b>	<b>49.0</b>	<b>46.5</b>	<b>46.5</b>	<b>46.7</b>	<b>0.2</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	2,516,954	2,474,783	2,574,600	2,595,600	21,000
Overtime	1,079	510	800	800	-
Other Wages	83,980	107,363	96,800	101,800	5,000
Total Salaries	2,602,013	2,582,656	2,672,200	2,698,200	26,000
Benefits	953,168	911,617	936,300	1,079,900	143,600
Other Expense					
Materials & Supplies	37,197	27,259	31,100	30,300	(800)
Services	24,861	28,523	18,500	21,300	2,800
Utilities & Maintenance	54,389	48,782	57,000	51,300	(5,700)
Other	216,804	215,095	261,600	266,100	4,500
Total Other Expense	333,251	319,659	368,200	369,000	800
Capital Outlay	306,502	306,502	264,500	306,500	42,000
<b>Division Total</b>	<b>4,194,933</b>	<b>4,120,434</b>	<b>4,241,200</b>	<b>4,453,600</b>	<b>212,400</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Library Services - 110-121-1218</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	2,516,954	2,474,783	2,574,600	2,595,600
5101 Premium Pay	1,079	510	800	800
5103 Other Wages	83,980	107,363	96,800	101,800
TOTAL	2,602,013	2,582,656	2,672,200	2,698,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	176,723	181,802	190,700	192,400
5122 FICA - Social Security	160,101	157,794	165,700	167,300
5123 FICA - Medicare	37,443	36,904	38,700	39,100
5125 Dental Insurance	7,410	16,957	17,300	17,200
5126 Life Insurance	8,640	8,213	8,400	8,300
5127 Health Care Savings Plan (HCSP)	46,619	25,273	23,700	100,000
5130 Cafeteria Plan Benefits	516,232	484,674	491,800	555,600
TOTAL	953,168	911,617	936,300	1,079,900
OTHER EXPENDITURES				
5200 Office Supplies	7,319	7,315	7,000	6,500
5201 Computer Supplies/Software	537	430	500	500
5211 Cleaning/Janitorial Supplies	5,939	-	-	-
5212 Motor Fuels	1,748	781	1,300	1,000
5219 Other Miscellaneous Supplies	15,152	14,676	18,000	18,000
5220 Repair & Maintenance Supplies	5,330	1,917	3,000	3,000
5241 Small Equip-Office/Operating	1,172	2,140	1,300	1,300
5319 Other Professional Services	10,616	15,277	9,200	9,200
5321 Phone Service	528	-	-	-
5322 Postage	6,878	6,371	5,000	5,800
5331 Travel/Training	-	-	-	2,000
5355 Printing & Copying	1,200	1,220	300	300
5356 Copier, Printer Lease & Supplies	2,092	1,440	-	-
5384 Refuse Disposal	3,548	4,215	4,000	4,000
5404 Equipment/Machinery Repair & Mtc	40,161	5,286	4,200	3,200
5409 Fleet Services Charges	11,047	1,635	5,800	4,100
5412 Building Rental	142,840	145,000	190,000	195,000
5413 Library Materials/Svcs Rental	68,290	66,507	68,000	68,000
5414 Software Licenses & Mtce Agreements	3,181	41,861	47,000	44,000
5433 Dues & Subscription	100	100	100	100
5441 Other Services & Charges	5,574	3,488	3,500	3,000
TOTAL	333,251	319,659	368,200	369,000
CAPITAL OUTLAY				
5590 Library Materials	306,502	306,502	264,500	306,500
TOTAL	306,502	306,502	264,500	306,500
<b>DIVISION TOTAL</b>	<b>4,194,933</b>	<b>4,120,434</b>	<b>4,241,200</b>	<b>4,453,600</b>

# City of Duluth Minnesota - 2017 Budget

<b>General Fund Revenue Detail</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Budget</b>	<b>2017 Approved</b>
<b>Library Services - 110-121-1218</b>				
REVENUE SOURCE				
4220 State of Minnesota Operating	5,140	5,185	-	5,000
4471 Library Fines	75,855	84,306	75,000	75,000
4622 Rent of Buildings	1,430	1,725	700	300
4631 Media Sales	18,251	18,442	17,000	17,000
4644 Miscellaneous Sales	2,959	3,211	2,500	2,000
4654 Other Reimbursements	43,370	45,924	-	42,800
<b>DIVISION TOTAL</b>	<b>147,004</b>	<b>158,793</b>	<b>95,200</b>	<b>142,100</b>

# City of Duluth Minnesota - 2017 Budget

## Facilities Management

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

Budgeted FTE's	2014	2015	2016	2017	Difference
1115 Facility Manager	1.0	1.0	1.0	1.0	-
1105 Architect	1.0	1.0	1.0	-	(1.0)
1105 Construction Project Spvrs	-	-	-	1.0	1.0
1075 Spvrs Facilities Operations	1.0	1.0	1.0	1.0	-
1070 Property Srvs Supervisor		1.0	1.0	1.0	-
133 Budget Analyst	0.3	0.3	0.3	0.3	-
133 Property Srv Specialist		1.0	1.0	1.0	-
33 Facilities Project Specialist	-	-	-	-	-
33 Construction Project Coord		1.0	1.0	1.0	-
31 Master Plumber/Elect	1.0	2.0	2.0	2.0	-
29 Trades Positions	5.0	3.0	3.0	3.0	-
28 Building Mtceprs I and II	1.0	1.0	1.0	3.0	2.0
27 Senior FM Worker		1.0	1.0	1.0	-
25 Janitorial Supervisor	1.0	1.0	1.0	1.0	-
22 Maintenanceworker	3.0	2.0	3.0	2.0	(1.0)
121/22 Janitor I and II	5.0	7.0	6.0	7.0	1.0
24 Senior Clerical Specialist		1.0	1.0	1.0	-
7 Admin Sec Specialist	1.0	1.0	1.0	1.0	-
<b>Division Total</b>	<b>20.3</b>	<b>25.3</b>	<b>25.3</b>	<b>27.3</b>	<b>2.0</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	1,108,774	1,371,385	1,419,600	1,494,700	75,100
Overtime	24,702	29,972	25,000	25,000	-
Other Wages	4,032	5,458	10,000	10,000	-
Total Salaries	1,137,508	1,406,815	1,454,600	1,529,700	75,100
Benefits	459,404	568,897	580,900	726,000	145,100
Other Expense					
Materials & Supplies	281,922	310,832	374,300	374,000	(300)
Services	178,713	214,349	226,500	211,500	(15,000)
Utilities & Maintenance	1,268,613	1,205,239	1,273,400	1,293,400	20,000
Other	212,114	237,104	279,000	274,300	(4,700)
Total Other Expense	1,941,361	1,967,524	2,153,200	2,153,200	-
Capital Outlay	-	73,065	-	-	-
<b>Division Total</b>	<b>3,538,273</b>	<b>4,016,301</b>	<b>4,188,700</b>	<b>4,408,900</b>	<b>220,200</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail		2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Facilities Management - 110-121-1222</b>					
PERSONAL SERVICES					
5100	Permanent Salaries	1,108,774	1,371,385	1,419,600	1,494,700
5101	Premium Pay	24,702	29,972	25,000	25,000
5103	Other Wages	4,032	5,458	10,000	10,000
	TOTAL	1,137,508	1,406,815	1,454,600	1,529,700
EMPLOYEE BENEFITS					
5121	PERA Retirement	78,499	98,646	105,100	112,100
5122	FICA - Social Security	70,090	85,245	90,400	95,100
5123	FICA - Medicare	16,392	19,937	21,100	22,200
5125	Dental Insurance	3,182	9,106	9,400	10,000
5126	Life Insurance	3,678	4,468	4,600	4,800
5127	Health Care Savings Plan (HCSP)	38,171	28,179	31,400	37,400
5130	Cafeteria Plan Benefits	249,392	322,541	318,900	444,400
5133	Health or Fitness Program	-	775	-	-
	TOTAL	459,404	568,897	580,900	726,000
OTHER EXPENDITURES					
5200	Office Supplies	2,896	4,178	4,000	4,000
5201	Computer Supplies/Software	2,159	3,789	2,000	2,000
5205	Safety & Training Materials	6,528	2,153	7,500	7,500
5210	Plant/Operating Supplies	280	1,048	8,000	8,000
5211	Cleaning/Janitorial Supplies	25,885	28,690	37,500	37,500
5212	Motor Fuels	16,074	10,340	12,300	11,000
5215	Shop Materials	5,623	1,948	25,000	-
5218	Uniforms	5,772	7,325	5,000	6,000
5219	Other Miscellaneous Supplies	7,660	12,896	20,000	20,000
5220	Repair & Maintenance Supplies	193,321	214,147	220,700	245,700
5228	Painting Supplies	2,403	9,717	5,300	5,300
5240	Small Tools	7,705	7,256	12,000	12,000
5241	Small Equip-Office/Operating	5,619	7,345	15,000	15,000
5310	Contract Services	38,462	81,500	75,000	75,000
5319	Other Professional Services	21,663	24,054	16,500	16,500
5321	Phone Service	104,419	96,473	112,000	102,000
5331	Travel/Training	7,530	5,280	15,000	10,000

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail		2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Facilities Management - 110-121-1222 continued</b>					
5335	Local Mileage Reimbursement	5,327	5,789	5,000	5,000
5355	Printing & Copying	528	426	1,000	1,000
5356	Copier, Printer Lease & Supplies	784	827	2,000	2,000
5381	Electricity	535,778	533,796	558,400	588,400
5382	Water, Gas & Sewer	525,329	475,116	485,000	490,000
5384	Refuse Disposal	18,562	20,550	22,000	22,000
5385	Oil	12,378	4,579	8,000	8,000
5386	Steam	176,565	171,198	200,000	185,000
5399	Skywalk Expenses	24,343	20,103	30,000	30,000
5401	Bldg/Structure Repair & Mtc	118,026	75,442	100,000	75,000
5404	Equipment/Machinery Repair & Mtc	920	3,668	10,000	10,000
5409	Fleet Services Charges	33,792	18,636	28,000	29,300
5411	Land Rental/Easements	500	-	500	20,500
5414	Software Licenses & Mtce Agreements	9,653	101,692	75,000	75,000
5415	Vehicle/Equip Rent (Short-term)	1,439	2,878	5,000	5,000
5418	Vehicle/Equip Lease (Long-term)	-	-	10,000	8,000
5433	Dues & Subscription	1,473	719	1,500	500
5435	Books & Pamphlets	494	171	300	300
5438	Licenses	3,174	2,012	5,000	5,000
5441	Other Services & Charges	15,187	9,212	10,300	12,300
5450	Laundry	3,113	2,558	3,400	3,400
5481	Property Taxes	-	13	-	-
	<b>TOTAL</b>	<b>1,941,361</b>	<b>1,967,524</b>	<b>2,153,200</b>	<b>2,153,200</b>
<b>CAPITAL OUTLAY</b>					
5580	Capital Equipment	-	73,065	-	-
	<b>TOTAL</b>	<b>-</b>	<b>73,065</b>	<b>-</b>	<b>-</b>
<b>DIVISION TOTAL</b>		<b>3,538,273</b>	<b>4,016,301</b>	<b>4,188,700</b>	<b>4,408,900</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Facilities Management - 110-121-1222</b>				
REVENUE SOURCE				
4620 Telecommunication Rental Fees	10,208	-	-	-
4622 Rent of Buildings	114,162	119,601	75,900	116,200
4623 Rent of Land	9,032	6,762	6,300	6,300
4627 Concessions & Commissions	9,557	9,416	9,000	10,000
4644 Miscellaneous Sales	9,996	1,112	2,700	1,500
4654 Other Reimbursements	44,676	45,961	40,000	40,000
4730 Transfer from Special Revenue	50,000	57,341	50,000	50,000
4730 Transfer from Public Utility	-	120,600	130,300	119,700
<b>DIVISION TOTAL</b>	247,631	360,793	314,200	343,700

# City of Duluth Minnesota - 2017 Budget

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## Finance Department

### Mission and Vision

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

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

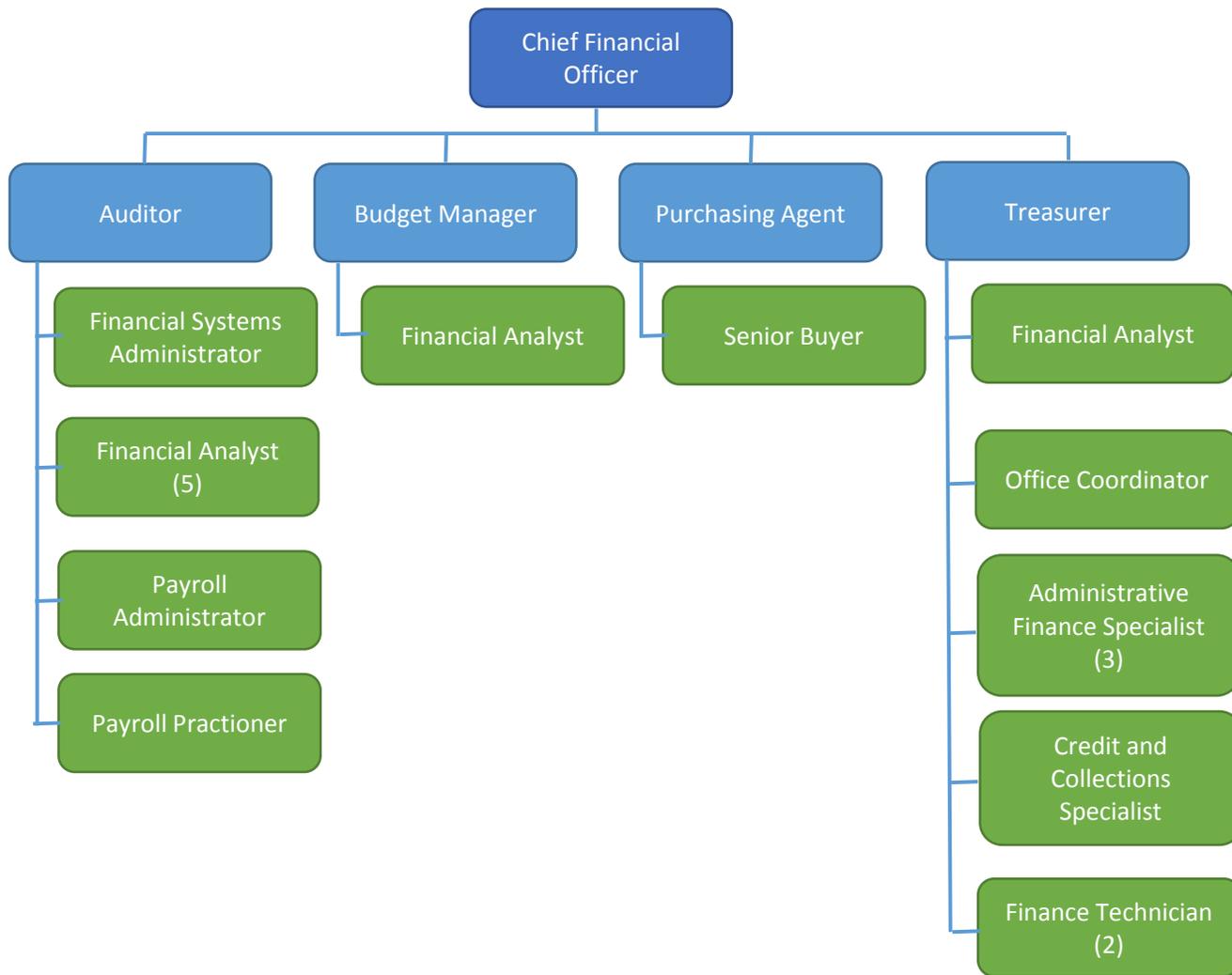
### Structure

Four budgeted divisions comprise the Finance Department. A manager leads each area, supported by at least one other staff member. The Finance Department receives its funding from the General Fund.

# City of Duluth Minnesota - 2017 Budget

## Finance Department

### Organization Chart



# City of Duluth Minnesota - 2017 Budget

## Finance Department - Goals and Objectives

<p><b>Goal:</b> Publish monthly financial information for public use on the City's website  <b>Objective:</b> To engage citizen's and enable public access to financial information about their city government  <b>Strategy:</b> 1. Investigate hosted applications for publishing financial information to the public                  2. Establish a process for transferring monthly financial information to the platform                  3. Engage citizens in how to access and utilize this information tool  <b>Measurements and Performance:</b></p> <p>Website Implementation date</p>				
<b>2016 Estimate</b> N/A	<b>2017 Target</b> N/A	<b>2018 Target</b> 4/1/18		

<p><b>Goal:</b> Receive annual awards for timely, accurate, thorough government reporting  <b>Objective:</b> Remit timely, accurate, thorough reports to government authorities  <b>Strategy:</b> 1. Remit CAFR in timely fashion to GFOA for annual award consideration                  2. Remit budget book to GFOA in timely fashion for annual award consideration  <b>Measurements and Performance:</b></p> <p>Date CAFR remitted to GFOA</p>				
<b>2016 Estimate</b> 6/1/16	<b>2017 Target</b> 5/26/17	<b>2018 Target</b> 5/18/18		
Date budget book remitted to GFOA				
<b>2016 Estimate</b> 3/28/16	<b>2017 Target</b> 3/24/17	<b>2018 Target</b> 3/24/18		

<p><b>Goal:</b> Provide quarterly financial reports to the City Council  <b>Objective:</b> To provide summary financial information to elected officials  <b>Strategy:</b> 1. Develop a financial report format that provides summary data                  2. Discuss report format with the Council Finance Committee Chair                  3. Submit financial report quarterly to the City Council  <b>Measurements and Performance:</b></p> <p>Date financial report is filed with the City Council on a quarterly basis</p>				
<b>2016 Estimate</b> N/A	<b>2017 Target</b> 6/30/2017	<b>2018 Target</b> N/A		

# City of Duluth Minnesota - 2017 Budget

## Finance Department - Goals and Objectives Continued

<p><b>Goal:</b> Implement and improve financial systems</p> <p><b>Objective:</b> Implement an a paperless requisition process for the acquisition of goods &amp; services</p> <p><b>Strategy:</b> 1. Review internal procedures for processing requisitions 2. Meet with departments and divisions to discuss workflow issues 3. Train employees to utilize a paperless requisition process</p> <p><b>Measurements and Performance:</b></p> <p>Percentage of city departments utilizing the paperless requisition process</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
N/A	20%	80%		

<p><b>Goal:</b> Implement and improve financial systems</p> <p><b>Objective:</b> Implement an electronic bid process for the procurement process</p> <p><b>Strategy:</b> 1. Analyze software solutions 2. Ascertain vendor acceptance 3. Revise city code as necessary</p> <p><b>Measurements and Performance:</b></p> <p>Implementation date for the electronic bid website</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
N/A	6/1/17	N/A		

<p><b>Goal:</b> Assist departments with proactive financial planning</p> <p><b>Objective:</b> Create financial tools to assist departments with proactive planning</p> <p><b>Strategy:</b> 1. Email quarterly expense and revenue reports with annual forecasts to departments 2. Meet quarterly with departments to discuss quarterly reports and proactive plans 3. Create up-to-date overtime tools for departments</p> <p><b>Measurements and Performance:</b></p> <p>Percentage of departments meeting their expense budget</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
78%	100%	100%		

# City of Duluth Minnesota - 2017 Budget

## Finance Department - Goals and Objectives Continued

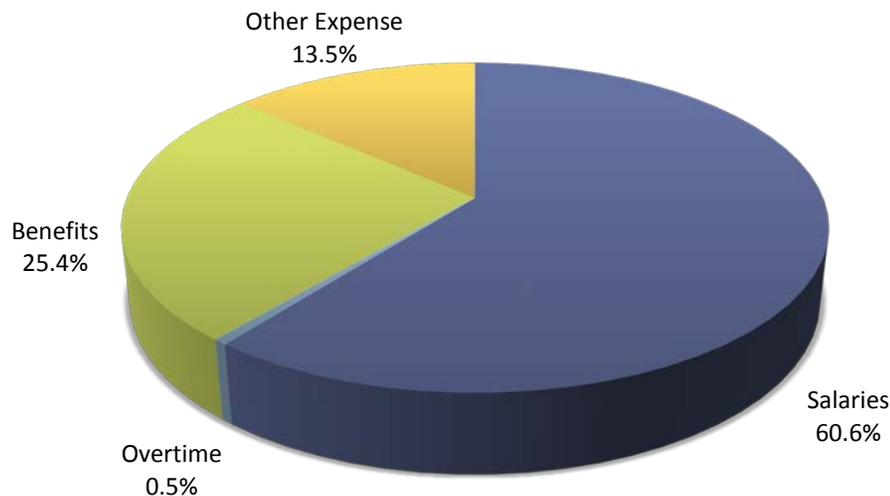
<p><b>Goal:</b> Diversify Investments into State and Local Obligations</p> <p><b>Objective:</b> Diversify investment portfolio so the impact of potential losses from any one type of security will be minimized and to maximize potential rates of return on investments</p> <p><b>Strategy:</b> 1. Diversify investment portfolio to include highly rated state and local government bonds</p> <p><b>Measurements and Performance:</b></p> <p>Percentage of investments in State and local securities</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
N/A	10%	20%		

<p><b>Goal:</b> Increase staff utilization of the City's ERP System (New World System)</p> <p><b>Objective:</b> Increase staff use of the reporting and inquiry capabilities of New World Systems</p> <p><b>Strategy:</b> 1. Conduct periodic staff training sessions</p> <p><b>Measurements and Performance:</b></p> <p>Percentage of departmental managers utilizing New World System reporting and inquiry capabilities</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
N/A	90%	100%		

# City of Duluth Minnesota - 2017 Budget

## Finance Department

### 2017 Approved Budget by Expense Category



Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Permanent Salaries	1,624,365	1,500,243	1,632,800	1,616,000	(16,800)
Overtime	13,360	10,915	14,000	14,000	-
Other Wages	2,275	7,388	-	-	-
Total Personal Services	1,640,000	1,518,546	1,646,800	1,630,000	(16,800)
Benefits	608,891	601,196	622,500	677,700	55,200
Other Expense	354,037	316,725	390,100	360,100	(30,000)
<b>Department Total</b>	<b>2,602,927</b>	<b>2,436,467</b>	<b>2,659,400</b>	<b>2,667,800</b>	<b>8,400</b>

Expenditures by Division	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Budget Office	334,430	204,345	346,500	383,400	36,900
Auditor's Office	1,285,447	1,281,141	1,335,200	1,309,300	(25,900)
Purchasing	193,937	178,629	177,900	200,300	22,400
Treasurer's Office	789,113	772,352	799,800	774,800	(25,000)
<b>Department Total</b>	<b>2,602,927</b>	<b>2,436,467</b>	<b>2,659,400</b>	<b>2,667,800</b>	<b>8,400</b>

Budgeted FTE's	2014	2015	2016	2017	Difference
	23.5	22.5	23.5	23.0	(0.50)

# City of Duluth Minnesota - 2017 Budget

## Budget Office

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

Budgeted FTE's	2014	2015	2016	2017	Difference
1155 Chief Financial Officer	1.0	1.0	1.0	1.0	-
1110 Manager, Fiscal Analysis	1.0	1.0	1.0	1.0	-
136 Financial Analyst	1.0	1.0	1.0	1.0	-
<b>Division Total</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	251,286	143,506	242,900	279,600	36,700
Overtime	-	-	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	251,286	143,506	242,900	279,600	36,700
Benefits	77,679	59,131	96,500	96,700	200
Other Expense					
Materials & Supplies	740	-	2,000	2,000	-
Services	2,315	518	3,600	3,600	-
Utilities & Maintenance	-	-	-	-	-
Other	2,410	1,190	1,500	1,500	-
Total Other Expense	5,465	1,708	7,100	7,100	-
<b>Division Total</b>	<b>334,430</b>	<b>204,345</b>	<b>346,500</b>	<b>383,400</b>	<b>36,900</b>

# City of Duluth Minnesota - 2017 Budget

<b>General Fund Expense Detail</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Budget</b>	<b>2017 Approved</b>
<b>Budget Office - 110-125-1212</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	251,286	143,506	242,900	279,600
5101 Premium Pay	-	-	-	-
5103 Other Wages	-	-	-	-
TOTAL	251,286	143,506	242,900	279,600
EMPLOYEE BENEFITS				
5121 PERA Retirement	16,897	10,104	18,200	20,700
5122 FICA - Social Security	15,445	8,679	15,100	17,300
5123 FICA - Medicare	3,612	2,030	3,500	4,100
5125 Dental Insurance	442	713	1,100	1,100
5126 Life Insurance	510	345	500	500
5127 Health Care Savings Plan (HCSP)	5,758	1,341	2,400	3,400
5130 Cafeteria Plan Benefits	35,015	35,919	55,700	49,600
TOTAL	77,679	59,131	96,500	96,700
OTHER EXPENDITURES				
5200 Office Supplies	740	-	1,500	1,500
5201 Computer Supplies/Software	-	-	500	500
5331 Travel/Training	2,310	422	3,000	3,000
5355 Printing & Copying	5	96	600	600
5433 Dues & Subscription	1,614	640	500	500
5434 Grants & Awards	550	550	600	600
5435 Books & Pamphlets	131	-	200	200
5441 Other Services & Charges	115	-	200	200
TOTAL	5,465	1,708	7,100	7,100
<b>DIVISION TOTAL</b>	<b>334,430</b>	<b>204,345</b>	<b>346,500</b>	<b>383,400</b>

# City of Duluth Minnesota - 2017 Budget

## City Auditor

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

Budgeted FTE's	2014	2015	2016	2017	Difference
1115 City Auditor	1.0	1.0	1.0	1.0	-
1085 Financial Systems Admin	1.0	1.0	1.0	1.0	-
1085 Asst City Treasurer	1.0	1.0	1.0	-	(1.0)
10 Payroll Administrator	1.0	1.0	1.0	1.0	-
136 Financial Analyst	4.0	4.0	5.0	5.0	-
129 Payroll Practitioner	0.5	0.5	0.5	1.0	0.5
<b>Division Total</b>	<b>8.5</b>	<b>8.5</b>	<b>9.5</b>	<b>9.0</b>	<b>-0.5</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	687,957	711,549	725,300	674,800	(50,500)
Overtime	13,191	10,915	14,000	14,000	-
Other Wages	-	-	-	-	-
Total Salaries	701,148	722,464	739,300	688,800	(50,500)
Benefits	269,021	276,322	262,600	287,200	24,600
Other Expense					
Materials & Supplies	6,948	3,671	6,000	6,000	-
Services	306,237	276,458	146,700	324,700	178,000
Utilities & Maintenance	-	-	178,300	300	(178,000)
Other	2,094	2,226	2,300	2,300	-
Total Other Expense	315,279	282,355	333,300	333,300	-
<b>Division Total</b>	<b>1,285,447</b>	<b>1,281,141</b>	<b>1,335,200</b>	<b>1,309,300</b>	<b>(25,900)</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>City Auditor's Office - 110-125-1214</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	687,957	711,549	725,300	674,800
5101 Premium Pay	13,191	10,915	14,000	14,000
5103 Other Wages	-	-	-	-
TOTAL	701,148	722,464	739,300	688,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	49,886	53,134	54,600	50,800
5122 FICA - Social Security	42,278	43,406	45,800	42,700
5123 FICA - Medicare	9,888	10,151	10,700	10,000
5125 Dental Insurance	1,508	3,565	3,500	3,300
5126 Life Insurance	1,740	1,725	1,700	1,600
5127 Health Care Savings Plan (HCSP)	14,748	15,421	6,900	21,000
5130 Cafeteria Plan Benefits	148,973	148,920	139,400	157,800
TOTAL	269,021	276,322	262,600	287,200
OTHER EXPENDITURES				
5200 Office Supplies	2,597	2,451	5,000	3,000
5203 Paper/Stationery/Forms	3,718	962	-	2,000
5241 Small Equip-Office/Operating	633	258	1,000	1,000
5301 Auditing Services	114,814	97,712	125,000	125,000
5309 IT Services	179,940	167,371	-	184,000
5331 Travel/Training	9,146	8,112	19,200	13,200
5355 Printing & Copying	822	1,678	2,500	1,000
5356 Copier, Printer Lease & Supplies	1,514	1,585	-	1,500
5404 Equipment/Machinery Repair & Mtc	-	-	300	300
5414 Software Licenses & Mtce Agreements	-	-	178,000	-
5433 Dues & Subscription	1,255	1,200	1,300	1,300
5435 Books & Pamphlets	114	268	500	500
5441 Other Services & Charges	725	758	500	500
TOTAL	315,279	282,355	333,300	333,300
<b>DIVISION TOTAL</b>	<b>1,285,447</b>	<b>1,281,141</b>	<b>1,335,200</b>	<b>1,309,300</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>City Auditor's Office - 110-125-1214</b>				
REVENUE SOURCE				
4005 Current Property Tax	12,595,326	12,800,449	13,978,900	14,628,200
4010 Delinquent Property Tax	336,323	242,540	150,000	150,000
4015 Mobile Home Tax	35,703	51,359	58,700	58,700
4070 MN Power Franchise Fee	1,100,000	1,100,000	1,100,000	3,048,500
4071 Cable Franchise Fee	901,875	899,897	890,000	899,000
4072 No. MN Utility Franchise Fee	11,251	8,297	11,300	8,300
4080 Forfeit Tax Sale	14,027	19,462	19,400	19,400
4090 Other Taxes	542,659	168,384	50,000	50,000
4221 Local Government Aid	29,030,643	29,203,638	29,264,100	29,299,700
4222 State Property Tax Aid	594	2,890	-	-
4230 PERA Aid	124,428	124,428	124,400	124,400
4300 HRA in Lieu of Taxes	50,218	45,644	45,600	56,000
4300 Ordean Foundation	16,086	-	16,000	16,000
4310 Assessment Cost Services	8,931	360	24,600	17,000
4315 Stormwater Administrative Service	150,700	151,800	150,700	154,500
4315 Sewer Administrative Service	306,900	308,000	306,900	232,800
4315 Steam Administrative Service	49,500	49,500	49,500	44,100
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	79,968	67,749	87,200	69,000
4315 Airport Administrative Service	45,200	45,200	45,200	45,200
4315 DEDA Administrative Service	365,000	365,000	365,000	365,000
4315 Public Utility Admin Service	872,400	876,600	872,400	771,300
4315 Fleet Administrative Service	108,200	108,200	108,200	136,800
4315 Golf Administrative Service	66,800	55,000	66,800	34,000
4315 Group Health Admin Service	255,000	255,000	255,000	255,000
4315 Self Insurance Admin Service	283,200	283,200	283,200	426,000
4315 Spirit Mt. Administrative Service	37,700	37,700	37,700	37,700
4315 Parking Administrative Service	23,300	23,300	23,300	127,400
4315 Street Lighting System Utility	59,000	59,000	59,000	56,100
4323 Garnishment Fees	-	225	-	-
4472 Administrative Fines	22,741	26,240	19,000	74,000
4473 Court Fines	438,164	408,777	410,000	430,000
4500 Assessments	89,237	58,097	55,400	50,500
4501 Assessments - Penalty & Interest	29,455	17,624	28,600	20,800
4602 Interest on Temporary Loans	77,368	27,959	-	33,000
4654 Other Reimbursements	-	365	-	400,000
4700 Other Sources	6,459	22,200	-	-
4702 Fond du Luth Proceeds	-	-	-	150,000
4730 Transfer from Special Rev Fund	-	-	45,300	45,300
4730 Transfer from Parking Fund	1,326,700	1,326,700	1,326,700	1,376,700
4731 Gas Utility in Lieu of Taxes	2,832,296	3,778,400	2,876,000	2,357,800
4732 Steam Utility in Lieu of Taxes	132,456	130,109	135,200	141,400
<b>DIVISION TOTAL</b>	<b>52,461,106</b>	<b>53,184,593</b>	<b>53,374,600</b>	<b>56,244,900</b>

# City of Duluth Minnesota - 2017 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.

<b>Budgeted FTE's</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Difference</b>
1100 Purchasing Agent	1.0	1.0	1.0	1.0	-
133 Senior Buyer	-	-	-	1.0	1.0
129 Bid & Contract Assistant	1.0	-	-	-	-
129 Financial Specialist	-	1.0	1.0	-	(1.0)
<b>Division Total</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>0.0</b>

<b>Expenditures</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Budget</b>	<b>2017 Approved</b>	<b>Difference</b>
Personal Services					
Permanent Salaries	135,226	126,706	124,700	131,100	6,400
Overtime	169	-	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	135,395	126,706	124,700	131,100	6,400
Benefits	56,508	50,046	47,500	63,500	16,000
Other Expense					
Materials & Supplies	-	937	2,300	2,300	-
Services	589	102	1,400	1,400	-
Utilities & Maintenance	-	-	-	-	-
Other	1,446	838	2,000	2,000	-
Total Other Expense	2,035	1,877	5,700	5,700	-
<b>Division Total</b>	<b>193,937</b>	<b>178,629</b>	<b>177,900</b>	<b>200,300</b>	<b>22,400</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>City Purchasing Office - 110-125-1215</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	135,226	126,706	124,700	131,100
5101 Premium Pay	169	-	-	-
5103 Other Wages	-	-	-	-
TOTAL	135,395	126,706	124,700	131,100
EMPLOYEE BENEFITS				
5121 PERA Retirement	9,605	8,755	9,100	9,800
5122 FICA - Social Security	8,249	7,686	7,700	8,100
5123 FICA - Medicare	1,929	1,798	1,800	1,900
5125 Dental Insurance	311	713	700	700
5126 Life Insurance	360	345	400	400
5127 Health Care Savings Plan (HCSP)	1,285	1,158	1,200	1,800
5130 Cafeteria Plan Benefits	34,767	29,591	26,600	40,800
TOTAL	56,508	50,046	47,500	63,500
OTHER EXPENDITURES				
5200 Office Supplies	-	533	2,000	2,000
5201 Computer Supplies/Software	-	404	300	300
5331 Travel/Training	277	80	-	-
5340 Advertising & Promotion	147	-	900	900
5355 Printing & Copying	165	22	500	500
5433 Dues & Subscription	461	334	1,000	1,000
5441 Other Services & Charges	985	504	1,000	1,000
TOTAL	2,035	1,877	5,700	5,700
<b>DIVISION TOTAL</b>	<b>193,937</b>	<b>178,629</b>	<b>177,900</b>	<b>200,300</b>

# City of Duluth Minnesota - 2017 Budget

## City Treasurer

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

Budgeted FTE's	2014	2015	2016	2017	Difference
1115 City Treasurer	1.0	1.0	1.0	1.0	-
136 Financial Analyst	1.0	1.0	1.0	1.0	-
135 Credit/Collections Admin	1.0	1.0	1.0	1.0	-
133 Finance Office Coord.	1.0	1.0	1.0	1.0	-
129 Assessment Sys Analyst	1.0	-	-	-	-
129 Admin Financial Spec.	4.0	3.0	3.0	3.0	-
126 Information Technician	1.0	-	-	-	-
121 Clerical Support Tech	-	2.0	2.0	-	(2.0)
126 Finance Technician	-	-	-	2.0	2.0
<b>Division Total</b>	<b>10.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>-</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	549,896	518,482	539,900	530,500	(9,400)
Overtime	-	-	-	-	-
Other Wages	2,275	7,388	-	-	-
<b>Total Salaries</b>	<b>552,171</b>	<b>525,870</b>	<b>539,900</b>	<b>530,500</b>	<b>(9,400)</b>
Benefits	205,683	215,697	215,900	230,300	14,400
Other Expense					
Materials & Supplies	200	19	1,500	1,500	-
Services	1,277	2,590	11,000	11,000	-
Utilities & Maintenance	-	-	500	500	-
Other	29,781	28,176	31,000	1,000	(30,000)
<b>Total Other Expense</b>	<b>31,259</b>	<b>30,785</b>	<b>44,000</b>	<b>14,000</b>	<b>(30,000)</b>
<b>Division Total</b>	<b>789,113</b>	<b>772,352</b>	<b>799,800</b>	<b>774,800</b>	<b>(25,000)</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>City Treasurer's Office - 110-125-1216</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	549,896	518,482	539,900	530,500
5101 Premium Pay	-	-	-	-
5103 Other Wages	2,275	7,388	-	-
TOTAL	552,171	525,870	539,900	530,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	38,084	38,040	39,700	38,700
5122 FICA - Social Security	33,665	31,583	33,500	32,900
5123 FICA - Medicare	7,873	7,386	7,800	7,700
5125 Dental Insurance	1,404	3,317	3,300	3,300
5126 Life Insurance	1,620	1,605	1,600	1,600
5127 Health Care Savings Plan (HCSP)	10,982	8,563	5,100	20,300
5130 Cafeteria Plan Benefits	112,055	125,203	124,900	125,800
TOTAL	205,683	215,697	215,900	230,300
OTHER EXPENDITURES				
5200 Office Supplies	200	19	1,500	1,500
5306 Collection Services	1,098	1,685	5,000	5,000
5331 Travel/Training	179	249	2,000	2,000
5355 Printing & Copying	-	275	4,000	4,000
5356 Copier, Printer Lease & Supplies	-	381	-	-
5404 Equipment/Machinery Repair & Mtc	-	-	500	500
5430 Bank Charges	29,065	28,003	30,000	-
5433 Dues & Subscription	127	127	500	500
5441 Other Services & Charges	589	46	500	500
TOTAL	31,259	30,785	44,000	14,000
<b>DIVISION TOTAL</b>	<b>789,113</b>	<b>772,352</b>	<b>799,800</b>	<b>774,800</b>

# City of Duluth Minnesota - 2017 Budget

<b>General Fund Revenue Detail</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Budget</b>	<b>2017 Approved</b>
<b>City Treasurer's Office - 110-125-1216</b>				
REVENUE SOURCE				
4040 City Sales Tax	13,208,184	13,659,806	14,175,000	14,102,800
4050 Charitable Gambling Tax	57,940	59,506	60,000	60,000
4310 Assessment Cost Services	33,027	1,296	-	-
4311 Assessment Certificate Fee	21,364	28,876	30,000	8,000
4313 Assessment Handling Fee	8,704	-	-	-
4601 Earning on Investments	110,053	978	-	-
4644 Miscellaneous Fees	73,096	4,235	1,000	1,000
4730 Interfund Transfers In	318,133	-	-	-
4730 Transfer from Tourism Taxes	109,634	124,856	125,600	125,600
<b>DIVISION TOTAL</b>	<b>13,940,135</b>	<b>13,879,553</b>	<b>14,391,600</b>	<b>14,297,400</b>

# City of Duluth Minnesota - 2017 Budget

## Planning & Construction Services

### Mission and Vision

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

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

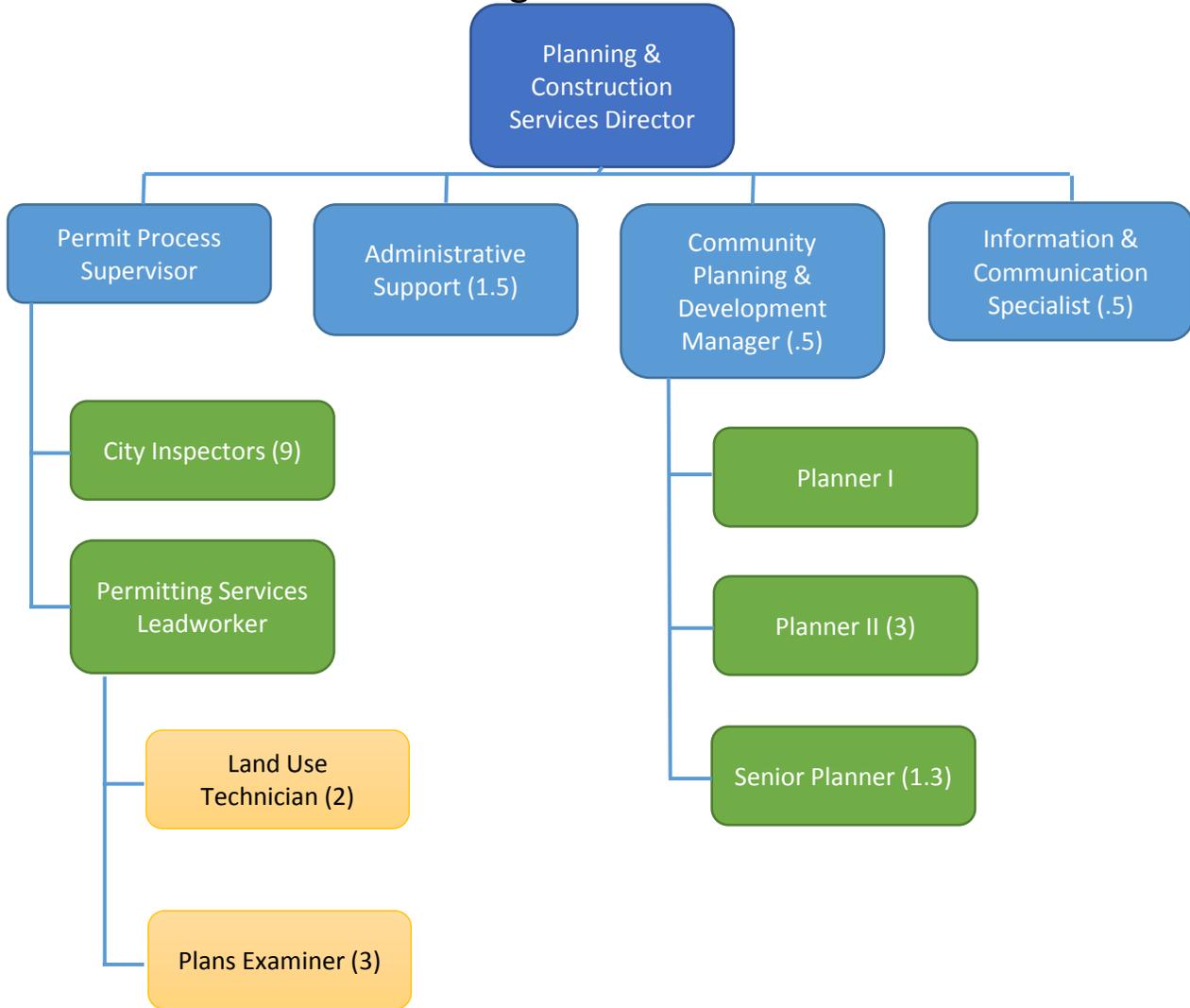
### Structure

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

# City of Duluth Minnesota - 2017 Budget

## Planning & Construction Services

### Organization Chart



# City of Duluth Minnesota - 2017 Budget

## Planning & Construction Services - Goals and Objectives

<p><b>Goal:</b> Continue to implement the Unified Development Code – the UDC  <b>Objective:</b> Process land use applications.  <b>Strategy:</b> Assist customers to develop or redevelop their property.  <b>Measurements and Performance:</b></p> <p>Percentage of zoning applications that are completed prior to the State mandated review time line            Goal is 70% of the Applications completed</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
78	75	75		

<p><b>Goal:</b> Streamline Permitting process and continue implementation of One Stop Shop  <b>Objective:</b> Review and improve procedures for permit review to improve efficiencies  <b>Strategy:</b> 1. Develop Small Business user guide for entrepreneurs to work through permit process            2. Update UDC to achieve redevelopment goals  <b>Measurements and Performance:</b></p> <p>Percentage of permits and plan reviews that exceed base performance measure            Goal is 80% of the permits are issued in 25 days and plans within 7 days</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
64	70	78		

<p><b>Goal:</b> Implement the Comprehensive Land Use Plan  <b>Objective:</b> Bring existing zoning into compliance with the Comprehensive Plan.            Prepare Small area plans  <b>Strategy:</b> 1. Complete – UDC Rezoning process  <b>Measurements and Performance:</b></p> <p>Percentage of City rezoned to match Comprehensive Plan</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
85%	95%	100%		

# City of Duluth Minnesota - 2017 Budget

## Planning & Construction Services - Goals and Objectives Continued

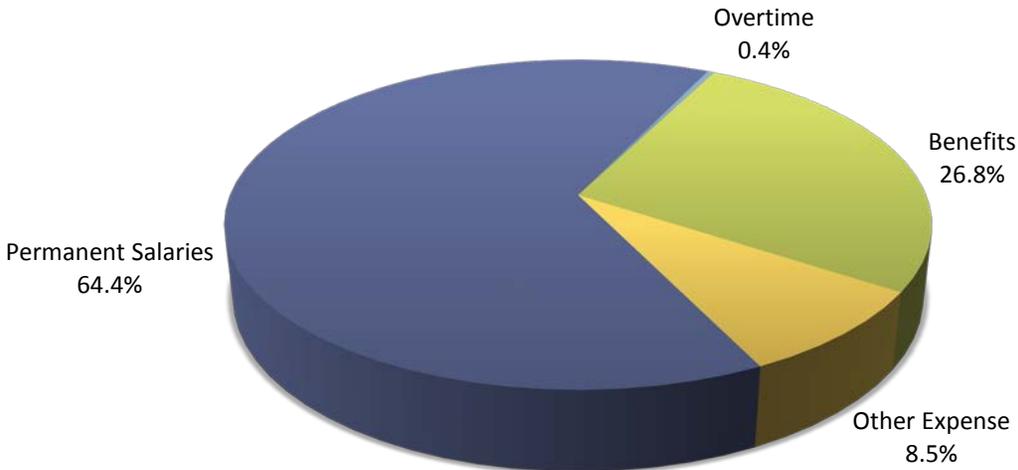
<p><b>Goal:</b> Update the Comprehensive Land Use Plan  <b>Objective:</b> Revise and modify the Comprehensive Plan every 10 years (current comp plan was adopted in 2006).  <b>Strategy:</b> 1. Initiate update process in 2016 for completion in 2017/18                  2. Develop strategies for Comp. Plan from Economic Development Strategic Plan                  3. Include citywide transportation element, also re-examine open space and recreation future land use categories  <b>Measurements and Performance:</b>                  Number of participants in process.</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
4600	1600	Complete		
Percentage of Comprehensive Land Use Plan completed				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
40%	90%	Complete		

<p><b>Goal:</b> Implement the Consolidated Plan  <b>Objective:</b> Invest funds to achieve strategic community development goals  <b>Strategy:</b> 1. Provide safe and decent affordable housing                  2. Improve the economic self-sufficiency of low income persons                  3. Meet basic needs for persons who are homeless  <b>Measurements and Performance:</b>                  Number of units rehabilitated or created</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
144	160	160		
Number of persons who increase their incomes				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
38	38	0		
Number of persons served				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
27733	21248	21248		

# City of Duluth Minnesota - 2017 Budget

## Planning & Construction Services Department 2017 Approved Budget by Expense Category



Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Permanent Salaries	1,466,841	1,469,684	1,528,500	1,579,600	51,100
Overtime	7,492	8,374	9,000	9,000	-
Other Wages	1,151	1,425	-	-	-
<b>Total Personal Services</b>	<b>1,475,484</b>	<b>1,479,483</b>	<b>1,537,500</b>	<b>1,588,600</b>	<b>51,100</b>
Benefits	596,021	595,035	614,300	656,700	42,400
Other Expense	211,392	352,968	233,700	209,200	(24,500)
Capital Outlay	-	-	-	-	-
<b>Department Total</b>	<b>2,282,898</b>	<b>2,427,486</b>	<b>2,385,500</b>	<b>2,454,500</b>	<b>69,000</b>

Expenditures by Division	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Planning	750,082	765,325	683,300	746,900	63,600
Construction Srv&Inspect	1,532,816	1,662,161	1,702,200	1,707,600	5,400
<b>Department Total</b>	<b>2,282,898</b>	<b>2,427,486</b>	<b>2,385,500</b>	<b>2,454,500</b>	<b>69,000</b>

Budgeted FTE's	2014	2015	2016	2017	Difference
	24.2	24.2	24.2	24.5	0.3

# City of Duluth Minnesota - 2017 Budget

## Planning

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

Budgeted FTE's	2014	2015	2016	2017	Difference
1150 Dir, Plng & Develop.	0.7	0.7	0.7	0.7	-
1085 Land Use Supervisor	1.0	1.0	-	-	-
1085 Manager CD & Housing	-	-	0.5	0.5	-
136 Senior Planner	2.0	2.0	1.0	1.3	0.3
133 Planner II	3.0	3.0	4.0	3.0	(1.0)
129 Planner I	-	-	-	1.0	1.0
129 Admin Info Specialist	0.5	0.5	0.5	0.5	-
<b>Division Total</b>	<b>7.2</b>	<b>7.2</b>	<b>6.7</b>	<b>7.0</b>	<b>0.3</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	482,583	450,146	461,400	501,100	39,700
Overtime	1,757	1,750	-	-	-
Other Wages	1,151	1,425	-	-	-
<b>Total Salaries</b>	<b>485,491</b>	<b>453,321</b>	<b>461,400</b>	<b>501,100</b>	<b>39,700</b>
Benefits	175,195	158,193	173,500	187,400	13,900
Other Expense					
Materials & Supplies	1,569	852	4,500	4,500	-
Services	82,047	138,137	27,500	38,000	10,500
Utilities & Maintenance	-	-	11,000	-	(11,000)
Other	5,780	14,822	5,400	15,900	10,500
<b>Total Other Expense</b>	<b>89,396</b>	<b>153,811</b>	<b>48,400</b>	<b>58,400</b>	<b>10,000</b>
<b>Division Total</b>	<b>750,082</b>	<b>765,325</b>	<b>683,300</b>	<b>746,900</b>	<b>63,600</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Planning - 110-132-1301</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	482,583	450,146	461,400	501,100
5101 Premium Pay	1,757	1,750	-	-
5103 Other Wages	1,151	1,425	-	-
TOTAL	485,491	453,321	461,400	501,100
EMPLOYEE BENEFITS				
5121 PERA Retirement	34,178	32,707	33,700	36,300
5122 FICA - Social Security	29,152	27,052	28,600	31,100
5123 FICA - Medicare	6,818	6,378	6,700	7,300
5125 Dental Insurance	1,118	2,450	2,500	2,600
5126 Life Insurance	1,291	1,186	1,200	1,300
5127 Health Care Savings Plan (HCSP)	19,075	7,113	10,400	10,200
5130 Cafeteria Plan Benefits	83,563	81,307	90,400	98,600
TOTAL	175,195	158,193	173,500	187,400
OTHER EXPENDITURES				
5200 Office Supplies	1,569	852	3,200	3,200
5201 Computer Supplies/Software	-	-	1,000	1,000
5241 Small Equip-Office/Operating	-	-	300	300
5309 Technology Services	10,683	-	-	-
5310 Contract Services	56,431	97,127	-	-
5319 Other Professional Services	10,500	29,339	20,000	20,000
5321 Phone Service	1,200	850	600	600
5322 Postage	-	28	1,000	1,000
5331 Travel/Training	2,609	4,110	4,000	4,000
5335 Local Mileage Reimbursement	-	-	400	400
5355 Printing & Copying	624	6,118	1,500	11,500
5356 Copier, Printer Lease & Supplies	-	565	-	500
5414 Software Licenses & Mtce Agreements	520	10,683	500	11,000
5418 Vehicle/Equip Lease (Long-term)	-	-	11,000	-
5433 Dues & Subscription	3,405	1,786	2,500	2,500
5435 Books & Pamphlets	269	-	200	200
5441 Other Services & Charges	1,134	1,523	1,500	1,500
5443 Board & Meeting Expenses	452	830	700	700
TOTAL	89,396	153,811	48,400	58,400
<b>DIVISION TOTAL</b>	<b>750,082</b>	<b>765,325</b>	<b>683,300</b>	<b>746,900</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Planning - 110-132-1301</b>				
REVENUE SOURCE				
4210 Pass-thru Federal Grants	644	364	-	-
4220 State of Minnesota	5,000	20,000	-	-
4307 Planning/Zoning Fees	126,885	92,295	80,000	80,000
4631 Media Sales	96	96	200	200
4654 Other Reimbursements	56,542	97,265	-	-
4660 Gifts and Donations	-	10,000	-	-
<b>DIVISION TOTAL</b>	189,167	220,020	80,200	80,200

# City of Duluth Minnesota - 2017 Budget

## Construction Services & Inspection

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

Budgeted FTE's	2014	2015	2016	2017	Difference
1085 Permit Process Supervisor	1.0	1.0	1.0	1.0	-
132 Info & Comm Specialist	-	-	0.5	0.5	-
129 Admin Information Spec	1.0	-	-	-	-
126 Information Technician	1.0	1.0	1.0	1.0	-
36 Const Inspect Leadworker	1.0	1.0	1.0	1.0	-
32 Permitting Svcs Leadworker	-	-	1.0	1.0	-
32 Combination Svcs Inspector	-	-	1.0	1.0	-
31 Electrical Inspector	2.0	2.0	2.0	2.0	-
31 Plumbing Inspector	2.0	2.0	2.0	2.0	-
31 Construction Inspector	3.0	3.0	2.0	2.0	-
31 HVAC Inspector	1.0	1.0	1.0	1.0	-
32 Plans Exam Leadworker	1.0	-	-	-	-
29 Plans Examiner	2.0	3.0	2.0	3.0	1.0
28 Land Use Technician	2.0	3.0	3.0	2.0	(1.0)
					-
Division Total	<b>17.0</b>	<b>17.0</b>	<b>17.5</b>	<b>17.5</b>	<b>0.0</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	984,258	1,019,538	1,067,100	1,078,500	11,400
Overtime	5,735	6,624	9,000	9,000	-
Other Wages	-	-	-	-	-
Total Salaries	989,993	1,026,162	1,076,100	1,087,500	11,400
Benefits	420,826	436,842	440,800	469,300	28,500
Other Expense					
Materials & Supplies	18,625	15,547	17,100	16,700	(400)
Services	48,879	33,016	41,000	41,000	-
Utilities & Maintenance	17,874	24,495	23,200	23,600	400
Other	33,615	45,797	49,500	49,500	-
Building Demolition	3,004	80,302	54,500	20,000	(34,500)
Total Other Expense	121,996	199,157	185,300	150,800	(34,500)
Division Total	<b>1,532,816</b>	<b>1,662,161</b>	<b>1,702,200</b>	<b>1,707,600</b>	<b>5,400</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Construction Services &amp; Inspection - 110-132-1304</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	984,258	1,019,538	1,067,100	1,078,500
5101 Premium Pay	5,735	6,624	9,000	9,000
5103 Other Wages	-	-	-	-
TOTAL	989,993	1,026,162	1,076,100	1,087,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	69,876	75,253	79,400	80,100
5122 FICA - Social Security	60,362	62,159	66,700	67,400
5123 FICA - Medicare	14,117	14,537	15,600	15,800
5125 Dental Insurance	2,616	6,293	6,500	6,400
5126 Life Insurance	3,015	3,045	3,100	3,100
5127 Health Care Savings Plan (HCSP)	20,523	30,104	10,200	28,900
5130 Cafeteria Plan Benefits	250,317	245,451	259,300	267,600
TOTAL	420,826	436,842	440,800	469,300
OTHER EXPENDITURES				
5200 Office Supplies	2,742	2,685	3,300	3,300
5205 Safety & Training Materials	506	839	900	900
5212 Motor Fuels	14,527	10,938	11,400	11,000
5219 Other Miscellaneous Supplies	694	511	900	900
5241 Small Equip-Office/Operating	156	574	600	600
5309 Technology Services	13,683	-	-	-
5321 Phone Service	7,345	7,761	4,500	4,500
5331 Travel/Training	14,049	14,070	14,000	14,000
5335 Local Mileage Reimbursement	1,410	32	1,500	1,500
5355 Printing & Copying	7,104	8,121	12,500	12,500
5356 Copier, Printer Lease & Supplies	5,287	3,032	8,500	8,500
5404 Equipment/Machinery Repair & Mtc	1,204	1,204	1,600	1,600
5409 Fleet Services Charges	16,670	23,291	21,600	22,000
5414 Software Licenses & Mtce Agreements	-	17,776	20,000	20,000
5427 Credit Card Commissions	23,404	21,693	17,500	17,500
5433 Dues & Subscription	1,732	1,170	1,500	1,500
5435 Books & Pamphlets	3,764	4,483	5,500	5,500
5441 Other Services & Charges	4,716	675	5,000	5,000
5453 Building Demolition	3,004	80,302	54,500	20,000
TOTAL	121,996	199,157	185,300	150,800
<b>DIVISION TOTAL</b>	<b>1,532,816</b>	<b>1,662,161</b>	<b>1,702,200</b>	<b>1,707,600</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Construction Services &amp; Inspection - 110-132-1304</b>				
REVENUE SOURCE				
4151 Fill Permits	1,536	3,042	1,200	1,200
4301 Zoning Appeals Fees	-	-	600	600
4303 Use Permit - Flood & Wetlands	2,808	3,130	1,000	1,000
4350 Inspection Services	-	-	4,000	-
4351 Building Inspection Fees	1,749,387	1,560,893	1,626,400	1,597,800
4352 Plumbing Inspection Fees	189,127	162,866	200,500	196,500
4353 Electric Inspection Fees	218,073	212,785	211,600	207,400
4354 HVAC-R Inspection Fees	214,269	213,142	167,100	163,800
4355 Signs Inspection Fees	27,342	17,827	11,700	11,400
4356 House Moving Inspection Fee	22,847	10,243	10,000	9,800
4357 Mobile Home Inspection Fees	448	288	2,100	2,100
4359 CAF Administrative Fee	11,167	19,078	16,800	16,500
4361 RZP Registration Fee	15,718	16,380	14,400	14,100
4500 Assessments	6,776	22,354	56,200	55,100
4501 Assessments - Penalty & Interest	9,477	4,644	-	-
4631 Media Sales	1,440	1,292	3,700	3,600
4644 Miscellaneous Sales	450	585	500	500
4701 2% Retention Surtax	1,596	1,541	1,500	1,500
<b>DIVISION TOTAL</b>	<b>2,472,462</b>	<b>2,250,090</b>	<b>2,329,300</b>	<b>2,282,900</b>

# City of Duluth Minnesota - 2017 Budget

## Business & Economic Development

### Mission and Vision

The Mission of the Business & Economic Development Department is to strategically invest resources that contribute to the prosperity, sustainable growth and economic development of the City of Duluth. The Business & Economic Development Department combines the resources of two inter-related divisions, business and workforce development, into one department that advances economic development throughout the City. Business and Economic Development staff work closely with Duluth employers to better understand their current and future needs, challenges and opportunities for the purpose of developing targeted development strategies to implement within the city.

Business Development creates a supportive business environment by leveraging public and private partnerships to develop and implement strategic work plans and targeted marketing strategies that support business retention, expansion and entrepreneurial growth.

Economic Development secures programmatic funding from federal and state sources to operate employment, training, and career development programs for businesses and individuals that supports the overall growth of workforce talent available in the city. Working to build up a diverse and talented workforce is crucial to the overall health of our businesses, and also leads to greater opportunities and prosperity for our residents.

In order to accomplish our Mission, we:

- Encourage business growth, job creation and retention by facilitating access to City services and investing department resources into key private sector development projects and special initiatives.
- Facilitate strategic investments in public infrastructure and the redevelopment of challenged real estate sites by securing State and Federal resources such as contamination investigation and clean up, redevelopment, and transportation infrastructure grants and other forms of financial assistance to support real estate development.
- Advance strategies that are designed to spur the growth of the property tax base and sales & use taxes collected resulting from the construction of new mixed-use, commercial and industrial business sector expansions city-wide.
- Strategically manage City and Economic Development Authority assets, land and buildings.
- Strategically advance talent recruitment, retention and development initiatives including the provision of comprehensive workforce development services to businesses and individuals served out of the downtown Duluth Workforce Development Center.
- Advocate for progressive development policies at local, state and federal levels.

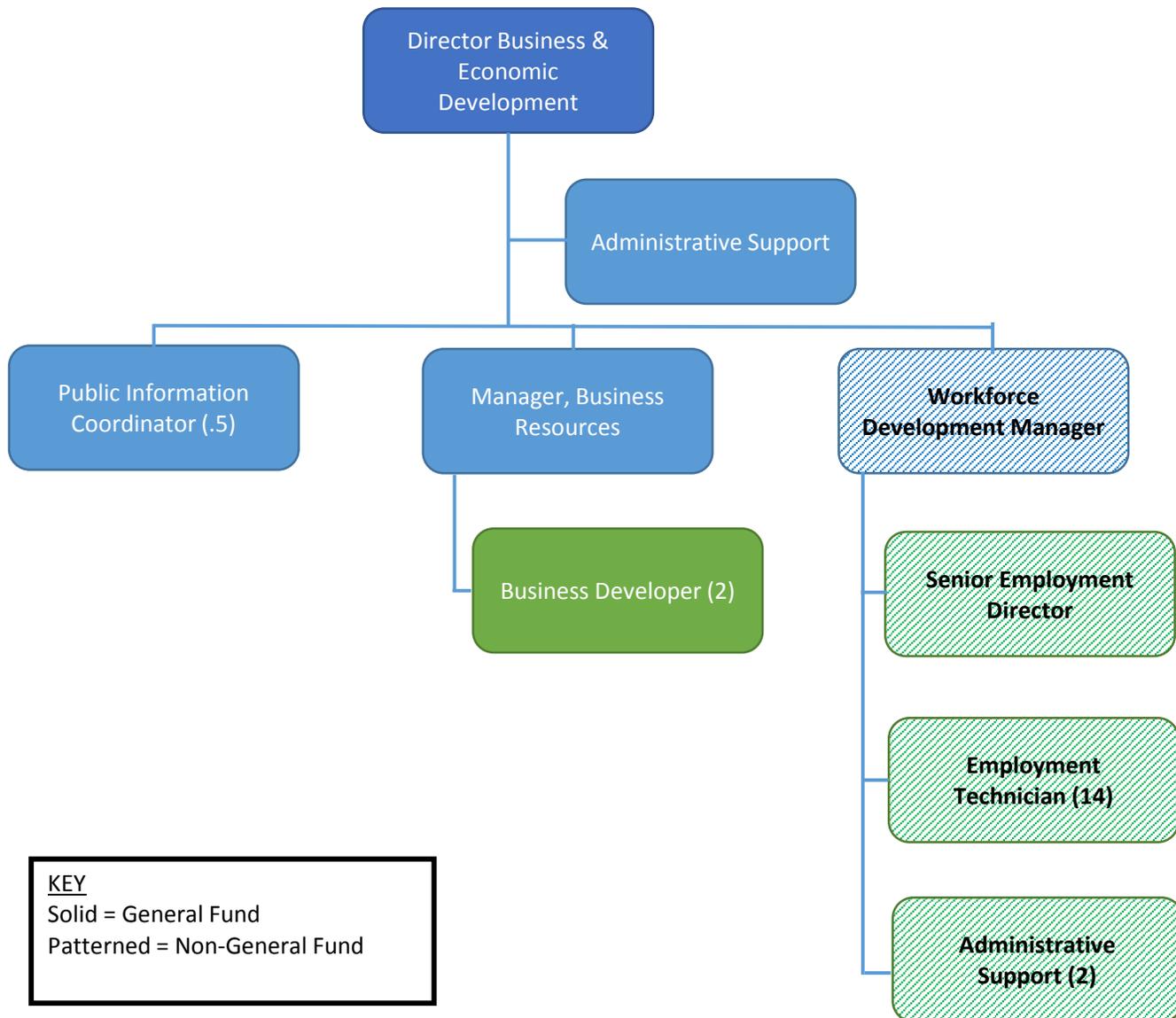
### Structure

The Business & Economic Development Department is comprised of two divisions – one in the General Fund which is Business Development; and one in the Special Revenue Fund which is Workforce Development. The Department Director also serves as the Executive Director of the Duluth Economic and Development Authority or DEDA and the Duluth 1200 Fund, a non-profit providing gap financing loan programs for small businesses within Duluth city limits.

# City of Duluth Minnesota - 2017 Budget

## Business & Economic Development

### Organization Chart



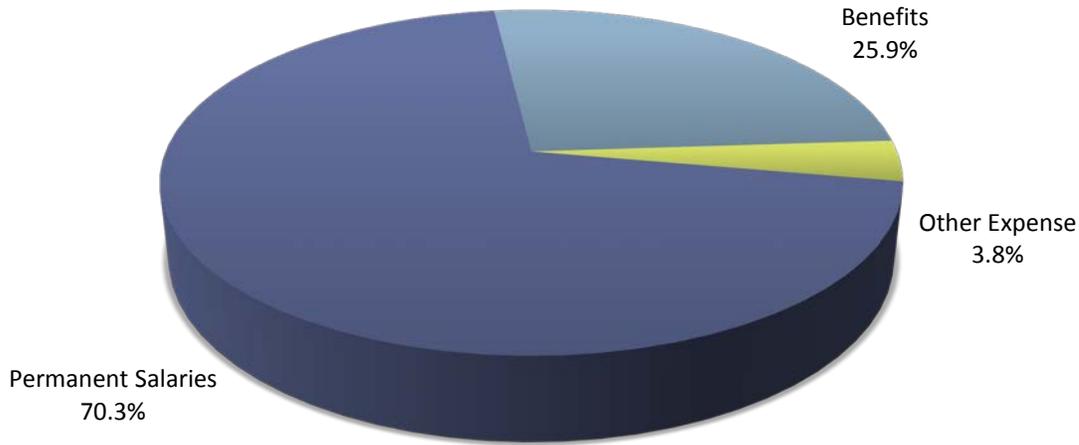
# City of Duluth Minnesota - 2017 Budget

## Business & Economic Development - Goals and Objectives

<p><b>Goal:</b> Promote and facilitate new development and redevelopment opportunities within the industrial, commercial and retail sectors for both existing Duluth businesses and businesses new to Duluth.</p> <p><b>Objective:</b> Leverage public and private funding sources for cleanup and redevelopment of property. Address the critical need of strengthening our workforce. Work with agency partners to recruit new businesses. Help to steer the direction of our economy. Consider potential incentives to business projects. Be intentional in inter-department initiatives that continue to define Duluth as the location where businesses and employees want to locate.</p> <p><b>Strategy:</b> Utilization of grants. Engage local employers in the discussion of workforce and other critical needs. Develop a new business recruitment strategy with other agency partners. Participate in the Comprehensive Plan update process to ensure inclusion of economic development needs and priorities. Business Retention and Expansion (BRE) visits conducted with local companies. Engage in planning and development efforts in strategic locations. Knowledge of available financial resources for business is attained and deployed effectively.</p> <p><b>Measurements and Performance:</b></p> <p>Number of project sites with secured funding for site cleanup and/or redevelopment</p> <table border="1"> <thead> <tr> <th>2016 Estimate</th> <th>2017 Target</th> <th>2018 Target</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>2</td> <td>2</td> <td>2</td> <td></td> <td></td> </tr> </tbody> </table> <p>Number of grant applications submitted</p> <table border="1"> <thead> <tr> <th>2016 Estimate</th> <th>2017 Target</th> <th>2018 Target</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>2</td> <td>3</td> <td>3</td> <td></td> <td></td> </tr> </tbody> </table> <p>Acres of available industrial land</p> <table border="1"> <thead> <tr> <th>2016 Estimate</th> <th>2017 Target</th> <th>2018 Target</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>30</td> <td>30</td> <td>30</td> <td></td> <td></td> </tr> </tbody> </table> <p>Number of BRE visits</p> <table border="1"> <thead> <tr> <th>2016 Estimate</th> <th>2017 Target</th> <th>2018 Target</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>25</td> <td>30</td> <td>30</td> <td></td> <td></td> </tr> </tbody> </table> <p>Number of new retail and commercial opportunities.</p> <table border="1"> <thead> <tr> <th>2016 Estimate</th> <th>2017 Target</th> <th>2018 Target</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>2</td> <td>3</td> <td>3</td> <td></td> <td></td> </tr> </tbody> </table>					2016 Estimate	2017 Target	2018 Target			2	2	2			2016 Estimate	2017 Target	2018 Target			2	3	3			2016 Estimate	2017 Target	2018 Target			30	30	30			2016 Estimate	2017 Target	2018 Target			25	30	30			2016 Estimate	2017 Target	2018 Target			2	3	3		
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# City of Duluth Minnesota - 2017 Budget

## Business & Economic Development Department 2017 Proposed Budget by Expense Category



Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Permanent Salaries	409,725	377,018	429,300	428,300	(1,000)
Overtime	1,461	2,513	-	-	-
Other Wages	-	-	-	-	-
<b>Total Personal Services</b>	<b>411,186</b>	<b>379,531</b>	<b>429,300</b>	<b>428,300</b>	<b>(1,000)</b>
Benefits	156,444	159,617	152,900	157,600	4,700
Other Expense	64,083	23,616	14,300	23,300	9,000
<b>Department Total</b>	<b>631,713</b>	<b>562,764</b>	<b>596,500</b>	<b>609,200</b>	<b>12,700</b>

Budgeted FTE's	2014	2015	2016	2017	Difference
Budgeted FTE's	6.5	5.5	5.5	5.5	-

# City of Duluth Minnesota - 2017 Budget

## Business and Economic Development

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

Budgeted FTE's	2014	2015	2016	2017	Difference
1150 Dir., Business & ED	1.0	1.0	1.0	1.0	-
1125 Business Dev Manager	1.0	1.0	1.0	1.0	-
138 Sr Business Developer	1.0	-	1.0	-	(1.0)
135 Business Developer	1.0	2.0	1.0	2.0	1.0
135 Contract Administrator	1.0	-	-	-	-
135 Public Info Coordinator	1.0	1.0	1.0	0.5	(0.5)
126 Information Tech	0.5	0.5	0.5	-	(0.5)
129 Administrative Info Spec	-	-	-	1.0	1.0
<b>Division Total</b>	<b>6.5</b>	<b>5.50</b>	<b>5.50</b>	<b>5.50</b>	<b>-</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	409,725	377,018	429,300	428,300	(1,000)
Overtime	1,461	2,513	-	-	-
Other Wages	0	0	-	-	-
<b>Total Salaries</b>	<b>411,186</b>	<b>379,531</b>	<b>429,300</b>	<b>428,300</b>	<b>(1,000)</b>
Benefits	156,444	159,617	152,900	157,600	4,700
Other Expense					
Materials & Supplies	2,116	700	300	1,300	1,000
Services	56,230	19,369	11,700	19,700	8,000
Utilities & Maintenance	-	-	-	-	-
Other	5,737	3,547	2,300	2,300	-
<b>Total Other Expense</b>	<b>64,083</b>	<b>23,616</b>	<b>14,300</b>	<b>23,300</b>	<b>9,000</b>
<b>Division Total</b>	<b>631,713</b>	<b>562,764</b>	<b>596,500</b>	<b>609,200</b>	<b>12,700</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Business &amp; Economic Development - 110-135-1310</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	409,725	377,018	429,300	428,300
5101 Premium Pay	1,461	2,513	-	-
5103 Other Wages	-	-	-	-
TOTAL	411,186	379,531	429,300	428,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	29,360	27,693	31,800	31,600
5122 FICA - Social Security	24,772	23,058	26,700	26,600
5123 FICA - Medicare	5,793	5,393	6,200	6,200
5125 Dental Insurance	871	1,953	2,000	2,000
5126 Life Insurance	1,005	945	1,000	1,000
5127 Health Care Savings Plan (HCSP)	15,601	22,312	4,200	6,900
5130 Cafeteria Plan Benefits	79,042	78,263	81,000	83,300
TOTAL	156,444	159,617	152,900	157,600
OTHER EXPENDITURES				
5200 Office Supplies	1,979	612	300	1,300
5319 Other Professional Service	49,458	2,670	5,000	13,000
5321 Phone Service	1,582	2,170	1,300	1,300
5331 Travel/Training	3,780	13,578	4,200	4,200
5335 Local Mileage Reimbursement	1,358	878	700	700
5355 Printing & Copying	52	73	500	500
5356 Copier, Printer Lease & Supplies	137	88	-	-
5433 Dues & Subscription	2,399	275	400	400
5441 Other Services & Charges	418	980	400	400
5443 Board & Meeting Expenses	2,920	2,292	1,500	1,500
TOTAL	64,083	23,616	14,300	23,300
<b>DIVISION TOTAL</b>	<b>631,713</b>	<b>562,764</b>	<b>596,500</b>	<b>609,200</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Business &amp; Economic Development - 110-135-1310</b>				
REVENUE SOURCE				
4644 Miscellaneous Sales	33,221	34,218	24,000	34,000
4654 Other Reimbursements Refunds	-	7,340	-	-
<b>DIVISION TOTAL</b>	33,221	41,558	24,000	34,000

# City of Duluth Minnesota - 2017 Budget

## Fire Department

### Mission and Vision

“Dedicated to saving life and property by safeguarding our citizens through progressive code enforcement, fire prevention, public education, effective emergency response, and adapting to meet the changing needs of our community.”

For over 146 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 Fire Department is a para-military organization. Within the Department, there are three main Divisions:

- Administration
- Operations
- Fire Prevention and Life Safety

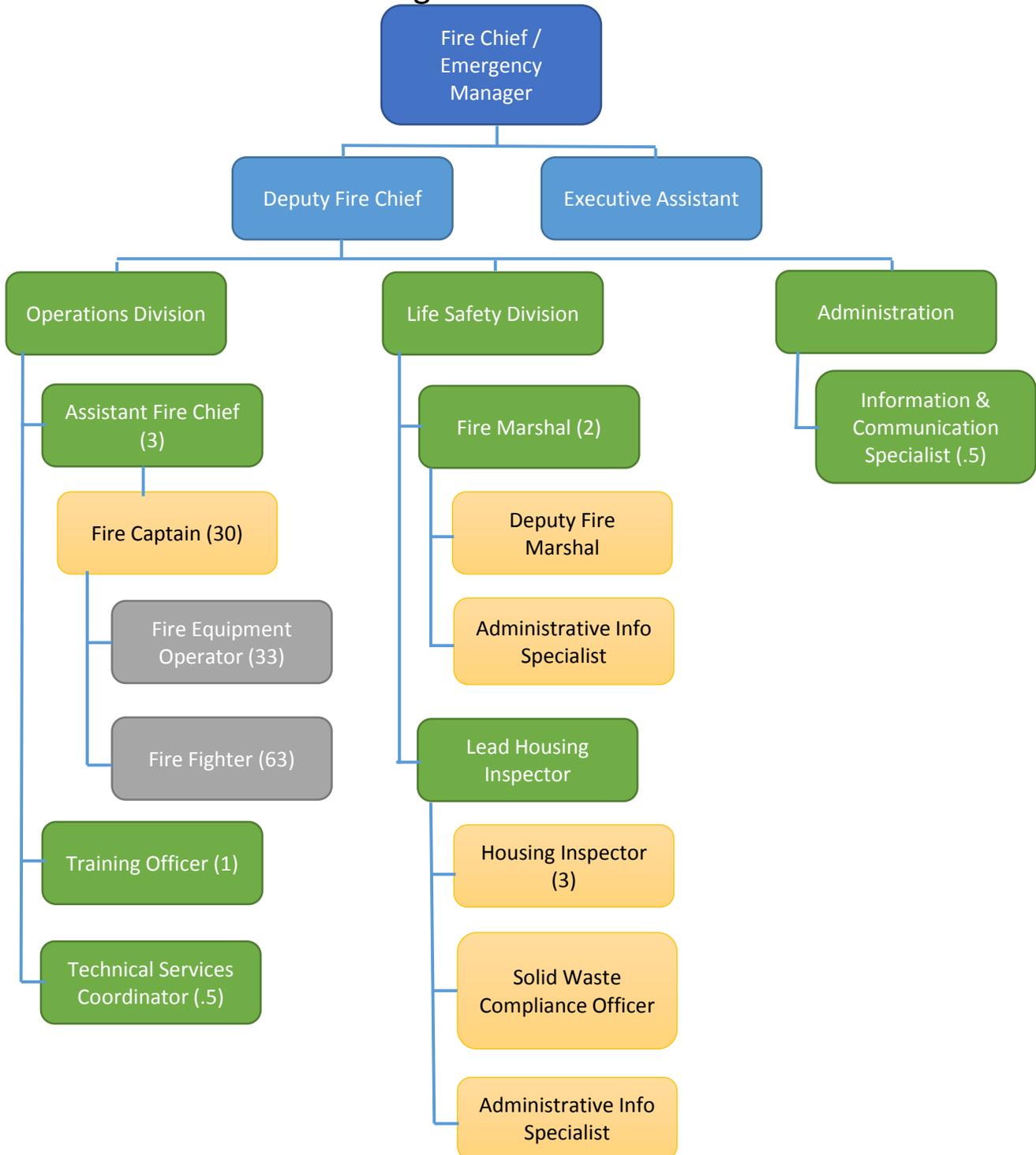
The structure of the Fire Department has four main components: Fire Administration, Emergency Operations, Life Safety Services (Prevention, Plan Review, Licensing and Inspection Services), and Emergency Management. From these business lines, we provide programs that support our mission. The following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

- All Hazard Emergency Response
- Fire Code Management and Inspection
- Housing Code Enforcement and Rental Licensing Programs
- Nuisance & Blight Abatement – Quality of Life
- Public Safety & School Fire Safety Programs
- Fire Cause and Arson Investigation
- City Wide Emergency Management and Preparedness

# City of Duluth Minnesota - 2017 Budget

## Fire Department

### Organization Chart



# City of Duluth Minnesota - 2017 Budget

## Fire Department - Goals and Objectives

<p><b>Goal:</b> Improve risk management  <b>Objective:</b> Reduce firefighter injuries, prevent vehicle accidents, and reduce property loss.  <b>Strategy:</b> 1. Review all fire fighter and vehicle accidents, and near-misses.                  2. Make recommendations and implement strategies to improve safety.  <b>Measurements and Performance:</b></p> <p>Number of firefighter injuries</p>				
<b>2016 Estimate</b> 25	<b>2017 Target</b> 20	<b>2018 Target</b> 10		
<p>Number of firefighters that receive an annual health review (CSS Fitness Assessment)</p>				
<b>2016 Estimate</b> 65	<b>2017 Target</b> 60	<b>2018 Target</b> 75		
<p>Number of Fire Department vehicle accidents/type/cause</p>				
<b>2016 Estimate</b> 12	<b>2017 Target</b> 6	<b>2018 Target</b> 0		
<p>Number of workdays lost to injury</p>				
<b>2016 Estimate</b> 225 (24-hr shifts)	<b>2017 Target</b> 150	<b>2018 Target</b> 125		
<p>Average age of frontline Fire Apparatus</p>				
<b>2016 Estimate</b> 11.5	<b>2017 Target</b> 6.7	<b>2018 Target</b> 4.8		
<p><b>Goal:</b> Strengthen the workforce  <b>Objective:</b> Recruit and retain a diverse workforce  <b>Strategy:</b> 1. Review procedures for fire fighter recruiting and testing to be used for future hiring  <b>Measurements and Performance:</b></p> <p>Percent of department diversity</p>				
<b>2016 Estimate</b> 15	<b>2017 Target</b> 18	<b>2018 Target</b> 20		

# City of Duluth Minnesota - 2017 Budget

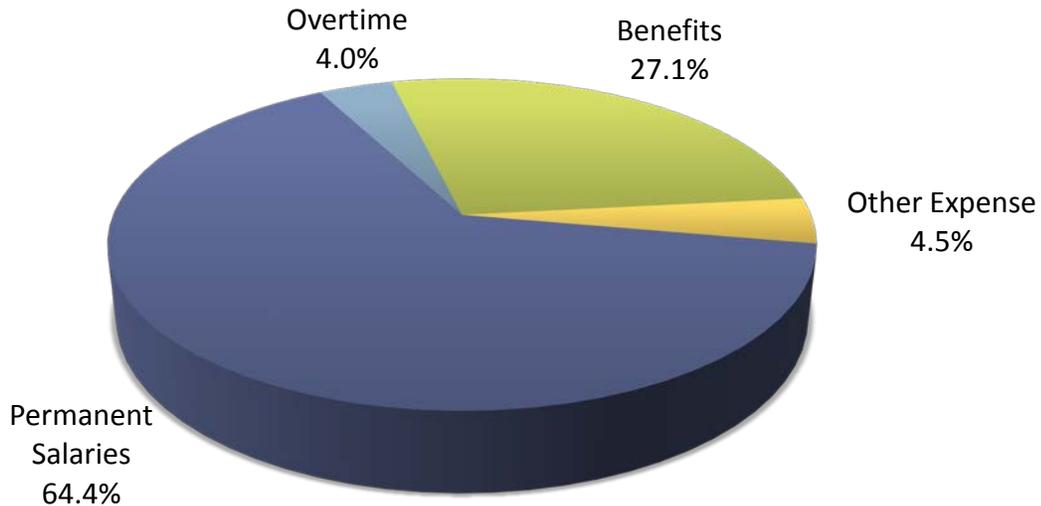
## Fire Department - Goals and Objectives Continued

<b>Goal:</b> Succession planning <b>Objective:</b> Prepare employees for leadership positions <b>Strategy:</b> Encourage officers to attend college courses until they complete a four-year fire-related degree. <b>Measurements and Performance:</b>  Percent of workforce who receive an annual performance review				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2018 Target</b>		
0	100	100		

# City of Duluth Minnesota - 2017 Budget

## Fire Department

### 2017 Approved Budget by Expense Category



Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Permanent Salaries	9,315,402	9,678,543	10,013,900	10,357,200	343,300
Overtime	823,279	738,492	640,000	641,300	1,300
Other Wages	-	6,030	-	-	-
Total Personal Services	10,138,681	10,423,065	10,653,900	10,998,500	344,600
Benefits	4,071,215	4,323,545	4,151,100	4,364,200	213,100
Other Expense	740,582	660,819	741,600	715,600	(26,000)
Capital Outlay	-	-	-	-	-
<b>Department Total</b>	<b>14,950,478</b>	<b>15,407,429</b>	<b>15,546,600</b>	<b>16,078,300</b>	<b>531,700</b>

Expenditures by Division	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Fire Administration	506,203	400,386	579,300	494,000	(85,300)
Fire Operations	13,516,782	14,072,713	13,936,200	14,535,400	599,200
Life Safety	927,493	934,330	1,031,100	1,048,900	17,800
<b>Department Total</b>	<b>14,950,478</b>	<b>15,407,429</b>	<b>15,546,600</b>	<b>16,078,300</b>	<b>531,700</b>

Budgeted FTE's	2014	2015	2016	2017	Difference
	139.0	140.0	144.5	144.0	(0.5)

# City of Duluth Minnesota - 2017 Budget

## Fire Administration

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

Budgeted FTE's	2014	2015	2016	2017	Difference
Fire Chief	1.0	1.0	1.0	1.0	-
1130 Deputy Fire Chief	2.0	1.0	1.0	1.0	-
231 Hazmat Grant Coordinator	-	-	1.0	-	(1.0)
132 Const Svcs Info & Comm Spec	-	-	0.5	0.5	-
131 Executive Assistant	1.0	1.0	1.0	1.0	-
<b>Division Total</b>	<b>4.0</b>	<b>3.0</b>	<b>4.5</b>	<b>3.5</b>	<b>-1.0</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	334,689	267,588	387,700	316,200	(71,500)
Overtime	94	159	-	-	-
Other Wages	-	-	-	-	-
<b>Total Salaries</b>	<b>334,783</b>	<b>267,747</b>	<b>387,700</b>	<b>316,200</b>	<b>(71,500)</b>
Benefits	104,586	79,316	126,600	118,800	(7,800)
Other Expense					
Materials & Supplies	17,619	18,554	20,100	20,100	-
Services	9,221	6,479	11,800	10,800	(1,000)
Utilities & Maintenance	4,054	3,474	4,000	4,000	-
Other	35,940	24,816	29,100	24,100	(5,000)
<b>Total Other Expense</b>	<b>66,834</b>	<b>53,323</b>	<b>65,000</b>	<b>59,000</b>	<b>(6,000)</b>
<b>Division Total</b>	<b>506,203</b>	<b>400,386</b>	<b>579,300</b>	<b>494,000</b>	<b>(85,300)</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Fire Administration - 110-150-1501</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	334,689	267,588	387,700	316,200
5101 Premium Pay	94	159	-	-
5103 Other Wages	-	-	-	-
TOTAL	334,783	267,747	387,700	316,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	42,162	33,688	48,600	43,100
5122 FICA - Social Security	3,503	3,797	9,600	5,700
5123 FICA - Medicare	1,757	2,483	2,300	4,600
5125 Dental Insurance	522	961	1,700	1,300
5126 Life Insurance	600	465	800	600
5127 Health Care Savings Plan (HCSP)	8,445	6,371	3,600	3,700
5130 Cafeteria Plan Benefits	47,598	31,551	60,000	59,800
TOTAL	104,586	79,316	126,600	118,800
5200 Office Supplies	1,845	1,825	2,500	2,500
5202 Audiovisual & Photography	-	203	200	200
5210 Plant/Operating Supplies	1,619	2,030	2,000	2,000
5211 Cleaning/Janitorial Supplies	8,175	7,588	7,500	7,500
5219 Other Miscellaneous Supplies	2,476	3,034	3,000	3,000
5220 Repair & Maintenance Supplies	592	658	1,100	1,100
5228 Painting Supplies	564	649	700	700
5229 Ground Mtc Supplies	-	-	200	200
5240 Small Tools	679	405	400	400
5241 Small Equip-Office/Operating	1,668	2,162	2,500	2,500
5321 Phone Service	1,443	1,584	3,600	2,600
5322 Postage	270	171	500	500
5331 Travel/Training	5,645	2,475	5,000	5,000
5355 Printing & Copying	770	1,447	1,200	1,200
5356 Copier, Printer Lease & Supplies	1,093	802	1,500	1,500
5400 Misc Repair & Mtc Service	1,803	2,247	2,000	2,000
5401 Bldg/Structure Repair & Mtc	2,252	1,227	2,000	2,000
5433 Dues & Subscription	2,663	3,364	2,500	2,500
5440 Emergency Management	32,292	20,266	25,000	20,000
5441 Other Services & Charges	985	1,186	1,500	1,500
5443 Board & Meeting Expenses	-	-	100	100
TOTAL	66,834	53,323	65,000	59,000
<b>DIVISION TOTAL</b>	506,203	400,386	579,300	494,000

# City of Duluth Minnesota - 2017 Budget

<b>General Fund Revenue Detail</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Budget</b>	<b>2017 Approved</b>
<b>Fire Administration - 110-150-1501</b>				
REVENUE SOURCE				
4209 Misc. Federal Grants (Safer Grant)	222,323	-	-	-
4232 State Insurance Premium	504,976	514,883	475,000	475,000
4270 Other Grants	2,000	-	-	-
4340 Fire Protection Services	4,200	4,200	4,200	4,200
4341 Hydrant Maintenance Services	30,000	30,000	30,000	30,000
4644 Miscellaneous Sales	4,975	252	100	100
4654 Other Reimbursements	22,467	4,096	2,500	2,500
4730 Transfer from Special Revenue	40,756	46,806	10,000	30,000
<b>DIVISION TOTAL</b>	<b>831,697</b>	<b>600,237</b>	<b>521,800</b>	<b>541,800</b>

# City of Duluth Minnesota - 2017 Budget

## Fire Operations

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

Budgeted FTE's	2014	2015	2016	2017	Difference
233 Assistant Chief	3.0	3.0	3.0	3.0	-
231 Training Officer	1.0	1.0	1.0	2.0	1.0
231 Technical Services Coord.	-	-	-	0.5	0.5
228 Captain	36.0	33.0	30.0	29.0	(1.0)
227 Equipment Operator	39.0	33.0	33.0	33.0	-
226 Firefighter	45.0	57.0	63.0	63.0	-
<b>Division Total</b>	<b>124.0</b>	<b>127.0</b>	<b>130.0</b>	<b>130.5</b>	<b>0.5</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	8,395,648	8,819,357	8,971,000	9,352,000	381,000
Overtime	816,329	732,163	630,000	630,000	-
Other Wages	-	-	-	-	-
<b>Total Salaries</b>	<b>9,211,977</b>	<b>9,551,520</b>	<b>9,601,000</b>	<b>9,982,000</b>	<b>381,000</b>
Benefits	3,684,435	3,967,706	3,735,300	3,951,500	216,200
Other Expense					
Materials & Supplies	186,599	160,614	169,300	160,000	(9,300)
Services	45,217	42,651	55,800	47,800	(8,000)
Utilities & Maintenance	354,236	307,298	339,600	348,900	9,300
Other	34,318	42,924	35,200	45,200	10,000
<b>Total Other Expense</b>	<b>620,370</b>	<b>553,487</b>	<b>599,900</b>	<b>601,900</b>	<b>2,000</b>
<b>Division Total</b>	<b>13,516,782</b>	<b>14,072,713</b>	<b>13,936,200</b>	<b>14,535,400</b>	<b>599,200</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail		2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Fire Operations - 110-150-1502</b>					
PERSONAL SERVICES					
5100	Permanent Salaries	8,395,648	8,819,357	8,971,000	9,352,000
5101	Premium Pay	816,329	732,163	630,000	630,000
5103	Other Wages	-	-	-	-
	<b>TOTAL</b>	<b>9,211,977</b>	<b>9,551,520</b>	<b>9,601,000</b>	<b>9,982,000</b>
EMPLOYEE BENEFITS					
5121	PERA Retirement	1,375,800	1,515,290	1,531,400	1,598,300
5122	FICA - Social Security	-	-	-	-
5123	FICA - Medicare	127,404	135,174	139,200	135,600
5125	Dental Insurance	19,928	48,329	48,400	48,500
5126	Life Insurance	21,602	22,830	23,400	23,500
5127	Health Care Savings Plan (HCSP)	252,498	307,365	128,400	128,200
5130	Cafeteria Plan Benefits	1,872,950	1,922,316	1,864,500	2,000,000
5133	Health or Fitness Program	14,254	16,402	-	17,400
	<b>TOTAL</b>	<b>3,684,435</b>	<b>3,967,706</b>	<b>3,735,300</b>	<b>3,951,500</b>
OTHER EXPENDITURES					
5205	Safety & Training Materials	6,204	5,149	7,500	7,500
5210	Plant/Operating Supplies	2,675	2,291	3,500	3,500
5212	Motor Fuels	83,938	57,540	59,300	50,000
5218	Uniforms	11,281	10,664	10,000	10,000
5219	Other Miscellaneous Supplies	27,383	25,017	25,000	25,000
5220	Repair & Maintenance Supplies	2,481	1,824	3,000	3,000
5241	Small Equip-Office/Operating	52,638	58,129	61,000	61,000
5305	Medical Svcs/Testing Fees	2,252	4,682	5,000	5,000
5319	Other Professional Services	21,634	19,277	22,500	22,500
5320	Data Services	11,531	8,316	16,000	8,000
5321	Phone Service	6,195	6,603	7,000	7,000
5322	Postage	355	392	300	300
5384	Refuse Disposal	3,251	3,381	5,000	5,000
5409	Fleet Services Charges	354,236	307,298	339,600	348,900
5414	Software Lic/Mtc Agree	-	1,826	2,000	2,000
5441	Other Services & Charges	6,972	5,979	6,200	6,200
5446	Tuition Reimbursement	8,274	12,084	10,000	20,000
5450	Laundry	19,072	23,035	17,000	17,000
	<b>TOTAL</b>	<b>620,370</b>	<b>553,487</b>	<b>599,900</b>	<b>601,900</b>
<b>DIVISION TOTAL</b>		<b>13,516,782</b>	<b>14,072,713</b>	<b>13,936,200</b>	<b>14,535,400</b>

# City of Duluth Minnesota - 2017 Budget

## Life Safety

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

Budgeted FTE's	2014	2015	2016	2017	Difference
233 Fire Marshal	1.0	1.0	1.0	1.0	-
230 Deputy Fire Marshal	2.0	2.0	2.0	2.0	-
32 Lead Housing Inspector	1.0	1.0	1.0	1.0	-
29 Housing Inspector	4.0	3.0	3.0	3.0	-
28 Solid Waste Compliance	1.0	1.0	1.0	1.0	-
129 Admin Information Spec	1.0	1.0	2.0	2.0	-
126 Information Specialist	1.0	1.0	-	-	-
<b>Division Total</b>	<b>11.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>0.0</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	585,065	591,598	655,200	689,000	33,800
Overtime	6,856	6,170	10,000	11,300	1,300
Other Wages	-	6,030	-	-	-
<b>Total Salaries</b>	<b>591,921</b>	<b>603,798</b>	<b>665,200</b>	<b>700,300</b>	<b>35,100</b>
Benefits	282,194	276,523	289,200	293,900	4,700
Other Expense					
Materials & Supplies	11,576	6,510	12,800	10,600	(2,200)
Services	30,397	20,344	32,000	29,000	(3,000)
Utilities & Maintenance	4,359	4,300	8,600	9,300	700
Other	7,047	22,855	23,300	5,800	(17,500)
<b>Total Other Expense</b>	<b>53,378</b>	<b>54,009</b>	<b>76,700</b>	<b>54,700</b>	<b>(22,000)</b>
<b>Division Total</b>	<b>927,493</b>	<b>934,330</b>	<b>1,031,100</b>	<b>1,048,900</b>	<b>17,800</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Life Safety - 110-150-1503</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	585,065	591,598	655,200	689,000
5101 Premium Pay	6,856	6,170	10,000	11,300
5103 Other Wages	-	6,030	-	-
TOTAL	591,921	603,798	665,200	700,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	62,281	63,941	72,700	76,000
5122 FICA - Social Security	21,177	23,318	24,700	26,100
5123 FICA - Medicare	7,834	8,352	9,600	10,200
5125 Dental Insurance	1,502	3,565	3,700	3,700
5126 Life Insurance	1,742	1,725	1,800	1,800
5127 Health Care Savings Plan (HCSP)	17,159	12,513	12,200	6,800
5130 Cafeteria Plan Benefits	170,138	162,419	164,500	169,300
5133 Health or Fitness Program	360	690	-	-
TOTAL	282,194	276,523	289,200	293,900
OTHER EXPENDITURES				
5200 Office Supplies	1,797	782	3,000	1,500
5202 Audiovisual & Photography	920	892	1,000	1,000
5205 Safety & Training Materials	1,652	-	1,000	1,000
5212 Motor Fuels	5,939	3,215	4,700	4,000
5219 Other Miscellaneous Supplies	1,230	812	1,500	1,500
5241 Small Equipment-Office Operating	39	809	1,600	1,600
5321 Phone Service	3,260	3,043	2,600	2,600
5331 Travel/Training	15,365	11,206	15,000	17,000
5335 Local Mileage Reimbursement	3,356	100	4,000	1,000
5355 Printing & Copying	1,480	2,218	5,000	3,000
5356 Copier, Printer Lease & Supplies	6,936	3,777	5,400	5,400
5400 Misc Repair & Mtc Service	-	-	300	300
5409 Fleet Services Charges	4,359	4,300	8,300	9,000
5433 Dues and Subscriptions	275	470	500	500
5435 Books & Pamphlets	2,471	3,384	2,500	2,500
5441 Other Services and Charges	3,694	18,810	20,000	2,500
5443 Board & Meeting Expenses	197	191	300	300
5446 Tuition Reimbursement	10	-	-	-
5459 Fire Safety Education Account	400	-	-	-
TOTAL	53,378	54,009	76,700	54,700
<b>DIVISION TOTAL</b>	<b>927,493</b>	<b>934,330</b>	<b>1,031,100</b>	<b>1,048,900</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Life Safety - 110-150-1503</b>				
REVENUE SOURCE				
4153 Multiple Dwelling License	776,051	878,248	785,000	633,800
4154 Commercial Use/Occupancy Permit	62,467	95,869	80,000	90,000
4306 Building Appeals Fees	-	120	-	-
4360 Vacant Building Fee	4,500	11,900	7,500	-
4644 Misc Fees, Sales, Service	-	22	5,000	5,000
4660 Gifts and Donations	1,420	3,690	-	-
<b>DIVISION TOTAL</b>	<b>844,438</b>	<b>989,849</b>	<b>877,500</b>	<b>728,800</b>

# City of Duluth Minnesota – 2017 Budget

## Police Department

### Mission

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

### Values

Fair

Accountable

Caring

Transparent

### Core Beliefs

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

### Structure

The department consists of approximately 154 sworn police officers and a support staff of over 50 full, part-time and seasonal employees. Crime prevention, detection and investigation are the primary duties of the department. The department is divided into 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:

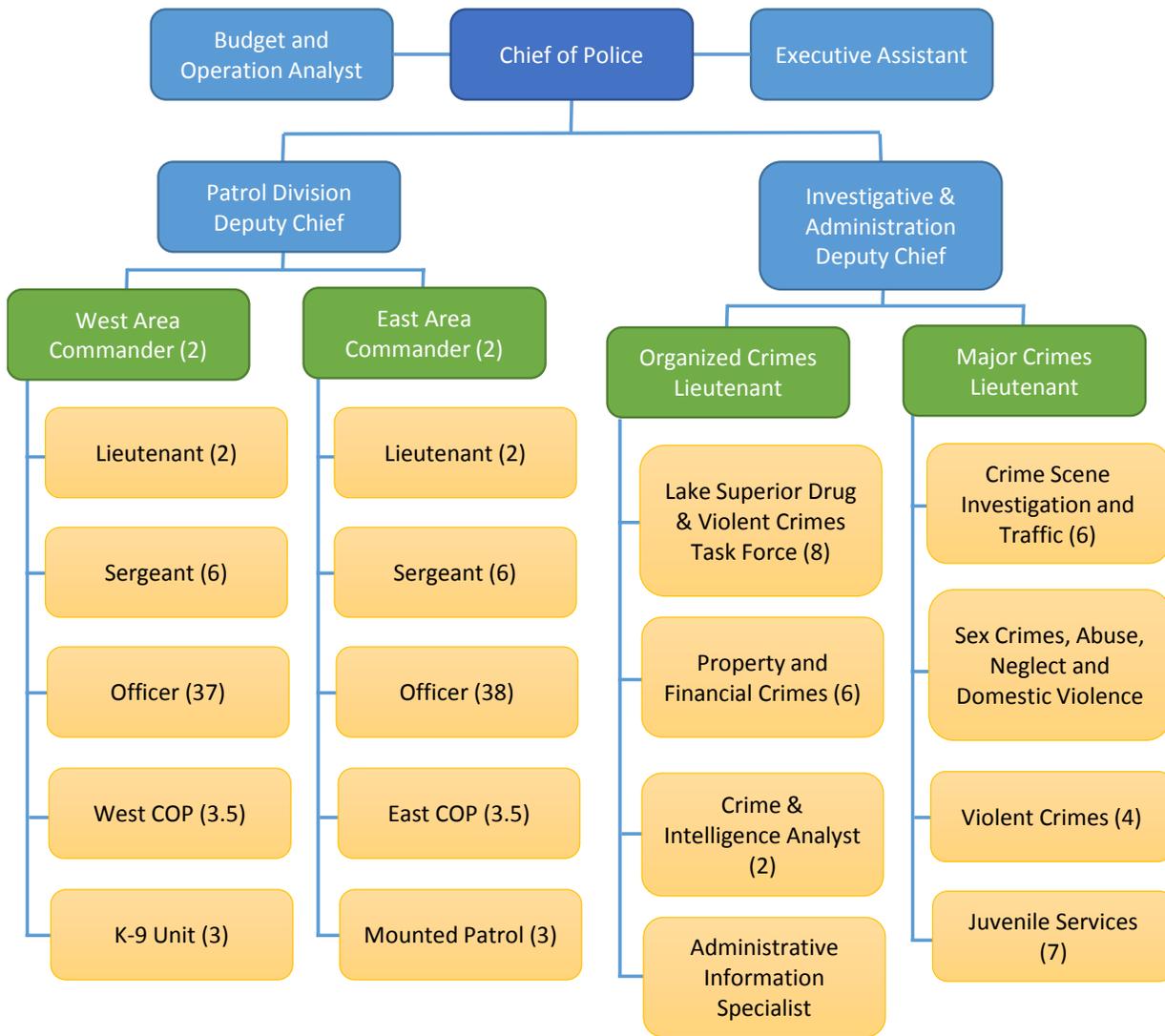
-Crime Scene Investigation	-Lake Superior Drug & Gang Task Force	-Records Support
-Violent Crimes	-Personnel, Training & Licensing	-Forensic Computer Examiner
-Property/Financial Crimes	-Juvenile Services/School Resource	-Internal Investigations
-Crash Investigations	-Sex Crimes, Abuse, Domestic Violence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

The **Patrol Division** is divided into two geographic patrol areas. Each area is under the command of a lieutenant. The Patrol Division consists of the following units: Patrol, Mounted Patrol Unit, Community Policing, Bike Patrol Unit, and Canine Unit.

# City of Duluth Minnesota - 2017 Budget

## Police Department

### Organization Chart

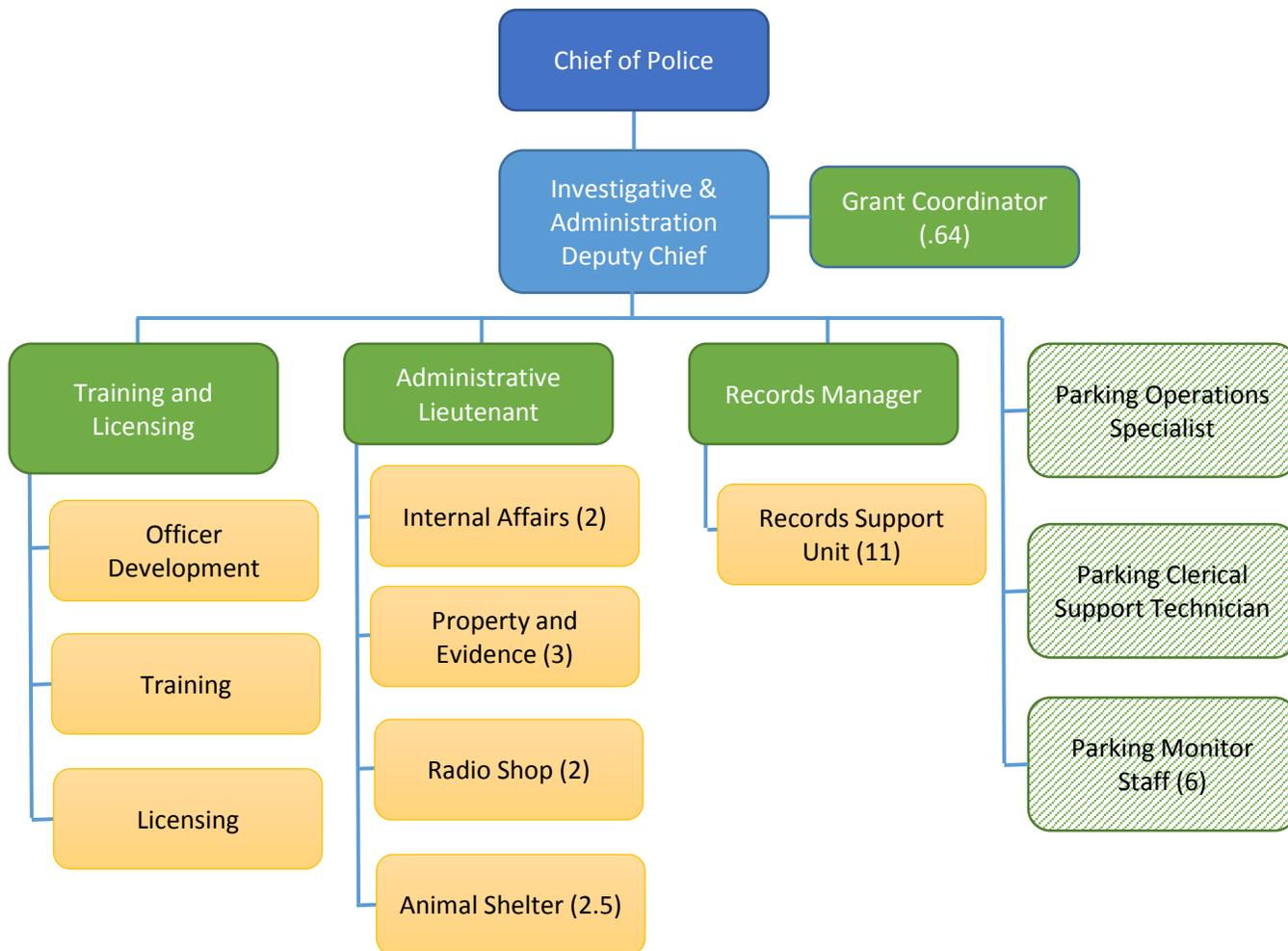


**KEY**  
 Solid = General Fund  
 Patterned = Non-General Fund

# City of Duluth Minnesota - 2017 Budget

## Police Department

### Organization Chart - Continued



**KEY**  
Solid = General Fund  
Patterned = Non-General Fund

# City of Duluth Minnesota - 2017 Budget

## Police Department - Goals and Objectives

<p><b>Goal:</b> Strengthen Organization Effectiveness and Efficiency</p> <p><b>Objective:</b> Get to no more than 60% obligated time for patrol officers. Jobs redesigned for maximum efficiency. Target workloads balance commensurate with staffing and demand.</p> <p><b>Strategy:</b> 1. Implement a new records management system 2. Complete an assessment of work-flow &amp; organizational design 3. Develop SOP's 4. Conduct cross-training for civilian staff 5. Improve online reporting platform</p> <p><b>Measurements and Performance:</b> Percentage of records management system implemented</p>				
2016 Estimate	2017 Target	2018 Target		
0%	50%	100%		
Percentage of new staffing model implemented for patrol and investigations				
2016 Estimate	2017 Target	2018 Target		
n/a	25%	75%		
Percentage of improvement of cases referred for prosecution				
2016 Estimate	2017 Target	2018 Target		
n/a	5%	5%		
Percentage of cross-training completed for civilian staff based on job classifications				
2016 Estimate	2017 Target	2018 Target		
n/a	50%	50%		

# City of Duluth Minnesota - 2017 Budget

## Police Department - Goals and Objectives Continued

<p><b>Goal:</b> Strengthen Trust within the Community and the Department</p> <p><b>Objective:</b> Entire department engaged in developing relationships and problem-solving with the community. Year over year improvement in results due to communications process improvements.</p> <p><b>Strategy:</b> 1. Cascade planning down into each unit of the department 2. Help all staff determine how to build and maintain relationships within the community that they impact 3. Audit and improve the community engagement calendar and problem-tracking spreadsheet. Set standards as needed for community participation 4. Restructure how we meet and communicate as an organization 5. Outreach by Chiefs to community and staff</p> <p><b>Measurements and Performance:</b></p> <p>Number of staff reviews for personal plan for how to build relationships with community</p>				
2016 Estimate	2017 Target	2018 Target		
n/a	182.5 staff	100%		
<p>Community engagement calendar reflects what both community and police see as valuable</p>				
2016 Estimate	2017 Target	2018 Target		
n/a	100%	100%		
<p>Percentage of system in place for intentional up/down communication and communication for learning</p>				
2016 Estimate	2017 Target	2018 Target		
n/a	100%	100%		

# City of Duluth Minnesota - 2017 Budget

## Police Department - Goals and Objectives Continued

<p><b>Goal:</b> Commit to Professional Development and Employee Wellness</p> <p><b>Objective:</b> 100% of employees have a current evaluation on file on an annual basis with a development plan. 100% of employees have received training from community-based organizations. Implement four new employee-driven stress reduction opportunities. Morale is improved over baseline measurement of 2016 City of Duluth <i>Employee Satisfaction and Wellbeing Survey</i>.</p> <p><b>Strategy:</b> 1. Implement environment "fixes" to improve wellness 2. Develop and implement employee development plan/instrument 3. Identify training needs and opportunities for each staff 4. Identify organizational and community-based training opportunities and make plans as needed</p> <p><b>Measurements and Performance:</b></p> <p>Development and implementation of a new employee development plan/instrument</p>				
<b>2016 Estimate</b> n/a	<b>2017 Target</b> 100%	<b>2018 Target</b> 100%		
Percentage of employees have a new and current evaluation on file				
<b>2016 Estimate</b> n/a	<b>2017 Target</b> 100%	<b>2018 Target</b> 100%		
Community-based training opportunities identified and offered to all employees				
<b>2016 Estimate</b> n/a	<b>2017 Target</b> 100%	<b>2018 Target</b> 100%		

# City of Duluth Minnesota - 2017 Budget

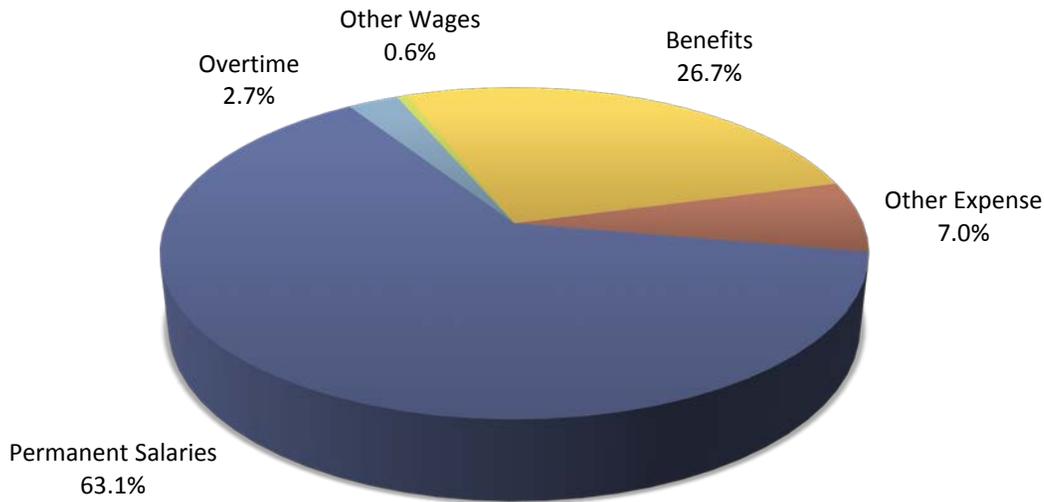
## Police Department - Goals and Objectives Continued

<p><b>Goal:</b> Commit to an Inclusive Work Environment and Leadership</p> <p><b>Objective:</b> Promote a more inclusive organizational culture. Standards and mentorships to support performance. Increased diversity in hiring and leadership.</p> <p><b>Strategy:</b> 1. Complete assessment to find out why few people apply for promotions 2. Conduct implicit bias training 3. Conduct cultural competency training 4. Network with local colleges and educational systems within the area and mentor potential applicants 5. Develop exit interview program (which includes 12-18 month follow-up)</p> <p><b>Measurements and Performance:</b></p> <p>Increase the number of sworn promotional applicants</p>				
<b>2016 Estimate</b> n/a	<b>2017 Target</b> 10%	<b>2018 Target</b> 10%		
<p>Develop awareness of self and impact on others (pre and post personal assessments from training)</p>				
<b>2016 Estimate</b> n/a	<b>2017 Target</b> 100%	<b>2018 Target</b> 100%		
<p>Develop mentorship program for recruitment and retention</p>				
<b>2016 Estimate</b> n/a	<b>2017 Target</b> 25%	<b>2018 Target</b> 25%		

# City of Duluth Minnesota - 2017 Budget

## Police Department

### 2017 Approved Budget by Expense Category



Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Permanent Salaries	11,898,121	12,452,120	12,789,700	13,236,200	446,500
Overtime	683,641	741,158	575,000	575,000	-
Other Wages	94,844	115,929	122,700	122,700	-
Total Personal Services	12,676,606	13,309,207	13,487,400	13,933,900	446,500
Benefits	5,102,198	5,319,799	5,260,000	5,597,300	337,300
Other Expense	1,549,074	1,534,629	1,581,300	1,459,700	(121,600)
<b>Department Total</b>	<b>19,327,878</b>	<b>20,163,635</b>	<b>20,328,700</b>	<b>20,990,900</b>	<b>662,200</b>

Budgeted FTE's	2014	2015	2016	2017	Difference
	178.5	178.5	180.5	183.1	2.6

# City of Duluth Minnesota - 2017 Budget

## Police Department

The Police department consists of two divisions: the Investigative/Administrative division and the Patrol division. The Investigative/Administrative division is responsible for administrative functions of the department including training and development, clerical and records support, fleet, technology and facilities management. In addition, the division is responsible for investigating crime in the areas of violent crime, financial property crimes, family crimes, crime scene investigation, and drug and gang related activities.

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

Budgeted FTE's	2014	2015	2016	2017	Difference
Chief of Police	1.0	1.0	1.0	1.0	-
1130 Deputy Chief	2.0	2.0	2.0	2.0	-
1110 Lieutenant	10.0	10.0	10.0	10.0	-
1090 Police Records & Tech Mgr	1.0	1.0	1.0	1.0	-
328 Sergeant	21.0	21.0	21.0	22.0	1.0
327 Police Investigator	53.0	53.0	53.0	53.0	-
326 Police Officer	65.0	65.0	67.0	68.0	1.0
133 Budget Analyst	1.0	1.0	1.0	1.0	-
133 Sr Police Records Tech	2.0	2.0	1.0	1.0	-
131 Grant Coordinator	1.0	1.0	1.0	0.6	(0.4)
131 Criminal Intell Analyst	2.0	2.0	2.0	2.0	-
131 Executive Assistant	-	-	2.0	2.0	-
129 Admin Info Specialist	2.0	1.0	1.0	1.0	-
128 Police Records Tech II	5.0	5.0	7.0	7.0	-
126 Information Technician	3.0	3.0	1.0	1.0	-
124 Police Records Tech I	3.0	3.0	2.0	3.0	1.0
33 Elec Tech Leadworker	1.0	1.0	1.0	1.0	-
31 Electronics Technician	1.0	1.0	1.0	1.0	-
30 Animal Shelter Leadwrkr	1.0	1.0	1.0	1.0	-
29 Property & Evidence Spec	-	-	1.0	1.0	-
27 Animal Control Officer	-	-	1.0	1.0	-
24 Evidence Technician	2.0	3.0	2.0	2.0	-
21 Animal Services Tech	1.5	1.5	0.5	0.5	-
<b>Department Total</b>	<b>178.5</b>	<b>178.5</b>	<b>180.5</b>	<b>183.1</b>	<b>2.6</b>

# City of Duluth Minnesota - 2017 Budget

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	11,898,121	12,452,120	12,789,700	13,236,200	446,500
Overtime	683,641	741,158	575,000	575,000	-
Other Wages	94,844	115,929	122,700	122,700	-
Total Salaries	12,676,606	13,309,207	13,487,400	13,933,900	446,500
Benefits	5,102,198	5,319,799	5,260,000	5,597,300	337,300
Other Expense					
Materials & Supplies	451,748	355,300	392,700	370,800	(21,900)
Services	115,398	126,936	133,500	133,500	-
Utilities & Maintenance	470,106	308,782	342,900	364,800	21,900
Other	511,822	743,611	712,200	590,600	(121,600)
Total Other Expense	1,549,074	1,534,629	1,581,300	1,459,700	(121,600)
Department Total	<b>19,327,878</b>	<b>20,163,635</b>	<b>20,328,700</b>	<b>20,990,900</b>	<b>662,200</b>

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Police Department</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	11,898,121	12,452,120	12,789,700	13,236,200
5101 Premium Pay	683,641	741,158	575,000	575,000
5102 Extra Duty Employment	-	-	-	-
5103 Other Wages	94,844	115,929	122,700	122,700
TOTAL	12,676,606	13,309,207	13,487,400	13,933,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	1,783,184	1,979,657	2,016,700	2,104,300
5122 FICA - Social Security	80,089	94,891	91,700	95,700
5123 FICA - Medicare	177,308	186,058	195,600	202,000
5125 Dental Insurance	27,112	65,085	67,100	67,200
5126 Life Insurance	31,290	31,493	32,500	32,600
5127 Health Care Savings Plan (HCSP)	418,933	359,870	238,000	245,000
5130 Cafeteria Plan Benefits	2,583,742	2,601,912	2,617,200	2,849,300
5133 Health or Fitness Program	540	833	1,200	1,200
TOTAL	5,102,198	5,319,799	5,260,000	5,597,300

# City of Duluth Minnesota - 2017 Budget

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OTHER EXPENDITURES				
5200 Office Supplies	22,685	22,339	24,000	24,000
5201 Computer Supplies/Software	11,935	1,514	2,000	2,000
5202 Audiovisual & Photography	1,812	643	2,000	2,000
5205 Safety & Training Materials	781	1,027	1,500	1,500
5211 Cleaning/Janitorial Supplies	19,004	12,660	15,500	15,500
5212 Motor Fuels	278,650	196,983	228,900	207,000
5214 Food for Animals	3,985	2,385	4,000	4,000
5217 Ammunition	35,004	36,204	40,000	40,000
5218 Uniforms	52,786	44,870	39,100	39,100
5219 Other Miscellaneous Supplies	15,880	21,771	21,200	21,200
5220 Repair & Maintenance Supplies	6,256	12,349	9,000	9,000
5241 Small Equip-Office/Operating	2,971	2,555	5,500	5,500
5305 Medical Svcs/Testing Fees	241	358	1,000	1,000
5319 Other Professional Services	19,495	19,986	30,000	30,000
5320 Data Services	3,265	2,999	4,500	4,500
5321 Phone Service	79,095	83,341	79,000	79,000
5322 Postage	971	3,018	1,000	1,000
5331 Travel/Training	3,312	9,982	5,000	5,000
5335 Local Mileage Reimbursement	395	-	-	-
5355 Printing & Copying	3,495	1,285	3,000	3,000
5356 Copier, Printer Lease & Supplies	2,660	2,862	4,000	4,000
5384 Refuse Disposal	2,470	3,105	6,000	6,000
5401 Bldg/Structure Repair & Mtc	500	500	11,700	11,700
5404 Equipment/Machinery Repair & Mtc	164,362	4,950	-	-
5409 Fleet Services Charges	305,244	303,332	331,200	353,100
5411 Land Rental/Easements	1,000	1,000	1,000	1,000
5414 Software Licenses & Mtce Agreements	2,310	186,571	201,900	201,900
5433 Dues & Subscription	2,320	5,210	4,000	4,000
5435 Books & Pamphlets	-	76	-	-
5437 Automated Pawn System	30,352	28,545	22,500	22,500
5438 Licenses	5,476	5,490	5,500	5,500
5441 Other Services & Charges	36,223	104,356	34,000	34,000
5443 Board & Meeting Expenses	974	927	800	800
5448 Police Training	91,521	84,853	90,000	90,000
5460 Law Enforcement Center Expenses	339,146	324,083	350,000	228,400
5490 Donations to Civic Organizations	2,500	2,500	2,500	2,500
TOTAL	1,549,074	1,534,629	1,581,300	1,459,700
<b>DEPARTMENT TOTAL</b>	<b>19,327,878</b>	<b>20,163,635</b>	<b>20,328,700</b>	<b>20,990,900</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Police Department</b>				
REVENUE SOURCE				
4209 Federal Grant	74,903	27,849	-	-
4210 Pass-thru Federal Grant	-	96,407	-	-
4220 State of Minnesota	7,798	12,546	-	-
4227 Police Training Reimbursement	46,019	47,312	50,000	50,000
4232 State Insurance Premium	1,334,663	1,387,048	1,300,000	1,300,000
4260 St. Louis County	17,294	20,935	20,900	-
4261 ISD 709	213,462	217,731	215,200	228,400
4262 Housing & Redevelopment Authority	-	-	63,800	-
4322 Animal Shelter Fees	18,633	19,078	20,000	20,000
4325 Radio Services	6,500	6,500	-	-
4326 Criminal History Checks	419	280	2,000	500
4328 Pawnbroker Transaction Surcharge	63,992	60,008	65,000	65,000
4329 False Alarm Fees & Penalties	20,798	15,210	19,600	19,600
4631 Media Sales	2,727	1,724	5,000	2,500
4644 Misc Fees, Sales, & Services	-	60	-	-
4650 Salaries Reimbursement	23,690	44,802	20,000	20,000
4651 Extra Duty Employment Reimbursement	-	6,055	-	-
4654 Other Reimbursements	22,669	13,522	7,000	7,000
4660 Gifts and Donations	1,820	34,585	-	-
4730 Transfer from Tourism Taxes	307,100	308,672	307,100	307,100
4730 Transfer from Police Grant Fund	460,186	480,002	550,900	644,400
4730 Transfer from Police Grant Fund - OT	207,199	206,991	190,000	130,000
<b>DEPARTMENT TOTAL</b>	<b>2,829,870</b>	<b>3,007,317</b>	<b>2,836,500</b>	<b>2,794,500</b>

# City of Duluth Minnesota - 2017 Budget

## Public Works & Utilities Department – General Fund

### Mission and Vision

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

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

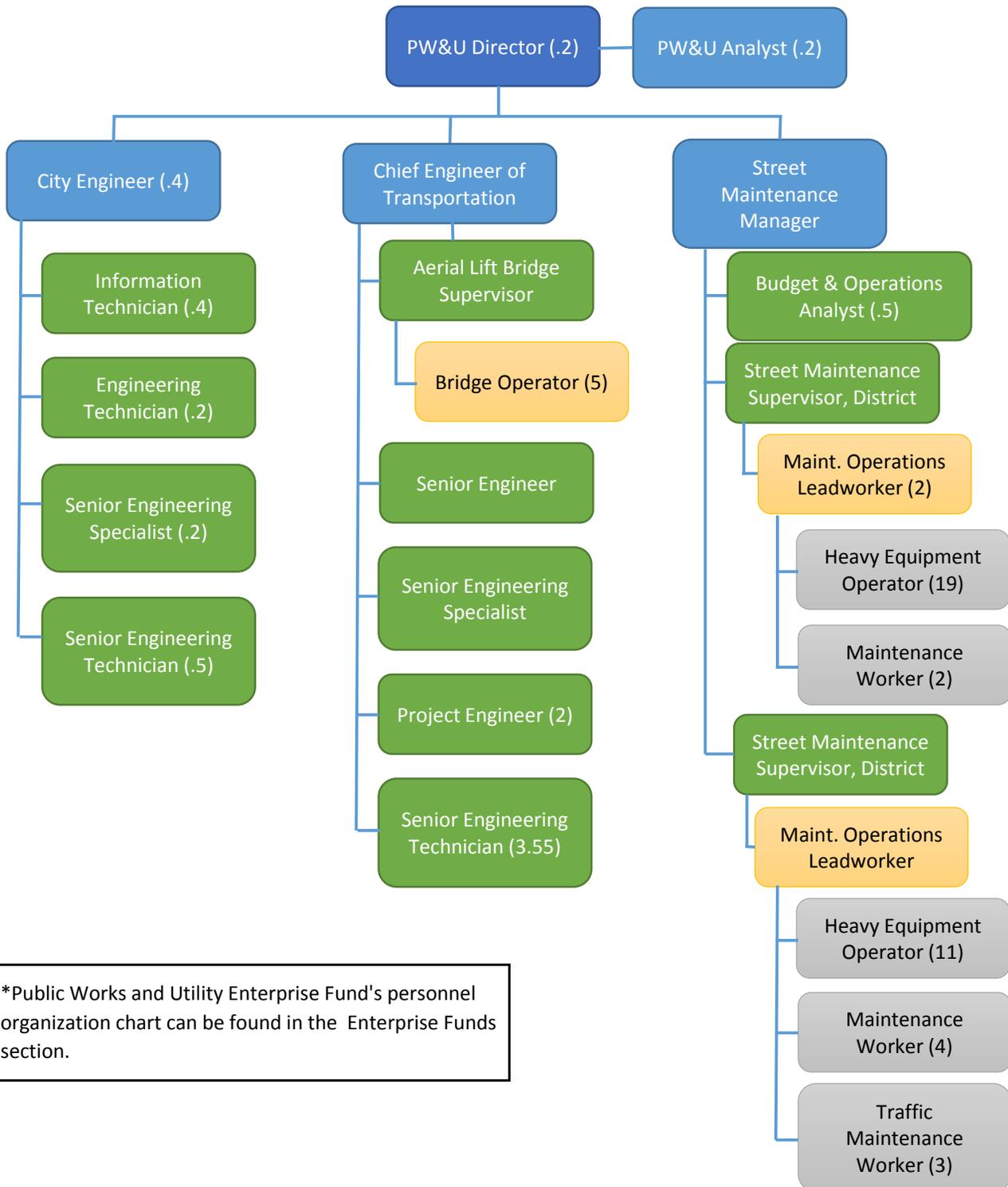
### Structure

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

# City of Duluth Minnesota - 2017 Budget

## Public Works & Utilities

### Organization Chart



\*Public Works and Utility Enterprise Fund's personnel organization chart can be found in the Enterprise Funds section.

# City of Duluth Minnesota - 2017 Budget

## Public Works Department - Goals and Objectives

### Street Maintenance

<p><b>Goal:</b> Prolong the life of aging road systems.  <b>Objective:</b> Utilize new street maintenance fee proceeds to maximize impact on road conditions.  <b>Strategy:</b> 1. Establish maintenance and repair targets.                  2. Improve the recruitment, training, and retention of seasonal employees.                  3. Provide street maintenance services that will hold streets together until long-term solution is identified.</p>				
<b>Measurements and Performance:</b>				
Miles of crack sealing completed				
<b>2016 Estimate</b> 42	<b>2017 Target</b> 50	<b>2018 Target</b> 50		
Miles of paving completed				
<b>2016 Estimate</b> 7	<b>2017 Target</b> 9	<b>2018 Target</b> 9		
Number of permanent patches completed				
<b>2016 Estimate</b> 148	<b>2017 Target</b> 180	<b>2018 Target</b> 180		
Number of returning temporary & seasonal employees				
<b>2016 Estimate</b> 38	<b>2017 Target</b> 38	<b>2018 Target</b> 38		
Miles of mastic completed				
<b>2016 Estimate</b> 9	<b>2017 Target</b> 9	<b>2018 Target</b> 9		
Street Sweeping miles completed				
<b>2016 Estimate</b> 1540	<b>2017 Target</b> 1500	<b>2018 Target</b> 1500		

# City of Duluth Minnesota - 2017 Budget

## Public Works Department - Goals and Objectives

### Water Fund - Enterprise Fund

<p><b>Goal:</b> Prolong the life of aging water utility systems.</p> <p><b>Objective:</b> Decrease the number of water main breaks, conserve water, and keep water rates reasonable.</p> <p><b>Strategy:</b> 1. Replace water mains with worst break history.                  2. Use corrosion resistant plastic pipe when practical.                  3. Use predictive modeling to schedule replacement of water mains before they become a problem.</p> <p><b>Measurements and Performance:</b></p> <p>Number of water main breaks</p>				
<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Target</b>	<b>2018 Target</b>	
142	126	130	125	

### Gas Fund - Enterprise Fund

<p><b>Goal:</b> Provide affordable heat to Duluth residents and reduce greenhouse gases.</p> <p><b>Objective:</b> Provide this utility to as many Duluth customers as possible.</p> <p><b>Strategy:</b> 1. Extend gas mains and install new natural gas services.                  2. Use corrosion resistant plastic pipe when practical.                  3. Use predictive modeling to schedule replacement of water mains before they become a problem.</p> <p><b>Measurements and Performance:</b></p> <p>Number of new natural gas services installed</p>				
<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Target</b>	<b>2018 Target</b>	
203	153	165	170	

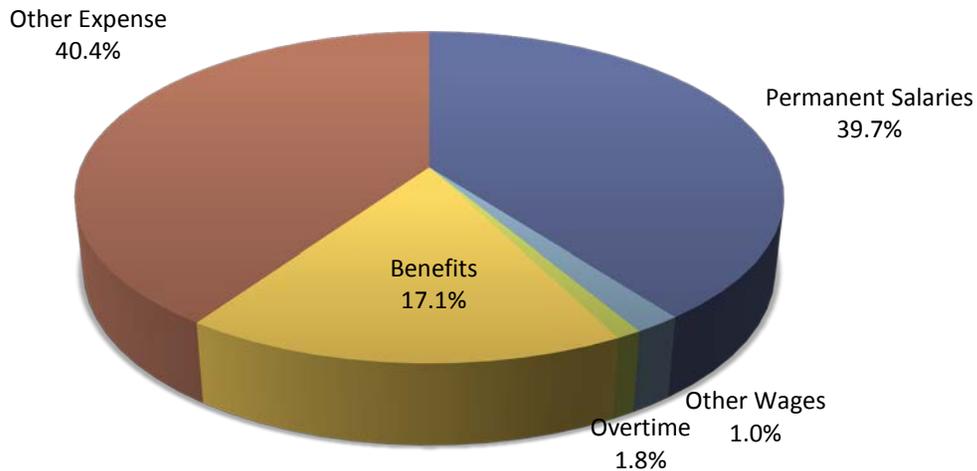
### Street Lighting Fund - Enterprise Fund

<p><b>Goal:</b> Provide a reliable street lighting system and reduce electrical consumption.</p> <p><b>Objective:</b> Increase service life of street lights while decreasing energy consumption.</p> <p><b>Strategy:</b> 1. Systematically replace all non-decorative street lights with LED luminaires using state bid purchasing.                  2. Integrate lighting system utilizing ethernet communications.</p> <p><b>Measurements and Performance:</b></p> <p>Percent of non-decorative city owned street lights retrofitted</p>				
<b>2013 Actual</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Target</b>
11%	40%	60%	85%	100%
<b>2018 Goal</b>				
Continue decorate light retrofit				

# City of Duluth Minnesota - 2017 Budget

## Public Works & Utilities - General Operations

### 2017 Approved Budget by Expense Category



Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Permanent Salaries	3,028,432	3,053,341	3,509,700	3,767,400	257,700
Overtime	308,883	180,732	173,000	173,000	-
Other Wages	159,636	50,198	81,800	91,800	-
Total Personal Services	3,496,952	3,284,271	3,764,500	4,032,200	267,700
Benefits	1,426,600	1,412,283	1,545,400	1,625,800	80,400
Other Expense	4,137,475	3,673,508	3,843,100	3,833,100	(10,000)
<b>Department Total</b>	<b>9,061,026</b>	<b>8,370,062</b>	<b>9,153,000</b>	<b>9,491,100</b>	<b>338,100</b>

Expenditures by Division	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Director's Office	50,693	52,642	52,000	54,200	2,200
Street Maintenance	7,307,231	6,677,006	7,336,500	7,609,200	272,700
Engineering	1,703,102	1,640,414	1,764,500	1,827,700	63,200
<b>Department Total</b>	<b>9,061,026</b>	<b>8,370,062</b>	<b>9,153,000</b>	<b>9,491,100</b>	<b>338,100</b>

Budgeted FTE's	2014	2015	2016	2017	Difference
	56.2	56.2	61.7	62.2	0.5

# City of Duluth Minnesota - 2017 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	2014	2015	2016	2017	Difference
Director	0.2	0.2	0.2	0.2	-
33 PW&U Analyst	0.2	0.2	0.2	0.2	-
<b>Division Total</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	39,350	41,008	41,500	42,700	1,200
Overtime	185	427	-	-	-
Other Wages	-	-	-	-	-
<b>Total Salaries</b>	<b>39,535</b>	<b>41,435</b>	<b>41,500</b>	<b>42,700</b>	<b>1,200</b>
Benefits	10,955	10,823	9,700	10,700	1,000
Other Expense					
Materials & Supplies	51	78	200	200	-
Services	151	306	400	500	-
Utilities & Maintenance	-	-	-	-	-
Other	-	-	200	100	-
<b>Total Other Expense</b>	<b>203</b>	<b>384</b>	<b>800</b>	<b>800</b>	
<b>Division Total</b>	<b>50,693</b>	<b>52,642</b>	<b>52,000</b>	<b>54,200</b>	<b>2,200</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Public Works Director - 110-500-1900</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	39,350	41,008	41,500	42,700
5101 Premium Pay	185	427	-	-
5103 Other Wages	-	-	-	-
TOTAL	39,535	41,435	41,500	42,700
EMPLOYEE BENEFITS				
5121 PERA Retirement	2,783	2,971	2,700	2,800
5122 FICA - Social Security	2,358	2,353	2,600	2,600
5123 FICA - Medicare	575	599	600	600
5125 Dental Insurance	62	148	100	200
5126 Life Insurance	72	72	100	100
5127 Health Care Savings Plan (HCSP)	1,665	1,334	400	900
5130 Cafeteria Plan Benefits	3,439	3,346	3,200	3,500
TOTAL	10,955	10,823	9,700	10,700
OTHER EXPENDITURES				
5200 Office Supplies	5	78	100	100
5241 Small Equip-Office/Operating	46	-	100	100
5321 Phone Service	120	120	100	100
5331 Travel/Training	-	-	200	200
5335 Local Mileage Reimbursement	31	186	100	200
5433 Dues & Subscription	-	-	200	100
TOTAL	203	384	800	800
<b>DIVISION TOTAL</b>	<b>50,693</b>	<b>52,642</b>	<b>52,000</b>	<b>54,200</b>

# City of Duluth Minnesota - 2017 Budget

## Street Maintenance

Repairing City streets is a top priority for the City of Duluth. The street maintenance division is responsible for maintaining over 400 miles of City streets. In the summer, they construct permanent patches, crack seal, pothole patch, pave streets, and paint various markings on streets. Winter operations consist of plowing, ice cutting, sign repair, and parking meter revenue collection.

Budgeted FTE's	2014	2015	2016	2017	Difference
27 Traffic Maintenance Wkr	3.0	3.0	3.0	3.0	-
32 Maintenance Ops Lead	0.3	0.3	3.0	3.0	-
133 Budget & Ops Analyst	0.5	0.5	0.5	0.5	-
1115 Maintenance Ops Mgr	0.3	0.3	0.5	1.0	0.5
22 Maintenance Worker	8.0	8.0	8.0	6.0	(2.0)
27 Heavy Equip Operator	30.0	30.0	28.0	30.0	2.0
1085 Street Maintenance Spvs	3.0	3.0	2.0	2.0	-
<b>Division Total</b>	<b>45.0</b>	<b>45.0</b>	<b>45.0</b>	<b>45.5</b>	<b>0.5</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	1,945,488	1,997,065	2,372,500	2,580,200	207,700
Overtime	217,797	93,075	117,000	117,000	-
Other Wages	150,648	45,217	56,700	66,700	10,000
<b>Total Salaries</b>	<b>2,313,933</b>	<b>2,135,357</b>	<b>2,546,200</b>	<b>2,763,900</b>	<b>217,700</b>
Benefits	978,967	977,684	1,098,000	1,163,000	65,000
Other Expense					
Materials & Supplies	2,032,049	1,715,025	1,724,300	1,644,300	(80,000)
Services	33,010	35,867	40,500	40,500	-
Utilities & Maintenance	1,224,988	1,122,240	1,236,000	1,346,000	110,000
Other	724,284	690,833	691,500	651,500	(40,000)
<b>Total Other Expense</b>	<b>4,014,331</b>	<b>3,563,965</b>	<b>3,692,300</b>	<b>3,682,300</b>	<b>(10,000)</b>
<b>Division Total</b>	<b>7,307,231</b>	<b>6,677,006</b>	<b>7,336,500</b>	<b>7,609,200</b>	<b>272,700</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail		2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Street Maintenance - 110-500-1920</b>					
PERSONAL SERVICES					
5100	Permanent Salaries	1,945,488	1,997,065	2,372,500	2,580,200
5101	Premium Pay	217,797	93,075	117,000	117,000
5103	Other Wages	150,648	45,217	56,700	56,700
5118	Meal Allowance	-	-	-	10,000
	<b>TOTAL</b>	<b>2,313,933</b>	<b>2,135,357</b>	<b>2,546,200</b>	<b>2,763,900</b>
EMPLOYEE BENEFITS					
5111	Long-Term Disability Wages	1,269	-	-	-
5121	PERA Retirement	150,947	155,643	182,800	197,600
5122	FICA - Social Security	140,985	129,887	158,400	171,300
5123	FICA - Medicare	32,972	30,377	37,000	40,100
5125	Dental Insurance	6,024	14,415	16,700	16,900
5126	Life Insurance	6,937	6,964	8,100	8,200
5127	Health Care Savings Plan (HCSP)	48,535	55,313	28,500	60,800
5130	Cafeteria Plan Benefits	591,298	585,085	666,500	668,100
	<b>TOTAL</b>	<b>978,967</b>	<b>977,684</b>	<b>1,098,000</b>	<b>1,163,000</b>
OTHER EXPENDITURES					
5200	Office Supplies	790	2,210	2,000	2,000
5201	Computer Supplies/Software	-	2,875	2,000	2,000
5205	Safety & Training Materials	5,416	3,295	3,300	3,300
5210	Plant/Operating Supplies	1,291	4,277	1,500	3,000
5211	Cleaning/Janitorial Supplies	5,703	4,608	5,000	5,000
5212	Motor Fuels	464,692	195,924	364,800	250,000
5218	Uniforms	9,151	9,083	11,000	12,000
5219	Other Miscellaneous Supplies	12,690	30,503	17,600	17,600
5220	Repair & Maintenance Supplies	1,547	6,236	5,000	5,000
5222	Blacktop	310,206	526,726	194,700	194,700
5223	Salt & Sand	1,023,258	799,635	914,700	896,700
5224	Gravel & Other Misc Materials	193,172	92,561	123,700	123,700
5226	Sign & Signal Materials	195	19,828	73,600	53,900
5228	Painting Supplies	-	-	-	70,000
5240	Small Tools	3,039	10,323	4,400	4,400
5241	Small Equip-Office/Operating	899	6,941	1,000	1,000
5320	Data Services	2,383	1,921	1,800	1,800
5321	Phone Service	1,664	1,716	2,200	2,200
5331	Travel/Training	1,536	2,843	5,500	5,500

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Street Maintenance - 110-500-1920 continued</b>				
5335 Local Mileage Reimbursement	18,060	20,182	24,000	24,000
5356 Copier, Printer Lease & Supplies	4,222	2,320	1,000	1,000
5384 Refuse Disposal	5,145	6,885	6,000	6,000
5409 Fleet Services Charges	1,224,988	1,122,240	1,236,000	1,346,000
5212 Building Rental	217,040	241,227	250,000	210,000
5414 Software Licenses & Mtce Agreements	268	34,555	43,300	43,300
5415 Vehicle/Equip Rent (Short Term)	32,073	63,051	24,000	24,000
5418 Vehicle/Equip Rent (Long Term)	405,577	346,258	352,000	352,000
5419 Other Rentals	1,365	1,360	2,000	2,000
5435 Books & Pamphlets	-	155	-	-
5441 Other Services & Charges	36,698	4,227	20,200	20,200
5580 Capital Equipment	31,263	-	-	-
TOTAL	4,014,331	3,563,965	3,692,300	3,682,300
<b>DIVISION TOTAL</b>	7,307,231	6,677,006	7,336,500	7,609,200

# City of Duluth Minnesota - 2017 Budget

General Fund Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Street Maintenance - 110-500-1920 continued</b>				
REVENUE SOURCE				
4240 Municipal State Aid	1,380,060	1,533,400	1,533,400	1,533,400
4260 St Louis County	131,017	143,500	143,500	143,500
4261 ISD 709	26,312	15,560	10,000	15,000
4636 Sale of Materials	9,109	3,484	6,000	6,000
4654 Other Reimbursements	25,280	28,646	25,000	25,000
4680 Damage or Losses Recovered	231	-	-	-
4730 Transfer from Tourism Taxes	300,400	300,000	300,000	300,000
4730 Transfer from Enterprise Funds	722,554	735,782	865,000	865,000
<b>DIVISION TOTAL</b>	<b>2,594,963</b>	<b>2,760,372</b>	<b>2,882,900</b>	<b>2,887,900</b>

# City of Duluth Minnesota - 2017 Budget

## Engineering

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

Budgeted FTE's	2014	2015	2016	2017	Difference
1140 City Engineer	0.4	0.4	0.4	0.4	-
1130 Chief Eng Transportation	1.0	1.0	1.0	1.0	-
1075 Lift Bridge Supervisor	1.0	1.0	1.0	1.0	-
27 Bridge Operator	5.0	5.0	5.0	5.0	-
129 Admin Info Specialist	0.4	-	-	-	-
126 Information Technician	-	0.4	0.6	0.6	-
39 Senior Project Engineer	-	1.0	1.0	1.0	-
36 Project Engineer	2.0	1.0	2.0	2.0	-
34 Sr. Engineering Spec.	2.2	2.2	1.2	1.2	-
31 Sr. Engineering Tech.	3.6	3.6	3.6	3.8	0.2
28 Engineering Technician	0.5	0.5	0.5	0.3	(0.2)
<b>Division Total</b>	<b>16.1</b>	<b>16.1</b>	<b>16.3</b>	<b>16.3</b>	<b>(0.0)</b>

Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Personal Services					
Permanent Salaries	1,043,594	1,015,268	1,095,700	1,144,500	48,800
Overtime	90,901	87,230	56,000	56,000	-
Other Wages	8,988	4,981	25,100	25,100	-
<b>Total Salaries</b>	<b>1,143,483</b>	<b>1,107,479</b>	<b>1,176,800</b>	<b>1,225,600</b>	<b>48,800</b>
Benefits	436,678	423,776	437,700	452,100	14,400
Other Expense					
Materials & Supplies	51,192	34,243	52,900	50,900	(2,000)
Services	34,663	33,233	52,200	54,500	2,300
Utilities & Maintenance	21,619	18,300	14,700	15,800	1,100
Other	15,467	23,383	30,200	28,800	(1,400)
<b>Total Other Expense</b>	<b>122,941</b>	<b>109,159</b>	<b>150,000</b>	<b>150,000</b>	<b>-</b>
<b>Division Total</b>	<b>1,703,102</b>	<b>1,640,414</b>	<b>1,764,500</b>	<b>1,827,700</b>	<b>63,200</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Expense Detail		2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Engineering - 110-500-1930</b>					
PERSONAL SERVICES					
5100	Permanent Salaries	1,043,594	1,015,268	1,095,700	1,144,500
5101	Premium Pay	90,901	87,230	56,000	56,000
5103	Other Wages	8,988	4,981	25,100	25,100
	TOTAL	1,143,483	1,107,479	1,176,800	1,225,600
EMPLOYEE BENEFITS					
5118	Meal Allowance	-	140	-	-
5121	PERA Retirement	80,585	81,297	84,500	87,900
5122	FICA - Social Security	69,640	67,147	73,000	76,000
5123	FICA - Medicare	16,287	15,703	17,100	17,700
5125	Dental Insurance	2,505	5,773	6,000	6,000
5126	Life Insurance	2,891	2,794	2,900	2,900
5127	Health Care Savings Plan (HCSP)	24,106	21,839	22,200	22,400
5130	Cafeteria Plan Benefits	240,664	229,083	232,000	239,200
	TOTAL	436,678	423,776	437,700	452,100
OTHER EXPENDITURES					
5200	Office Supplies	1,558	2,467	3,600	3,100
5201	Computer Supplies/Software	19,907	5,326	600	400
5203	Paper/Stationery/Forms	703	762	500	700
5205	Safety & Training Materials	952	777	1,000	1,800
5211	Cleaning/Janitorial Supplies	240	55	300	300
5212	Motor Fuels	6,147	4,686	4,900	4,200
5218	Uniforms	-	-	-	700
5219	Other Miscellaneous Supplies	478	561	400	400
5220	Repair & Maintenance Supplies	12,591	9,480	27,100	25,000
5240	Small Tools	1,698	3,323	3,500	3,500
5241	Small Equip-Office/Operating	4,026	4,993	4,700	4,500
5242	Survey Equipment and Supplies	2,892	1,813	6,300	6,300
5303	Engineering Services	12,462	13,621	28,700	26,400
5319	Other Professional Services	119	661	500	500
5320	Data Services	322	1,056	2,000	2,300
5321	Phone Service	5,511	3,998	4,100	3,600
5322	Postage	50	2	100	100
5331	Travel/Training	9,325	8,341	11,900	16,400

# City of Duluth Minnesota - 2017 Budget

<b>General Fund Expense Detail</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Budget</b>	<b>2017 Approved</b>
<b>Engineering - 110-500-1930 continued</b>				
5335 Local Mileage Reimbursement	1,389	491	1,500	1,500
5355 Printing & Copying	2,089	3,278	800	800
5356 Copier, Printer Lease & Supplies	3,162	1,537	2,200	2,500
5384 Refuse Disposal	234	248	400	400
5404 Equipment/Machinery Repair & Mtc	15,916	11,409	5,600	7,300
5409 Fleet Services Charges	5,703	6,891	9,100	8,500
5414 Software Licenses & Mtce Agreements	5,157	13,973	18,500	15,200
5433 Dues & Subscription	693	1,247	2,700	2,700
5435 Books & Pamphlets	304	772	700	700
5438 Licenses	435	-	800	-
5441 Other Services & Charges	8,623	6,947	7,100	9,800
5450 Laundry	255	444	400	400
TOTAL	122,941	109,159	150,000	150,000
 <b>DIVISION TOTAL</b>	 1,703,102	 1,640,414	 1,764,500	 1,827,700

# City of Duluth Minnesota - 2017 Budget

General Fund Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Engineering - 110-500-1930</b>				
REVENUE SOURCE				
4152 Excavation Permits	19,040	17,430	20,000	20,000
4170 Miscellaneous Permits	153,440	61,057	25,000	25,000
4324 Miscellaneous Services	-	-	-	-
4370 Engineering Services	300,268	351,395	55,000	75,000
4631 Media Sales	10,010	6,270	6,000	500
4654 Other Reimbursements	349	17	200	200
4730 Transfer from Tourism Taxes	57,000	57,000	57,000	57,000
4730 Transfer from Enterprise Funds	-	26,000	-	-
<b>DIVISION TOTAL</b>	540,106	519,169	163,200	177,700

# City of Duluth Minnesota - 2017 Budget

## Transfers and Other Functions

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

General Fund Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
EXPENDITURES				
Citywide Dues & Lobbying	141,478	162,931	160,000	83,700
Citywide Communications	202,965	192,473	245,700	236,800
Miscellaneous	155,016	144,908	175,700	175,700
Civic Events and Awards	22,234	26,243	65,500	65,500
Business Improvement Dist.	342,437	354,567	300,000	300,000
Public Access Television	181,640	181,640	182,000	182,000
Sales Tax Administration	104,287	95,205	120,000	120,000
Capital Program - CEP	22,556	109,299	-	-
Community Inv Trust Projects	433,750	-	-	-
Unemployment Compensation	2,957	13,538	27,500	27,500
Benefits Administration	323,207	81,749	100,000	100,000
Retiree Insurance	7,027,205	6,950,146	6,950,000	7,399,100
Accruals	-	-	501,300	411,500
Street Improvement Program Debt	319,187	-	-	-
Self Insurance Contribution	650,000	900,000	1,000,000	1,000,000
<b>Department Total</b>	<b>9,928,920</b>	<b>9,212,699</b>	<b>9,827,700</b>	<b>10,101,800</b>

# City of Duluth Minnesota - 2017 Budget

General Fund Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>Transfers and Other Functions</b>				
REVENUE SOURCE				
4500 Assessments - Service Charge	342,437	354,567	300,000	300,000
4639 Sale of Equipment	87,238	90,543	70,000	2,539
4640 Sale of Land	104,274	3,000	55,000	65,700
4654 Other Reimbursements	14,280	3,891	-	-
4660 Gifts and Donations	1,000	-	-	-
4730 Transfer from Special Revenue	325,218	-	400,000	400,000
<b>DEPARTMENT TOTAL</b>	<b>874,447</b>	<b>452,001</b>	<b>825,000</b>	<b>768,239</b>

# Special Revenue Funds

# City of Duluth Minnesota - 2017 Budget

## Special Revenue Funds

### Funds

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

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

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	62,153,320	69,649,032	72,611,085	76,576,532
REVENUES				
Taxes	11,419,218	13,254,276	13,461,300	17,077,100
Intergovernmental	9,788,260	8,771,745	25,691,661	9,366,143
Miscellaneous	25,134,092	23,782,217	26,440,976	24,568,580
TOTAL REVENUES	46,341,570	45,808,239	65,593,937	51,011,823
EXPENSES				
Personal Services	12,722,643	13,922,162	13,321,633	13,957,679
Other Services and Charges	5,152,354	4,645,048	5,992,677	6,201,808
Transfers	8,889,218	12,028,095	12,402,782	13,558,113
Miscellaneous	12,081,643	12,250,881	29,911,398	12,523,676
TOTAL EXPENSES	38,845,858	42,846,186	61,628,490	46,241,276
FUND BALANCE - DECEMBER 31	69,649,032	72,611,085	76,576,532	81,347,079

# City of Duluth Minnesota - 2017 Budget

## Lake Superior Zoological Gardens

200

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

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	(299,765)	(328,917)	(416,408)	(505,908)
REVENUES				
Intergovernmental, State of MN	160,000	120,000	160,000	160,000
Admissions	738,275	723,788	807,600	797,000
Concessions & Commissions, Misc	195,832	200,676	182,700	204,504
Reimbursement, Lake Superior				
Zoological Society	250,315	-	-	300,000
Gifts and Donations	28,584	15,593	50,000	50,000
Other Sources	5,645	12,658	23,000	10,370
Transfer from Tourism Tax	510,000	510,000	510,000	510,000
TOTAL REVENUES	<u>1,888,651</u>	<u>1,582,715</u>	<u>1,733,300</u>	<u>2,031,874</u>
EXPENSES				
Phone Service	1,056.00	1,096	4,600	3,780
Contract Services, Zoo Personnel	988,144	900,400	999,900	1,203,172
Contract Services, Op Expenses	912,515	754,341	807,200	812,922
Capital Outlay	-	-	-	-
Bank Charges	11,621	11,228	11,100	12,000
Interest	4,467	3,141	-	-
TOTAL EXPENSES	<u>1,917,803</u>	<u>1,670,206</u>	<u>1,822,800</u>	<u>2,031,874</u>
FUND BALANCE - DECEMBER 31	(328,917)	(416,408)	(505,908)	(505,908)

# City of Duluth Minnesota - 2017 Budget

## Parks Fund

205

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

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	561,643	629,520	1,011,181	1,011,181
<b>REVENUES</b>				
Property Tax Levy	2,596,388	2,608,789	2,600,000	2,600,000
Intergovernmental Revenue	283,863	239,239	0	0
Licenses and Permits	47,080	53,605	47,000	49,000
Miscellaneous	81,312	125,535	74,000	90,540
Transfer In	326	19,254	0	0
<b>TOTAL REVENUES</b>	<b>3,008,970</b>	<b>3,046,422</b>	<b>2,721,000</b>	<b>2,739,540</b>
<b>EXPENSES</b>				
Personal Services	1,161,676	1,151,128	1,338,200	1,359,840
Other Services and Charges	539,514	532,497	487,300	490,200
Supplies	232,858	161,448	210,500	204,500
Miscellaneous	99,450	87,261	100,000	100,000
Transfers Out	124,547	-	-	-
Capital Outlay	783,047	732,426	585,000	585,000
<b>TOTAL EXPENSES</b>	<b>2,941,092</b>	<b>2,664,761</b>	<b>2,721,000</b>	<b>2,739,540</b>
FUND BALANCE - DECEMBER 31	629,520	1,011,181	1,011,181	1,011,181

	2014	2015	2016	2017
<b>BUDGETED FTE'S</b>				
1130 Manager, Parks & Recreation	1	1	1	1
1070 Assistant Manager, Parks & Rec	0	0	1	1
1070 Operations Coordinator	1	1	0	0
135 Public Information Coordinator	1	1	0	0
131 Volunteer Coordinator	0.5	0.5	0.5	0
129 Special Events Coordinator	1.5	1.5	1.5	1
129 Park's Permit Coordinator	0	0	0	1
129 Admin Information Specialist	1	1	1	1
124 Senior Center Coordinator	1	1	1	1
32 Project Coordinator	0	0	2	2
28 Trails Coordinator	1	1	1	1
26 Recreation Specialist	1	1	2	2
22 Maintenance Worker	1	1	0.75	0.75
133 TOTAL EXPENSES	0	0	0	0.2
Division Total	10	10	11.75	11.95

# City of Duluth Minnesota - 2017 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.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	640,155	1,017,080	898,284	898,284
REVENUES				
Intergovernmental	357,471	450,197	15,000	187,500
Miscellaneous	976,293	613,939	678,515	582,200
Transfers In	185,763	6,573	30,000	30,000
TOTAL REVENUES	<u>1,519,526</u>	<u>1,070,710</u>	<u>723,515</u>	<u>799,700</u>
EXPENSES				
Personal Services	4,772	-	4,900	-
Personal Services - Police Extra Duty Pay	272,773	265,816	271,500	228,300
Other Services and Charges	605,642	270,367	167,215	162,800
Transfers Out	65,762	253,433	185,000	308,700
Miscellaneous	51,228	116,834	94,900	99,900
Capital Equipment	142,424	283,056	-	-
TOTAL EXPENSES	<u>1,142,601</u>	<u>1,189,506</u>	<u>723,515</u>	<u>799,700</u>
FUND BALANCE - DECEMBER 31	1,017,080	898,284	898,284	898,284

# City of Duluth Minnesota - 2017 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.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	(3,908)	21,445	(9,200)	(9,200)
REVENUES				
Intergovernmental	1,175,062	1,106,282	1,167,067	1,391,948
Felony Forfeitures	76,221	65,327	100,000	100,000
TOTAL REVENUES	<u>1,251,283</u>	<u>1,171,609</u>	<u>1,267,067</u>	<u>1,491,948</u>
EXPENSES				
Other Services and Charges	304,447	302,522	265,283	421,025
Transfer to General Fund	667,785	686,994	739,682	792,713
Miscellaneous	224,760	136,629	156,000	156,000
Capital Equipment	28,938	76,109	106,102	122,210
TOTAL EXPENSES	<u>1,225,930</u>	<u>1,202,254</u>	<u>1,267,067</u>	<u>1,491,948</u>
FUND BALANCE - DECEMBER 31	21,445	(9,200)	(9,200)	(9,200)

# General Fund - 2017 Proposed Expense Budget

## Capital Equipment

250

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

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	1,872,266	1,505,239	2,378,618	2,378,618
REVENUES				
Earnings on Investments	28,049	5,074	-	-
Bond Proceeds	2,517,890	3,497,304	4,900,000	3,950,000
TOTAL REVENUES	<u>2,545,939</u>	<u>3,502,378</u>	<u>4,900,000</u>	<u>3,950,000</u>
EXPENSES				
Bond Issuance Costs	46,330	44,424	156,090	161,596
Capital Equipment - Nonrolling	1,030,556	730,224	2,687,910	1,537,504
Capital Equipment - Rolling	1,836,080	1,854,351	2,056,000	2,250,900
TOTAL EXPENSES	<u>2,912,966</u>	<u>2,628,999</u>	<u>4,900,000</u>	<u>3,950,000</u>
FUND BALANCE - DECEMBER 31	1,505,239	2,378,618	2,378,618	2,378,618

# City of Duluth Minnesota - 2017 Budget

## Economic Development

255

Fund accounts for monies received from various U.S. Environmental Protection Agency and State of Minnesota DEED grants. Such monies are to be used for environmental cleanup as well as the revitalization of the economy of the City of Duluth.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	21,930	8,903	20,788	20,788
REVENUES				
Intergovernmental Revenues	685,747	183,027	1,050,000	800,000
Other Reimbursements	276	20,874	-	-
Other Miscellaneous	18,082	17,787	17,900	18,088
Transfer In	-	5,401	-	-
TOTAL REVENUES	<u>704,105</u>	<u>227,089</u>	<u>1,067,900</u>	<u>818,088</u>
EXPENSES				
Economic Development	<u>717,132</u>	<u>215,204</u>	<u>1,067,900</u>	<u>818,088</u>
TOTAL EXPENSES	<u>717,132</u>	<u>215,204</u>	<u>1,067,900</u>	<u>818,088</u>
FUND BALANCE - DECEMBER 31	8,903	20,788	20,788	20,788

# City of Duluth Minnesota - 2017 Budget

## Community Investment Fund

256

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

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	17,526,543	18,724,752	18,954,798	18,954,798
REVENUES				
Investment Earnings	1,523,427	230,046	400,000	400,000
TOTAL REVENUES	<u>1,523,427</u>	<u>230,046</u>	<u>400,000</u>	<u>400,000</u>
EXPENSES				
Transfer to General Fund (annual)	325,218	-	400,000	400,000
TOTAL EXPENSES	<u>325,218</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>
FUND BALANCE - DECEMBER 31	18,724,752	18,954,798	18,954,798	18,954,798

# City of Duluth Minnesota - 2017 Budget

## Energy Management

257

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

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	256,668	209,828	163,845	97,245
REVENUES				
Intergovernmental Revenues	20,248.34	9,178.06	15,000.00	15,000.00
Transfer From Enterprise Funds	-	-	-	-
Other Reimbursements	6,150	73,991	15,000	60,000
Miscellaneous	1,544	411	0	0
From Public Utility	75,000	75,000	75,000	75,000
TOTAL REVENUES	102,943	158,580	105,000	150,000
EXPENSES				
Personal Services	84,710	58,398	84,900	85,400
Other Services & Charges	46,884	90,864	81,700	120,000
Miscellaneous	18,189	55,301	5,000	35,000
TOTAL EXPENSES	149,783	204,563	171,600	240,400
FUND BALANCE - DECEMBER 31	209,828	163,845	97,245	6,845

BUDGETED FTE'S	2014	2015	2016	2017
33 Energy Coordinator	1	1	1	1

# City of Duluth Minnesota - 2017 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.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	1,120,558	1,758,731	1,757,396	1,850,196
REVENUES				
Hotel Motel 3%	2,192,683	2,497,125	2,512,200	2,830,600
Hotel Motel 1%	730,894	832,375	837,400	943,500
Add'l. 2.0% Hotel Motel Tax	1,362,982	1,549,223	1,561,700	1,754,160
Add'l. .5% Hotel Motel Tax	162,737	387,306	390,400	438,540
Food & Beverage Tax 1.0%	2,217,274	2,390,870	2,470,900	2,537,911
Food & Beverage Tax .75%	1,662,955	1,793,153	1,853,200	1,903,433
Food & Beverage Tax .5%	493,305	1,195,435	1,235,500	1,268,956
Change in Fair Value	5,711	(736)		
TOTAL REVENUES	8,828,541	10,644,751	10,861,300	11,677,100
EXPENSES				
Duluth Entertainment & Convention Center	205,725	97,276	98,000	98,000
Advertising & Publicity	1,708,972	2,033,031	1,975,000	1,985,500
Business Improvement District	200,000	200,000	200,000	200,000
Great Lakes Aquarium	350,000	435,000	360,000	372,500
Lake Superior Zoological Gardens	510,000	510,000	510,000	510,000
Spirit Mountain Operations	475,700	281,700	250,000	345,700
St. Louis County Heritage & Arts Center	176,800	176,800	226,800	226,800
Public Arts	50,000	40,000	40,000	40,000
Duluth Sister Cities International	30,000	40,000	40,000	40,000
Lake Superior & Mississippi Railroad	20,000	20,000	20,000	20,000
Rail Alliance	12,500	9,750	12,500	9,800
Glensheen	-	-	50,000	50,000
Mounted Patrol	-	-	30,000	30,000
Fourth Fest Fireworks	-	-	-	50,000
Tourism-Related Grant Fund	-	-	50,000	-
Transfer to General Fund	833,734	848,956	1,095,000	1,095,000
Transfer to Capital Projects	100,000	119,300	135,100	50,000
Transfer to Capital Funds	-	-	-	1,000,000
Transfer for Debt Service				
- DECC	3,016,937	3,335,127	3,404,500	3,651,300
- Spirit Mountain	500,000	500,000	645,700	500,000
- St Louis River Corridor	0	1,999,146	1,625,900	1,707,500
TOTAL EXPENSES	8,190,368	10,646,086	10,768,500	11,982,100
Increase (Decrease) Undesignated Fund Balance	638,173	(1,335)	92,800	(305,000)
FUND BALANCE - DECEMBER 31	1,758,731	1,757,396	1,850,196	1,545,196

# City of Duluth Minnesota - 2017 Budget

## Home Program

260

Special Revenue fund established to account for monies received from the U.S. Department of Housing and Urban Development under the Home Investment Partnership (HOME) Program. These costs include single family rehabilitation and administration of the program, as well as funds targeted to affordable housing development by special community housing organizations (CHDO's). The 2017 budget figures represent preliminary estimates only.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	(27,500)	(30,054)	(21,530)	(21,530)
REVENUES				
Home Grant	792,815	390,867	480,896	471,511
TOTAL REVENUES	<u>792,815</u>	<u>390,867</u>	<u>480,896</u>	<u>471,511</u>
EXPENSES				
Tenant Based Rental Assistance	165,172	45,220	115,000	110,000
Community Housing Devel Program	265,291	162,709	200,000	150,000
Rehabilitation	267,344	133,438	117,807	164,360
Administration	97,562	40,976	48,089	47,151
TOTAL EXPENSES	<u>795,369</u>	<u>382,343</u>	<u>480,896</u>	<u>471,511</u>
FUND BALANCE - DECEMBER 31	(30,054)	(21,530)	(21,530)	(21,530)

# City of Duluth Minnesota - 2017 Budget

## Community Development

262

Special Revenue fund established to account for monies received from the U.S. Department of Housing and Urban Development (HUD) as a grantee under the Community Development Block Grant Program (CDBG). These monies are to be expended for projects considered necessary for the renewal and revitalization of targeted eligible neighborhoods and low and moderate income households. The 2017 budget figures represent preliminary estimates only, awaiting the allocation of HUD funds.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	(379,397)	(140,799)	(306,968)	(306,968)
REVENUES				
State of Minnesota	7,854	295,579	-	-
Community Development Block Grant	2,042,874	2,421,150	2,224,700	2,190,293
Emergency Shelter Grant	244,198	196,882	183,900	198,963
CDBG-R (ARRA)	-	-	16,070,000	-
EPA Showcase Grant	25,875	-	-	-
Lead Remediation Grant	523,816	232,731	1,105,400	545,000
Transfer in from Special Revenue Fund	242,675	-	-	91,499.00
Miscellaneous reimbursements	38,587	1,518	-	-
TOTAL REVENUES	3,125,879	3,147,860	19,584,000	3,025,755
EXPENSES				
Economic Development	306,215	317,045	586,180	328,000
Housing	1,445,726	1,344,053	8,140,656	1,160,631
Physical Improvements	318,924	779,956	9,900,000	350,000
Public Service Projects	265,667	290,409	379,252	512,585
Program Administration	550,749	582,566	577,912	674,539
TOTAL EXPENSES	2,887,281	3,314,029	19,584,000	3,025,755
FUND BALANCE - DECEMBER 31	(140,799)	(306,968)	(306,968)	(306,968)

# City of Duluth Minnesota - 2017 Budget

## Community Development Administration

265

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

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	-	-	-	-
REVENUES				
Community Development				
Block Grant	481,254	560,627	484,223	602,466
Home Grant	66,527	29,310	48,089	47,151
CDBG-R (ARRA)	-	-	70,000	-
Neighborhood Stabilization	10,771	-	-	-
Lead Paint Abatement Grant	18,005	5,295	10,000	10,000
Emergency Shelter Grant	15,723	4,832	13,789	14,922
TOTAL REVENUES	592,280	600,064	626,101	674,539
EXPENSES				
Personal Services	544,369	549,341	519,871	578,400
OPEB	5,076	3,639	4,600	4,600
Other Services and Charges	42,835	47,084	101,630	96,839
TOTAL EXPENSES	592,280	600,064	626,101	679,839
FUND BALANCE - DECEMBER 31	-	-	-	(5,300.00)

BUDGETED FTE'S	2014	2015	2016	2017
1150 Director, Planning & Const Services	0.33	0.33	0.33	0.33
1085 Manager, CD/Housing	1	1	0.5	0.5
136 Senior Planner	2	2	2	1.7
133 Planner II	3	3	3	2
126 Information Technician	0.5	0.5	0.5	0.5
129 Planner I	0	0	0	1
Division Total	6.83	6.83	6.33	6.03

# City of Duluth Minnesota - 2017 Budget

## Workforce Development

268

Special Revenue fund which accounts for monies received through the Minnesota Department of Employment and Economic Development and St. Louis County to provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed persons. The 2017 budget figures represent preliminary estimates only and are subject to change as grants are appropriated by the State and approved by the City Council.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	267,093	266,347	245,685	245,685
REVENUES				
Miscellaneous	6,368	8,567	-	21,840
Building Rent	217,322	223,399	224,196	230,922
MN Family Investment Program	945,858	914,358	914,358	908,222
Federal Grant	620,309	618,865	734,235	747,971
State Grant	478,191	371,815	375,689	407,656
TOTAL REVENUES	2,268,048	2,137,004	2,248,478	2,316,611
EXPENSES				
Personal Services	1,532,394	1,354,588	1,454,329	1,454,329
OPEB	20,437	11,252	13,400	13,400
Other Services and Charges	715,963	791,826	780,749	848,882
TOTAL EXPENSES	2,268,794	2,157,666	2,248,478	2,316,611
FUND BALANCE - DECEMBER 31	266,347	245,685	245,685	245,685
BUDGETED FTE'S				
1085 Mgr. Workforce Development	1	1	1	1
134 Operations Administrator	1	1	1	1
131 Employment Technician	18	15	13.75	13.75
126 Information Technician	2	2	2	2
37 Youth Program Tutor	0	0.3	0.3	0.3
Division Total	22	19.3	18.05	18.05

# City of Duluth Minnesota - 2017 Budget

## Senior Employment

270

Special Revenue fund which accounts for monies received through the Minnesota Department of Employment and Economic Development and Senior Services of America, Inc. under Title V of the Older Americans Act to provide useful part-time employment for low-income elderly and to improve community services.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	-	10	10	10
REVENUES				
Senior Employment Program - State	113,858	150,859	111,832	111,832
Senior Aides Program - Federal	257,944	247,253	233,287	233,287
TOTAL REVENUES	<u>371,802</u>	<u>398,112</u>	<u>345,119</u>	<u>345,119</u>
EXPENSES				
Personal Services	351,929	377,858	345,119	345,119
Other Services and Charges	19,863	20,254	-	-
TOTAL EXPENSES	<u>371,792</u>	<u>398,112</u>	<u>345,119</u>	<u>345,119</u>
FUND BALANCE - DECEMBER 31	10	10	10	10

# City of Duluth Minnesota - 2017 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.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	38,347,987	43,257,834	44,396,057	47,860,404
REVENUES				
Investment Earnings	899,334	999,887	979,500	1,062,000
Investment Earnings-City Pooled Invt	-	-	815,000	700,000
Change in Fair Value	3,485,856	(447,935)	1,500,000	2,000,000
Trsf from Special Rev Funds (Grants)	-	-	13,847	13,847
Trsf from Enterprise Funds	-	-	159,000	-
Contributions- Employer	9,277,052	10,602,498	9,289,414	9,892,891
TOTAL REVENUES	13,662,242	11,154,450	12,756,761	13,668,738
EXPENSES				
Administrative Expenses	2,812	3,342	3,000	3,000
Benefits	8,749,583	10,012,885	9,289,414	9,892,891
TOTAL EXPENSES	8,752,395	10,016,227	9,292,414	9,895,891
FUND BALANCE - DECEMBER 31	43,257,834	44,396,057	47,860,404	51,633,251

# City of Duluth Minnesota - 2017 Budget

## DECC Revenue Fund

281

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

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	2,249,047	2,513,636	2,856,831	3,421,231
REVENUES				
Investment Earnings Change in Fair Value	9,651	(3,009)	-	-
Transfer from Special Revenue Funds (Tourism)	3,016,936	3,335,127	2,999,000	3,651,300
TOTAL REVENUES	<u>3,026,587</u>	<u>3,332,118</u>	<u>2,999,000</u>	<u>3,651,300</u>
EXPENSES				
Miscellaneous	380,711	553,336	-	-
Transfer to Debt Service	2,381,287	2,435,587	2,434,600	2,252,900
TOTAL EXPENSES	<u>2,761,998</u>	<u>2,988,923</u>	<u>2,434,600</u>	<u>2,252,900</u>
FUND BALANCE - DECEMBER 31	2,513,636	2,856,831	3,421,231	4,819,631

# City of Duluth Minnesota - 2017 Budget

## Street System Maintenance Utility

290

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

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	-	235,476	681,697	681,697
REVENUES				
Payment in Lieu of Tax	-	301,929	-	-
Street System Mtce Utility Fee	1,128,532	2,712,334	2,774,500	-
Property Tax	-	-	-	2,800,000
Earnings On Investments	-	-1,313	-	-
Interest Earned-Customer Accounts	-	514	-	-
TOTAL REVENUES	1,128,532	3,013,464	2,774,500	2,800,000
EXPENSES				
Personal Services	-	140,896	-	-
Supplies	-	535,598	-	-
Other Services and Charges	1,525	197	1,000,000	1,000,000
To Public Utilities - Cost Allocation	17,583	41,000	37,200	-
Transfer to Capital Project	-	356,768	47,138	318,983
Transfer to Debt Service	873,948	1,492,784	1,690,162	1,481,017
TOTAL EXPENSES	893,056	2,567,243	2,774,500	2,800,000
FUND BALANCE - DECEMBER 31	235,476	681,697	681,697	681,697

# Debt Service Funds

# City of Duluth Minnesota - 2017 Budget

## Debt Service Funds

### Funds

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

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.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	17,553,715	15,872,600	16,639,942	16,692,242
REVENUES				
Taxes	6,275,166	6,565,982	6,574,300	6,832,600
Special Assessments	1,312,813	974,821	785,000	620,700
Miscellaneous	390,434	219,253	238,800	238,800
Other Financing Sources	7,318,321	13,705,608	6,465,200	7,909,700
TOTAL REVENUES	<u>15,296,734</u>	<u>21,465,664</u>	<u>14,063,300</u>	<u>15,601,800</u>
EXPENSES				
Debt Service Payments	16,165,289	17,848,322	13,995,700	16,344,800
Miscellaneous	812,560	2,850,000	15,300	16,400
TOTAL EXPENSES	<u>16,977,849</u>	<u>20,698,322</u>	<u>14,011,000</u>	<u>16,361,200</u>
FUND BALANCE - DECEMBER 31	15,872,600	16,639,942	16,692,242	15,932,842

# City of Duluth Minnesota - 2017 Budget

## Debt Service Funds Narrative

### 2016 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, 2016 as it pertains to the City of Duluth is estimated as follows:

Total Gross Bonded Debt		\$168,300,000
Less:		
City - general obligation bonds paid by parking revenues	\$ 21,095,000	
City - general obligation bonds paid by other revenues	66,035,000	
Tax Abatement Bonds	13,805,000	
Utility bonds paid from Enterprise Funds	18,085,000	
Special assessment bonds	10,765,000	
Net Direct Bonded Debt		<u>\$38,515,000</u>

The City's debt is shown in the following table as a share of market value and per capita. The general obligation debt is limited by State Statute to 2.0 percent of market value, or \$113 million.

<u>Year</u>	<u>Amount (in Thousands)</u>	<u>Percent of Market Value</u>	<u>Dollars Per Capita</u>
2016	\$38,515	0.7	\$446
2015	\$38,950	0.7	\$452
2014	\$40,310	0.8	\$467
2013	\$41,281	0.8	\$479
2012	\$40,540	0.8	\$470
2011	\$41,874	0.7	\$485
2010	\$40,949	0.7	\$471
2009	\$41,410	0.7	\$476
2008	\$22,420	0.4	\$258
2007	\$28,986	0.5	\$333
2006	\$29,284	0.6	\$337

The preceding table used an estimated taxable market value of \$5,636,060,400 and a population of 86,265, as reported in the 2010 census.

## City of Duluth Minnesota - 2017 Budget

### Debt Service Funds Narrative

The following tables provide specific information relative to the 2016 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 12/31/2016</u>	<u>2017 Levy Requirements</u>
Aerial Lift Bridge	8/07/08	495,000	179,200
DEDA - Cirrus	4/20/07	-	15,500
Police Station	12/17/09	15,300,000	1,416,300
Lakewalk & Cross City	12/18/13	1,305,000	128,600
Equipment	11/27/12	1,370,000	715,900
Equipment	12/18/13	2,355,000	816,700
Equipment	10/30/14	1,990,000	521,400
Equipment	11/5/2015	3,325,000	724,700
Equipment	11/9/2016	3,565,000	1,004,900
Capital Improvement Projects	12/09/08	410,000	218,900
Capital Improvement Projects	11/23/10	1,160,000	253,200
Capital Improvement Projects	11/29/11	1,190,000	220,200
Capital Improvement Projects	12/18/13	1,475,000	209,200
Capital Improvement Projects	10/30/14	1,020,000	124,700
Capital Improvement Projects	11/5/2015	1,615,000	181,500
Capital Improvement Projects	11/9/2016	1,135,000	142,500
TOTAL DEBT SERVICE			6,873,400
5% Additional required by law (1)			343,700
			<u>7,217,100</u>
Less: Cash on hand			(384,500)
NET DEBT LEVY - Total required by taxation			<u>6,832,600</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 - 2017 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.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	6,958,507	6,852,545	7,056,342	7,471,942
REVENUES				
Property Taxes	6,275,166	6,565,982	6,574,300	6,832,600
Earnings on Investments	80,687	(5,139)	-	-
Other Sources	221,605	224,066	238,800	238,800
Transfer from Capital Project	348,203	4,243	-	-
TOTAL REVENUES	6,925,661	6,789,152	6,813,100	7,071,400
EXPENSES				
Debt Service Payments:				
Bond Principal	4,873,138	5,205,567	5,165,000	5,475,000
Bond Interest	1,376,205	1,379,788	1,224,800	1,412,800
Other Expenditures:				
Transfer to General Fund	36,778	-	-	-
Transfer to Debt Service	745,502	-	-	-
Bond Fees	-	-	7,700	8,100
TOTAL EXPENSES	7,031,623	6,585,355	6,397,500	6,895,900
FUND BALANCE - DECEMBER 31	6,852,545	7,056,342	7,471,942	7,647,442

# City of Duluth Minnesota - 2017 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.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	2,559,864	2,520,298	4,716,750	5,018,350
REVENUES				
Sale of Bonds	-	2,913,417	-	-
Earnings on Investments	16,399	(8,117)	-	-
Transfer from Special Revenue -				
DECC Improvement	2,381,288	2,435,588	2,491,800	2,252,900
Spirit Mountain	500,000	500,000	500,000	500,000
St. Louis River Corridor		1,999,146	308,000	1,707,500
Transfer from Capital Projects -				
Excess Proceeds on New Bonds	9,181	-	-	-
Transfer from Debt Service -				
Lakewalk Homes	59,700	-	-	-
Funded by Others -				
Airport	740,099	964,262	961,600	1,221,800
Spirit Mountain	18,819	16,519	19,100	16,500
Seaway Port - Airpark	86,974	89,272	91,300	88,000
Airport - Cirrus	393,302	398,219	403,200	642,000
TOTAL REVENUES	4,205,762	9,308,306	4,775,000	6,428,700
EXPENSES				
Bond Principal	1,870,000	1,730,000	2,020,000	4,320,000
Bond Interest	2,375,328	2,469,499	2,449,200	2,785,700
Bond Discount/Issuance	-	62,355	-	-
Payment to Other Gov't Agency	-	2,850,000	-	-
Fiscal Agents	-	-	4,200	5,500
TOTAL EXPENSES	4,245,328	7,111,854	4,473,400	7,111,200
FUND BALANCE - DECEMBER 31	2,520,298	4,716,750	5,018,350	4,335,850

# City of Duluth Minnesota - 2017 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.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	2,016,655	1,528,700	1,326,640	999,540
REVENUES				
Construction Assessments	904,932	627,757	542,300	450,000
Earnings on Investments	15,023	(556)	-	-
Sale of Bonds	865,000	-	-	-
Bond Premium	20,419	-	-	-
TOTAL REVENUES	<u>1,805,374</u>	<u>627,201</u>	<u>542,300</u>	<u>450,000</u>
EXPENSES				
Bond Principal	1,236,862	735,433	791,000	701,000
Bond Interest	166,012	93,828	76,800	58,500
Payment to Escrow	865,000	-	-	-
Bond Discount/Issuance	25,455	-	-	-
Fiscal Agents	-	-	1,600	1,400
TOTAL EXPENSES	<u>2,293,329</u>	<u>829,261</u>	<u>869,400</u>	<u>760,900</u>
FUND BALANCE - DECEMBER 31	1,528,700	1,326,640	999,540	688,640

# City of Duluth Minnesota - 2017 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.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	6,018,689	4,971,057	3,540,210	3,202,410
REVENUES				
Construction Assessments	407,881	347,064	242,700	170,700
Earnings on Investments	73,119	882	-	-
Sale of Bonds	-	2,630,000	-	-
Bond Premium	-	270,275	-	-
Transfer from General Fund	319,187	-	-	-
Transfer from Debt Service	685,802	-	-	-
Transfer from Special Revenue	873,948	1,492,784	1,690,200	1,481,000
TOTAL REVENUES	2,359,937	4,741,005	1,932,900	1,651,700
EXPENSES				
Fiscal Agent Fees	-	-	1,800	1,400
Bond Principal	2,875,000	2,800,000	1,930,000	1,380,000
Bond Interest	502,289	477,884	338,900	211,800
Payment to Escrow	-	2,845,900	-	-
Bond Discount/Issuance	-	48,068	-	-
Transfer to General Fund	30,280	-	-	-
TOTAL EXPENSES	3,407,569	6,171,852	2,270,700	1,593,200
FUND BALANCE - DECEMBER 31	4,971,057	3,540,210	3,202,410	3,260,910

# Capital Project Funds

# City of Duluth Minnesota - 2017 Budget

## Capital Project Funds

### Funds

Special Assessment Capital  
 Permanent Improvements  
 Street Improvement Program  
 Capital Improvement  
 Tourism and Recreation Projects

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

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	6,235,347	4,683,034	16,955,315	13,276,719
REVENUES				
Taxes	279,351	279,989	280,000	280,000
Intergovernmental	5,912,098	7,409,289	4,415,000	8,065,000
Miscellaneous	4,496,351	16,190,885	1,909,904	1,935,850
Other Financing Sources	228,261	675,834	2,155,000	4,215,000
TOTAL REVENUES	<u>10,916,061</u>	<u>24,555,997</u>	<u>8,759,904</u>	<u>14,495,850</u>
EXPENSES				
Current	98,293	206,804	150,000	75,000
Capital Outlay	12,370,081	12,076,912	12,288,500	15,387,000
TOTAL EXPENSES	<u>12,468,374</u>	<u>12,283,716</u>	<u>12,438,500</u>	<u>15,462,000</u>
FUND BALANCE - DECEMBER 31	4,683,034	16,955,315	13,276,719	12,310,569

# City of Duluth Minnesota - 2017 Budget

## Special Assessment Capital Project

410

Capital Project fund established to account for improvements which are financed by special assessments. The 2017 budget figures represent preliminary estimates only.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	13,516	34,832	(236,059)	(226,155)
REVENUES				
Assessment Collections	21,535	9,938	9,904	33,850
Earnings on Investments	272	76	-	-
Transfer from Debt Service	-	-	-	-
TOTAL REVENUES	<u>21,807</u>	<u>10,014</u>	<u>9,904</u>	<u>33,850</u>
EXPENSES				
Improvements Other Than Buildings	491	280,905	-	-
TOTAL EXPENSES	<u>491</u>	<u>280,905</u>	<u>-</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	34,832	(236,059)	(226,155)	(192,305)

# City of Duluth Minnesota - 2017 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.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	300,045	607,158	517,753	517,753
REVENUES				
Current Property Taxes	273,391	275,395	280,000	280,000
Delinquent Property Taxes	5,960	4,594	-	-
Miscellaneous Federal Grants	961,430	1,010,961	600,000	3,297,900
State of Minnesota	354,207	135,203	-	-
Municipal State Aid	3,454,680	4,108,736	3,815,000	3,767,100
Investment Earnings	(1,206)	(228)	-	-
Other Sources	-	143,248	-	-
Special Revenue Funds	-	56,518	800,000	800,000
Public Utility Funds	-	-	555,000	415,000
TOTAL REVENUES	<u>5,048,462</u>	<u>5,734,427</u>	<u>6,050,000</u>	<u>8,560,000</u>
EXPENSES				
Improvements Other Than Buildings	4,390,590	5,823,832	6,050,000	8,560,000
Transfer to General Fund	-	-	-	-
Transfer to Debt Service	344,765	-	-	-
Transfer to Capital Project	5,994	-	-	-
Transfer to Special Assessment	-	-	-	-
TOTAL EXPENSES	<u>4,741,349</u>	<u>5,823,832</u>	<u>6,050,000</u>	<u>8,560,000</u>
FUND BALANCE - DECEMBER 31	607,158	517,753	517,753	517,753

# City of Duluth Minnesota - 2017 Budget

## Street Improvement Program

440

Capital Project Fund established to account for improvements to be made as part Street Improvement Program.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	531,021	401,891	368,556	868,556
REVENUES				
Investment Earnings	6,742	(352)	-	-
Transfer from Special Revenue	-	356,768	800,000	-
Assessment Collections	647,432	541,731	500,000	302,000
Other Reimbursements	-	96,539	-	-
TOTAL REVENUES	654,174	994,686	1,300,000	302,000
EXPENSES				
Improvements Other than Buildings	783,304	1,028,021	800,000	302,000
TOTAL EXPENSES	783,304	1,028,021	800,000	302,000
FUND BALANCE - DECEMBER 31	401,891	368,556	868,556	868,556

# City of Duluth Minnesota - 2017 Budget

## Capital Improvement

450

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

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	5,390,765	3,639,153	3,536,222	3,536,222
REVENUES				
Federal Grant	934,064	2,154,389	-	-
State of Minnesota	207,717	-	-	-
Earnings on Investments	84,377	24,923	-	-
Other Reimbursements	230,736	106,580	-	-
Share of Improvements General Fund	-	-	-	2,000,000
Transfer from Permanent Imp	5,994	-	-	-
Transfer from Special Revenue	222,267	119,300	-	1,000,000
Bond Proceeds	3,445,000	1,647,777	1,400,000	1,600,000
Premium on bonds	61,463	-	-	-
TOTAL REVENUES	<u>5,191,618</u>	<u>4,052,969</u>	<u>1,400,000</u>	<u>4,600,000</u>
CAPITAL OUTLAY EXPENDITURES				
Transfer to Debt Service	4,979	3,687	-	-
Bond Issuance Costs	98,293	42,248	150,000	75,000
Capital Improvements	6,839,958	4,109,965	1,250,000	4,525,000
TOTAL EXPENSES	<u>6,943,230</u>	<u>4,155,900</u>	<u>1,400,000</u>	<u>4,600,000</u>
FUND BALANCE - DECEMBER 31	3,639,153	3,536,222	3,536,222	3,536,222

# City of Duluth Minnesota - 2017 Budget

## Tourism & Recreational Projects

452

Capital Project fund established to account for bond proceeds for tourism and recreational projects along the St Louis River Corridor.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	-	-	12,768,843	8,580,343
REVENUES				
Federal Grants	-	-	-	500,000
State of Minnesota	-	-	-	500,000
Bond Proceeds	-	13,520,000	-	-
Premium on Bonds	-	265,258	-	-
Earnings on Investments	-	(21,357)	-	-
Gifts and Donations	-	-	-	-
TOTAL REVENUES	-	13,763,901	-	1,000,000
CAPITAL OUTLAY EXPENDITURES				
Capital Improvements	-	830,173	4,188,500	2,000,000
Land	-	-	-	-
Bond Issuance Costs	-	164,556	-	-
Interfund Transfer Out to Debt	-	329	-	-
TOTAL EXPENSES	-	995,058	4,188,500	2,000,000
FUND BALANCE - DECEMBER 31	-	12,768,843	8,580,343	7,580,343

# Enterprise Funds

# City of Duluth Minnesota - 2017 Budget

## Golf Fund

503

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

Estimated Revenues/Expenses	2014 Actual	2015 Actual	2016 Budget	2017 Approved
REVENUE				
Operating	1,734,063	1,919,763	2,166,366	2,003,089
Non-Operating	471	11,253	-	-
	<u>1,734,534</u>	<u>1,931,016</u>	<u>2,166,366</u>	<u>2,003,089</u>
EXPENSES				
Personal Services				
Supplies	53,386	3,367	-	-
Other Services and Charges	1,370,454	1,840,918	1,952,591	1,864,953
Utilities	44,289	4,944	-	-
Depreciation and Amortization	219,173	220,554	69,222	105,405
Cost of Sales	327,057	238,138	213,076	238,412
Debt Service - Interest	6,297	1,094	-	-
	<u>2,020,656</u>	<u>2,309,015</u>	<u>2,234,889</u>	<u>2,208,770</u>
ESTIMATED OPERATING INCOME / (LOSS)	(286,122)	(377,999)	(68,523)	(205,681)

# City of Duluth Minnesota - 2017 Budget

## Golf Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2016 Budget	2017 Approved
ESTIMATED UNRESTRICTED CASH	<u>(1,891,076)</u>	<u>(1,890,377)</u>
Estimated Net Income (Loss)	(68,523)	(205,681)
<u>Other Sources</u>		
Depreciation	<u>69,222</u>	<u>105,405</u>
Total Other Sources	<u>699</u>	<u>(100,276)</u>
<u>Other Uses</u>		
Capital Lease Payments	<u>-</u>	<u>-</u>
Total Other Uses	<u>-</u>	<u>-</u>
<b>ESTIMATED BUDGETARY YEAR END CASH BALANCE</b>	<b><u><u>(1,890,377)</u></u></b>	<b><u><u>(1,990,653)</u></u></b>

# City of Duluth Minnesota - 2017 Budget

## Lester Golf Course

Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING REVENUES:				
4440 Daily Admission	207,137	211,545	248,035	199,946
4441 Unlimited Season - Golf	175,760	159,937	157,583	157,765
4442 Motor Cart	144,000	180,269	197,875	197,771
4443 Driving Range Fees	22,728	28,197	37,680	31,531
4443 Other Rentals	7,835	1,449	13,655	2,500
4445 Golf Specials/Coupons/Promotions	(7,437)	6,006	-	-
4627 Concessions & Commissions	211,378	205,658	258,269	261,375
TOTAL OPERATING REVENUES	761,401	793,061	913,097	850,888
NON-OPERATING REVENUES				
4644 Misc Fees, Sales & Service	471	9,225	-	-
TOTAL NON-OPERATING REVENUES	471	9,225	-	-
TOTAL REVENUE - LESTER	761,872	802,286	913,097	850,888

# City of Duluth Minnesota - 2017 Budget

## Lester Golf Course

Operating Expense Detail		2014 Actual	2015 Actual	2016 Budget	2017 Approved
OTHER EXPENDITURES					
5212	Motor Fuels	25,484	3,128	-	-
5284	Liquor Purchases	-	21,171	29,851	29,413
5285	Food & Beverage for Resale	55,879	52,051	32,699	33,933
5286	Golf Merchandise for Resale	95,312	44,914	42,471	51,025
5310	Contract Services	-	-	828,272	776,380
5310	Contract Services	208,080	137,896	-	-
5310-01	Contract Services-Clubhouse P/R	93,446	378,847	-	-
5310-02	Contract Services- Maintenance P/R	112,226	-	-	-
5310-03	Contract Services-Supplies	13,057	58,799	-	-
5310-04	Contract Services-Maintenance Supplie	45,683	130,174	-	-
5310-05	Contract Services-Fertilizer	25,714	-	-	-
5310-06	Contract Services-Other Services/Charg	72,993	25,575	-	-
5321	Telephone	810	402	-	-
5381	Electricity	13,344	940	-	-
5385	Oil	14,297	2,186	-	-
5415	Equipment Rental	41,042	40,848	-	-
5420	Depreciation	104,035	104,890	32,744	39,713
5427	Credit Card Commissions	10,795	-	-	-
5441	Other Services & Charges	241	733	-	-
5493	Cost Allocation Charges	33,400	27,500	-	-
5614	Capital Lease Interest	3,102	525	-	-
TOTAL - LESTER		968,940	1,030,579	966,037	930,464

# City of Duluth Minnesota - 2017 Budget

## Enger Golf Course

Revenue Detail		2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING REVENUES:					
4440	Daily Admission	273,482	320,617	373,878	277,000
4441	Unlimited Season - Golf	210,060	267,790	278,365	277,004
4442	Motor Cart	169,899	209,041	242,606	240,155
4443	Driving Range Fees	37,290	49,029	67,955	60,184
4444	Other Rentals	3,672	1,671	13,654	2,500
4445	Golf Specials/Coupons/Promotions	(7,438)	9,345	-	4,500
4627	Concessions & Commissions	285,697	269,209	276,811	290,858
TOTAL OPERATING REVENUES		972,662	1,126,702	1,253,269	1,152,201
NON-OPERATING REVENUES					
4644	Misc. Fees, Sales & Services, Donator	-	2,028	-	-
TOTAL NON-OPERATING REVENUES		-	2,028	-	-
TOTAL REVENUE - ENGER		972,662	1,128,730	1,253,269	1,152,201

# City of Duluth Minnesota - 2017 Budget

## Enger Golf Course

Operating Expense Detail		2014 Actual	2015 Actual	2016 Budget	2017 Approved
OTHER EXPENDITURES					
5212	Motor Fuels	27,902	239	-	-
5284	Liquor Purchases	9,144	30,639	36,314	36,052
5285	Food & Beverage for Resale	87,517	50,738	34,423	36,730
5286	Golf Merchandise for Resale	79,205	38,625	37,318	51,259
5310	Contract Services	-	-	1,124,319	1,088,573
5310	Contract Services	208,080	179,870	-	-
5310-01	Contract Services-Clubhouse P/R	111,530	564,321	-	-
5310-02	Contract Services- Maintenance P/R	128,914	-	-	-
5310-03	Contract Services-Supplies	15,316	53,994	-	-
5310-04	Contract Services-Maintenance Supplie	45,683	139,074	-	-
5310-05	Contract Services-Fertilizer	36,759	-	-	-
5310-06	Contract Services-Other Services/Charg	79,603	30,499	-	-
5321	Telephone	810	680	-	-
5381	Electricity	16,648	1,818	-	-
5415	Equipment Rental	41,042	40,848	-	-
5420	Depreciation	115,138	115,664	36,478	65,692
5427	Credit Card Commissions	12,117	-	-	-
5441	Other Services & Charges	(287)	3,358	-	-
5493	Cost Allocation Charges	33,400	27,500	-	-
5614	Capital Lease Interest	3,195	569	-	-
TOTAL - ENGER		1,051,716	1,278,436	1,268,852	1,278,306

# City of Duluth Minnesota - 2017 Budget

## Parking Fund

505

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

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

Estimated Income and Expense	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>REVENUES</b>				
Operating Revenue	4,227,015	4,516,914	4,806,148	4,796,257
Non-Operating	545,141	381,509	400,000	385,000
	<u>4,772,156</u>	<u>4,898,423</u>	<u>5,206,148</u>	<u>5,181,257</u>
<b>EXPENSES</b>				
Personal Services	531,556	500,826	523,100	615,200
Supplies	72,826	26,634	81,000	45,000
Other Services and Charges	1,146,802	1,016,284	1,121,780	1,103,322
Utilities	182,389	153,948	196,500	208,610
Depreciation and Amortization	481,279	511,551	475,900	475,900
Improvements - Non-Capital	51,346	97,712	219,000	418,500
Debt Service - Interest	235,247	243,073	190,900	190,900
Transfers Out	1,363,827	1,352,700	1,328,600	1,376,700
	<u>4,065,272</u>	<u>3,902,728</u>	<u>4,136,780</u>	<u>4,434,132</u>
<b>ESTIMATED OPERATING INCOME (LOSS)</b>	706,884	995,695	1,069,368	747,125
<b>BUDGETED FTE'S</b>				
1100 Parking Manager	1	1	1	1
131 Parking Operations Specialist	0	0	1	1
121 Clerical Support Technician	1	1	1	1
24 Parking Ramp Leadworker	1	1	0	0
18 Parking Monitors	5	5	5	6
Division Total	8	8	8	9

# City of Duluth Minnesota - 2017 Budget

## Parking Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2016 Projected	2017 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	4,117,237	3,826,737
Estimated Operating Income (Loss)	703,400	747,125
<u>Other Sources</u>		
Depreciation	<u>582,100</u>	<u>475,900</u>
Total Other Sources	582,100	475,900
<u>Other Uses</u>		
Bond Principal Payments	780,000	785,000
Capital Equipment	<u>796,000</u>	<u>40,000</u>
Total Other Uses	1,576,000	825,000
<b>ESTIMATED BUDGETARY YEAR END CASH BALANCE</b>	<b><u><u>3,826,737</u></u></b>	<b><u><u>4,224,762</u></u></b>

# City of Duluth Minnesota - 2017 Budget

## Parking Fund

505

Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING REVENUES:				
4371 Parking Meter Revenues	773,949	814,068	800,000	815,200
4373 Transient Parking	962,445	966,921	968,688	1,016,417
4374 Contract Parking	1,234,893	1,360,249	1,387,960	1,369,930
4170 Miscellaneous Permits	52,957	56,560	54,500	57,500
4472 Administrative Parking Fines	1,183,733	1,226,925	1,495,000	1,437,210
4622 Rent of Buildings	0	92,074	100,000	100,000
4654 Other Reimbursements	19,038	117	0	0
4680 Damage or Losses Recovered	0	0	0	0
<b>TOTAL OPERATING REVENUE</b>	<b>4,227,015</b>	<b>4,516,914</b>	<b>4,806,148</b>	<b>4,796,257</b>
NON-OPERATING REVENUES:				
4270 Other Grants	5,159	0	0	0
4601 Earnings on Investments	59,774	(3,603)	0	0
4857 Transfer in from DEDA	480,208	385,112	400,000	385,000
<b>TOTAL NON-OPERATING REVENUES</b>	<b>545,141</b>	<b>381,509</b>	<b>400,000</b>	<b>385,000</b>
<b>TOTAL REVENUE</b>	<b>4,772,156</b>	<b>4,898,423</b>	<b>5,206,148</b>	<b>5,181,257</b>

# City of Duluth Minnesota - 2017 Budget

## Parking Administration

505-015-1479

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	169,296	134,375	142,000	147,700
5101 Permanent Employees - Overtime	2,893	3,087	0	0
TOTAL	<u>172,189</u>	<u>137,462</u>	<u>142,000</u>	<u>147,700</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	12,377	10,361	10,400	10,900
5121 P.E.R.A., GASB 68	0	5,034	0	0
5122 F.I.C.A. Social Security	10,404	8,275	8,800	9,200
5123 F.I.C.A. Medicare	2,433	1,935	2,100	2,100
5125 Dental Insurance	416	765	700	700
5126 Life Insurance	480	365	400	400
5127 Health Care Savings Plan	3,286	15,229	1,400	2,000
5130 Cafeteria Plan Benefits	33,503	28,077	27,600	29,200
TOTAL	<u>62,899</u>	<u>70,041</u>	<u>51,400</u>	<u>54,500</u>
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	107	393	1,000	1,000
5321 Phone Service	240	240	500	500
5331 Travel/Training	0	5,257	6,000	6,000
5335 Mileage Reimbursement	0	41	500	300
5441 Other Services and Charges	5,950	1,399	6,000	4,000
5700 Transfer to General Fund	0	26,000	0	0
5700 Transfer to Special Revenue	456	0	1,900	0
TOTAL	<u>6,753</u>	<u>33,330</u>	<u>15,900</u>	<u>11,800</u>
2512 TOTAL - ADMINISTRATION	241,841	240,833	209,300	214,000

# City of Duluth Minnesota - 2017 Budget

## Technology Center Parking Ramp

505-015-1480-2510

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	10,654	10,643	10,900	16,522
5310 Contract Services	200,537	173,803	210,200	174,558
5319 Other Professional Service	9,900	0	0	0
5381 Electricity	49,284	44,416	50,000	53,500
5382 Water, Gas & Sewer	3,270	3,897	4,000	4,410
5384 Refuse Disposal	1,170	1,260	2,000	2,000
5386 Steam	16,862	13,164	15,000	18,600
5404 Equipment Maintenance/Repair	375	0	1,000	5,000
5405 Parking Lot Maintenance	4,052	25,325	30,000	42,000
5420 Depreciation	171,708	181,961	171,700	171,700
5441 Other Services and Charges	1,112	1,346	0	0
5450 Laundry	6,637	1,348	0	0
5493 Cost Allocation	4,700	4,700	4,700	21,235
5580 Capital Equipment	0	205,066	0	0
5611 Bond Interest	9,624	743	700	700
5620 Fiscal Agents Fees	175	88	0	0
TOTAL	490,060	667,760	500,200	510,225
2510 TOTAL - TECHNOLOGY CENTER RAMP	490,060	667,760	500,200	510,225

# City of Duluth Minnesota - 2017 Budget

## East Superior Street Parking Ramp

505-015-1480-2511

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	12,820	12,814	13,100	17,308
5310 Contract Services	294,976	258,739	300,000	240,100
5381 Electricity	13,202	11,585	14,000	17,200
5382 Water, Gas & Sewer	2,453	2,471	2,500	7,200
5404 Equipment Maintenance/Repair	0	0	0	5,000
5405 Parking Lot Maintenance	20,175	13,590	159,000	190,000
5420 Depreciation	39,766	48,852	39,800	39,800
5441 Other Services and Charges	1,112	1,112	0	0
5493 Cost Allocation	4,700	4,700	4,700	21,235
5580 Capital Equipment	0	181,710	0	0
5611 Bond Interest	781	60	100	100
5620 Fiscal Agent Fees	175	88	0	0
TOTAL	<u>390,160</u>	<u>535,721</u>	<u>533,200</u>	<u>537,943</u>
2511 TOTAL - E SUPERIOR ST PARKING RAMP	390,160	535,721	533,200	537,943

# City of Duluth Minnesota - 2017 Budget

## Medical District Parking Ramp

505-015-1480-2512

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	10,725	10,714	11,000	16,633
5310 Contract Services	174,267	172,770	190,180	174,600
5381 Electricity	54,669	50,620	53,000	57,100
5382 Water, Gas & Sewer	36,351	22,413	40,000	29,200
5404 Equipment Maintenance/Repair	195	200	1,500	5,000
5405 Parking Lot Maintenance	18,359	53,759	15,000	12,500
5420 Depreciation	227,016	238,381	227,000	227,000
5441 Other Services and Charges	2,459	2,459	0	0
5481 Property Taxes	3,937	6,026	3,500	3,500
5493 Cost Allocation	4,700	4,700	4,700	21,235
5580 Capital Equipment	0	227,323	200,000	0
5611 Bond Interst	224,842	242,270	190,100	190,100
5620 Fiscal Agents Fees	700	525	0	0
TOTAL	758,220	1,032,160	935,980	736,868
2512 TOTAL - MEDICAL DISTRICT PARKING RAMP	758,220	1,032,160	935,980	736,868

# City of Duluth Minnesota - 2017 Budget

## Library and Coney Island Parking Ramps

505-015-1480-2513

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	4,827	4,814	0	6,000
5310 Contract Services	180,960	132,578	169,600	149,826
5381 Electricity	6,298	5,382	8,000	9,400
5382 Water, Gas & Sewer	0	0	10,000	12,000
5405 Parking Lot Maintenance	8,760	5,038	15,000	174,000
5420 Depreciation	32,161	32,161	32,200	32,200
5493 Cost Allocation	4,600	4,600	4,600	21,235
5580 Capital Equipment	0	0	11,000	0
5730 Transfer to General Fund	0	0	0	0
TOTAL	<u>237,606</u>	<u>184,573</u>	<u>250,400</u>	<u>404,661</u>
2513 TOTAL - LIBRARY & CONEY ISLAND PARKING RAMPS	237,606	184,573	250,400	404,661

# City of Duluth Minnesota - 2017 Budget

## Parking Meters and Enforcement

505-015-1481

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	191,848	196,067	224,800	270,200
5101 Permanent Employees - Overtime	234	73	0	0
TOTAL	<u>192,082</u>	<u>196,140</u>	<u>224,800</u>	<u>270,200</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	13,171	13,959	15,800	19,000
5122 F.I.C.A. Social Security	11,488	11,698	13,900	16,800
5123 F.I.C.A. Medicare	2,687	2,736	3,300	3,900
5125 Dental Insurance	819	1,922	2,200	2,600
5126 Life Insurance	945	930	1,100	1,300
5127 Health Care Savings Plan	7,580	1,497	2,100	5,400
5130 Cafeteria Plan Benefits	67,696	64,441	66,500	93,800
5133 Health or Fitness Program	0	0	0	0
TOTAL	<u>104,386</u>	<u>97,183</u>	<u>104,900</u>	<u>142,800</u>
OPERATING EXPENSES				
5200 Office Supplies	0	531	1,000	1,000
5212 Motor Fuels	2,092	1,517	3,000	3,000
5218 Uniforms	1,612	1,298	3,000	3,000
5219 Other Miscellaneous Supplies	2,688	3,161	3,000	2,000
5241 Small Equipment	66,327	19,734	70,000	35,000
5306 Collection Services	27,821	26,560	0	0
5310 Contract Services	157,976	155,379	160,000	160,000
5355 Printing & Copying Services	1,012	1,242	500	500
5356 Copier, Printer Lease & Supplies	132	60	1,000	800
5409 Fleet Service Charges	5,272	4,114	6,000	6,000
5414 Software Lic & Mtc Agreements	0	1,116	0	0
5420 Depreciation	10,628	10,196	5,200	5,200
5427 Credit Card Commissions	4,919	5,646	0	0
5441 Other Services and Charges	2,467	603	5,000	3,000
5493 Cost Allocation	4,600	4,600	4,600	21,235
5580 Capital Equipment	51,585	0	585,000	40,000
5700 Transfer to General Fund	1,362,003	1,326,700	1,326,700	1,376,700
5700 Transfer to Special Revenue Funds	1,368	0	0	0
TOTAL	<u>1,702,502</u>	<u>1,562,457</u>	<u>2,174,000</u>	<u>1,657,435</u>
2512 TOTAL - METERS & ENFORCEMENT	1,998,970	1,855,780	2,503,700	2,070,435

# City of Duluth Minnesota - 2017 Budget

## 410 West First Street Parking Facility Fund

506

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

Estimated Income and Expense	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>REVENUES</b>				
Operating Revenue	-	-	266,770	534,000
Non-Operating				
State of Minnesota Capital Grant	3,346,764	5,153,236	250,000	-
Earnings on Investments	1,157	6,549	-	-
Revenue Bond Cash Balance Forward	-	-	350,000	-
	3,347,921	5,159,785	866,770	534,000
<b>OPERATING EXPENSES</b>				
Supplies	-	-	-	-
Other Services and Charges	-	-	295,400	311,677
Utilities	-	-	34,420	46,448
Depreciation - funded	-	-	291,508	449,727
Depreciation - unfunded	-	-	-	50,000
Debt Service - Interest Accrual	-	-	379,971	122,554
	-	-	1,001,299	980,406
<b>ESTIMATED OPERATING INCOME (LOSS)</b>				
	3,347,921	5,159,785	(134,529)	(446,406)
Debt Service - Principal Payment	-	-	-	136,876
Debt Service - Interest Payment	-	-	109,805	375,877
Capital Outlay-Buildings & Structures	-	-	500,000	-
Capital Outlay-Improvements Other Than Buildings	-	-	100,000	-
	-	-	709,805	512,753
<b>ESTIMATED NON-OPERATING/OPERATING INCOME (LOSS)</b>				
	3,347,921	5,159,785	(844,334)	(959,159)

# City of Duluth Minnesota - 2017 Budget

## 410 West First Street Parking Facility Fund 506 Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2016 Projected	2017 Approved
ESTIMATED UNRESTRICTED CASH	-	(172,855)
Estimated Operating Income (Loss)	(134,529)	(446,406)
<u>Other Sources</u>		
Bond Interest Accrual	379,971	122,554
Depreciation	291,508	449,727
	671,479	572,281
Total Other Sources	671,479	572,281
<u>Other Uses</u>		
Bond Principal Payment	-	(136,876)
Bond Interest Payment	(109,805)	(375,877)
Capital Outlay	(600,000)	-
	(709,805)	(512,753)
Total Other Uses	(709,805)	(512,753)
<b>ESTIMATED BUDGETARY YEAR END CASH BALANCE</b>	<b>(172,855)</b>	<b>(559,733)</b>

# City of Duluth Minnesota - 2017 Budget

## 410 West First Street Parking Facility Fund

506

Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING REVENUES:				
4373 Transient Parking	-	-	22,050	42,600
4374 Contract Parking	-	-	236,320	491,400
4374-01 Contract Parking Other	-	-	8,400	-
4654 Other Reimbursements	-	-	-	-
TOTAL OPERATING REVENUE	-	-	266,770	534,000
NON-OPERATING REVENUES:				
4220-01 State of Minnesota Capital Grant	3,346,764	5,153,236	250,000	-
4601 Earnings on Investments	1,157	6,549	-	-
4999 Cash Balance Forward from Sale of Revenue Bonds	-	-	350,000	-
TOTAL NON-OPERATING REVENUES	3,347,921	5,159,785	600,000	-
TOTAL REVENUE	3,347,921	5,159,785	866,770	534,000

# City of Duluth Minnesota - 2017 Budget

## 410 West First Street Parking Facility Fund

506

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	-	-	10,500	14,830
5310 Contract Services	-	-	240,000	190,244
5319 Other Professional Service	-	-	2,500	-
5381 Electricity	-	-	17,400	24,720
5382 Water, Gas & Sewer	-	-	4,020	5,248
5384 Refuse Disposal	-	-	1,000	1,200
5386 Steam	-	-	12,000	15,280
5401-01 Bdlg/Structure Repair and Maintenance	-	-	16,200	19,440
5404 Equipment Maintenance/Repair	-	-	16,500	2,880
5405 Parking Lot Maintenance	-	-	5,000	16,200
5420 Depreciation - funded	-	-	291,508	449,727
5420 Depreciation - unfunded	-	-	-	50,000
5441 Other Services and Charges	-	-	-	11,448
5493 Cost Allocation	-	-	4,700	56,635
5520 Capital Improvements-Buildings & Structures	-	-	500,000	-
5530 Capital Improvements-Improvements Other than Buildings	-	-	100,000	-
5601 Bond Principal Payment	-	-	-	136,876
5611 Bond Interest-Accrual	-	-	379,971	122,554
5611 Bond Interest Payment	-	-	109,805	375,877
TOTAL	-	-	1,711,104	1,493,159
2510 TOTAL - W SUPERIOR STREET PARKING FACILITY	-	-	1,711,104	1,493,159

# City of Duluth Minnesota – 2017 Budget

## Public Works & Utilities Department – Utilities

### Mission and Vision

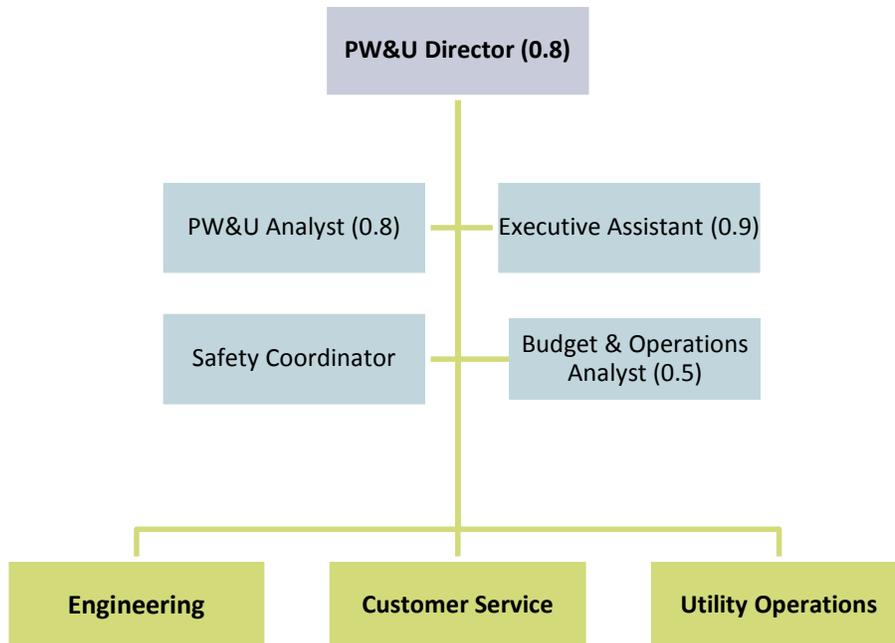
The mission of the Public Works and Utilities Department is to provide; professional engineering services, street maintenance activities, and water, natural gas, sanitary sewer, storm water, and street lighting utilities to Duluth’s businesses and residents in a safe, cost-effective and environmentally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

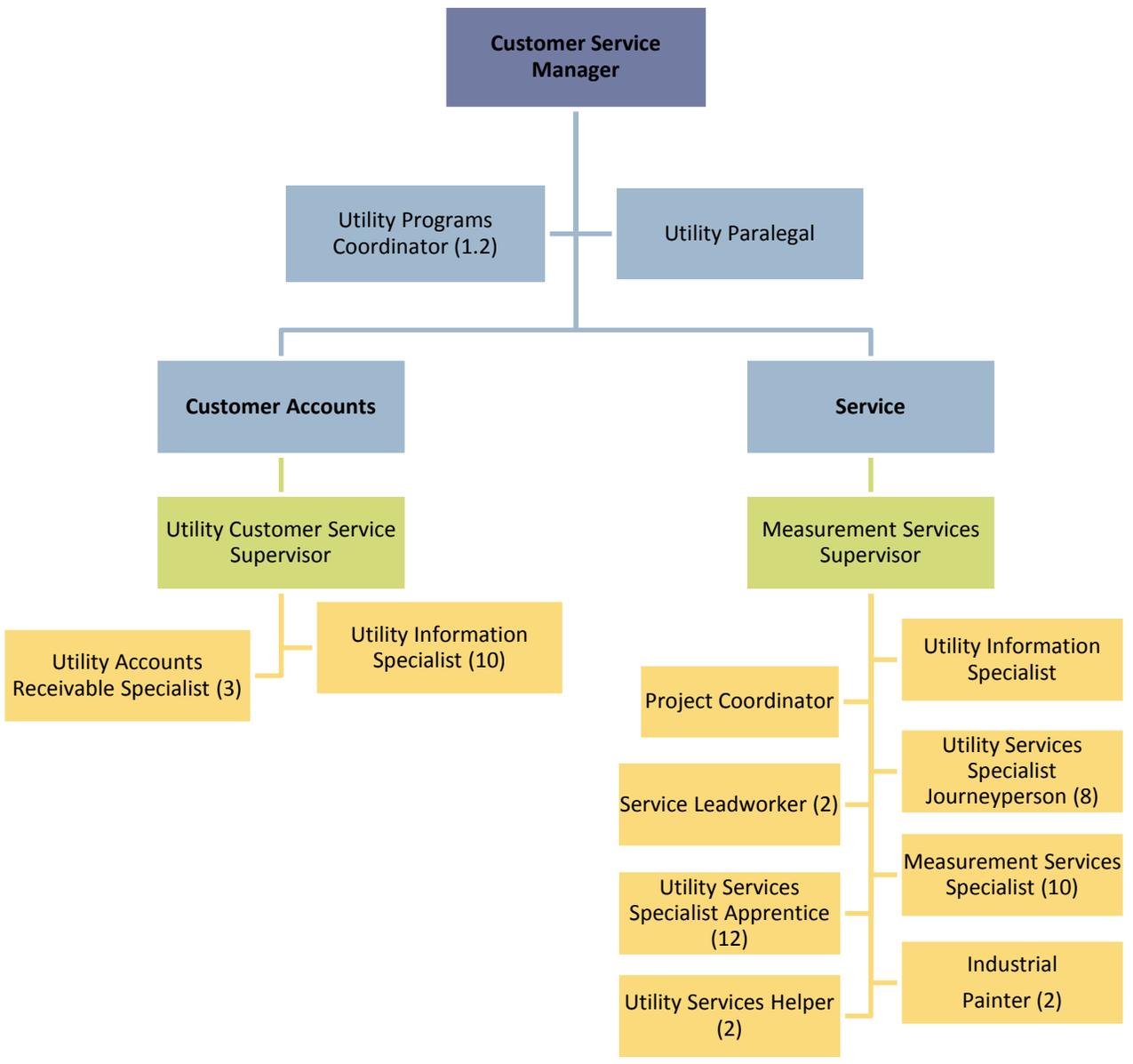
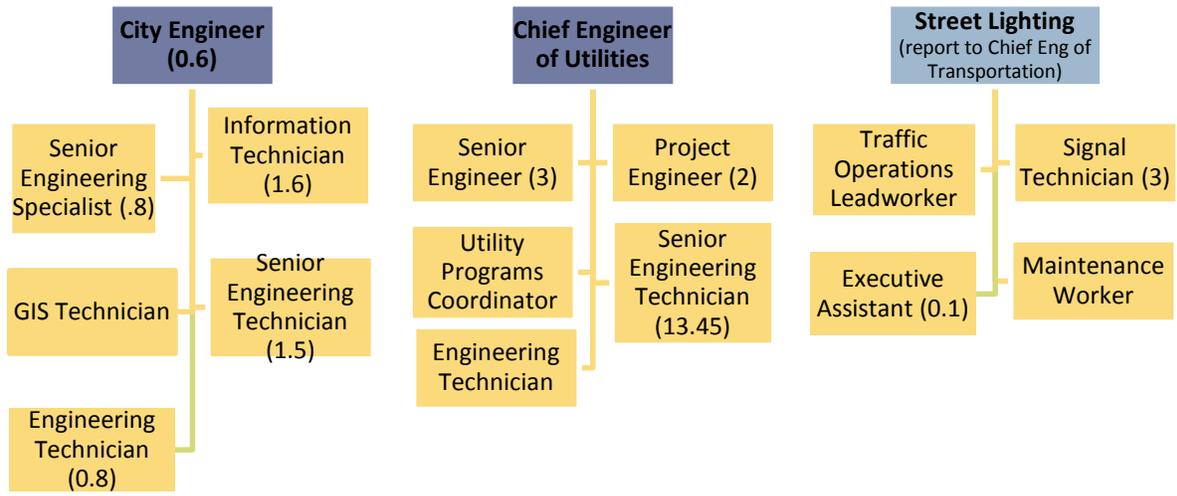
The Department’s vision is to become a functionally integrated organization operating at optimum efficiencies and providing cost-effective and reliable service for all Duluthians.

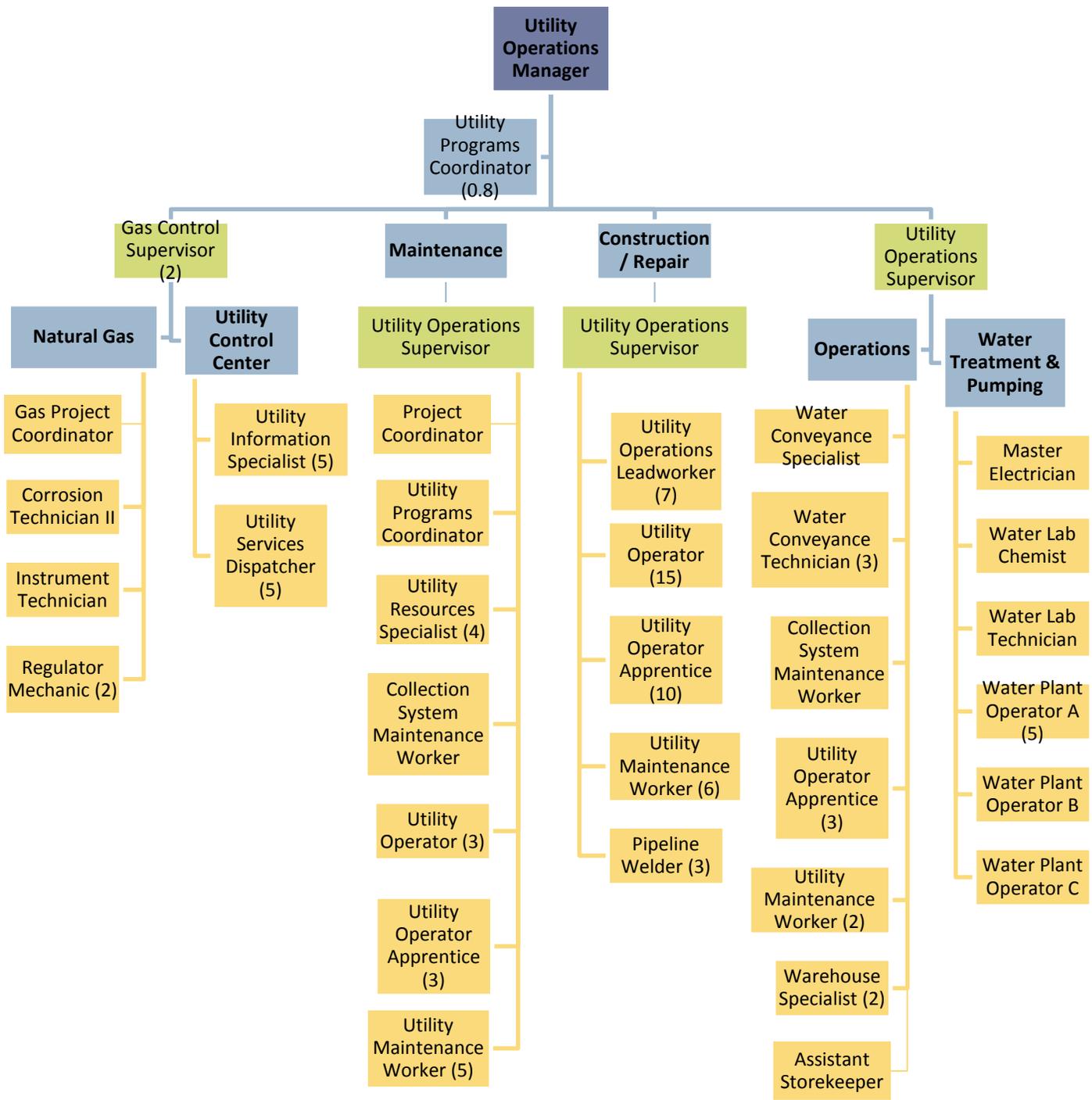
### Structure

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

### Public Works & Utilities Department – Utilities Organization Charts







# City of Duluth Minnesota - 2017 Budget

## Divisions

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

## **Public Works & Utilities - Utilities**

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

## **Mission and Core Services**

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

	2014	2015	2016	2017	Difference
Budgeted FTE's	202.55	197.55	197.35	196.85	(0.50)
Expenditures	2014 Actual	2015 Actual	2016 Budget	2017 Approved	Difference
Salaries and Benefits	17,963,748	17,490,328	19,604,700	20,097,600	492,900
Supplies	41,656,894	21,766,571	27,809,300	24,413,700	(3,395,600)
Other Services & Charges	17,602,614	18,719,447	18,144,100	17,467,100	(677,000)
Utilities	2,186,425	2,077,365	2,122,600	2,130,800	8,200
Depreciation/Amortization	5,555,132	5,642,220	6,128,600	6,209,400	80,800
Grants & Awards	1,487,851	433,946	650,000	520,000	(130,000)
Improvements -Non-Capital	536,275	536,758	375,000	325,000	(50,000)
Debt Service - Interest	862,624	786,278	698,800	530,600	(168,200)
Debt Service - Other	(11,556)	(25,058)	(9,800)	(26,100)	(16,300)
Capital Lease Interest	256,781	234,786	211,900	198,100	(13,800)
Total Operating	88,096,788	67,662,641	75,735,200	71,866,200	(3,869,000)
Non-Operating	15,268,518	14,934,084	11,152,300	10,676,600	(475,700)
Total Expenditure Budget	<b>103,365,306</b>	<b>82,596,725</b>	<b>86,887,500</b>	<b>82,542,800</b>	<b>(4,344,700)</b>

# City of Duluth Minnesota - 2017 Budget

## Utilities - Personnel Summary

		2014 Budget	2015 Budget	2016 Budget	2017 Approved
1165	Director of Public Works & Utilities	0.80	0.80	0.80	0.80
1140	City Engineer	0.60	0.60	0.60	0.60
1130	Chief Engineer - Utilities	1.00	1.00	1.00	1.00
1115-1130	Manager, Customer Service	1.00	1.00	1.00	1.00
1115-1130	Manager, Utility Operations	1.00	1.00	1.00	1.00
1090	Measurement Services Supervisor	1.00	1.00	1.00	1.00
1080-1095	Utility Operations Supervisor	3.00	3.00	3.00	3.00
1075	Chief Gas Controller	2.00	2.00	2.00	2.00
1075	Water Plant Supervisor	1.00	1.00	-	-
1045-1055	Customer Relations Supervisor	1.00	1.00	1.00	1.00
136	Financial Analyst	1.00	1.00	-	-
133	GIS Specialist	-	-	2.00	-
133	Safety Coordinator	1.00	1.00	1.00	1.00
133	Utility Paralegal	1.00	1.00	1.00	1.00
133	Budget & Operations Analyst	-	-	-	0.50
132	Utility Accounts Receivable Specialist	3.00	3.00	3.00	3.00
130	GIS Technician	-	-	-	1.00
129	Administrative Information Specialist	2.00	2.00	2.00	-
129	Utilities Information Specialist	-	-	-	16.00
126	Information Technician	16.50	16.50	15.40	2.40
121	Clerical Support Technician	1.00	-	-	-
121	Janitor I	2.00	-	-	-
39	Senior Project Engineer	2.00	2.00	2.00	1.00
36	Project Engineer	2.00	2.00	3.00	4.00
34	Senior Engineering Specialist	0.80	0.80	0.80	0.80
33	Public Works and Utilities Analyst	-	0.80	1.80	0.80
33	Utility Programs Coordinator	4.00	5.00	4.00	4.00
32	Corrosion Technician II	2.00	-	1.00	1.00
32	FOG Project Coordinator	1.00	-	-	-
32	Project Coordinator	0.80	1.00	1.00	2.00
32	Traffic Operations Leadworker	1.00	1.00	1.00	1.00
32	Utility Operations Leadworker	7.00	7.00	7.00	7.00
32	Customer Service Leadworker	2.00	2.00	2.00	2.00
32	Water Lab Chemist	1.00	1.00	1.00	1.00
31	Master Electrician	1.00	1.00	1.00	1.00
31	Pipeline Welder	3.00	3.00	3.00	3.00
31	Senior Engineering Technician	11.45	10.45	12.45	12.95
31	Utility Resources Specialist	4.00	4.00	4.00	4.00
31	Water Conveyance Specialist	-	-	-	1.00
31	Water Plant Operator A	5.00	5.00	5.00	5.00
30	Appliance Mechanic Apprentice	3.00	2.00	-	-
30	Appliance Mechanic Journeyman	10.00	9.00	-	-
30	Instrument Technician	1.00	1.00	1.00	1.00

City of Duluth Minnesota - 2017 Budget

Utilities - Personnel Summary - continued

	2014 Budget	2015 Budget	2016 Budget	2017 Proposed
30 Signal Technician	3.00	3.00	3.00	3.00
30 Utility Services Specialist Journeyperson	-	-	12.00	8.00
30 Warehouse Specialist	3.00	3.00	3.00	2.00
29 Corrosion Technician I	-	1.00	-	-
29 Gas Fitter	2.00	3.00	-	-
29 Industrial Painter	2.00	2.00	2.00	2.00
29 Lift Station Operator	2.00	2.00	2.00	-
29 Measurement Services Specialist	-	-	9.00	12.00
29 Meter Mechanic	1.00	1.00	-	-
29 Regulator Mechanic	2.00	2.00	2.00	2.00
29 Water Conveyance Technician	2.00	2.00	2.00	3.00
28 Collection System Maintenance Worker	5.00	4.00	4.00	2.00
28 EAM Coordinator	1.00	-	-	-
28 Engineering Technician	6.50	7.50	3.50	3.00
28 Utility Operator	24.00	18.00	18.00	19.00
28 Utility Operator Apprentice	6.00	16.00	16.00	16.00
28 Utility Service Journeyperson	6.00	6.00	-	-
28 Utility Services Specialist Apprentice	8.00	9.00	9.00	12.00
28 W & G Maintenance Journey Person	2.00	-	-	-
28 Water Plant Operator B	1.00	1.00	1.00	1.00
27 Water Lab Technician	1.00	1.00	1.00	1.00
26 Utility Service Dispatcher	5.00	5.00	5.00	5.00
24 Assistant Storekeeper	-	-	-	1.00
24 Water Plant Operator C	1.00	1.00	1.00	1.00
23 Utility Maintenance Worker	14.00	12.00	13.00	13.00
22 Maintenance Worker	1.00	1.00	1.00	1.00
22 Meter Reader	2.00	2.00	2.00	-
9 Executive Assistant	0.10	0.10	1.00	1.00
<b>DEPARTMENT TOTAL</b>	<b>202.55</b>	<b>197.55</b>	<b>197.35</b>	<b>196.85</b>

# City of Duluth Minnesota - 2017 Budget

## Water Fund

510

The Water Fund is a self-supporting enterprise fund which accounts for the collection, treatment, and distribution of water to the citizens of Duluth. The major funding source is water sales, representing 99% of total revenues for 2017. Significant categories of expense include personnel and benefits at 49% of total proposed expenses.

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

Estimated Income and Expense	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>REVENUE</b>				
Operating	14,539,396	14,428,567	14,510,200	15,083,400
Non-Operating	93,397	323,572	181,600	169,500
	<u>14,632,793</u>	<u>14,752,139</u>	<u>14,691,800</u>	<u>15,252,900</u>
<b>EXPENSES</b>				
Personal Services	5,370,754	5,095,802	5,562,500	5,989,900
Supplies	1,359,760	1,152,447	1,417,900	1,406,900
Other Services & Charges	1,327,267	1,233,439	1,353,500	1,248,100
Utilities	1,307,206	1,246,705	1,255,200	1,261,300
Depreciation/Amortization	1,635,320	1,709,522	1,873,000	1,921,100
Improvements -Non-Capital	247,873	41,515	-	-
Debt Service - Interest	176,934	176,270	170,300	127,700
Debt Service - Other	(1,454)	(2,896)	(700)	(4,700)
Capital Lease Interest	92,441	84,523	76,300	71,300
Transfers	353,656	174,513	290,900	244,700
	<u>11,869,757</u>	<u>10,911,840</u>	<u>11,998,900</u>	<u>12,266,300</u>
<b>ESTIMATED OPERATING INCOME (LOSS)</b>				
	2,763,036	3,840,299	2,692,900	2,986,600
<b>Other Sources of Cash</b>				
	1,988,266	1,430,023	2,009,600	1,916,400
<b>Other Uses of Cash</b>				
	(5,272,989)	-5,289,367	(4,973,800)	(4,521,400)
Increase (Decrease) in Cash	<u>(521,687)</u>	<u>(19,045)</u>	<u>(271,300)</u>	<u>381,600</u>

# City of Duluth Minnesota - 2017 Budget

## Water Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2016 Budget	2016 Projected	2017 Proposed
ESTIMATED OPERATING INCOME (LOSS)	2,695,700	3,404,000	2,986,600
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,873,000	1,790,300	1,921,100
Interest from Bond Discount	-700	-4,800	-4,700
PERA Retirement, GASB 68	0	51,800	0
Other Post Employment Benefits	0	0	0
Due from Other Funds	0	115,828	0
Special Assessment Principal	137,300	146,422	0
Total Other Sources of Cash	<u>2,009,600</u>	<u>2,099,550</u>	<u>1,916,400</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	0	17,891	0
Capital Improvements from Current Revenues	2,859,700	3,446,200	2,344,000
Infrastructure Improvements	0	0	0
Capital Equipment Purchases	320,000	346,000	439,800
Bond Principal Payments	1,574,400	1,445,200	1,509,500
AMR Lease Principal Payments	219,700	219,700	228,100
Total Other Uses of Cash	<u>4,973,800</u>	<u>5,474,991</u>	<u>4,521,400</u>
INCREASE (DECREASE) IN CASH	-268,500	28,559	381,600
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH- BEGINNING	<u>701,300</u>	<u>483,951</u>	<u>512,510</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH- ENDING	<u><u>432,800</u></u>	<u><u>512,510</u></u>	<u><u>894,110</u></u>

# City of Duluth Minnesota - 2017 Budget

## Water Fund

510

Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING REVENUES:				
4636 Sale of Scrap	23,877	14,952	14,000	12,000
4680 Damage or Losses Recovered	-	2,253	-	-
4800 Meter Repair	45,791	37,796	30,000	25,000
4801 Off/On Charge	27,695	23,984	28,000	26,000
4802 Interest - Customer Accounts	46,303	44,903	44,000	44,000
4805 Reimbursements	2,505	8,825	3,000	3,000
4807 Water Tower Lease	138,581	-	-	-
4809 Miscellaneous Operating	26,311	19,931	15,000	15,000
4810 Metered Water Sales	10,524,394	10,619,856	10,709,800	11,218,000
4811 Water for Resale	1,308,121	1,258,161	1,256,200	1,325,900
4831 Fixed Rate Charges	2,385,423	2,397,906	2,405,200	2,409,500
4851 Interest Income	10,395	-	5,000	5,000
<b>TOTAL OPERATING REVENUES</b>	<b>14,539,396</b>	<b>14,428,567</b>	<b>14,510,200</b>	<b>15,083,400</b>
NON-OPERATING REVENUES:				
4230 Pera Aid	16,919	16,919	16,900	16,900
4601 Change in Fair Value Investments	3,060	4,640	-	-
4601 GASB #31 Adjustment	13,182	-	-	-
4806 Connection Fees	7,655	15,426	7,000	7,000
4850 Earnings on Investments	(31)	-	100	-
4851 Interest - Other Sources	-	6,844	-	-
4853 Gain on Sale of Assets	13,590	14,847	1,000	2,000
4854 Utility Assessment	23,087	146,039	3,000	3,000
4730 Tranfers from Special Revenue Funds	5,275	97,537	135,000	122,000
4730 Tranfers from Enterprise Funds	10,660	21,320	18,600	18,600
<b>TOTAL NON-OPERATING REVENUES</b>	<b>93,397</b>	<b>323,572</b>	<b>181,600</b>	<b>169,500</b>
<b>TOTAL REVENUE</b>	<b>14,632,793</b>	<b>14,752,139</b>	<b>14,691,800</b>	<b>15,252,900</b>

# City of Duluth Minnesota - 2017 Budget

## Director's Office

510-500-1900

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	47,839	50,896	70,100	54,800
5101 Permanent Employees - Overtime	199	510	500	500
TOTAL	48,038	51,406	70,600	55,300
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	19,355	3,706	5,100	4,000
5122 F.I.C.A. Social Security	2,886	2,969	4,400	3,400
5123 F.I.C.A. Medicare	699	745	1,000	800
5125 Dental Insurance	96	223	300	200
5126 Life Insurance	109	108	200	100
5127 Health Care Savings	1,750	1,430	600	500
5130 Cafeteria Plan Benefits	5,170	5,018	7,100	5,200
TOTAL	30,065	14,199	18,700	14,200
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	26	-	100	100
5241 Small Equipment	-	110	200	100
5321 Phone Service	120	120	100	100
5331 Training Expense	139	-	300	300
5335 Mileage Reimbursement - Local	39	201	100	200
5356 Copier, Printer Lease & Supplies	-	-	-	-
5438 Licenses	-	-	-	-
5441 Other Services and Charges	-	-	-	-
5700 Transfer to Special Revenue Funds	12,844	-	-	-
TOTAL	13,168	431	800	800
1900 TOTAL - DIRECTOR'S OFFICE	91,271	66,036	90,100	70,300

# City of Duluth Minnesota - 2017 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	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING EXPENSES				
5420 Depreciation	1,635,320	1,709,522	1,873,000	1,921,100
5441 Other Services & Charges	-	62	-	-
5535 Improvements (Non-Capital)	247,873	41,515	-	-
5540 Equipment (Non-Capital)	1,848	10,210	12,000	-
5611 Bond Interest	176,934	176,270	170,300	127,700
5613 Interest from Bond Amortization	(1,454)	(2,896)	(700)	(4,700)
5614 Capital Lease Interest	92,441	84,523	76,300	71,300
5620 Fiscal Agents Fee	569	525	500	900
5621 Bond Issuance/Discount Fees	6,500	10,803	-	-
TOTAL	2,160,031	2,030,534	2,131,400	2,116,300
NON-OPERATING EXPENSES				
5532 Capital Improvements - Bonds	4,649,330	-	-	-
5533 Capital Improvements - Revenue Financing	1,352,732	2,911,990	2,859,700	2,344,000
5536 Utility Infrastructure Replacmt Proj	1,917,676	(6,907)	-	-
5580 Capital Equipment	313,466	280,016	320,000	439,800
TOTAL	8,233,204	3,185,099	3,179,700	2,783,800
1905 TOTAL - CAPITAL	10,393,235	5,215,633	5,311,100	4,900,100

# City of Duluth Minnesota - 2017 Budget

## Utility General Expense

510-500-1915

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	39,980	11,310	12,500	16,800
5101 Permanent Employees - Overtime	1,143	-	-	-
TOTAL	41,123	11,310	12,500	16,800
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	2,560	52,655	900	1,300
5122 F.I.C.A. Social Security	2,493	590	800	1,000
5123 F.I.C.A. Medicare	583	138	200	200
5125 Dental Insurance	142	87	100	100
5126 Life Insurance	4,752	4,889	-	-
5127 Health Care Savings	(983)	115	100	200
5130 Cafeteria Plan Benefits	11,762	4,290	3,800	5,000
5133 Health or Fitness Program	-	-	-	-
5134 Other Post Retirement Benefits	(140,596)	(362,690)	-	-
5135 Retiree Health Insurance	528,653	533,931	552,600	535,500
5151 Worker's Compensation	40,800	38,300	44,800	52,500
TOTAL	450,166	272,305	603,300	595,800
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	15	-	200	100
5201 Computer Supplies/Software	22,146	14,313	-	-
5205 Safety & Training	6,182	484	900	900
5211 Cleaning & Janitorial Supplies	2,834	3,129	2,700	3,000
5212 Motor Fuels	-	-	200	200
5218 Uniforms	1,211	-	-	-
5219 Other Miscellaneous Supplies	3,836	182	-	-
5241 Small Equipment	2,560	1,011	700	1,400
5301 Auditing Services	629	809	1,000	1,000
5305 Medical Services/Testing Fees	2,858	2,741	2,700	2,700
5310 Contract Services	49,143	6,156	-	-
5319 Other Professional Services	377	-	-	-
5320 Data Services	10,731	17,288	18,800	18,900
5321 Telephone	6,947	6,480	6,200	4,400
5331 Training Expense	1,182	2,611	2,400	2,800
5333 Freight/Delivery Charges	419	1,444	-	-
5335 Mileage Reimbursement - Local	-	-	-	-
5355 Printing & Copying Services	-	87	-	-
5356 Copier, Printer Lease & Supplies	4,991	6,060	6,800	6,800
5360 Insurance	74,900	113,800	95,500	53,300
5381 Electricity	15,952	15,896	12,700	12,700
5382 Water, Gas & Sewer	22,748	18,372	19,700	19,500
5384 Refuse Disposal	3,006	3,065	3,200	3,100
5401 Building Repair & Maintenance	6,874	11,101	8,400	32,500
5404 Equipment Repair & Maintenance	-	3,423	5,000	5,000
5409 Fleet Services Charges	-	15	100	200
5414 Software Lic & Mtc Agreements	6,246	32,631	33,900	35,300
5433 Dues and Subscriptions	-	-	-	-
5441 Other Services & Charges	20,405	6,922	17,100	15,100
5450 Laundry	2,198	1,515	1,700	1,400
5457 Hydrant Maintenance	30,000	30,000	30,000	30,000
5493 Cost Allocation	383,200	385,300	385,300	332,000
5700 Transfer to General Fund	34,882	60,200	56,900	78,700
5700 Transfer to Special Revenue Funds	-	-	-	-
5700 Transfer to Internal Service Funds	120,000	-	68,000	-
TOTAL	836,472	745,035	780,100	661,000
1915 TOTAL - GENERAL EXPENSE	1,327,761	1,028,650	1,395,900	1,273,600

# City of Duluth Minnesota - 2017 Budget

## Engineering

510-500-1930

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	336,672	354,722	354,900	356,300
5101 Permanent Employees - Overtime	27,870	33,312	25,000	30,000
5103 Temporary Wages	4,601	3,277	9,400	7,300
5118 Meal Allowance	190	443	-	200
TOTAL	369,333	391,754	389,300	393,800
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	25,648	28,547	28,000	28,500
5122 F.I.C.A. Social Security	22,234	23,548	24,100	24,400
5123 F.I.C.A. Medicare	5,200	5,508	5,600	5,700
5125 Dental Insurance	830	2,053	2,100	2,100
5126 Life Insurance	957	993	1,000	1,000
5127 Health Care Savings	5,502	6,850	4,600	7,400
5130 Cafeteria Plan Benefits	80,455	81,935	88,600	93,600
TOTAL	140,826	149,434	154,000	162,700
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	610	635	600	600
5201 Computer Supplies	7,662	622	-	200
5203 Paper, Stationery and Forms	862	188	600	400
5205 Safety and Training Materials	233	123	300	300
5212 Motor Fuel	4,505	3,066	5,000	5,000
5218 Uniforms	-	31	-	400
5219 Other Miscellaneous Supplies	117	50	-	-
5240 Small Tools	969	549	800	800
5241 Small Equipment	3,438	717	1,900	2,100
5242 Survey Equipment and Supplies	2,035	1,697	5,500	5,500
5303 Engineering Services	-	944	75,000	-
5310 Contract Services	4,892	-	-	-
5320 Data Services	13	1,028	1,500	1,700
5321 Telephone	2,232	1,706	1,600	1,600
5322 Postage	104	7	100	100
5331 Training Expenses	1,169	1,002	3,000	4,000
5335 Mileage Reimbursement	469	198	300	300
5355 Printing and Copying	-	737	600	600
5356 Copier, Printer Lease & Supplies	3,889	1,604	800	600
5404 Equipment Maintenance Repair	346	600	700	900
5409 Fleet Services	4,201	4,598	3,000	3,500
5414 Software Lic & Mtc Agreements	1,102	8,681	10,000	8,900
5433 Dues and Subscriptions	225	172	600	1,000
5435 Books and Pamphlets	23	-	200	200
5438 Licenses	227	-	100	-
5441 Other Services and Charges	993	1,347	11,000	11,700
5486 One Call System	3,682	3,492	3,300	3,600
TOTAL	43,998	33,794	126,500	54,000
1930 TOTAL - ENGINEERING	554,157	574,982	669,800	610,500

# City of Duluth Minnesota - 2017 Budget

## Customer Service

510-500-1940

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	798,856	778,994	664,600	704,900
5101 Permanent Employees - Overtime	28,874	26,069	40,500	29,800
5103 Temporary Wages	9	-	-	-
5118 Meal Allowance	527	193	-	100
TOTAL	828,266	805,256	705,100	734,800
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	58,218	58,930	51,700	54,100
5122 F.I.C.A. Social Security	50,671	48,688	43,700	45,600
5123 F.I.C.A. Medicare	11,851	11,387	10,200	10,700
5125 Dental Insurance	2,296	5,197	4,200	4,500
5126 Life Insurance	2,648	2,510	2,000	2,100
5127 Health Care Savings	8,877	10,463	8,600	15,300
5130 Cafeteria Plan Benefits	204,935	185,995	163,000	182,200
TOTAL	339,496	323,170	283,400	314,500
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	1,560	1,951	3,300	2,100
5201 Computer Supplies	193	483	300	500
5203 Paper/Stationery	-	312	800	400
5212 Motor Fuel	16,615	10,276	20,800	13,000
5215 Shop Materials	243	26	-	-
5218 Uniforms	4,188	1,191	1,800	2,200
5219 Other Miscellaneous Supplies	1,329	380	-	-
5220 Repair & Maintenance Supplies	36,092	309	25,000	10,000
5227 Utility System	3,295	15,813	140,800	150,800
5228 Painting Supplies	789	299	3,000	1,000
5240 Small Tools	10,981	3,978	2,600	2,600
5241 Small Equipment	9,932	908	6,000	8,300
5310 Contract Services	106,751	39,008	36,800	43,300
5320 Data Services	594	56	-	-
5321 Telephone	2,368	2,488	2,200	2,200
5322 Postage	46,649	46,659	49,600	49,600
5331 Training Expenses	1,050	2,087	6,700	7,000
5339 Armored Pickup	1,119	1,151	1,200	1,200
5355 Printing & Copying	803	2,221	1,700	2,000
5356 Copier, Printer Lease & Supplies	467	393	500	500
5401 Building Repair & Maintenance	46	-	-	-
5404 Equipment Maintenance & Repair	5,685	521	1,100	800
5409 Fleet Services	15,417	9,529	17,600	16,600
5414 Software Lic & Mtc Agreements	-	2,741	2,800	4,100
5418 Software Lic & Mtc Agreements	-	2,741	2,800	900
5427 Credit Card Commission	18,905	15,092	15,200	15,200
5432 Uncollectible Accounts	29,612	(13,704)	15,000	15,000
5441 Other Services & Charges	1,022	1,590	2,300	5,300
TOTAL	315,705	148,499	359,900	354,600
1940 TOTAL - CUSTOMER SERVICE	1,483,467	1,276,925	1,348,400	1,403,900

## City of Duluth Minnesota - 2017 Budget

### Utility Operations

510-500-1945

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

Expense Detail		2014	2015	2016	2017
		Actual	Actual	Budget	Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	1,340,685	1,390,005	1,533,000	1,735,800
5101	Permanent Employees - Overtime	245,446	227,147	251,000	235,000
5103	Other Wages	6,699	4,573	-	13,500
5118	Meal Allowance	4,949	4,903	5,000	5,000
	TOTAL	1,597,779	1,626,628	1,789,000	1,989,300
EMPLOYEE BENEFITS					
5121	P.E.R.A.	111,337	118,207	130,600	144,800
5122	F.I.C.A. Social Security	97,116	98,335	110,600	123,000
5123	F.I.C.A. Medicare	22,956	23,183	25,900	28,800
5125	Dental Insurance	3,705	8,843	9,900	10,800
5126	Life Insurance	4,276	4,283	4,800	5,200
5127	Health Care Savings	22,378	14,768	27,800	44,400
5130	Cafeteria Plan Benefits	298,765	312,327	347,800	421,100
5141	Unemployment Compensation	4,148	313	-	-
	TOTAL	564,681	580,259	657,400	778,100
OPERATING EXPENSES					
5200	Office Supplies	2,133	1,306	2,000	3,000
5201	Computer Supplies/Software	5	26	300	300
5205	Safety & Training Materials	14,467	8,041	5,500	8,100
5210	Plant/Operating Supplies	26,601	23,977	16,000	20,900
5212	Motor Fuel	89,748	57,909	85,000	75,000
5215	Shop Materials	4,441	5,131	3,400	4,400
5218	Uniforms	6,465	10,667	8,600	13,200
5219	Other Miscellaneous Supplies	854	4,907	3,000	3,000
5220	Repair & Maintenance Supplies	12,691	16,400	8,800	8,300
5222	Paving Materials	30,154	28,115	25,000	25,000
5223	Salt & Sand	650	-	-	-
5224	Gravel & Other Maintenance Mtls	53,590	70,588	60,000	60,000
5227	Utility Maintenance Supply	413,667	302,993	358,900	383,200
5228	Painting Supplies	850	372	300	400
5240	Small Tools	25,575	18,381	14,300	17,000
5241	Small Equipment	14,095	4,174	10,700	10,800
5310	Contract Services	39,717	16,548	32,200	27,200
5320	Data Services	1,103	276	-	-
5321	Telephone	2,711	1,997	2,200	3,000
5331	Training Expenses	4,978	14,940	9,500	9,500
5333	Freight/Delivery Charges	68	103	-	500
5335	Mileage Reimbursement	2,951	3,201	3,500	3,500
5355	Printing and Copying	39	-	200	200
5356	Copier, Printer Lease & Supplies	208	274	500	500
5381	Electricity	-	-	-	5,000
5382	Water/Sewer/Gas	6,318	4,305	6,000	5,000
5384	Refuse Disposal	7,557	13,864	8,500	11,000
5401	Bldg/Structure Repair & Mtc	2,734	-	-	-
5404	Equipment Maintenance/Repair	8,130	22,612	6,000	11,000
5409	Fleet Service Charges	193,091	143,812	155,000	162,400
5414	Software Lic & Mtc Agreements	-	250	-	200
5415	Vehicle/Equipment Rental	39,732	14,205	14,000	17,000
5419	Other Rentals	3,276	4,070	-	-
5438	License	69	299	500	500
5441	Other Services & Charges	52,705	1,788	5,200	6,300
5450	Laundry	10,134	6,868	7,000	8,100
5700	Transfer to General Fund	185,930	114,313	166,000	166,000
	TOTAL	1,257,437	916,712	1,018,100	1,069,500
1945	TOTAL - UTILITY OPERATIONS	3,419,897	3,123,599	3,464,500	3,836,900

# City of Duluth Minnesota - 2017 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		2014 Actual	2015 Actual	2016 Budget	2017 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	639,619	589,304	594,600	623,300
5101	Permanent Employees - Overtime	23,480	18,283	25,000	25,000
5118	Meal Allowance	30	84	-	-
	TOTAL	663,129	607,671	619,600	648,300
EMPLOYEE BENEFITS					
5121	P.E.R.A.	47,667	44,509	45,800	47,900
5122	F.I.C.A. Social Security	40,368	36,024	38,400	40,200
5123	F.I.C.A. Medicare	9,441	8,425	9,000	9,400
5125	Dental Insurance	1,713	3,759	3,700	3,700
5126	Life Insurance	1,977	1,815	1,800	1,800
5127	Health Care Savings	20,817	11,525	5,700	21,600
5130	Cafeteria Plan Benefits	175,869	156,353	155,200	161,700
	TOTAL	297,852	262,410	259,600	286,300
OPERATING EXPENSES					
5200	Office Supplies	1,093	2,240	1,500	1,300
5201	Computer Supplies/Software	4,428	1,707	-	-
5210	Plant/Operating Supplies	6,819	10,274	7,000	9,500
5211	Cleaning/Janitorial Supplies	500	1,023	2,000	3,000
5212	Motor Fuel	8,206	5,761	8,000	6,500
5216	Treatment Chemicals	372,954	410,779	458,500	431,000
5218	Uniforms	4,492	397	2,800	3,000
5219	Other Miscellaneous Supplies	13,285	13,724	21,500	21,500
5220	Repair & Maintenance Supplies	99,603	73,993	76,000	74,500
5228	Painting Supplies	881	2,828	1,500	2,000
5240	Small Tools	225	2,866	4,500	3,500
5241	Small Equipment	6,830	11,035	8,700	6,500
5310	Contract Services	20,263	35,673	35,000	35,000
5319	Other Professional Services	2,466	1,137	5,000	5,000
5320	Data Services	5,116	-	-	-
5321	Telephone	1,156	745	1,200	400
5322	Postage	344	1,510	500	2,600
5331	Training Expenses	3,752	9,554	7,000	7,100
5335	Local Mileage Reimbursement	5,664	5,551	6,000	6,000
5355	Printing and Copying	128	146	800	2,300
5356	Copier, Printer Lease & Supplies	-	81	500	500
5381	Electricity	1,156,320	1,162,030	1,125,000	1,150,000
5382	Water & Sewer	105,868	45,862	91,800	69,100
5385	Oil	-	240	-	-
5400	Misc Repair & Mtc Service	331	-	-	-
5401	Building Repair & Maintenance	12,468	28,957	32,200	30,200
5404	Equipment Maintenance/Repair	13,383	40,970	46,500	75,000
5409	Fleet Services	9,580	12,760	6,000	7,000
5433	Dues and Subscriptions	5,490	5,625	5,500	6,000
5438	Licenses	45	198	300	300
5441	Other Services & Charges	6,240	49,073	61,300	57,300
5450	Laundry	1,385	502	1,000	600
5483	Water Testing Fees	2,877	3,792	2,000	3,500
	TOTAL	1,872,192	1,941,033	2,019,600	2,020,200
1955	TOTAL-WATER TRMT & PUMPING	2,833,173	2,811,114	2,898,800	2,954,800

# City of Duluth Minnesota - 2017 Budget

## Gas Fund

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The Gas Fund is a self-supporting enterprise fund which accounts for the distribution of an adequate, reliable and safe supply of natural gas. Other services provided are the inspection, maintenance and servicing of customer gas utilization equipment.

The major funding source is gas sales which represents 96% of total revenues for 2017. The major category of expense is purchased gas, representing 58% of total proposed expenses.

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

Estimated Income and Expense	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>REVENUE</b>				
Operating Revenues	6,028,936	5,332,078	5,401,800	5,315,000
Gas Sales	52,261,471	30,161,959	36,053,500	31,774,100
Non-Operating Revenues	235,832	120,040	127,200	127,200
	<u>58,526,239</u>	<u>35,614,077</u>	<u>41,582,500</u>	<u>37,216,300</u>
<b>EXPENSES</b>				
Personal Services	6,862,377	6,450,907	7,749,500	8,005,400
Supplies	1,015,131	1,102,758	973,000	1,155,300
Other Services & Charges	1,719,985	1,762,288	1,558,400	1,718,100
Natural Gas Purchases	38,271,381	18,713,748	24,422,000	20,930,900
Utilities	49,369	41,093	38,000	38,500
Depreciation/Amortization	1,354,779	1,374,853	1,497,700	1,564,200
Improvements -Non-Capital	101,211	92,755	60,000	110,000
Debt Service - Interest	151,368	123,690	84,200	55,300
Debt Service - Other	(21,517)	(22,349)	(21,500)	(18,000)
Capital Lease Interest	84,738	77,479	69,900	65,400
Transfers	3,070,011	4,206,175	3,036,700	2,540,300
	<u>52,658,833</u>	<u>33,923,397</u>	<u>39,467,900</u>	<u>36,165,400</u>
<b>ESTIMATED OPERATING INCOME (LOSS)</b>				
	5,867,406	1,690,680	2,114,600	1,050,900
Other Sources of Cash	1,323,192	2,078,166	1,647,200	1,696,200
Other Uses of Cash	(4,752,213)	(4,511,789)	(5,046,900)	(5,375,100)
Increase (Decrease) in Cash	<u>2,438,385</u>	<u>(742,943)</u>	<u>(1,285,100)</u>	<u>(2,628,000)</u>

# City of Duluth Minnesota - 2017 Budget

## Gas Fund Estimated Unrestricted Cash Balance

OPERATING FUND	<u>2016 Budget</u>	<u>2016 Projected</u>	<u>2017 Proposed</u>
ESTIMATED OPERATING INCOME (LOSS)	2,114,600	5,626,000	1,050,900
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,497,700	1,417,700	1,564,200
Interest from Bond Discount	-21,500	-21,400	-18,000
PERA Retirement, GASB 68	0	63,700	0
Other Post Employment Benefits	0	0	0
Due from Other Funds	0	29,794	0
Energy Fund Loan Repayment	150,000	150,000	150,000
Special Assessment Principal	21,000	8,300	0
Total Other Sources of Cash	<u>1,647,200</u>	<u>1,648,094</u>	<u>1,696,200</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	0	58,872	0
Capital Improvements from Current Revenues	3,675,000	3,644,900	3,814,500
Capital Equipment Purchases	300,500	326,000	448,600
Bond Principal Payments	870,000	870,000	902,900
AMR Lease Principal Payment	201,400	201,400	209,100
Total Other Uses of Cash	<u>5,046,900</u>	<u>5,101,172</u>	<u>5,375,100</u>
INCREASE (DECREASE) IN CASH	-1,285,100	2,172,922	-2,628,000
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>5,245,775</u>	<u>5,292,734</u>	<u>7,465,656</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>3,960,675</u></u>	<u><u>7,465,656</u></u>	<u><u>4,837,656</u></u>

# City of Duluth Minnesota - 2017 Budget

## Gas Fund

520

Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING REVENUES:				
4636 Sale of Scrap	506	-	1,000	500
4801 Off/On Charge	27,695	23,984	28,000	26,000
4802 Interest Earned on Customer Accts	195,244	116,684	120,000	105,000
4805 Reimbursements	785,925	224,201	225,000	225,000
4809 Miscellaneous Operating Revenue	67,034	85,625	70,000	65,000
4818 Servicing Appliances	400,969	377,195	340,000	380,000
4819 Comfort Policy	422,711	402,979	415,000	400,000
4820 Residential Firm	32,380,976	18,900,607	22,338,600	19,690,700
4822 Comm/Industrial Firm Large	15,307,779	8,620,493	10,560,300	8,859,500
4824 Comm/Industrial Interruptible Large	4,572,716	2,715,389	3,154,600	3,223,900
4827 Gas-Interruptible Transport	306,247	257,103	326,000	170,200
4831 Fixed Rate Charges	3,821,629	3,843,896	3,875,800	3,928,800
4832 Overcharge Refunds	-	(74,530)	-	-
4851 Interest Income - Other Sources	976	411	1,000	14,500
<b>TOTAL OPERATING REVENUES</b>	<b>58,290,407</b>	<b>35,494,037</b>	<b>41,455,300</b>	<b>37,089,100</b>
NON-OPERATING REVENUES:				
4230 Pera Aid	23,365	23,365	23,400	23,400
4601 Change in Fair Value Investments	42,497	(19,384)	-	-
4601 GASB #31 Adjustment	95,975	-	-	-
4829 Two Tier Rate	46,332	57,400	64,000	62,000
4850 Earnings on Investments	6,244	-	6,000	-
4853 Gain on Sale of Assets	153	26,680	2,000	10,000
4854 Utility Special Assessments	1	(1)	2,000	2,000
4730 Transfers In from Special Revenue Funds	5,275	-	-	-
4730 Transfers In from Enterprise Funds	15,990	31,980	29,800	29,800
<b>TOTAL NON-OPERATING REVENUES</b>	<b>235,832</b>	<b>120,040</b>	<b>127,200</b>	<b>127,200</b>
<b>TOTAL REVENUE</b>	<b>58,526,239</b>	<b>35,614,077</b>	<b>41,582,500</b>	<b>37,216,300</b>

# City of Duluth Minnesota - 2017 Budget

## Director's Office

520-500-1900

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	57,691	59,879	80,900	66,900
5101 Permanent Employees - Overtime	279	594	500	500
TOTAL	<u>57,970</u>	<u>60,473</u>	<u>81,400</u>	<u>67,400</u>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	8,580	4,442	5,900	4,900
5122 F.I.C.A. Social Security	3,506	3,531	5,000	4,200
5123 F.I.C.A. Medicare	844	875	1,200	1,000
5125 Dental Insurance	127	298	400	300
5126 Life Insurance	145	144	200	100
5127 Health Care Savings	1,834	1,526	700	600
5130 Cafeteria Plan Benefits	6,889	6,691	8,800	6,900
TOTAL	<u>21,925</u>	<u>17,507</u>	<u>22,200</u>	<u>18,000</u>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	84	43	100	100
5241 Small Equipment	54	53	400	100
5321 Telephone	6,709	120	100	100
5331 Training/Travel	790	203	500	600
5335 Mileage Reimbursement Local	47	215	100	200
5356 Copier, Printer Lease & Supplies	-	-	-	-
5433 Dues & Subscription	101	-	-	-
5438 Licenses	-	-	-	-
5441 Other Services & Charges	-	-	-	-
5700 Transfer to Special Revenue Fund	16,499	5,401	-	-
TOTAL	<u>24,284</u>	<u>6,035</u>	<u>1,200</u>	<u>1,100</u>
1900 TOTAL - DIRECTOR'S OFFICE	104,179	84,015	104,800	86,500

# City of Duluth Minnesota - 2017 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	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING EXPENSES				
5420 Depreciation	1,354,779	1,374,853	1,497,700	1,564,200
5441 Other Services & Charges	-	129	-	-
5535 Improvements (Non-Capital)	101,211	92,755	60,000	110,000
5540 Equipment (Non-Capital)	3,691	22,914	31,500	-
5611 Bond Interest	151,368	123,690	84,200	55,300
5613 Interest - Bond Amortization	(21,517)	(22,349)	(21,500)	(18,000)
5614 Capital Lease Interest	84,738	77,479	69,900	65,400
5620 Fiscal Agents Fee	613	613	600	500
TOTAL	<u>1,674,883</u>	<u>1,670,084</u>	<u>1,722,400</u>	<u>1,777,400</u>
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue Financing	3,024,878	3,029,353	3,675,000	3,814,500
5580 Capital Equipment	303,732	325,209	300,500	448,600
TOTAL	<u>3,328,610</u>	<u>3,354,562</u>	<u>3,975,500</u>	<u>4,263,100</u>
1905 TOTAL - CAPITAL	5,003,493	5,024,646	5,697,900	6,040,500

# City of Duluth Minnesota - 2017 Budget

## Utility General Expense

520-500-1915

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	48,941	28,796	31,300	16,800
5101 Permanent Employees - Overtime	791	-	-	-
TOTAL	<u>49,732</u>	<u>28,796</u>	<u>31,300</u>	<u>16,800</u>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	3,218	65,954	2,300	1,300
5122 F.I.C.A. Social Security	2,988	1,718	1,900	1,000
5123 F.I.C.A. Medicare	699	402	500	200
5125 Dental Insurance	158	195	200	100
5126 Life Insurance	4,847	4,942	100	-
5127 Health Care Savings	420	286	300	200
5130 Cafeteria Plan Benefits	15,806	9,957	9,600	5,000
5133 Health or Fitness Program	-	-	-	-
5134 Other Post Retirement Benefits	(191,482)	(549,657)	-	-
5135 Retiree Health Insurance	896,001	874,560	891,200	916,800
5151 Worker's Compensation	51,100	48,600	56,500	56,100
TOTAL	<u>783,755</u>	<u>456,957</u>	<u>962,600</u>	<u>980,700</u>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	343	35	500	100
5201 Computer Supplies/Software	28,694	17,842	-	-
5205 Safety & Training	2,510	650	1,100	1,100
5211 Cleaning & Janitorial Supplies	5,451	5,093	2,700	3,000
5212 Motor Fuels	-	-	200	200
5218 Uniforms	287	-	-	-
5241 Small Equipment	2,774	3,690	700	1,400
5301 Auditing Services	629	809	1,000	1,000
5305 Medical Services/Testing Fees	2,863	2,783	2,700	2,700
5310 Contract Services	23,954	6,318	-	-
5319 Other Professional Services	1,507	-	-	-
5320 Data Services	11,211	45,725	48,700	47,900
5321 Telephone	12,394	11,366	10,300	7,900
5322 Postage	-	-	-	700
5331 Training Expense	18,673	27,894	23,000	24,300
5333 Freight/Delivery Charges	320	497	-	-
5335 Mileage Reimbursement	-	-	-	-
5340 Advertising and Promotion	-	-	28,500	29,000

# City of Duluth Minnesota - 2017 Budget

## Utility General Expense

520-500-1915

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
5355 Printing & Copying	-	185	-	10,000
				(continued)
5356 Copier, Printer Lease & Supplies	4,299	5,835	6,800	6,800
5360 Insurance	62,000	62,500	62,700	62,400
5381 Electricity	14,609	14,626	12,700	12,700
5382 Water, Gas & Sewer	23,457	15,801	14,800	15,300
5384 Refuse Disposal	1,518	1,905	2,000	1,900
5401 Building Repair & Maintenance	6,127	13,095	6,400	30,400
5404 Equipment/Machinery Repair	-	9,328	11,300	11,300
5409 Fleet Service Charges	-	60	100	200
5414 Software Lic & Mtc Agreements	14,090	46,252	50,200	52,200
5433 Dues and Subscriptions	4,224	4,754	10,600	8,000
5438 Licenses	-	121	200	200
5441 Other Services & Charges	61,633	34,928	49,200	21,300
5443 Board & Meeting Expenses	-	-	-	1,700
5450 Laundry	2,349	1,620	1,700	1,400
5452 Pipe Line Safety	11,551	9,187	12,000	12,000
5493 Cost Allocation	489,200	491,300	491,300	439,300
5711 Payment in Lieu of Taxes	2,832,296	4,080,329	2,876,000	2,357,800
5700 Transfer to General Fund	117,675	49,000	56,900	78,700
5700 Transfer to Special Revenue Fund	-	-	-	-
5700 Transfer to Internal Service Funds	103,000	-	-	-
TOTAL	3,859,638	4,963,528	3,784,300	3,242,900
1915 TOTAL - GENERAL EXPENSE	4,693,125	5,449,281	4,778,200	4,240,400

# City of Duluth Minnesota - 2017 Budget

## Engineering

520-500-1930

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	613,537	658,188	708,300	702,500
5101 Permanent Employees - Overtime	66,746	57,862	65,000	65,000
5103 Temporary Wages	4,601	3,277	9,400	7,300
5118 Meal Allowance	1,330	983	-	600
<b>TOTAL</b>	<b>686,214</b>	<b>720,310</b>	<b>782,700</b>	<b>775,400</b>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	48,433	52,428	57,200	57,000
5122 F.I.C.A. Social Security	41,496	43,505	48,500	48,000
5123 F.I.C.A. Medicare	9,705	10,175	11,300	11,200
5125 Dental Insurance	1,489	3,714	4,100	4,000
5126 Life Insurance	1,718	1,797	2,000	1,900
5127 Health Care Savings	10,218	10,038	9,200	25,400
5130 Cafeteria Plan Benefits	143,582	153,827	172,000	184,400
<b>TOTAL</b>	<b>256,641</b>	<b>275,484</b>	<b>304,300</b>	<b>331,900</b>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	697	863	600	600
5201 Computer Supplies	30,331	650	-	200
5203 Paper, Stationery and Forms	521	197	400	400
5205 Safety & Training Materials	233	168	500	500
5212 Motor Fuel	9,392	6,069	9,000	8,000
5218 Uniforms	-	31	-	700
5219 Other Miscellaneous Supplies	117	558	-	-
5240 Small Tools	1,013	1,771	1,000	1,000
5241 Small Equipment	8,953	8,140	5,000	5,600
5242 Survey Equipment and Supplies	2,243	6,190	5,500	5,500
5303 Engineering Services	41,414	4,808	-	-
5310 Contract Services	-	19,503	-	-
5320 Data Services	13	1,097	2,000	2,300
5321 Telephone	4,300	3,389	3,300	3,300
5322 Postage	98	2	100	100
5331 Training Expenses	6,902	6,129	10,300	11,100
5335 Mileage Reimbursement	146	-	300	300
5355 Printing and Copying	500	869	400	400
5356 Copier, Printer Lease & Supplies	4,037	1,864	1,000	800
5404 Equipment Maintenance Repair	763	1,065	700	900
5409 Fleet Services	13,243	7,692	9,000	9,000
5414 Software Lic & Mtc Agreements	1,182	15,080	15,700	14,500
5433 Dues and Subscriptions	274	172	900	900
5435 Books and Pamphlets	23	-	200	200
5438 Licenses	227	-	400	-
5441 Other Services and Charges	1,935	3,638	13,200	13,900
5486 One Call System	3,726	3,532	3,300	3,600
<b>TOTAL</b>	<b>132,283</b>	<b>93,477</b>	<b>82,800</b>	<b>83,800</b>
1930 TOTAL - ENGINEERING	1,075,138	1,089,271	1,169,800	1,191,100

# City of Duluth Minnesota - 2017 Budget

## Customer Service

520-500-1940

Customer Accounts provides meter reading, billing, payment collection and account services for utility customers. Service provides installation, inspection, repair and replacement of meters and 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. Information and Conservation markets the use of natural gas and provides consumer safety education through activities such as advertising, customer promotions, exhibits and support for community events.

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	2,155,023	2,044,483	2,186,600	2,304,300
5101 Permanent Employees - Overtime	86,177	73,760	114,500	71,500
5103 Temporary Wages	12,428	21,720	20,000	32,200
5118 Meal Allowance	1,161	409	-	500
TOTAL	2,254,789	2,140,372	2,321,100	2,408,500
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	157,686	155,846	169,700	174,800
5122 F.I.C.A. Social Security	138,166	129,598	143,900	149,200
5123 F.I.C.A. Medicare	32,313	30,309	33,600	34,900
5125 Dental Insurance	5,995	13,117	13,900	14,600
5126 Life Insurance	6,914	6,343	6,800	7,100
5127 Health Care Savings	26,951	24,595	42,300	45,100
5130 Cafeteria Plan Benefits	545,271	495,740	567,700	600,500
TOTAL	913,296	855,548	977,900	1,026,200
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	3,032	2,206	4,000	2,800
5201 Computer Supplies/Software	403	916	400	800
5203 Paper/Stationery	-	448	1,200	700
5210 Plant/Operating Supplies	27,516	12,386	17,000	34,000
5212 Motor Fuel	57,214	33,687	62,800	46,600
5215 Shop Materials	9,916	17,427	15,500	11,500
5218 Uniforms	11,850	1,791	7,200	8,600
5219 Other Miscellaneous Supplies	109,028	101,338	132,000	142,000
5220 Repair & Maintenance Supplies	37,435	46,094	25,000	25,000
5227 Utility System Maintenance Supply	178,138	305,522	249,900	386,500
5228 Painting Supplies	9,372	10,251	7,500	7,500
5240 Small Tools	18,064	44,547	14,500	22,000
5241 Small Equipment	10,962	6,662	21,800	21,800
5310 Contract Services	58,479	58,511	58,900	69,200

(continued)

# City of Duluth Minnesota - 2017 Budget

## Customer Service

520-500-1940

Customer Accounts provides meter reading, billing, payment collection and account services for utility customers. Service provides installation, inspection, repair and replacement of meters and 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. Information and Conservation markets the use of natural gas and provides consumer safety education through activities such as advertising, customer promotions, exhibits and support for community events.

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
5320 Data Services	2,375	235	-	-
5321 Telephone	8,646	8,873	8,200	8,200
5322 Postage	69,973	69,989	79,400	79,400
5331 Training / Travel	11,184	15,743	19,900	27,300
5335 Mileage Reimbursement	-	26	-	-
5339 Armored Pickup	1,811	1,828	1,900	1,900
5340 Advertising and Promotion	126,873	132,366	72,600	105,400
5355 Printing & Copying	1,275	2,859	3,400	3,900
5356 Copier, Printer Lease & Supplies	772	715	700	700
5401 Bldg/Structure Repair & Maintenance	156	-	-	-
5404 Equipment Repair & Maintenance	7,408	6,851	1,600	1,600
5409 Fleet Services	54,417	37,700	47,200	52,900
5414 Software Lic & Mtc Agreements	-	4,020	4,100	6,100
5418 Vehicle/Equip Lease (Long Term)	-	-	-	900
5427 Credit Card Commissions	50,986	58,254	38,400	47,000
5432 Uncollectible Accounts	130,783	3,036	65,000	50,000
5433 Dues and Subscriptions	830	1,715	900	900
5438 Licenses	-	-	-	-
5441 Other Services & Charges	3,089	2,508	3,700	32,400
5487 Conservation Improvement	157,274	307,164	53,400	186,000
5615 Customer Deposit Refund Interest	1,654	1,920	-	-
5700 Transfer to Special Revenue Funds	-	-	-	-
TOTAL	1,160,915	1,297,588	1,018,100	1,383,600
1940 TOTAL - CUSTOMER SERVICES	4,329,000	4,293,508	4,317,100	4,818,300

# City of Duluth Minnesota - 2017 Budget

## Utility Operations

520-500-1945

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	953,342	1,019,461	1,239,600	1,316,500
5101 Permanent Employees - Overtime	127,650	105,019	145,500	122,000
5118 Meal Allowance	2,854	2,617	3,000	3,000
TOTAL	<u>1,083,846</u>	<u>1,127,097</u>	<u>1,388,100</u>	<u>1,441,500</u>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	76,050	80,630	100,900	105,000
5122 F.I.C.A. Social Security	66,573	68,612	85,900	89,200
5123 F.I.C.A. Medicare	15,651	16,108	20,100	20,900
5125 Dental Insurance	2,599	6,200	7,900	8,100
5126 Life Insurance	3,002	3,000	3,800	3,900
5127 Health Care Savings	17,632	10,348	20,500	29,500
5130 Cafeteria Plan Benefits	197,315	197,693	254,900	282,600
5141 Unemployment Compensation	4,148	313	-	-
TOTAL	<u>382,970</u>	<u>382,904</u>	<u>494,000</u>	<u>539,200</u>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	5,265	3,450	4,000	3,000
5201 Computer Supplies/Software	-	312	500	300
5205 Safety & Training Materials	16,773	17,554	5,300	8,900
5210 Plant Operations Supplies	21,009	21,791	13,500	20,500
5212 Motor Fuel	58,674	34,764	65,000	55,000
5215 Shop Materials	13,767	15,247	11,000	15,000
5218 Uniforms	7,463	9,139	6,200	11,200
5219 Other Miscellaneous Supplies	532	3,954	3,500	3,500
5220 Repair and Maintenance Supplies	19,065	18,726	6,800	6,300
5222 Paving Materials	19,370	24,805	20,000	20,000
5223 Salt & Sand	1,047	-	-	-
5224 Gravel & Other Maintenance Supplies	36,225	51,114	35,000	50,000
5227 Utility Maintenance Supply	95,295	102,221	136,300	133,300
5228 Painting Supplies	153	-	500	500
5240 Small Tools	22,437	28,604	14,300	16,500
5241 Small Equipment	4,500	37,131	8,700	9,900
5310 Contract Services	12,121	5,420	15,300	15,200
5320 Data Services	-	10	-	-
5321 Telephone	2,281	1,644	2,500	2,100

# City of Duluth Minnesota - 2017 Budget

## Utility Operations

520-500-1945

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
				(continued)
5331 Training Expense	4,003	1,709	4,600	5,400
5333 Freight/Delivery Charges	483	1,767	-	500
5335 Mileage Reimbursement	2,106	2,311	2,500	2,500
5355 Printing and Copying	32	24	300	300
5356 Copier, Printer Lease & Supplies	1,487	495	1,000	1,000
5384 Refuse Disposal	5,148	10,017	5,500	8,000
5401 Bldg/Structure Repair & Mtc	68	1	-	-
5404 Equipment Repair & Maintenance	4,100	21,345	4,500	7,000
5409 Fleet Service Charges	101,280	72,129	95,000	112,500
5414 Software Lic & Mtc Agreements	-	-	-	200
5415 Vehicle/Equipment Rental	5,960	3,661	5,500	4,400
5419 Other Rentals	-	192	-	-
5441 Other Services & Charges	396	2,562	2,000	5,000
5450 Laundry	6,244	4,711	4,100	6,000
5700 Transfer to General Fund	541	71,445	103,800	103,800
TOTAL	<u>467,825</u>	<u>568,255</u>	<u>577,200</u>	<u>627,800</u>
1945 TOTAL - UTILITY OPERATIONS	1,934,641	2,078,256	2,459,300	2,608,500

# City of Duluth Minnesota - 2017 Budget

## Natural Gas

520-500-1960

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	252,806	273,029	275,400	286,200
5101 Permanent Employees - Overtime	11,012	6,947	7,500	8,000
5118 Meal Allowance	80	56	-	-
TOTAL	263,898	280,032	282,900	294,200
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A. Contribution	18,962	20,414	20,900	21,800
5122 F.I.C.A. Social Security	15,993	16,939	17,500	18,200
5123 F.I.C.A. Medicare	3,740	3,961	4,100	4,300
5125 Dental Insurance	564	1,339	1,300	1,300
5126 Life Insurance	651	648	600	600
5127 Health Care Savings	12,533	8,150	2,600	3,200
5130 Cafeteria Plan Benefits	54,898	53,976	54,000	56,200
TOTAL	107,341	105,427	101,000	105,600
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	105	3,109	500	500
5201 Computer Supplies/Software	12,367	4,484	-	-
5210 Plant Operations Supplies	21,816	22,643	20,700	21,300
5212 Motor Fuel	5,844	3,733	6,000	6,000
5218 Uniforms	913	181	900	1,100
5219 Other Miscellaneous Supplies	363	(7)	1,300	1,500
5220 Repair & Maintenance Supplies	77,377	52,673	21,500	25,200
5228 Painting Supplies	19	-	-	-
5241 Small Equipment	8,125	11,812	5,000	7,500
5280 Natural Gas Purchases	38,271,381	18,713,748	24,422,000	20,930,900
5310 Contract Services	3,353	6,361	-	-
5319 Other Professional Services	-	-	3,000	-
5320 Data Services	28,937	2,449	-	-
5321 Telephone	1,850	1,549	1,600	1,400
5331 Training Expense	14,100	11,468	13,400	11,200
5335 Local Mileage Reimbursement	709	208	800	500
5355 Printing and Copying	-	19	100	100
5356 Copier, Printer Lease & Supplies	-	-	300	300
5381 Electricity	9,606	9,473	9,000	9,000
5382 Water/Sewer/Gas	1,697	1,193	1,500	1,500
5400 Miscellaneous Repair & Maint	1,644	127	-	-
5404 Equipment Maintenance Repair	-	1,654	9,500	7,500
5409 Fleet Services Charges	4,037	1,341	5,000	4,000
5414 Software Lic & Mtc Agreements	-	1,449	1,200	1,200
5433 Dues and Subscriptions	5,902	5,064	6,100	6,100
5438 Licenses	-	48	-	-
5441 Other Services & Charges	6,483	18,744	3,000	6,000
5450 Laundry	-	-	-	600
TOTAL	38,476,628	18,873,523	24,532,400	21,043,400
1960 TOTAL - NATURAL GAS	38,847,867	19,258,982	24,916,300	21,443,200

# City of Duluth Minnesota - 2017 Budget

## Sewer Fund

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

The major expense category is for contractual services and charges paid to the Western Lake Superior Sanitary District (WLSSD), constituting 56% of total proposed expenses. Presented below is a summary of the major categories of revenues and expenses over a four year period.

Estimated Income and Expense	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>REVENUE</b>				
Operating Revenue	17,661,274	18,150,456	19,017,300	18,391,500
Non-Operating Revenue	634,253	2,682,695	58,900	44,200
	<u>18,295,527</u>	<u>20,833,151</u>	<u>19,076,200</u>	<u>18,435,700</u>
<b>EXPENSES</b>				
Personal Services	3,081,717	3,160,835	3,390,600	3,215,200
Supplies	429,040	276,974	363,600	357,700
Other Services & Charges	1,125,709	1,022,760	1,033,900	1,023,900
WLSSD Treatment	8,229,318	8,802,904	8,702,700	8,783,300
Utilities	140,657	107,214	122,700	123,700
Depreciation/ Amortization	1,313,963	1,312,741	1,437,500	1,457,500
Sanitary Sewer -Grants	800,184	303,050	450,000	360,000
Improvements -Non-Capital	53,323	191,870	50,000	50,000
Debt Service - Interest	302,949	274,835	242,500	180,500
Debt Service - Other	12,161	4,674	13,100	3,400
Capital Lease Interest	79,602	72,784	65,700	61,400
Transfers	232,732	120,445	160,500	182,400
	<u>15,801,355</u>	<u>15,651,086</u>	<u>16,032,800</u>	<u>15,799,000</u>
<b>ESTIMATED OPERATING INCOME (LOSS)</b>				
	2,494,172	5,182,065	3,043,400	2,636,700
Other Sources of Cash	1,657,135	2,018,354	1,644,000	1,460,900
Other Uses of Cash	<u>(3,707,934)</u>	<u>(8,370,112)</u>	<u>(4,269,000)</u>	<u>(4,288,100)</u>
Increase (Decrease) in Cash	<u>443,373</u>	<u>(1,169,693)</u>	<u>418,400</u>	<u>(190,500)</u>

# City of Duluth Minnesota - 2017 Budget

## Sewer Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2016 Budget	2016 Projected	2017 Proposed
ESTIMATED OPERATING INCOME (LOSS)	3,043,400	4,061,600	2,636,700
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,437,500	1,346,700	1,457,500
Interest from Bond Discount	13,100	2,700	3,400
PERA Retirement, GASB 68	0	31,100	0
Other Post Employment Benefits	0	0	0
Due from Other Funds	0	37,319	0
Special Assessment Principal	193,400	278,503	0
Total Other Sources of Cash	<u>1,644,000</u>	<u>1,696,322</u>	<u>1,460,900</u>
<u>Other Uses of Cash</u>			
Capital Grants	0	174,800	0
Due to Other Funds	0	8,900	0
Infrastructure System Replacement Fund	76,800	120,000	120,000
Capital Improvements from Current Revenues	2,000,000	2,708,900	1,950,000
Infrastructure Improvements	0	0	0
Capital Equipment Purchases	240,300	112,000	278,700
Bond Principal Payments	1,762,800	1,557,700	1,743,000
AMR Lease Principal Payment	189,100	189,100	196,400
Total Other Uses of Cash	<u>4,269,000</u>	<u>4,871,400</u>	<u>4,288,100</u>
INCREASE (DECREASE) IN CASH	418,400	886,522	-190,500
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>1,615,600</u>	<u>1,593,085</u>	<u>2,479,607</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>2,034,000</u></u>	<u><u>2,479,607</u></u>	<u><u>2,289,107</u></u>

# City of Duluth Minnesota - 2017 Budget

## Sewer Fund

530

Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING REVENUES:				
4636 Sale of Materials	1,061	346	1,000	1,000
4802 Interest Earned on Customer Accounts	60,824	56,135	56,000	54,000
4805 Reimbursements	29,101	26,138	27,000	27,000
4809 Misc. Operating Revenue	(129,887)	2,327	2,000	1,800
4831 Fixed Rate Charges	1,923,176	1,927,490	1,923,100	1,929,100
4833 Sewer Revenues	15,651,943	15,999,266	16,893,600	16,256,000
4834 Fond du Lac Grinder Pump Surcharge	11,400	12,016	11,600	11,600
4839 Point of Sale Inspection Fee	103,983	114,984	100,000	105,000
4851 Interest Income - Other Sources	9,673	11,754	3,000	6,000
<b>TOTAL OPERATING REVENUES</b>	<b>17,661,274</b>	<b>18,150,456</b>	<b>19,017,300</b>	<b>18,391,500</b>
NON-OPERATING REVENUES:				
4210 Federal Grants - Capital	5,624	-	-	-
4220 Minnesota Grants - Capital	439,724	2,560,460	-	-
4230 Pera Aid	8,283	8,283	8,300	8,300
4601 Change in Fair Value Investments	15,377	(190)	-	-
4601 GASB #31 Adjustment	20,760	-	-	-
4806 Connection Fees	-	-	-	-
4850 Earnings on Investments	1,543	-	700	-
4853 Gain on Sale of Assets	4,731	31,976	-	1,000
4854 Utility Special Assessments	123,506	63,306	35,000	20,000
4730 Transfer from Special Projects Funds	5,275	-	-	-
4730 Transfer from Enterprise Funds	9,430	18,860	14,900	14,900
<b>TOTAL NON-OPERATING REVENUES</b>	<b>634,253</b>	<b>2,682,695</b>	<b>58,900</b>	<b>44,200</b>
<b>TOTAL REVENUE</b>	<b>18,295,527</b>	<b>20,833,151</b>	<b>19,076,200</b>	<b>18,435,700</b>

# City of Duluth Minnesota - 2017 Budget

## Director's Office

530-500-1900

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	45,476	48,333	67,300	51,800
5101 Permanent Employees - Overtime	177	490	500	500
TOTAL	45,653	48,823	67,800	52,300
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	11,744	3,522	4,900	3,800
5122 F.I.C.A. Social Security	2,737	2,809	4,200	3,200
5123 F.I.C.A. Medicare	664	706	1,000	800
5125 Dental Insurance	88	204	300	200
5126 Life Insurance	99	99	100	100
5127 Health Care Savings	1,727	1,406	600	500
5130 Cafeteria Plan Benefits	4,699	4,600	6,700	4,800
TOTAL	21,758	13,346	17,800	13,400
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	-	-	-	-
5241 Small Equipment	54	53	200	100
5321 Telephone	120	120	100	100
5331 Training Expense	-	-	300	300
5335 Mileage Reimbursement	37	197	100	200
5356 Copier, Printer Lease & Supplies	41	87	100	100
5438 Licenses	-	-	-	-
5441 Other Services & Charges	1,950	50	-	-
5700 Transfer to Special Revenue Funds	7,809	-	-	-
TOTAL	10,011	507	800	800
1900 TOTAL - DIRECTOR'S OFFICE	77,422	62,676	86,400	66,500

# City of Duluth Minnesota - 2017 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	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING EXPENSES				
5420 Depreciation	1,313,963	1,312,741	1,437,500	1,457,500
5441 Other Services & Charges	-	78	-	-
5535 Improvements (Non-Capital)	53,323	191,870	50,000	50,000
5540 Equipment (Non-Capital)	1,508	17,407	10,500	-
5611 Bond Interest	302,949	274,835	242,500	180,500
5613 Interest - from Amortization	12,161	4,674	13,100	3,400
5614 Capital Lease Interest	79,602	72,784	65,700	61,400
5620 Fiscal Agents Fee	2,231	2,100	2,100	2,600
5621 Bond Issuance/Discount Fees	6,500	25,204	-	-
TOTAL	<u>1,772,237</u>	<u>1,901,693</u>	<u>1,821,400</u>	<u>1,755,400</u>
NON-OPERATING EXPENSES				
5532 Capital Improvements-Bond	521,419	-	-	-
5533 Capital Improvements - Revenue	387,214	3,226,815	2,000,000	1,950,000
5536 Utility Infrastructure Replace. Proj.	743,566	-	-	-
5580 Capital Equipment	159,693	373,327	240,300	278,700
TOTAL	<u>1,811,892</u>	<u>3,600,142</u>	<u>2,240,300</u>	<u>2,228,700</u>
1905 TOTAL - CAPITAL	3,584,129	5,501,835	4,061,700	3,984,100

# City of Duluth Minnesota - 2017 Budget

## Utility General Expense

530-500-1915

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	28,973	7,974	9,400	16,800
5101 Permanent Employees - Overtime	694	-	-	-
TOTAL	<u>29,667</u>	<u>7,974</u>	<u>9,400</u>	<u>16,800</u>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	1,767	31,721	700	1,300
5122 F.I.C.A. Social Security	1,782	473	600	1,000
5123 F.I.C.A. Medicare	417	111	100	200
5125 Dental Insurance	104	65	100	100
5126 Life Insurance	1,317	1,287	-	-
5127 Health Care Savings	228	86	100	200
5130 Cafeteria Plan Benefits	9,082	3,233	2,900	5,000
5133 Health or Fitness Program	-	-	-	-
5134 Other Post Retirement Benefits	(82,582)	(53,552)	-	-
5135 Retiree Health Insurance	188,228	186,409	187,200	180,700
5151 Worker's Compensation	31,000	20,000	25,700	32,900
TOTAL	<u>151,343</u>	<u>189,833</u>	<u>217,400</u>	<u>221,400</u>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	87	-	200	100
5201 Computer Supplies/Software	20,804	9,156	-	-
5205 Safety & Training	333	444	700	700
5211 Cleaning & Janitorial Supplies	2,043	3,055	2,700	3,000
5212 Motor Fuels	-	-	200	200
5218 Uniforms	219	-	-	-
5219 Other Miscellaneous Supplies	-	159	-	-
5241 Small Equipment	2,438	1,150	700	1,400
5301 Auditing Services	629	809	1,000	1,000
5305 Medical Services/Testing Fees	2,862	2,767	2,700	2,700
5310 Contract Services	21,692	6,156	1,000	-
5319 Other Professional Services	4,034	-	-	-
5320 Data Services	8,066	17,674	18,800	17,500
5321 Telephone	6,186	5,460	4,800	3,100
5331 Training / Travel	313	3,459	2,300	2,800
5335 Mileage Reimbursement - Local	-	-	-	-

(continued)

# City of Duluth Minnesota - 2017 Budget

## Utility General Expense

530-500-1915

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
5355 Printing & Copying Services	-	87	-	-
5356 Copier, Printer Lease & Supplies	3,688	5,341	6,700	6,800
5360 Insurance	88,000	3,100	(18,400)	-
5381 Electricity	15,162	14,990	12,700	12,700
5382 Water, Gas & Sewer	18,958	10,797	15,000	16,000
5384 Refuse Disposal	1,518	1,905	2,000	1,900
5401 Building Repair & Maintenance	5,713	7,944	6,300	30,400
5404 Equipment/Machinery Repair & Mtc	-	4,963	8,700	8,700
5409 Fleet Service Charges	-	15	100	200
5414 Software Lic & Mtc Agreements	9,895	34,454	32,800	34,000
5433 Dues & Subscriptions	-	-	-	-
5438 Licenses	-	45	-	-
5441 Other Services & Charges	14,572	5,362	12,700	11,800
5450 Laundry	2,198	1,516	1,700	1,400
5493 Cost Allocation	306,900	308,000	308,000	232,800
5700 Transfer to General Fund	42,360	49,000	56,800	78,700
5700 Transfer to Special Revenue Funds	-	-	-	-
5700 Transfer to Internal Service Funds	161,000	-	-	-
TOTAL	<u>739,670</u>	<u>497,808</u>	<u>480,200</u>	<u>467,900</u>
1915 TOTAL - UTILITY GENERAL	920,680	695,615	707,000	706,100

# City of Duluth Minnesota - 2017 Budget

## Engineering

530-500-1930

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	364,861	379,750	385,800	354,100
5101 Permanent Employees - Overtime	26,673	30,725	20,000	20,000
5103 Temporary Wages	4,601	3,277	9,300	7,200
5118 Meal Allowance	185	438	-	200
<b>TOTAL</b>	<b>396,320</b>	<b>414,190</b>	<b>415,100</b>	<b>381,500</b>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	27,610	30,240	29,800	27,600
5122 F.I.C.A. Social Security	23,922	24,931	25,700	23,600
5123 F.I.C.A. Medicare	5,595	5,831	6,000	5,500
5125 Dental Insurance	867	2,117	2,200	2,000
5126 Life Insurance	1,000	1,025	1,000	1,000
5127 Health Care Savings	6,069	6,790	4,800	6,900
5130 Cafeteria Plan Benefits	79,728	79,558	84,900	87,300
<b>TOTAL</b>	<b>144,791</b>	<b>150,492</b>	<b>154,400</b>	<b>153,900</b>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	840	635	600	700
5201 Computer Supplies	8,249	721	-	200
5203 Paper, Stationary & Forms	507	188	500	400
5205 Safety & Training Materials	233	123	500	500
5212 Motor Fuels	5,192	3,243	4,500	4,500
5218 Uniforms	-	21	-	300
5219 Other Miscellaneous Supplies	117	50	-	-
5240 Small Tools	969	683	800	800
5241 Small Equipment	4,953	567	1,900	2,100
5242 Survey Equipment and Supplies	2,035	1,561	5,500	5,500
5303 Engineering Services	294	944	-	-
5310 Contract Services	-	-	-	-
5320 Data Services	20	1,001	1,500	1,700
5321 Telephone	2,301	1,815	2,000	2,000
5322 Postage	237	123	100	100
5331 Training Expenses	1,340	1,246	5,900	5,900

(continued)

# City of Duluth Minnesota - 2017 Budget

## Engineering

530-500-1930

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
5335 Mileage Reimbursement - Local	2,585	1,638	2,000	2,000
5355 Printing and Copying	2,338	2,623	1,000	500
5356 Copier, Printer Lease & Supplies	3,889	1,604	900	700
5404 Equipment Maintenance/Repair	346	600	700	900
5409 Fleet Services Charges	5,192	7,977	3,000	5,000
5414 Software Lic & Mtc Agreements	1,102	9,281	10,600	9,200
5433 Dues & Subscriptions	221	222	800	800
5435 Books & Pamphlets	23	-	200	200
5438 Licenses	362	-	100	-
5441 Other Services and Charges	3,171	3,566	13,200	13,900
5486 One Call System	3,682	3,492	3,300	3,600
TOTAL	50,198	43,924	59,600	61,500
1930 TOTAL - ENGINEERING	591,309	608,606	629,100	596,900

# City of Duluth Minnesota - 2017 Budget

## Customer Service

530-500-1940

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	233,001	241,476	177,600	168,300
5101 Permanent Employees - Overtime	4,179	4,556	500	2,300
5118 Meal Allowance	60	38	-	-
<b>TOTAL</b>	<b>237,240</b>	<b>246,070</b>	<b>178,100</b>	<b>170,600</b>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	16,606	18,077	12,900	12,400
5122 F.I.C.A. Social Security	14,549	14,914	11,000	10,600
5123 F.I.C.A. Medicare	3,403	3,488	2,600	2,500
5125 Dental Insurance	707	1,733	1,200	1,100
5126 Life Insurance	812	838	600	500
5127 Health Care Savings	2,879	4,251	1,700	3,700
5130 Cafeteria Plan Benefits	53,605	50,262	42,200	40,800
<b>TOTAL</b>	<b>92,561</b>	<b>93,563</b>	<b>72,200</b>	<b>71,600</b>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	903	738	1,000	900
5201 Computer Supplies	171	427	200	400
5203 Paper/Stationery	-	247	600	300
5212 Motor Fuel	1,575	1,146	1,400	800
5218 Uniforms	239	-	-	-
5241 Small Equipment	2,923	811	2,200	2,900
5310 Contract Services	34,488	34,507	29,400	34,600
5321 Telephone	198	198	300	200
5322 Postage	41,266	41,276	39,700	39,800
5331 Training Expense	762	1,736	1,400	1,600
5339 Armored Pickup	1,013	1,017	900	900
5355 Printing & Copying	662	1,578	1,200	1,400
5356 Copier, Printer Lease & Supplies	326	289	300	300
5401 Building Repair & Maintenance	57	169	-	-
5404 Equipment Repair & Maintenance	2,042	201	600	300
5409 Fleet Services	1,333	682	1,200	500
5414 Software Lic & Mtc Agreements	-	2,376	2,300	3,500

(continued)

# City of Duluth Minnesota - 2017 Budget

## Customer Service

530-500-1940

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

Expense Detail	2014	2015	2016	2017
	Actual	Actual	Budget	Approved
5418 Vehicle/Equip Lease (Long Term)	-	-	-	900
5427 Credit Card Commission	23,918	18,410	20,800	19,000
5432 Uncollectible Accounts	24,449	(5,874)	25,000	18,000
5441 Other Services & Charges	11,028	6,373	700	700
TOTAL	<u>147,353</u>	<u>106,307</u>	<u>129,200</u>	<u>127,000</u>
1940 TOTAL-CUSTOMER SERVICES	477,154	445,940	379,500	369,200

# City of Duluth Minnesota - 2017 Budget

## Utility Operations

530-500-1945

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	868,502	962,060	1,051,000	919,800
5101 Permanent Employees - Overtime	80,970	76,613	112,200	95,000
5103 Temporary Wages	9,379	6,403	-	18,900
5118 Meal Allowance	1,770	1,934	2,000	2,100
TOTAL	<u>960,621</u>	<u>1,047,010</u>	<u>1,165,200</u>	<u>1,035,800</u>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	66,776	76,104	85,800	74,500
5122 F.I.C.A. Social Security	58,280	63,063	72,100	64,100
5123 F.I.C.A. Medicare	13,630	14,749	16,900	15,000
5125 Dental Insurance	2,554	6,637	7,100	6,000
5126 Life Insurance	2,949	3,212	3,400	2,900
5127 Health Care Savings	23,152	13,704	17,500	26,300
5130 Cafeteria Plan Benefits	252,261	264,908	293,800	233,600
5141 Unemployment Compensation	543	606	-	-
TOTAL	<u>420,145</u>	<u>442,983</u>	<u>496,600</u>	<u>422,400</u>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	2,587	2,410	2,500	3,000
5201 Computer Supplies	1,000	3,470	1,300	1,300
5205 Safety & Training Materials	9,729	8,250	5,600	5,400
5210 Plant Operations Supplies	28,146	24,976	25,600	25,000
5212 Motor Fuel	62,184	38,971	62,000	57,000
5215 Shop Materials	880	287	1,600	1,600
5218 Uniforms	3,887	7,617	11,900	20,400
5219 Other Miscellaneous Supplies	1,482	1,028	2,000	2,500
5220 Repair and Maintenance Supplies	25,287	34,030	14,000	17,300
5222 Paving Materials	18,834	17,607	20,000	20,000
5224 Gravel and other Mtc Materials	36,100	46,781	46,000	46,500
5227 Utility Maintenance Supply	146,954	35,239	94,000	95,000
5240 Small Tools	10,630	5,985	7,000	7,000
5241 Small Equipment	4,864	9,821	15,200	11,800
5310 Contract Services	34,793	21,551	24,300	32,300
5319 Other Professional Services	-	-	-	-
5320 Data Services	5,183	357	-	-
5321 Telephone	1,000	1,043	1,000	1,500

(continued)

# City of Duluth Minnesota - 2017 Budget

## Utility Operations

530-500-1945

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
5331 Training Expense	24,582	12,924	15,900	13,400
5333 Freight/Delivery Charges	525	448	1,000	500
5335 Mileage Reimbursement	5,839	2,672	3,000	3,000
5355 Printing and Copying	26	660	800	800
5356 Copier, Printer Lease & Supplies	131	486	500	500
5381 Electricity	92,023	71,724	80,000	82,000
5382 Water, Gas & Sewer	14,514	9,703	15,000	13,000
5384 Refuse Disposal	12,897	16,634	13,200	15,200
5404 Equipment Maintenance/Repair	6,434	18,514	13,500	40,500
5409 Fleet Service Charges	108,368	96,883	110,000	112,900
5410 Fond Du Lac Grinder Pump	3,144	-	3,300	3,000
5414 Software Lic & Mtc Agreements	-	1,588	1,400	1,700
5415 Vehicle/Equipment Rental	1,498	989	3,000	2,000
5419 Other Rentals	-	3,276	-	-
5433 Dues and Subscriptions	234	753	500	900
5438 Licenses	1,063	475	500	500
5441 Other Services & Charges	10,996	6,256	11,500	12,500
5443 Board & Meeting Expenses	47	685	-	-
5450 Laundry	11,701	5,483	5,200	4,800
5700 Transfer to General Fund	21,563	71,445	103,700	103,700
TOTAL	<u>709,125</u>	<u>581,021</u>	<u>716,000</u>	<u>758,500</u>
1945 TOTAL - UTILITY OPERATIONS	2,089,891	2,071,014	2,377,800	2,216,700

# City of Duluth Minnesota - 2017 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		2014 Actual	2015 Actual	2016 Budget	2017 Approved
5484	Western Lake Superior Sanitary District Srv Charge	8,229,318	8,802,904	8,702,700	8,783,300
5485	Western Lake Superior Sanitary District Testing	217,982	218,801	218,800	217,000
1965	TOTAL- SEWER TREATMENT	8,447,300	9,021,705	8,921,500	9,000,300

# City of Duluth Minnesota - 2017 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	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	419,291	374,232	409,900	468,100
5101 Permanent Employees - Overtime	16,557	8,611	30,000	25,000
5103 Temporary Wages	-	-	-	-
5111 Long-Term Disability Wages	-	(4,710)	-	-
5118 Meal Allowance	260	130	300	300
<b>TOTAL</b>	<b>436,108</b>	<b>378,263</b>	<b>440,200</b>	<b>493,400</b>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	30,937	26,731	32,100	36,000
5122 F.I.C.A. Social Security	26,704	23,138	27,300	30,600
5123 F.I.C.A. Medicare	6,245	5,412	6,400	7,100
5125 Dental Insurance	1,170	2,290	2,500	2,800
5126 Life Insurance	1,350	1,095	1,200	1,300
5127 Health Care Savings	4,003	3,469	3,700	7,200
5130 Cafeteria Plan Benefits	75,101	66,153	83,200	97,100
<b>TOTAL</b>	<b>145,510</b>	<b>128,288</b>	<b>156,400</b>	<b>182,100</b>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	97	653	300	300
5201 Computer Supplies	-	-	200	200
5205 Safety & Training	-	65	200	200
5212 Motor Fuels	2,840	1,263	4,500	4,000
5218 Uniforms	750	930	1,100	1,700
5220 Repair & Maintenance Supplies	-	8,451	-	-
5227 Utility System Maintenance Supplies	-	-	-	-
5240 Small Tools	-	3,434	-	-
5241 Small Equipment	17,905	528	24,200	11,700
5320 Data Services	-	-	-	-
5321 Telephone	1,608	1,070	1,400	1,400
5322 Postage	-	5	300	300
5331 Training Expense	-	943	3,500	4,300
5335 Mileage Reimbursement	10,000	11,447	11,000	11,000
5355 Printing & Copying	-	-	500	300
5356 Copier, Printer Lease & Supplies	-	-	200	200
5404 Equipment Maintenance Repair	-	862	1,400	4,400
5409 Fleet Services	4,552	1,865	2,000	1,500
5418 Vehicle/Equipment Lease	-	-	9,600	7,200
5441 Other Services and Charges	3,495	-	1,000	1,000

# City of Duluth Minnesota - 2017 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	2014 Actual	2015 Actual	2016 Budget	2017 Approved
				(continued)
5450 Laundry	2,313	2,720	2,100	2,700
5482 Private Property Sewer Grants	800,184	303,050	450,000	360,000
TOTAL	<u>843,744</u>	<u>337,286</u>	<u>513,500</u>	<u>412,400</u>
1970 TOTAL INFLOW & INFILTRATION	1,425,362	843,837	1,110,100	1,087,900

# City of Duluth Minnesota - 2017 Budget

## Clean Water Surcharge Fund

532

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

Estimated Income and Expense	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>REVENUE</b>				
Operating Revenue	1,842,153	1,835,013	1,840,100	1,615,000
Non-Operating Revenue	129,825	1,501	600	-
	<u>1,971,978</u>	<u>1,836,514</u>	<u>1,840,700</u>	<u>1,615,000</u>
<b>EXPENSES</b>				
Other Services & Charges	5,910	1,275	8,400	5,900
Depreciation/ Amortization	564,027	574,184	582,400	566,300
Grants & Awards	687,667	130,896	200,000	160,000
Improvements - Non-Capital	-	-	-	-
Debt Service - Interest	177,857	163,795	158,800	143,100
Debt Service - Other	-	-	-	-
Transfers	3,407	-	-	-
	<u>1,438,868</u>	<u>870,150</u>	<u>949,600</u>	<u>875,300</u>
<b>ESTIMATED OPERATING INCOME (LOSS)</b>	<b>533,110</b>	<b>966,364</b>	<b>891,100</b>	<b>739,700</b>
Other Sources of Cash	564,028	574,184	582,400	566,300
Other Uses of Cash	(1,415,978)	(1,112,932)	(1,120,900)	(1,137,400)
Increase (Decrease) in Cash	<u>(318,840)</u>	<u>427,616</u>	<u>352,600</u>	<u>168,600</u>

# City of Duluth Minnesota - 2017 Budget

## Clean Water Fund Estimated Unrestricted Cash Balance

<u>OPERATING FUND</u>	<u>2016 Budget</u>	<u>2016 Projected</u>	<u>2017 Proposed</u>
ESTIMATED OPERATING INCOME (LOSS)	891,100	827,088	739,700
<u>Other Sources of Cash</u>			
Depreciation and Amortization	582,400	561,600	566,300
Total Other Sources of Cash	<u>582,400</u>	<u>561,600</u>	<u>566,300</u>
<u>Other Uses of Cash</u>			
Capital Grants	0	0	0
Budget Carry-Over for Encumbrances	0	0	0
Capital Improvements from Current Revenues	0	0	0
Infrastructure Replacement	0	0	0
Bond Principal Payments	1,120,900	1,120,900	1,137,400
Total Other Uses of Cash	<u>1,120,900</u>	<u>1,120,900</u>	<u>1,137,400</u>
INCREASE (DECREASE) IN CASH	352,600	267,788	168,600
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>342,874</u>	<u>478,491</u>	<u>746,279</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>695,474</u></u>	<u><u>746,279</u></u>	<u><u>914,879</u></u>

# City of Duluth Minnesota - 2017 Budget

## Clean Water Surcharge Fund

532

Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING REVENUES				
4836 I & I Surcharge	17,995	12,349	8,000	10,000
4837 Clean Water Surcharge	1,824,158	1,822,664	1,832,100	1,605,000
TOTAL	1,842,153	1,835,013	1,840,100	1,615,000
NON-OPERATING REVENUES				
4209 Federal Grants - Capital	-	-	-	-
4220 Minnesota Grants - Capital	125,900	-	-	-
4601 Change in Fair Value Investments	292	1,501	-	-
4601 GASB #31 Adjustment	3,407	-	-	-
4850 Earnings on Investments	226	-	600	-
TOTAL	129,825	1,501	600	-
TOTAL REVENUE	1,971,978	1,836,514	1,840,700	1,615,000

# City of Duluth Minnesota - 2017 Budget

## Clean Water Surcharge Fund

532

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING EXPENSES				
5301 Auditing Services	-	-	2,000	500
5420 Depreciation	564,027	574,184	582,400	566,300
5427 Credit Card Commissions	2,312	1,903	2,400	2,400
5432 Uncollectible Accounts	3,598	(628)	4,000	3,000
5434 Grants & Awards	687,667	130,896	200,000	160,000
5535 Non-Capital Improvements	-	-	-	-
5611 Bond Interest	177,857	163,795	158,800	143,100
5700 Transfers to General Fund	3,407	-	-	-
TOTAL	1,438,868	870,150	949,600	875,300
NON-OPERATING EXPENSES				
5532 Capital Improvements-Bond	56,000	1,491	-	-
5533 Capital Improvements-Revenue	-	-	-	-
5536 Utility Infrastructure Replacement	-	-	-	-
TOTAL	56,000	1,491	-	-
TOTAL EXPENSES	1,494,868	871,641	949,600	875,300

# City of Duluth Minnesota - 2017 Budget

## Stormwater Fund

535

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

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

Estimated Income and Expense	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>REVENUE</b>				
Stormwater Sewer Service	4,583,257	4,724,012	4,690,100	5,240,000
Miscellaneous Revenue	44,575	37,936	26,500	31,000
Non-Operating	88,023	19,114	11,800	11,200
	<u>4,715,855</u>	<u>4,781,062</u>	<u>4,728,400</u>	<u>5,282,200</u>
<b>EXPENSES</b>				
Personal Services	2,209,396	2,332,879	2,443,200	2,408,200
Supplies	298,301	284,061	296,700	287,400
Other Services and Charges	511,428	502,514	663,000	733,300
Utilities	24,223	20,786	26,700	27,300
Depreciation and Amortization	452,295	433,350	508,700	458,400
Improvements - Non-Capital	133,868	210,618	265,000	165,000
Debt Service - Interest	53,516	47,688	43,000	24,000
Bond Amortization	(746.00)	(4,487.00)	(700.00)	(6,800.00)
Transfers Out	691,602	527,578	639,300	570,200
	<u>4,373,883</u>	<u>4,354,987</u>	<u>4,884,900</u>	<u>4,667,000</u>
<b>ESTIMATED OPERATING INCOME (LOSS)</b>	341,972	426,075	(156,500.00)	615,200
Other Sources of Cash	620,767	551,353	508,600	451,600
Other Uses of Cash	(1,404,445)	(1,418,380)	(1,631,500)	(1,010,100)
Increase (Decrease) in Cash	<u>(441,706)</u>	<u>(440,952)</u>	<u>(1,279,400)</u>	<u>56,700</u>

# City of Duluth Minnesota - 2017 Budget

## Stormwater Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2016 Budget	2016 Projected	2017 Proposed
ESTIMATED OPERATING INCOME (LOSS)	-156,500	854,700	615,200
<u>Other Sources of Cash</u>			
Depreciation and Amortization	508,700	420,500	458,400
Interest from Bond Discount	-700	-6,800	-6,800
PERA Retirement, GASB #68	0	23,100	0
Other Post Employment Benefits	0		0
Due from Other Funds	0	9,221	0
Special Assessment Principal	600	476	0
Total Other Sources of Cash	<u>508,600</u>	<u>446,497</u>	<u>451,600</u>
<u>Other Uses of Cash</u>			
Capital Grants	0	0	0
Due to Other Funds	0	10,592	0
Capital Improvements from Current Revenues	1,225,000	1,712,200	635,000
Capital Equipment Purchases	181,800	42,000	147,000
Bond Principal Payments	224,700	109,700	228,100
Total Other Uses of Cash	<u>1,631,500</u>	<u>1,874,492</u>	<u>1,010,100</u>
INCREASE (DECREASE) IN CASH	-1,279,400	-573,295	56,700
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>989,944</u>	<u>1,642,193</u>	<u>1,068,898</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>-289,456</u></u>	<u><u>1,068,898</u></u>	<u><u>1,125,598</u></u>

# City of Duluth Minnesota - 2017 Budget

## Stormwater Fund

535

Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING REVENUES:				
4636 Sale of Materials	4,525	3,118	3,000	3,000
4170 Miscellaneous Permits & Licenses	21,400	10,824	10,000	12,000
4835 Stormwater Revenues	4,583,257	4,724,012	4,690,100	5,240,000
4802 Interest Earned on Customer Accounts	13,917	12,264	12,000	12,000
4805 Reimbursements	963	4,294	800	500
4809 Miscellaneous Operating Revenues	-	3	200	-
4851 Interest - Other Sources	3,770	7,433	500	3,500
<b>TOTAL OPERATING REVENUES</b>	<b>4,627,832</b>	<b>4,761,948</b>	<b>4,716,600</b>	<b>5,271,000</b>
NON-OPERATING REVENUES:				
4210 Federal Grants - Capital	-	-	-	-
4210 Federal Grants - Operating	-	-	-	-
4601 Change in Fair Value Investments	11,309	5,661	-	-
4601 GASB #31 Adjustment	28,907	-	-	-
4850 Earnings on Investments	2,026	-	600	-
4853 Gain/Loss - Sales of Fixed Assets	40,500	5,742	-	-
4854 Utility Assessments	(1,397)	(2,129)	-	-
4730 Transfers from Special Revenue Funds	1,758	-	-	-
4730 Transfers from Enterprise Funds	4,920	9,840	11,200	11,200
<b>TOTAL NON-OPERATING REVENUES</b>	<b>88,023</b>	<b>19,114</b>	<b>11,800</b>	<b>11,200</b>
<b>TOTAL REVENUE</b>	<b>4,715,855</b>	<b>4,781,062</b>	<b>4,728,400</b>	<b>5,282,200</b>

# City of Duluth Minnesota - 2017 Budget

## Director's Office

535-500-1900

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	45,476	48,333	67,300	51,800
5101 Permanent Employees - Overtime	177	490	500	500
TOTAL	45,653	48,823	67,800	52,300
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	4,685	3,522	4,900	3,800
5122 F.I.C.A. Social Security	2,737	2,809	4,200	3,200
5123 F.I.C.A. Medicare	664	706	1,000	800
5125 Dental Insurance	87	205	300	200
5126 Life Insurance	99	99	100	100
5127 Health Care Savings	1,727	1,406	600	500
5130 Cafeteria Plan Benefits	4,699	4,600	6,700	4,800
TOTAL	14,698	13,347	17,800	13,400
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	-	-	-	-
5241 Small Equipment	-	-	200	100
5321 Telephone	120	120	100	100
5331 Training Expense	-	-	200	100
5335 Mileage Reimbursement-Local	37	197	100	200
5356 Copier, Printer Lease & Splies	-	39	100	100
5441 Other Services & Charges	-	-	-	-
5700 Transfer to Special Revenue Funds	5,575	-	-	-
TOTAL	5,732	356	700	600
1900 TOTAL - DIRECTOR'S OFFICE	66,083	62,526	86,300	66,300

# City of Duluth Minnesota - 2017 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	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING EXPENSES				
5420 Depreciation	452,295	433,350	508,700	458,400
5441 Other Services & Charges	50	47	-	-
5535 Improvements (Non-Capital)	133,868	210,618	265,000	165,000
5540 Equipment (Non-Capital)	1,097	6,748	10,500	-
5611 Bond Interest	53,516	47,688	43,000	24,000
5613 Interest from Amortization	(746)	(4,487)	(700)	(6,800)
5620 Fiscal Agent Fees	438	438	400	600
5621 Bond Issuance/Discount Fees	-	10,604	-	-
TOTAL	640,518	705,006	826,900	641,200
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue	973,697	842,400	1,225,000	635,000
5580 Capital Equipment	171,376	337,713	181,800	147,000
TOTAL	1,145,073	1,180,113	1,406,800	782,000
1905 TOTAL - CAPITAL	1,785,591	1,885,119	2,233,700	1,423,200

# City of Duluth Minnesota - 2017 Budget

## Utility General Expense

535-500-1915

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	28,973	7,974	9,400	16,800
5101 Permanent Employees - Overtime	694	-	-	-
TOTAL	<u>29,667</u>	<u>7,974</u>	<u>9,400</u>	<u>16,800</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	1,769	23,762	700	1,300
5122 F.I.C.A. Social Security	1,783	473	600	1,000
5123 F.I.C.A. Medicare	417	110	100	200
5125 Dental Insurance	103	65	100	100
5126 Life Insurance	119	29	-	-
5127 Health Care Savings	228	86	100	200
5130 Cafeteria Plan Benefits	9,082	3,233	2,900	5,000
5133 Health or Fitness Program	-	-	-	-
5134 Other Post Retirement Benefits	(14,712)	43,146	-	-
5135 Retiree Health Insurance	10,290	10,290	10,300	23,900
5151 Worker's Compensation	7,500	7,300	12,000	13,300
TOTAL	<u>16,579</u>	<u>88,494</u>	<u>26,800</u>	<u>45,000</u>
OPERATING EXPENSES				
5200 Office Supplies	-	16	200	100
5201 Computer Supplies/Software	15,882	6,564	-	-
5205 Safety & Training Materials	248	177	700	700
5211 Cleaning and Janitorial Supplies	2,040	3,054	2,700	3,000
5212 Motor Fuels	-	-	200	200
5218 Uniforms	219	-	-	-
5241 Small Equipment	3,000	812	700	1,400
5301 Auditing Services	209	268	400	400
5305 Medical Services/Testing Fees	2,855	2,725	2,700	2,700
5310 Contract Services	13,042	6,156	-	-
5319 Other Professional Services	-	-	-	-
5320 Data Services	4,293	8,078	9,100	9,000
5321 Telephone	3,728	3,186	2,800	2,800
5331 Training Expenses	675	2,429	2,300	2,800
5335 Mileage Reimbursement - Local	-	-	-	-
5356 Copier, Printer Lease & Supplies	3,688	5,327	6,700	6,800
5360 Insurance	-	8,800	9,200	8,000

(continued)

# City of Duluth Minnesota - 2017 Budget

## Utility General Expense

535-500-1915

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
5381 Electricity	11,328	11,174	12,700	12,700
5382 Water & Gas	12,810	9,612	14,000	14,600
5384 Refuse Disposal	8,201	11,549	8,000	8,100
5401 Building Repair & Maintenance	4,299	7,453	6,100	30,200
5404 Equipment/Machinery Repair & Mtc	-	-	-	-
5409 Fleet Service Charges	-	15	100	200
5414 Software Lic & Mtc Agreements	317	18,994	22,600	23,600
5433 Dues & Subscriptions	-	1,875	-	-
5441 Other Services and Charges	31,740	15,514	8,700	8,000
5450 Laundry	2,198	1,515	1,700	1,400
5493 Cost Allocation Charges	150,700	151,800	151,800	154,500
5700 Transfer to General Fund	50,507	49,000	56,800	78,700
5700 Transfer to Special Revenue Funds	-	-	-	-
5700 Transfer to Internal Service Funds	121,000	-	91,000	-
TOTAL	442,979	326,093	411,200	369,900
1915 TOTAL - UTILITY EXPENSE	489,225	422,561	447,400	431,700

# City of Duluth Minnesota - 2017 Budget

## Engineering

535-500-1930

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	467,467	430,946	439,900	442,900
5101 Permanent Employees - Overtime	26,386	28,362	25,000	25,000
5103 Temporary Wages	4,601	3,277	9,300	7,200
5118 Meal Allowance	180	208	-	200
TOTAL	498,634	462,793	474,200	475,300
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	34,630	34,486	34,400	34,600
5122 F.I.C.A. Social Security	29,812	27,703	29,400	29,500
5123 F.I.C.A. Medicare	6,972	6,479	6,900	6,900
5125 Dental Insurance	1,095	2,416	2,400	2,300
5126 Life Insurance	1,265	1,168	1,200	1,100
5127 Health Care Savings	7,053	13,144	5,500	9,000
5130 Cafeteria Plan Benefits	115,414	102,693	104,900	104,300
5141 Unemployment Compensation	-	636	-	-
TOTAL	196,241	188,725	184,700	187,700
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	697	466	500	500
5201 Computer Supplies	12,247	622	1,000	600
5203 Paper, Stationery and Forms	492	188	500	400
5205 Safety & Training Materials	224	108	500	500
5212 Motor Fuel	3,378	2,160	3,000	3,000
5218 Uniforms	-	21	-	300
5219 Other Miscellaneous Supplies	126	50	-	-
5240 Small Tools	1,059	683	800	800
5241 Small Equipment	5,572	919	4,100	4,100
5242 Survey Equipment and Supplies	2,035	1,325	5,500	5,500
5303 Engineering Services	8,620	3,914	75,000	120,000
5310 Contract Services	14,561	142	5,000	10,000
5320 Data Services	592	1,081	1,500	1,700
5321 Telephone	2,903	2,174	2,500	2,200
5322 Postage	-	11	100	100
5331 Training Expenses	3,019	2,871	6,800	7,700
5335 Mileage Reimbursement	5,655	4,238	2,000	2,000
5355 Printing and Copying	614	450	300	300
5356 Copier, Printer Lease & Spplies	3,889	1,604	800	600
5404 Equipment Maintenance Repair	524	534	700	900
5409 Fleet Services	3,872	4,501	3,300	4,000
5414 Software Lic & Mtc Agreements	348	9,997	11,800	10,900
5418 Vehicle/Equipment Lease	-	-	-	-
5433 Dues and Subscriptions	1,225	172	400	400
5435 Books and Pamphlets	23	-	200	200
5438 Licenses	352	-	300	-
5441 Other Services and Charges	5,850	7,955	26,000	16,700
5486 One Call system	3,682	3,492	3,300	3,600
TOTAL	81,559	49,678	155,900	197,000
1930 TOTAL - ENGINEERING	776,434	701,196	814,800	860,000

# City of Duluth Minnesota - 2017 Budget

## Customer Service

535-500-1940

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	104,060	109,888	111,700	122,200
5101 Permanent Employees - Overtime	2,216	2,366	500	1,700
5118 Meal Allowance	32	20	-	-
TOTAL	106,308	112,274	112,200	123,900
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	7,430	8,100	8,200	9,000
5122 F.I.C.A. Social Security	6,527	6,814	7,000	7,700
5123 F.I.C.A. Medicare	1,526	1,593	1,600	1,800
5125 Dental Insurance	309	770	800	800
5126 Life Insurance	361	374	400	400
5127 Health Care Savings	1,323	2,194	1,000	2,400
5130 Cafeteria Plan Benefits	22,954	21,247	25,800	29,900
TOTAL	40,430	41,092	44,800	52,000
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	456	385	800	700
5201 Computer Supplies	89	223	200	300
5203 Paper/Stationery	-	97	500	200
5212 Motor Fuels	-	-	-	200
5241 Small Equipment	57	389	300	1,100
5310 Contract Services	17,994	18,004	22,100	26,000
5321 Telephone	102	102	200	200
5322 Postage	21,530	21,535	29,800	29,800
5331 Training Expense	397	906	1,000	1,200
5339 Armored Pickup	533	508	700	700
5355 Printing & Copying	300	631	900	1,100
5356 Copier, Printer Lease & Spplies	162	144	300	300
5401 Building Repair & Maintenance	40	121	-	-
5404 Equipment Repair & Maintenance	102	105	400	200
5409 Fleet Services	-	41	-	100
5418 Vehicle/Equip Lease (Long-Term)	-	-	-	900
5427 Credit Card Commission	6,079	4,806	5,600	4,900
5432 Uncollectible Accounts	8,050	1,291	5,000	4,800
5441 Other Services & Charges	49	31	600	500
TOTAL	55,940	49,319	68,400	73,200
1940 TOTAL - CUSTOMER SERVICES	202,678	202,685	225,400	249,100

# City of Duluth Minnesota - 2017 Budget

## Utility Operations

535-500-1945

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	808,756	906,012	987,700	922,900
5101 Permanent Employees - Overtime	77,793	73,984	82,200	77,000
5103 Other Wages	10,719	7,317	-	21,600
5118 Meal Allowance	2,198	1,877	1,800	1,800
TOTAL	899,466	989,190	1,071,700	1,023,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	61,927	70,371	78,300	73,400
5122 F.I.C.A. Social Security	55,147	60,116	66,300	63,300
5123 F.I.C.A. Medicare	12,897	14,058	15,500	14,800
5125 Dental Insurance	2,367	6,048	6,600	6,000
5126 Life Insurance	2,730	2,928	3,200	2,900
5127 Health Care Savings	27,515	18,593	21,300	21,800
5130 Cafeteria Plan Benefits	199,137	208,053	242,600	236,300
TOTAL	361,720	380,167	433,800	418,500
OPERATING EXPENSES				
5200 Office Supplies	1,435	1,501	2,000	3,000
5201 Computer Supplies/Software	26	15	600	600
5205 Safety & Training Materials	6,240	7,836	3,100	4,000
5210 Plant Operating Supplies	12,902	13,650	9,700	12,100
5212 Motor Fuels	52,238	38,538	60,000	55,000
5218 Uniforms	3,853	7,859	7,700	7,600
5219 Other Miscellaneous Supplies	24	658	3,000	2,000
5220 Repair and Maintenance Supplies	17,341	9,379	8,300	7,800
5222 Blacktop	23,345	26,969	24,000	23,000
5224 Gravel and Other Maintenance Materials	70,748	51,494	56,000	52,000
5227 Utility Maintenance Supplies	50,032	87,251	81,000	87,000
5240 Small Tools	1,498	3,794	3,500	3,100
5241 Small Equipment	10,798	16,858	15,400	6,500
5310 Contract Services	5,215	3,258	13,200	17,200
5320 Data Services	-	354	-	-
5321 Telephone	752	1,258	1,600	1,300
5322 Postage	-	-	-	-

(continued)

# City of Duluth Minnesota - 2017 Budget

## Utility Operations

535-500-1945

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
5331 Training Expense	1,464	3,674	7,600	7,500
5333 Freight and Delivery Charges	339	573	300	500
5335 Mileage Reimbursement	1,541	4,542	3,000	3,500
5355 Printing & Copying	46	11,644	5,100	11,000
5356 Copier, Printer Lease & Supplies	-	117	300	300
5382 Water /Sewer/Gas	85	-	-	-
5384 Refuse Disposal	4,751	10,385	11,800	12,000
5404 Equipment/Maintenance Repair	3,438	2,074	5,000	4,500
5409 Fleet Services	116,184	85,314	105,000	101,500
5414 Software Lic & Mtc Agreements	-	990	1,000	1,200
5415 Vehicle/Equip Rent	29,312	12,450	23,000	23,000
5433 Dues and Subscriptions	50	2,924	2,700	6,900
5438 Licenses	-	-	500	-
5441 Other Services & Charges	633	2,198	28,000	26,800
5443 Board & Meeting Expenses	-	510	-	-
5450 Laundry	8,949	5,011	4,700	4,500
5700 Transfer to General Fund	514,520	478,578	491,500	491,500
TOTAL	<u>937,759</u>	<u>891,656</u>	<u>978,600</u>	<u>976,900</u>
1945 TOTAL - UTILITY OPERATIONS	2,198,945	2,261,013	2,484,100	2,418,700

# City of Duluth Minnesota - 2017 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	2014 Actual	2015 Actual	2016 Budget	2017 Approved
<b>REVENUE</b>				
Operating	6,622,781	6,505,442	7,097,700	7,446,000
Miscellaneous	702,279	216,356	229,800	230,000
	<u>7,325,060</u>	<u>6,721,798</u>	<u>7,327,500</u>	<u>7,676,000</u>
<b>EXPENSES</b>				
Duluth Steam Co-op				
Management Contract	2,368,952	2,479,472	2,565,900	2,734,800
Fuel Expense	3,089,613	3,089,613	3,069,700	3,068,600
Other Operating &	-	-	-	-
Maintenance Expense	602,133	927,646	666,300	908,900
Depreciation	1,082,205	1,122,508	1,095,400	1,305,900
In Lieu of Taxes	132,456	130,109	152,800	152,800
Bond Interest	111,650	195,971	227,000	207,300
	<u>7,387,009</u>	<u>7,945,319</u>	<u>7,777,100</u>	<u>8,378,300</u>
<b>ESTIMATED OPERATING INCOME/(LOSS)</b>	(61,949)	(1,223,521)	(449,600)	(702,300)

# City of Duluth Minnesota - 2017 Budget

## Steam Utility Fund

540

Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING REVENUES:				
4654 Other Reimbursements	30,580	9,349	-	-
4801 Off/On Charge	-	-	-	-
4802 Interest Earned on Customer Accounts	35,791	22,385	18,000	22,800
4809 Misc Non-Operating Income	12,022	10,366	8,800	11,000
4840 Energy Charge	2,916,711	2,659,787	2,948,200	2,949,500
4841 Steam Flat Rate	-	-	-	-
4842 Capacity Charge	3,111,722	3,272,179	3,636,000	3,956,400
4843 Steam Repair - Labor	1,480	4,832	2,400	4,200
4844 Steam Repair - Materials	2,565	8,743	2,400	6,000
4845 Hot Water Sales	186,353	159,461	162,900	168,500
4846 Chilled Water Capacity Charge	198,253	198,253	198,300	198,300
4847 Chilled Water Energy Charge	127,304	160,087	120,700	129,300
<b>TOTAL OPERATING REVENUES</b>	<b>6,622,781</b>	<b>6,505,442</b>	<b>7,097,700</b>	<b>7,446,000</b>
MISCELLANEOUS REVENUES:				
4210 Pass-thru Federal Grants	21,334	-	-	-
4270 Other Grants	50,000	-	-	-
4850 Earnings on Investments	10,605	(6,183)	-	-
4855 DECC Capacity Charge	227,842	229,071	229,800	230,000
4720 Gain/Loss on Sale Capital Assets	-	(117,655)	-	-
4730 Transfer from Special Revenue Funds	392,498	111,123	-	-
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>702,279</b>	<b>216,356</b>	<b>229,800</b>	<b>230,000</b>
<b>TOTAL REVENUE</b>	<b>7,325,060</b>	<b>6,721,798</b>	<b>7,327,500</b>	<b>7,676,000</b>

# City of Duluth Minnesota - 2017 Budget

## Steam Utility Fund

540

Expense Detail by Division	2014 Actual	2015 Actual	2016 Budget	2017 Approved
1490 Production	3,089,613	3,089,613	3,069,700	3,068,600
1491 Chiller Production	67,304	67,304	78,000	88,200
1492 Production Maintenance	224,939	297,893	168,100	294,000
1493 Transmission & Distribution	89,786	356,573	254,000	277,000
1494 Customer Accounting	8,645	8,191	11,900	11,900
1495 Administration & General	3,763,595	3,915,509	3,960,000	4,415,600
1497 Hot Water	31,477	45,263	8,400	15,700
1499 Debt Service & Capital	111,650	164,973	227,000	207,300
<b>TOTAL EXPENSES</b>	<b>7,387,009</b>	<b>7,945,319</b>	<b>7,777,100</b>	<b>8,378,300</b>

# City of Duluth Minnesota - 2017 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	2014 Actual	2015 Actual	2016 Budget	2017 Approved
5216 Chemicals	47,667	47,667	54,000	54,000
5220 Repair and Mtc Supplies	7,547	7,547	-	-
5310 Contract Services	7,130	7,130	-	-
5311 Security Services	-	-	-	-
5381 Electricity	229,455	229,455	231,900	223,000
5382 Water, Gas and Sewer	171,480	171,480	226,700	222,500
5383 Natural Gas	30,264	30,264	73,400	69,200
5384 Refuse Disposal	1,963	1,963	1,800	-
5385 Oil	67,540	67,540	36,700	36,500
5387 Coal	2,470,950	2,470,950	2,388,900	2,365,200
5388 Ash Handling	54,524	54,524	56,300	98,200
5432 Uncollectible Accounts	1,093	1,093	-	-
1490 TOTAL - PRODUCTION	3,089,613	3,089,613	3,069,700	3,068,600

# City of Duluth Minnesota - 2017 Budget

## Chiller Production

540-1491

Records the variable cost of producing and distributing chilled water.

Expense Detail		2014 Actual	2015 Actual	2016 Budget	2017 Approved
5216	Chemicals	10,379	10,379	7,500	7,500
5220	Repair & Mntc Supplies	333	333	4,000	6,400
5310	Contract Services	22,258	22,258	25,300	25,300
5381	Electricity	29,020	29,020	34,700	42,500
5382	Water, Gas & Sewer	5,314	5,314	6,500	6,500
1491	TOTAL - PRODUCTION	67,304	67,304	78,000	88,200

# City of Duluth Minnesota - 2017 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		2014 Actual	2015 Actual	2016 Budget	2017 Approved
5205	Safety Equipment & Supplies	8,847	24,452	12,100	12,000
5216	Chemicals	834	387	-	-
5220	Repair Materials & Supplies	160,772	222,111	96,000	180,000
5310	Contract Services	54,395	37,512	60,000	102,000
5441	Other Services & Charges	91	13,431	-	-
1492	TOTAL - PRODUCTION MAINTENANCE	224,939	297,893	168,100	294,000

# City of Duluth Minnesota - 2017 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	2014 Actual	2015 Actual	2016 Budget	2017 Approved
5216 Chemicals	-	5,494	-	-
5220 Repair Materials & Supplies	35,974	84,717	52,800	60,000
5310 Contract Services	53,812	265,975	201,200	217,000
5409 Fleet Services Charges	-	387	-	-
1493 TOTAL - TRANSMISSIONS & DISTRIBUTION	89,786	356,573	254,000	277,000

# City of Duluth Minnesota - 2017 Budget

## Customer Accounting

540-1494

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
5200 Office Supplies	499	714	500	500
5322 Postage	1,734	1,477	1,200	1,200
5432 Uncollectible Accounts	6,412	6,000	10,200	10,200
1494 TOTAL - CUSTOMER ACCOUNTING	8,645	8,191	11,900	11,900

# City of Duluth Minnesota - 2017 Budget

## Administration & General

540-1495

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

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
5200 Office Supplies	4,881	5,177	3,800	3,800
5301 Audit Fees	996	970	1,200	1,200
5304 Legal Services	2,642	2,079	3,000	3,000
5307 Management Contract	2,368,952	2,479,472	2,565,900	2,734,800
5319 Other Professional Services	40,767	33,383	-	55,000
5321 Telephone Service	8,818	9,921	7,800	8,400
5322 Postage	-	218	600	600
5340 Advertising & Promotion	4,939	7,138	6,000	6,000
5361 General Liability Boiler Insurance	470	3,376	4,000	11,000
5384 Refuse Disposal	-	-	-	1,800
5404 Equipment/Machinery Repair & Mtc	200	449	-	3,000
5415 Vehicle/Equip Rent (Short-term)	219	6,443	-	6,000
5420 Depreciation	1,082,205	1,122,508	1,095,400	1,305,900
5433 Dues & Subscription	-	-	-	1,000
5438 Licenses Operating	63,120	60,244	61,000	61,000
5441 Other Services & Charges	1,803	2,902	7,800	9,600
5443 Board & Meeting Expenses	1,627	1,620	1,200	1,200
5480 Payment in Lieu of Taxes	132,456	130,109	152,800	152,800
5493 Cost Allocation	49,500	49,500	49,500	49,500
1495 TOTAL - ADMINISTRATION & GENERAL	3,763,595	3,915,509	3,960,000	4,415,600

# City of Duluth Minnesota - 2017 Budget

## Hot Water

540-1497

Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
5216 Chemicals	2,658	2,222	-	-
5220 Repair & Maintenance Supplies	7,435	17,299	-	-
5310 Contract Services	14,696	17,840	8,400	8,400
5381 Electricity	6,688	7,799	-	7,300
5441 Other Services & Charges	-	103	-	-
1497 TOTAL - HOT WATER	31,477	45,263	8,400	15,700

# City of Duluth Minnesota - 2017 Budget

## Debt Service

540-1499

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

Expense Detail		2014 Actual	2015 Actual	2016 Budget	2017 Approved
5611	Bond Interest	69,964	83,971	173,200	162,500
5612	Other Debt Interest	-	-	13,900	12,400
5613	Interest from Bond Discount	-	-	-	-
5614	Capital Lease Interest	-	-	-	-
5620	Fiscal Agents Fee	1,050	700	700	700
5621	Bond Issuance/Discount Fees	-	72,966	-	-
5622	Bond Amortization	40,636	38,334	39,200	31,700
5530	Improvements Other than Bldgs	-	(72,065)	-	-
5580	Capital Equipment	-	41,067	-	-
1499	TOTAL - DEBT SERVICE	111,650	164,973	227,000	207,300

# City of Duluth Minnesota - 2017 Budget

## Street Lighting Fund

550

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

Estimated Revenues/Expenses	2014 Actual	2015 Actual	2016 Budget	2017 Approved
REVENUE				
Operating Revenue	2,219,441	1,967,817	1,550,100	1,451,900
Non-Operating	10,043	221,387	647,600	758,600
	2,229,484	2,189,204	2,197,700	2,210,500
EXPENSE				
Personal Services	439,516	449,916	458,900	478,900
Supplies	283,281	236,583	336,100	275,500
Other Services and Charges	289,449	327,055	662,400	379,700
Utilities	664,973	661,810	680,000	680,000
Depreciation	234,755	237,572	229,300	241,900
Transfers	42,140	41,000	37,200	37,200
	1,954,114	1,953,936	2,403,900	2,093,200
ESTIMATED OPERATING INCOME / (LOSS)	275,370	235,268	(206,200.00)	117,300
Other Sources of Cash	350,853	248,590	229,300	241,900
Other Uses of Cash	(694,386)	(481,287)	(350,000)	(619,000)
Increase (Decrease) in Cash	(68,163)	2,571	(326,900)	(259,800)

BUDGETED FTE'S	2014	2015	2016	2017
9 Executive Assistant	0.1	0.1	0.1	0.1
32 Traffic Operations Leadworker	1.0	1.0	1.0	1.0
30 Electrician	0.0	0.0	0.0	0.0
30 Signal Technician	3.0	3.0	3.0	3.0
22 Maintenance Worker	1.0	1.0	1.0	1.0
Division Total	5.1	5.1	5.1	5.1

# City of Duluth Minnesota - 2017 Budget

## Street Lighting Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2016 Budget	2016 Projected	2017 Proposed
ESTIMATED OPERATING INCOME (LOSS)	-206,200	133,800	117,300
<u>Other Sources of Cash</u>			
Depreciation and Amortization	229,300	275,600	241,900
PERA Retirement, GASB 68	0	4,600	0
Total Other Sources of Cash	<u>229,300</u>	<u>280,200</u>	<u>241,900</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	0	5,273	0
Capital Improvements from Current Revenues	350,000	659,500	375,000
Capital Equipment Purchases	0	0	244,000
Total Other Uses of Cash	<u>350,000</u>	<u>664,773</u>	<u>619,000</u>
INCREASE (DECREASE) IN CASH	-326,900	-250,773	-259,800
EST. UNRESTRICTED CASH AND DEBT SERVICE CASH- BEGINNING	<u>875,146</u>	<u>1,855,620</u>	<u>1,604,847</u>
EST. UNRESTRICTED CASH AND DEBT SERVICE CASH- ENDING	<u><u>548,246</u></u>	<u><u>1,604,847</u></u>	<u><u>1,345,047</u></u>

# City of Duluth Minnesota - 2017 Budget

## Street Lighting Fund

550

Revenue Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING REVENUES:				
4838 Street Lighting Fee	2,133,613	1,913,367	1,496,600	1,407,400
4636 Sale of Scrap	1,836	1,126	1,000	1,000
4654 Other Reimbursements	51,452	39,078	17,000	18,000
4680 Damages or Losses Recovered	21,720	5,809	30,000	20,000
4802 Interest Earned	10,820	8,437	5,500	5,500
TOTAL OPERATING REVENUE	2,219,441	1,967,817	1,550,100	1,451,900
NON-OPERATING REVENUES:				
4005 Current Property Taxes	-	220,293	647,600	757,600
4010 Delinquent Property Taxes	-	-	-	1,000
4601 Change in Fair Value Investments	10,043	1,094	-	-
TOTAL NON-OPERATING REVENUES	10,043	221,387	647,600	758,600

# City of Duluth Minnesota - 2017 Budget

## Street Lighting Fund

550

Operating Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	283,327	292,202	303,200	321,800
5101 Permanent Employees - Overtime	29,142	29,764	35,000	30,000
5103 Temporary Employees - Regular	-	5,088	-	-
5118 Meal Allowance	-	-	-	-
<b>TOTAL</b>	<b>312,469</b>	<b>327,054</b>	<b>338,200</b>	<b>351,800</b>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	21,939	28,270	24,700	25,700
5122 F.I.C.A. Social Security	19,219	19,984	21,000	21,800
5123 F.I.C.A. Medicare	4,495	4,674	4,900	5,100
5125 Dental Insurance	791	1,897	1,900	1,900
5126 Life Insurance	917	918	900	900
5127 Health Care Savings Plan	14,593	2,767	2,900	4,700
5130 Cafeteria Plan Benefits	65,093	64,352	64,400	67,000
<b>TOTAL</b>	<b>127,047</b>	<b>122,862</b>	<b>120,700</b>	<b>127,100</b>
OPERATING EXPENSES				
5200 Office Supplies	971	1,518	1,000	1,500
5201 Computer Supplies	87	24	-	-
5205 Safety & Training	5,317	2,445	3,000	3,000
5211 Cleaning/Janitorial Supplies	2,201	3,030	1,500	2,000
5212 Motor Fuels	9,476	6,106	11,000	10,000
5218 Uniforms	2,637	2,190	2,500	2,500
5219 Other Miscellaneous Supplies	6,154	3,169	5,000	5,000
5226 Sign & Signal Supplies	38,383	49,579	63,400	63,400
5230 Street Lighting Supplies	202,016	157,467	175,000	140,000
5240 Small Tools	4,018	2,658	5,000	5,000
5241 Small Equipment	12,021	8,397	68,700	43,100
5310 Contract Services	120,606	171,759	270,000	135,000
5319 Other Professional Services	14,719	30,899	250,000	105,000
5321 Telephone	2,197	2,487	2,400	2,400
5331 Travel/Training	6,596	3,626	3,000	4,000
5335 Mileage Reimbursement - Local	3,010	3,303	3,500	3,500

# City of Duluth Minnesota - 2017 Budget

## Street Lighting Fund

550

Operating Expense Detail	2014 Actual	2015 Actual	2016 Budget	2017 Approved
OPERATING EXPENSES CONTINUED				
5381 Electricity	664,973	661,810	680,000	680,000
5389 Street Lighting	14,938	16,855	18,000	18,000
5401 Bldg/Structure Repair & Maintenance	-	49	500	500
5404 Equipment Repair & Maintenance	329	1,214	1,500	1,500
5409 Fleet Service Charges	56,125	32,564	48,000	48,000
5414 Software Lic & Mtc Agreements	70	1,930	2,100	200
5415 Equipment Rental	-	-	500	500
5420 Depreciation	234,755	237,572	229,300	241,900
5432 Uncollectible Accounts	7,215	1,870	1,000	1,000
5433 Dues & Subscriptions	85	85	100	100
5435 Books	-	273	100	100
5438 Licenses	150	194	200	200
5441 Other Services & Charges	2,827	109	1,000	2,700
5450 Laundry	1,582	838	1,500	900
5493 Cost Allocation	59,000	59,000	59,000	56,100
5700 Interfund Transfers Out	42,140	41,000	37,200	37,200
TOTAL	<u>1,514,598</u>	<u>1,504,020</u>	<u>1,945,000</u>	<u>1,614,300</u>
TOTAL OPERATING EXPENSES	1,954,114	1,953,936	2,403,900	2,093,200
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue Financing	-	50,400	350,000	375,000
5580 Capital Equipment	<u>693,742</u>	<u>422,356</u>	<u>-</u>	<u>244,000</u>
TOTAL NON-OPERATING EXPENSES	693,742	472,756	350,000	619,000
TOTAL STREET LIGHT UTILITY	2,647,856	2,426,692	2,753,900	2,712,200

# Internal Service Funds

# City of Duluth Minnesota - 2017 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.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	9,671,664	10,291,290	10,441,761	8,871,109
REVENUES				
Participation from Other Funds	13,457,796	12,869,943	22,441,080	24,326,402
Charges for Services	4,387,004	3,415,781	4,086,900	4,074,100
Miscellaneous	2,103,173	2,378,396	2,088,560	2,155,160
TOTAL REVENUES	<u>19,947,973</u>	<u>18,664,120</u>	<u>28,616,540</u>	<u>30,555,662</u>
EXPENSES				
Personal Services	1,960,458	2,092,490	2,158,600	2,248,000
Other Expenditures	5,070,468	4,432,068	4,930,771	4,731,699
Claims	11,509,621	11,989,092	23,097,821	25,734,343
TOTAL EXPENSES	<u>18,540,547</u>	<u>18,513,650</u>	<u>30,187,192</u>	<u>32,714,042</u>
FUND BALANCE - DECEMBER 31	10,291,290	10,441,761	8,871,109	6,712,729

# City of Duluth Minnesota - 2017 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.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	1,851,433	1,653,541	1,366,419	1,282,619
REVENUES				
Transfer from City Funds:				
General	500,000	500,000	600,000	600,000
Public Utility	130,400	114,200	139,000	154,800
Other Reimbursements	139,339	138,113	62,400	55,900
TOTAL REVENUES	<u>769,739</u>	<u>752,313</u>	<u>801,400</u>	<u>810,700</u>
EXPENSES				
Personal Services	383,815	412,952	349,600	357,300
Claims:				
Worker's Compensation	277,664	274,313	217,900	210,400
Other Services and Charges	306,152	352,170	317,700	392,100
Prior Year Adjustment - GASB 68	-	-	-	-
TOTAL EXPENSES	<u>967,631</u>	<u>1,039,435</u>	<u>885,200</u>	<u>959,800</u>
FUND BALANCE - DECEMBER 31	1,653,541	1,366,419	1,282,619	1,133,519

# City of Duluth Minnesota - 2017 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.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	1,543,677	1,415,156	1,676,445	1,615,745
REVENUES				
Transfer from City Funds:				
General	150,000	400,000	400,000	400,000
Public Utility	224,900	188,200	149,000	52,400
Duluth Steam	470	3,376	3,400	3,300
Spirit Mountain	-	2,000	-	-
Duluth Airport	-	24,747	47,700	47,500
DEDA	23,000	23,480	23,500	18,500
Other Reimbursements	33,750	14,281	-	-
TOTAL REVENUES	432,120	656,084	623,600	521,700
EXPENSES				
Claims: Liability	290,586	38,967	357,800	339,600
Property/Boiler Insurance	108,666	155,025	158,100	158,700
Other Services and Charges	161,389	200,804	168,400	249,700
TOTAL EXPENSES	560,641	394,796	684,300	748,000
FUND BALANCE - DECEMBER 31	1,415,156	1,676,445	1,615,745	1,389,445

# City of Duluth Minnesota - 2017 Budget

## Medical Health Fund

630

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

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	5,110,186	7,139,085	7,452,191	5,989,259
REVENUES				
City Employer/Employee Premiums	12,105,405	10,833,025	20,282,448	22,243,058
Sub-Group Employer/Employee Premium	1,709,674	1,784,411	1,758,192	1,929,900
Miscellaneous	190,252	365,098	200,000	100,000
TOTAL REVENUES	<u>14,005,331</u>	<u>12,982,534</u>	<u>22,240,640</u>	<u>24,272,958</u>
EXPENSES				
Personal Services	255,000	255,000	317,000	322,600
Claims	10,209,223	10,906,603	21,724,930	24,385,231
Other Services and Charges	<u>1,512,209</u>	<u>1,507,825</u>	<u>1,661,642</u>	<u>1,359,168</u>
TOTAL EXPENSES	<u>11,976,432</u>	<u>12,669,428</u>	<u>23,703,572</u>	<u>26,066,999</u>
FUND BALANCE - DECEMBER 31	7,139,085	7,452,191	5,989,259	4,195,218

# City of Duluth Minnesota - 2017 Budget

## Dental Health Fund

633

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

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	598,973	162,683	192,469	199,249
REVENUES				
City Employer/Employee Premiums	323,621	780,915	796,032	806,844
Sub-Group Employer/Employee Premiums	30,158	76,493	67,968	69,360
TOTAL REVENUES	<u>353,779</u>	<u>857,408</u>	<u>864,000</u>	<u>876,204</u>
EXPENSES				
Claims	732,148	769,209	797,191	799,112
Other Services and Charges	57,921	58,413	60,029	60,631
TOTAL EXPENSES	<u>790,069</u>	<u>827,622</u>	<u>857,220</u>	<u>859,743</u>
FUND BALANCE - DECEMBER 31	162,683	192,469	199,249	215,710

# City of Duluth Minnesota - 2017 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.

	2014 Actual	2015 Actual	2016 Budget	2017 Approved
FUND BALANCE - JANUARY 1	567,395	708,625	(245,763)	(215,763)
Prior Year Adjustment - GASB 68 Pension		(787,800)		
REVENUES				
Fleet Services				
General Fund	3,234,982	2,629,631	3,047,600	3,062,200
Parks Fund	4,044	3,202	5,000	4,500
Golf Fund	53,386	3,366	-	-
Parking Fund	7,365	5,631	9,000	9,000
Water and Gas	645,464	444,900	600,000	583,800
Sewer	191,235	152,044	188,900	186,600
Stormwater	175,671	130,569	171,600	164,200
Steam	-	387	-	-
Street Light Utility	65,601	38,670	59,000	58,000
Other	9,256	7,381	5,800	5,800
TOTAL REVENUES	4,387,004	3,415,781	4,086,900	4,074,100
EXPENSES				
Personal Services	938,077	1,005,063	1,072,400	1,101,800
Benefits	383,566	419,475	419,600	466,300
Other Expenses	2,924,131	2,157,831	2,564,900	2,511,400
TOTAL EXPENSES	4,245,774	3,582,369	4,056,900	4,079,500
FUND BALANCE - DECEMBER 31	708,625	(245,763)	(215,763)	(221,163)
BUDGETED FTE'S				
1115 Maintenance Operations Manager	0.25	0.25	0.25	0.00
1050 Mgr Maintenance & Supply Svcs	1.00	1.00	1.00	1.00
133 Budget & Operations Analyst	0.10	0.10	0.10	0.20
32 Fleet Assistant	2.00	2.00	2.00	1.00
28 Fleet Services Leadworker	1.00	1.00	1.00	2.00
28 Heavy Equipment Mechanic	6.00	6.00	6.00	6.00
28 Welder	2.00	2.00	2.00	2.00
27 Storekeeper	1.00	1.00	1.00	1.00
27 Industrial Equipment Technician	1.00	1.00	1.00	1.00
25 Equipment Maintenance Specialist	2.00	2.00	2.00	2.00
24 Assistant Storekeeper	1.00	1.00	1.00	1.00
22 Maintenance Worker	1.00	1.00	1.00	1.00
Division Total	18.35	18.35	18.35	18.20

## City of Duluth Minnesota - 2017 Budget

Fleet Services		660-015			
EXPENSE DETAIL	2014 Actual	2015 Actual	2016 Budget	2017 Approved	
PERSONAL SERVICES					
5100 Permanent Employees - Regular	922,352	992,193	1,052,400	1,081,800	
5101 Permanent Employees - Overtime	12,397	6,789	20,000	20,000	
5103 Other Wages	3,328	6,081	-	-	
TOTAL	938,077	1,005,063	1,072,400	1,101,800	
5121 P.E.R.A.	64,394	70,681	77,100	80,000	
5121 P.E.R.A., GASB 68	-	13,882	-	-	
5122 F.I.C.A. Social Security	57,158	60,929	66,500	68,300	
5123 F.I.C.A. Medicare	13,368	14,249	15,600	16,000	
5125 Dental Insurance	2,670	6,516	6,800	6,800	
5126 Life Insurance	4,492	4,569	3,300	3,300	
5127 Health Care Savings Plan	14,590	17,164	10,000	25,700	
5130 Cafeteria Plan Benefits	226,894	231,485	240,300	266,200	
TOTAL	383,566	419,475	419,600	466,300	
OTHER EXPENDITURES					
5200 Office Supplies	1,265	2,229	1,500	2,000	
5201 Computer Supplies/Software	35	1,100	1,500	1,000	
5205 Safety & Training Materials	2,544	1,882	4,000	2,500	
5210 Plant/Operating Supplies	16,728	14,165	16,000	16,000	
5211 Cleaning/Janitorial Supplies	-	215	-	4,500	
5212 Motor Fuel	1,411,287	791,756	1,065,700	948,400	
5215 Shop Materials	15,200	15,914	5,000	16,900	
5219 Other Miscellaneous Supplies	2,442	9,169	6,500	10,000	
5221 Equipment Repair Supplies	1,050,148	938,818	1,000,100	1,000,100	
5240 Small Tools	11,108	8,281	11,000	11,000	
5241 Small Equipment	-	1,077	2,000	2,000	
5305 Medical Services/Testing Fees	-	-	500	-	
5319 Other Professional Services	-	-	1,500	-	
5320 Data Services	2,831	4,200	5,000	8,000	
5321 Telephone	729	813	500	500	
5331 Travel/Training	770	6,743	8,000	2,000	
5356 Copier, Printer Lease & Supplies	3,498	2,607	5,000	5,000	
5381 Electricity	14,482	16,363	15,800	17,000	
5382 Water, Gas and Sewer	19,513	13,111	25,000	17,000	
5384 Refuse Disposal	611	662	2,000	2,800	
5401 Building Structure Repair	3,974	716	6,000	3,000	
5404 Equipment Repair & Maintenance	163,408	143,297	179,500	202,700	
5414 Software Licenses & Maintenance	-	1,860	1,900	1,900	
5419 Other Rental	-	-	1,500	1,500	
5420 Depreciation	55,925	49,066	41,600	60,800	
5438 Licenses	6,598	957	6,500	2,000	
5441 Other Services and Charges	16,684	15,745	25,100	18,000	
5450 Laundry	16,151	8,885	18,000	18,000	
5493 Cost Allocation Charges	108,200	108,200	108,200	136,800	
TOTAL	2,924,131	2,157,831	2,564,900	2,511,400	
CAPITAL EXPENDITURES					
5580 Capital Equipment	12,000	38,783	30,000	-	
TOTAL	12,000	38,783	30,000	0	
TOTAL EXPENSES	4,257,774	3,621,152	4,086,900	4,079,500	

# CAPITAL PROGRAM



# CAPITAL BUDGET AND PLAN

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

The City's capital budget includes capital improvement projects to City infrastructure, such as facility enhancements and expansion, upgrades to parks and trails, and improvements to streets and utilities. Also included in the capital budget are capital equipment rolling stock, such as public safety and maintenance vehicles, and non-rolling stock such as technology and public safety equipment. This section presents a summary of the 2017 capital improvement budget and the 2017 through 2021 capital improvement plans.

## 2017 Proposed Improvements

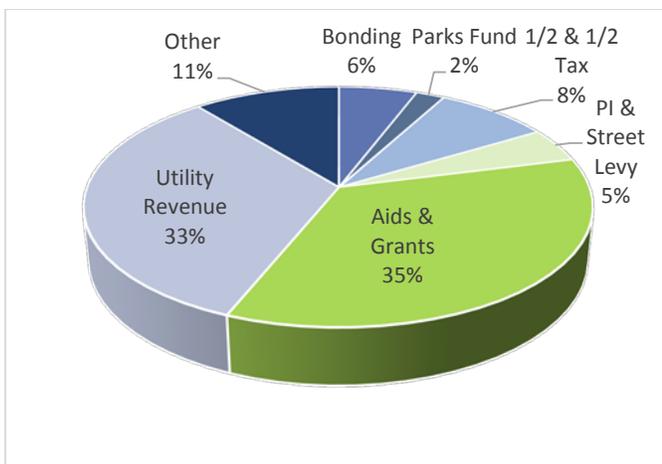
The 2017 capital improvement program outlines total proposed projects in the amount of \$27,629,851 funded through various sources including bonding, the Parks fund, the 1/2 and 1/2 tax, state and federal grants, the Permanent Improvement fund, the Street System Maintenance levy, and utilities revenue. Included in the capital improvement budget are projects for facilities, parks and trails, streets and bridges, and the Water, Gas, Sewer, Stormwater and Street Lighting utilities. The chart below shows the breakdown of funding for the 2017 program.

Capital improvements to city buildings and infrastructure will be funded by issuing a capital improvement bond in the amount of \$1,600,000.

Parks and trails are to be funded by federal grants totaling \$1,820,351; state grants totaling \$788,000; St Louis River Corridor bond proceeds (1/2 and 1/2 tax) of \$2,349,000; and the Parks fund contribution of \$585,000 for a combined program total of \$5,542,351.

The Street and Bridge Improvement and Preservation program for 2017 totals \$11,369,000. Funding sources include \$7,089,000 from aids and grants, \$280,000 from property tax dollars levied in the Permanent Improvement fund, \$1,000,000 from the Street System Maintenance levy, and \$3,000,000 from other sources.

2017 Capital Utility Projects total \$9,118,500 and will be funded with utility revenue.

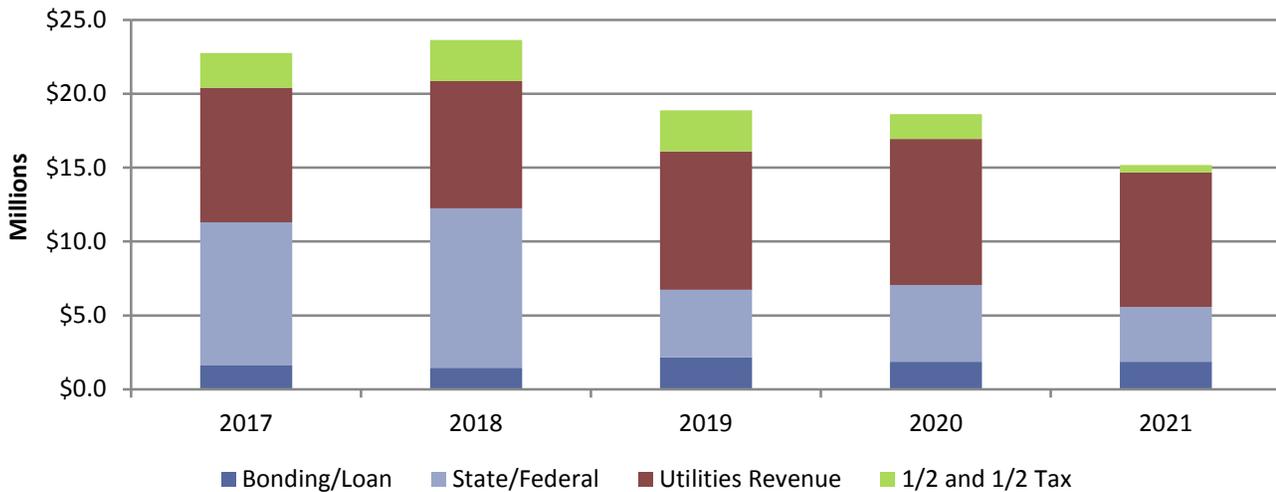


Bonding	\$1,600,000
Parks Fund	\$585,000
1/2 & 1/2 Tax	\$2,349,000
PI & Street Levy	\$1,280,000
Aids & Grants	\$9,697,351
Utility Revenue	\$9,118,500
Other	\$3,000,000
	<hr/>
	\$27,629,851

## Five Year Improvement Plan Funding

The City has identified \$112.7 million in improvements along with funding sources over the course of the next five years. The City will bond for certain types of improvements as allowed in State Statute. For 2017, the City is proposing to bond for \$1.6 million in capital improvements. Future years of bonding include \$1.4 million in 2018, \$2.2 million in 2019, \$1.9 million in 2020, and \$1.9 million in 2021 for a combined five-year total of \$9 million. Also included in the five-year capital plan are park and trail projects totaling \$15.9 million; of which \$2.9 million will be funded out of the Parks Fund, \$2.2 million from Federal grants, \$10 million from the St Louis River Corridor bond proceeds (½ and ½ tax), and \$.8 million from state grants. The five-year plan for street and bridge projects includes \$41.7 million in projects with \$18.2 million in funding from Municipal State Aid. Additional funding sources for street and bridge projects include \$6.4 million from a state bridge bond, \$6.4 million from state and federal grants, \$1.4 million from property tax dollars levied in the Permanent Improvement fund, \$6.3 million from the Street System Maintenance levy, and \$3 million from other sources. Over the next five years, the Utility Funds will finance \$46 million in utility capital projects using operating revenues.

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



	2017	2018	2019	2020	2021	Total
Bonding/Loan	1,600,000	1,450,000	2,175,000	1,870,000	1,870,000	8,965,000
State/Federal	9,697,351	10,800,000	4,560,000	5,197,995	3,700,000	33,955,346
PI & Street Mtc Levy	1,280,000	1,280,000	1,580,000	1,780,000	1,780,000	7,700,000
Utilities Revenue	9,118,500	8,610,000	9,375,000	9,880,000	9,100,000	46,083,500
Parks Fund/Other	3,585,000	585,000	585,000	585,000	585,000	5,925,000
1/2 and 1/2 Tax	2,349,000	2,770,000	2,770,000	1,680,000	500,000	10,069,000
<b>Total Plan</b>	<b>27,629,851</b>	<b>25,495,000</b>	<b>21,045,000</b>	<b>20,992,995</b>	<b>17,535,000</b>	<b>112,697,846</b>

## 2017 CAPITAL IMPROVEMENTS PROGRAM FUNDING SOURCES

	Bond	Parks Fund	1/2 & 1/2 Tax	PI/ Prior Yr Pl	Aids/ Grants	Street Mtce Levy	Utility Revenue	Other	Total
<b>Facilities</b>									
Buildings City-Wide	840,000								840,000
Maintenance	130,000								130,000
Fire Department	630,000								630,000
	1,600,000	-	-	-	-	-	-	-	1,600,000
<b>Parks and Trails</b>									
Parks		257,500	1,143,000		200,000				1,600,500
Traverse Trail		100,000							100,000
Cross City Trail			397,000		1,722,951				2,119,951
Western Waterfront Renewal			100,000		150,000				250,000
Stewart Creek Bridge			329,000		200,000				529,000
Clyde Connector			150,000		150,000				300,000
All-Weather Mtn Biking Trail			155,000						155,000
Ely's Peak Loop Trail			75,000						75,000
Lakewalk		227,500			185,400				412,900
	-	585,000	2,349,000	-	2,608,351	-	-	-	5,542,351
<b>Street &amp; Bridge Reconstruction and Preservation Program</b>									
Aerial Lift Bridge					750,000				750,000
Boundary Avenue						200,000			200,000
Congdon Blvd					2,853,600				2,853,600
Downtown Avenue Conversion				100,000					100,000
Misc. Annual Infrastructure				180,000					180,000
MN Slip Ped Bridge								3,000,000	3,000,000
Skyline Parkway Walls					1,535,400				1,535,400
Street Preservation					1,950,000	800,000			2,750,000
	-	-	-	280,000	7,089,000	1,000,000	-	3,000,000	11,369,000
<b>Capital Utility Projects</b>									
2nd Avenue for Mesaba							250,000		250,000
4th Street Reconstruction (County)							1,124,000		1,124,000
East Superior Water Main							70,000		70,000
Michigan Street							650,000		650,000
Lakewood Filter Anthracite							250,000		250,000
4th St, 18th Ave. E to Hawthorne							1,164,500		1,164,500
48th Avenue East							750,000		750,000
Gas Main Extensions & Services							1,500,000		1,500,000
London Road Gas Project							300,000		300,000
Meter Relocations							100,000		100,000
Lift Station Improvements							100,000		100,000
Sanitary Sewer Rehab/Reline							1,100,000		1,100,000
Superior Street Lining							750,000		750,000
Annual Street Projects							500,000		500,000
Commonwealth Ave. Reconstruction							85,000		85,000
Superior Street Reconstruction							50,000		50,000
Intersection Signal Replacements							275,000		275,000
Signals and Lights Ethernet							100,000		100,000
	-	-	-	-	-	-	9,118,500	-	9,118,500
	1,600,000	585,000	2,349,000	280,000	9,697,351	1,000,000	9,118,500	3,000,000	27,629,851

## 2017-2021 CAPITAL IMPROVEMENTS PROGRAM PROJECT SUMMARY

	2017	2018	2019	2020	2021	Total
<b>Capital Improvement Program</b>						
CIP eligible building improvements	790,000	595,000	1,625,000	1,160,000	1,675,000	5,845,000
Police Building	50,000					50,000
42nd tool house improvements	30,000		125,000			155,000
Facilities				125,000		125,000
Fleet building improvements	100,000			75,000		175,000
Firehall #1 improvements	70,000	55,000	200,000	100,000		425,000
Firehall #2 improvements	195,000	200,000		160,000		555,000
Firehall #4 improvements	175,000	100,000		150,000		425,000
Firehall #6 improvements	150,000					150,000
Firehall #7 improvements					195,000	195,000
Firehall #10 improvements		350,000	125,000			475,000
Firehall #11 improvements	40,000	150,000	100,000	100,000		390,000
<b>Capital Improvement Program Total</b>	<b>1,600,000</b>	<b>1,450,000</b>	<b>2,175,000</b>	<b>1,870,000</b>	<b>1,870,000</b>	<b>8,965,000</b>
<b>Parks and Trails</b>						
Playgrounds	90,500	100,000	100,000	100,000	100,000	490,500
Hartley Park	94,000					94,000
Brighton Beach	23,000	23,000	23,000	410,995		479,995
Chester Park	50,000					50,000
Chambers Grove	203,000					203,000
Signage & Wayfinding	220,000	50,000	50,000	50,000	50,000	420,000
SLRC Neighborhood Parks	270,000	270,000	270,000	180,000		990,000
Community Centers	100,000	100,000	100,000	100,000	100,000	500,000
Parks - Other	550,000	1,127,000	1,127,000	1,127,000	650,000	4,581,000
Traverse Trail	100,000	75,000	50,000	25,000		250,000
Cross City Trail	2,119,951					2,119,951
Western Waterfront Restoration	250,000					250,000
Stewart Creek Bridge	529,000					529,000
Clyde Connector	300,000					300,000
All-Weather Mtn Biking Trail	155,000					155,000
Ely's Peak Loop Trail	75,000					75,000
Lakewalk	412,900					412,900
Trails - Other		1,610,000	1,635,000	660,000	185,000	4,090,000
<b>Parks and Trails Total</b>	<b>5,542,351</b>	<b>3,355,000</b>	<b>3,355,000</b>	<b>2,652,995</b>	<b>1,085,000</b>	<b>15,990,346</b>
<b>Street &amp; Bridge Reconstruction and Preservation Program</b>						
9th and 8th Street Reclamation			1,360,000			1,360,000
Aerial Lift Bridge	750,000	8,000,000				8,750,000
Boundary Avenue	200,000					200,000
Concrete Pavement Repairs					900,000	900,000
Congdon Blvd	2,853,600					2,853,600
Decker Road		1,400,000				1,400,000
Downtown Avenue Conversion	100,000					100,000
East 3rd Street Recondition				1,610,000		1,610,000
Misc. Annual Infrastructure	180,000	280,000	280,000	280,000	280,000	1,300,000
MN Slip Ped Bridge	3,000,000					3,000,000
Railroad Street					1,500,000	1,500,000
Skyline Parkway Walls	1,535,400					1,535,400
Street Preservation	2,750,000				1,500,000	4,250,000
Superior Street		2,400,000	4,500,000	4,700,000	1,300,000	12,900,000
<b>Street, Bridge and Preservation Total</b>	<b>11,369,000</b>	<b>12,080,000</b>	<b>6,140,000</b>	<b>6,590,000</b>	<b>5,480,000</b>	<b>41,659,000</b>

## 2017-2021 CAPITAL IMPROVEMENTS PROGRAM PROJECT SUMMARY

	2017	2018	2019	2020	2021	Total
<b>Capital Utility Projects</b>						
2nd Avenue for Mesaba	250,000					250,000
4th Street Reconstruction (County)	1,124,000					1,124,000
42-inch Riveted Steel Inspection					550,000	550,000
Cathodic Protection System on 42-inch Steel Study/Construction		80,000			100,000	180,000
East Superior Water Main	70,000					70,000
Far East Superior Street Water Main Services off 42-inch				600,000	700,000	1,300,000
Gogebic Creek (MNDOT)					200,000	200,000
Hidden Valley Phase 2			1,050,000			1,050,000
McCuen Street (MNDOT)			225,000			225,000
Michigan Street	650,000					650,000
Middle Pump Station Design					200,000	200,000
Lakewood Filter Anthracite	250,000					250,000
Ramsey Street in Existing Casing		100,000				100,000
Superior Street & Mesaba (MNDOT)		550,000				550,000
Superior Street Reconstruction		1,400,000	1,600,000	2,000,000		5,000,000
US Steel Creek (MNDOT)					120,000	120,000
Water Plant Electrical Upgrades					1,500,000	1,500,000
3rd St, Vernon, 2nd Street Alley			200,000			200,000
4th St, 18th Ave. E to Hawthorne	1,164,500					1,164,500
20th & 23rd Ave. W, 10th Street				1,000,000		1,000,000
48th Avenue East	750,000					750,000
58th Avenue West			200,000			200,000
Building Shells for Reg Stations		60,000	60,000			120,000
Gas Main Extensions & Services	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
London Road Gas Project	300,000					300,000
Meter Relocations	100,000	200,000	300,000	200,000		800,000
Michigan Street Gas Project		120,000				120,000
Relocate Airpark/Martin Regs		150,000				150,000
Steel Main Replacements				500,000	500,000	1,000,000
Stora Enso Flow Meter			100,000			100,000
Woodland Ave. Gas Project		500,000				500,000
Lift Station Improvements	100,000	500,000	500,000	500,000	500,000	2,100,000
Sanitary Sewer Rehab/Reline	1,100,000	1,000,000	1,500,000	1,500,000	1,500,000	6,600,000
Superior Street Lining	750,000	500,000				1,250,000
Annual Street Projects	500,000	100,000	100,000	100,000	100,000	900,000
City-wide Driveway Culvert Project		75,000	75,000			150,000
Brewery Creek Tuckpointing		260,000	195,000			455,000
City-wide Down Drains				355,000		355,000
Clarkhouse Creek			75,000		200,000	275,000
Commonwealth Ave. Reconstruction	85,000					85,000
Gary New Duluth System		100,000	100,000	100,000	100,000	400,000
Greys Creek		75,000		200,000		275,000
Kenwood Ave. Box Culvert			125,000			125,000
Lower Coffee Creek		75,000			100,000	175,000
McCuen St (TH39) MNDOT			200,000			200,000
Norton Road & Thurber Road		40,000	25,000		555,000	620,000
Piedmont Heights System			20,000	100,000	100,000	220,000
Superior Street Reconstruction	50,000	300,000	300,000	300,000		950,000
Decorative Street Lights					200,000	200,000
Intersection Signal Replacements	275,000				275,000	550,000
Signals and Lights Ethernet	100,000	100,000	100,000	100,000	100,000	500,000
Superior Street		825,000	825,000	825,000		2,475,000
<b>Capital Utility Projects Total</b>	<b>9,118,500</b>	<b>8,610,000</b>	<b>9,375,000</b>	<b>9,880,000</b>	<b>9,100,000</b>	<b>46,083,500</b>
<b>GRAND TOTAL</b>	<b>27,629,851</b>	<b>25,495,000</b>	<b>21,045,000</b>	<b>20,992,995</b>	<b>17,535,000</b>	<b>112,697,846</b>

## 5 YEAR CAPITAL IMPROVEMENTS PROGRAM BY FUNDING SOURCE

	2017	2018	2019	2020	2021	Total
Bond	1,600,000	1,450,000	2,175,000	1,870,000	1,870,000	8,965,000
Parks Fund	585,000	585,000	585,000	585,000	585,000	2,925,000
1/2 & 1/2 Tax	2,349,000	2,770,000	2,770,000	1,680,000	500,000	10,069,000
Permanent Improvement Fund	280,000	280,000	280,000	280,000	280,000	1,400,000
Street System Maintenance Levy	1,000,000	1,000,000	1,300,000	1,500,000	1,500,000	6,300,000
Federal Grants	5,331,551	900,000	860,000	1,497,995	-	8,589,546
State Funding						
State Bridge Bond	-	6,400,000	-	-	-	6,400,000
MSA	3,577,800	3,500,000	3,700,000	3,700,000	3,700,000	18,177,800
DNR	438,000	-	-	-	-	438,000
Grants	350,000	-	-	-	-	350,000
Other Funding Sources	3,000,000	-	-	-	-	3,000,000
Utilities - Current Year Revenue						
Water	2,344,000	2,130,000	2,875,000	2,600,000	3,370,000	13,319,000
Gas	3,814,500	2,530,000	2,360,000	3,200,000	2,000,000	13,904,500
Sewer	1,950,000	2,000,000	2,000,000	2,000,000	2,000,000	9,950,000
Stormwater	635,000	1,025,000	1,215,000	1,155,000	1,155,000	5,185,000
Street Lighting	375,000	925,000	925,000	925,000	575,000	3,725,000
	9,118,500	8,610,000	9,375,000	9,880,000	9,100,000	46,083,500
<b>TOTAL ALL FUNDING SOURCES</b>	<b>27,629,851</b>	<b>25,495,000</b>	<b>21,045,000</b>	<b>20,992,995</b>	<b>17,535,000</b>	<b>112,697,846</b>

## Capital Improvement Program Summary

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### Operating Cost Implications of Proposed Projects:

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

<b>Projects</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Buildings City-Wide	840,000	595,000	1,625,000	1,160,000	1,675,000	5,895,000
Maintenance Buildings	130,000	-	125,000	200,000	-	455,000
Fire Buildings	630,000	855,000	425,000	510,000	195,000	2,615,000
<b>Total</b>	<b>1,600,000</b>	<b>1,450,000</b>	<b>2,175,000</b>	<b>1,870,000</b>	<b>1,870,000</b>	<b>8,965,000</b>

<b>Funding</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Capital Improvement Bond	1,600,000	1,450,000	2,175,000	1,870,000	1,870,000	8,965,000

## Buildings City-Wide

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**Description:**

It is important to maintain a city-wide program of facility system replacements and accessibility compliance for structures. Many remote sites need masonry tuck pointing; this is our primary point of water migration into finished spaces. We have damaged window heads, sills and parapets which also need repairs. Additionally, many remote sites are being heated with boilers or furnaces which are 20 years old and beyond. Replacing these with modern, high efficient units with electronic controls can realize 15% annual energy savings over the continued life of the structure. All of these types of system replacements and facility upgrades are aimed at keeping these public buildings in the best state of repair and function possible with the funding available.

<b>Project</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
CIP eligible building improvements	790,000	595,000	1,625,000	1,160,000	1,675,000	5,845,000
Police Building	50,000	-	-	-	-	50,000
<b>Total</b>	<b>840,000</b>	<b>595,000</b>	<b>1,625,000</b>	<b>1,160,000</b>	<b>1,675,000</b>	<b>5,895,000</b>

<b>Funding</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Capital Improvement Bond	840,000	595,000	1,625,000	1,160,000	1,675,000	5,895,000

# Maintenance

**Description:**

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

<b>Project</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
42nd tool house improvements	30,000	-	125,000	-	-	155,000
Facilities	-	-	-	125,000	-	125,000
Fleet building improvements	100,000	-	-	75,000	-	175,000
<b>Total</b>	<b>130,000</b>	<b>-</b>	<b>125,000</b>	<b>200,000</b>	<b>-</b>	<b>455,000</b>

<b>Funding</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Capital Improvement Bond	130,000	-	125,000	200,000	-	455,000

## Fire Department

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**Description:**

Over the next five years, the City is proposing to invest \$2.6 million in capital maintenance projects at firehalls throughout the City. There are remodeling projects to accommodate staff reorganizations as part of the Fire Department consolidation plan. Energy improvements consist of installing new windows and overhead doors, and replacing furnaces and roofs. Repair and maintenance projects consist of masonry and brick repair, as well as resolving drainage issues and replacing driveways.

<b>Project</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Firehall #1 improvements	70,000	55,000	200,000	100,000	-	425,000
Firehall #2 improvements	195,000	200,000	-	160,000	-	555,000
Firehall #4 improvements	175,000	100,000	-	150,000	-	425,000
Firehall #6 improvements	150,000				-	150,000
Firehall #7 improvements	-	-	-	-	195,000	195,000
Firehall #10 improvements	-	350,000	125,000	-	-	475,000
Firehall #11 improvements	40,000	150,000	100,000	100,000	-	390,000
<b>Total</b>	<b>630,000</b>	<b>855,000</b>	<b>425,000</b>	<b>510,000</b>	<b>195,000</b>	<b>2,615,000</b>

<b>Funding</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Capital Improvement Bond	630,000	855,000	425,000	510,000	195,000	2,615,000

## Parks and Trails Summary

**Description:**

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

<b>Projects</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Trails	3,941,851	1,685,000	1,685,000	685,000	185,000	8,181,851
Parks	1,600,500	1,670,000	1,670,000	1,967,995	900,000	7,808,495
<b>Total</b>	<b>5,542,351</b>	<b>3,355,000</b>	<b>3,355,000</b>	<b>2,652,995</b>	<b>1,085,000</b>	<b>15,990,346</b>

<b>Funding</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Federal Grant	1,820,351	-	-	387,995	-	2,208,346
State Grant	788,000	-	-	-	-	788,000
Parks Fund	585,000	585,000	585,000	585,000	585,000	2,925,000
1/2 and 1/2 Tax	2,349,000	2,770,000	2,770,000	1,680,000	500,000	10,069,000
<b>Total</b>	<b>5,542,351</b>	<b>3,355,000</b>	<b>3,355,000</b>	<b>2,652,995</b>	<b>1,085,000</b>	<b>15,990,346</b>

Assumptions

\*No new grant awards for 2017-2021

City of Duluth 2017-2021 Capital Improvement Plan

## Parks Detail

Project	2017	2018	2019	2020	2021	Total
Playgrounds	90,500	100,000	100,000	100,000	100,000	490,500
Hartley Park	94,000	-	-	-	-	94,000
Brighton Beach	23,000	23,000	23,000	410,995	-	479,995
Chester Park	50,000	-	-	-	-	50,000
Chambers Grove	203,000	-	-	-	-	203,000
Signage & Wayfinding	220,000	50,000	50,000	50,000	50,000	420,000
SLRC Neighborhood Parks	270,000	270,000	270,000	180,000	-	990,000
Community Centers	100,000	100,000	100,000	100,000	100,000	500,000
Parks - Other	550,000	1,127,000	1,127,000	1,127,000	650,000	4,581,000
<b>Total</b>	<b>1,600,500</b>	<b>1,670,000</b>	<b>1,670,000</b>	<b>1,967,995</b>	<b>900,000</b>	<b>7,808,495</b>

Funding	2017	2018	2019	2020	2021	Total
Federal Grant	200,000	-	-	387,995	-	587,995
State Grant	-	-	-	-	-	-
Parks Fund	257,500	400,000	400,000	400,000	400,000	1,857,500
1/2 and 1/2 Tax	1,143,000	1,270,000	1,270,000	1,180,000	500,000	5,363,000
<b>Total</b>	<b>1,600,500</b>	<b>1,670,000</b>	<b>1,670,000</b>	<b>1,967,995</b>	<b>900,000</b>	<b>7,808,495</b>

City of Duluth 2017-2021 Capital Improvement Plan

## Trails Detail

Project	2017	2018	2019	2020	2021	Total
Traverse Trail	100,000	75,000	50,000	25,000	-	250,000
Cross City Trail	2,119,951					2,119,951
Western Waterfront Restoration	250,000	-	-	-	-	250,000
Stewart Creek Bridge	529,000	-	-	-	-	529,000
Clyde Connector	300,000	-	-	-	-	300,000
All-Weather Mtn Biking Trail	155,000	-	-	-	-	155,000
Ely's Peak Loop Trail	75,000	-	-	-	-	75,000
Lakewalk	412,900	-	-	-	-	412,900
Trails - Other		1,610,000	1,635,000	660,000	185,000	4,090,000
<b>Total</b>	<b>3,941,851</b>	<b>1,685,000</b>	<b>1,685,000</b>	<b>685,000</b>	<b>185,000</b>	<b>8,181,851</b>

Funding	2017	2018	2019	2020	2021	Total
Federal Grant	1,620,351	-	-	-	-	1,620,351
State Grant	788,000	-	-	-	-	788,000
Parks Fund	327,500	185,000	185,000	185,000	185,000	1,067,500
1/2 and 1/2 Tax	1,206,000	1,500,000	1,500,000	500,000		4,706,000
<b>Total</b>	<b>3,941,851</b>	<b>1,685,000</b>	<b>1,685,000</b>	<b>685,000</b>	<b>185,000</b>	<b>8,181,851</b>

## Street Improvement & Bridge Projects Summary

### Description:

These projects include street reconstruction, street preservation and bridge maintenance. Funding sources include municipal state aid, federal funds, grants, street system maintenance utility, St. Louis County, developer contributions, and utility revenue.

### Operating Cost Implications of 2017 Approved Projects:

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

Project	2017	2018	2019	2020	2021	Total
9th and 8th Street Reclamation			1,360,000			1,360,000
Aerial Lift Bridge	750,000	8,000,000				8,750,000
Boundary Avenue	200,000					200,000
Concrete Pavement Repairs					900,000	900,000
Congdon Blvd	2,853,600					2,853,600
Decker Road		1,400,000				1,400,000
Downtown Avenue Conversion	100,000					100,000
East 3rd Street Recondition				1,610,000		1,610,000
Misc. Annual Infrastructure	180,000	280,000	280,000	280,000	280,000	1,300,000
MN Slip Ped Bridge	3,000,000					3,000,000
Railroad Street					1,500,000	1,500,000
Skyline Parkway Walls	1,535,400					1,535,400
Street Preservation	2,750,000				1,500,000	4,250,000
Superior Street		2,400,000	4,500,000	4,700,000	1,300,000	12,900,000
<b>Total</b>	<b>11,369,000</b>	<b>12,080,000</b>	<b>6,140,000</b>	<b>6,590,000</b>	<b>5,480,000</b>	<b>41,659,000</b>

Funding	2017	2018	2019	2020	2021	Total
Federal	3,511,200	900,000	860,000	1,110,000	-	6,381,200
State	3,577,800	9,900,000	3,700,000	3,700,000	3,700,000	24,577,800
Street System Mtce Utility	1,000,000	1,000,000	1,300,000	1,500,000	1,500,000	6,300,000
Permanent Improvement	280,000	280,000	280,000	280,000	280,000	1,400,000
Other	3,000,000					3,000,000
<b>Total</b>	<b>11,369,000</b>	<b>12,080,000</b>	<b>6,140,000</b>	<b>6,590,000</b>	<b>5,480,000</b>	<b>41,659,000</b>

## Miscellaneous Annual Infrastructure

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**Description:**

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

<b>Project</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Permanent Improvements	200,000	200,000	200,000	200,000	200,000	1,000,000
Patch & Sidewalks	80,000	80,000	80,000	80,000	80,000	400,000
<b>Total</b>	<b>280,000</b>	<b>280,000</b>	<b>280,000</b>	<b>280,000</b>	<b>280,000</b>	<b>1,400,000</b>

<b>Funding</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
PI Fund	280,000	280,000	280,000	280,000	280,000	1,400,000

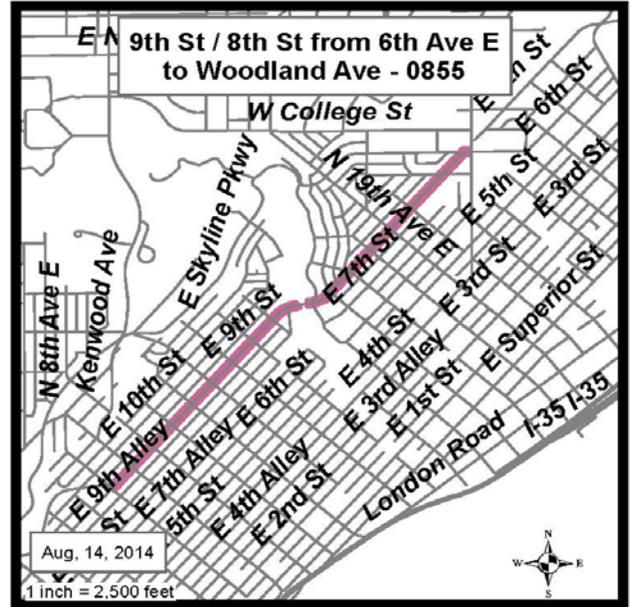
## Street Improvement & Bridge Projects

**Project Title:**

9th Street/8th Street Reclamation  
6th Ave E to Woodland Ave

**Funding Source:**

	FY 2019
Federal/ATP	860,000
MSA	500,000
<b>PROJECT TOTAL:</b>	<b>\$1,360,000</b>

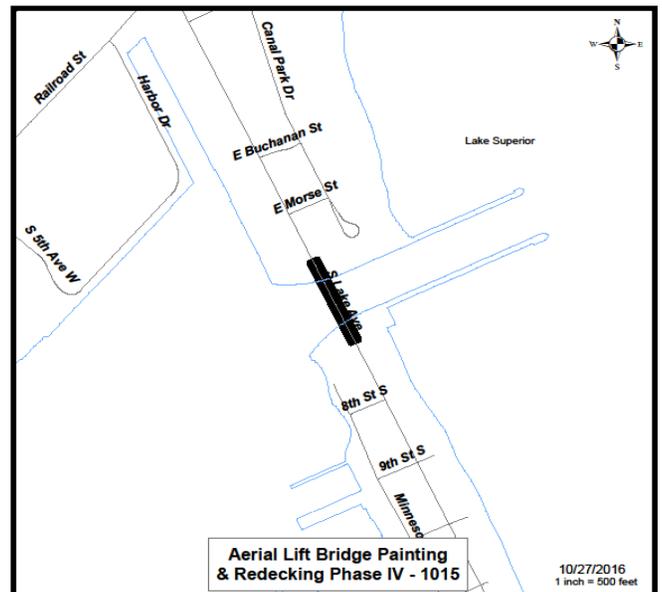


**Project Title:**

Aerial Lift Bridge  
Painting and Misc. Structural Repairs

**Funding Source:**

	FY 2017-2018
MSA	2,350,000
State Bridge Bond	6,400,000
<b>PROJECT TOTAL:</b>	<b>\$8,750,000</b>



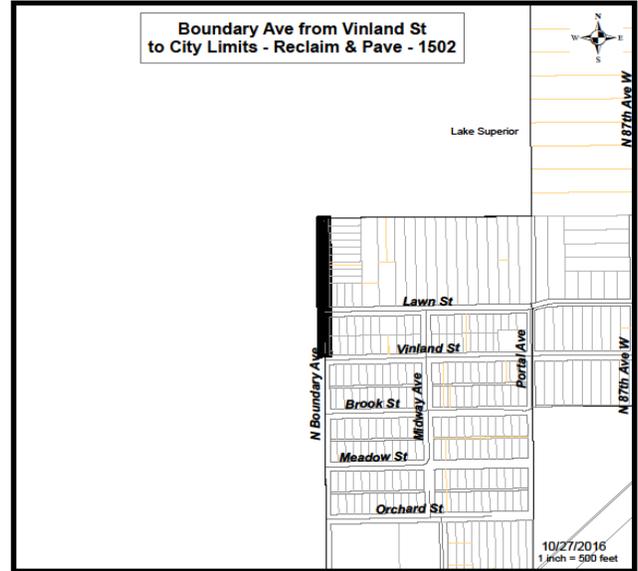
## Street Improvement & Bridge Projects

**Project Title:**

Boundary Avenue  
 Vinland to City Limits - Reclaim and Pave

**Funding Source:**

	FY 2017
Street System Mtce Utility	200,000
<b>PROJECT TOTAL:</b>	<b>\$200,000</b>



**Project Title:**

Concrete Pavement Repairs  
 Various Locations

NO MAP AVAILABLE

**Funding Source:**

	FY 2021
MSA	900,000
<b>PROJECT TOTAL:</b>	<b>\$900,000</b>

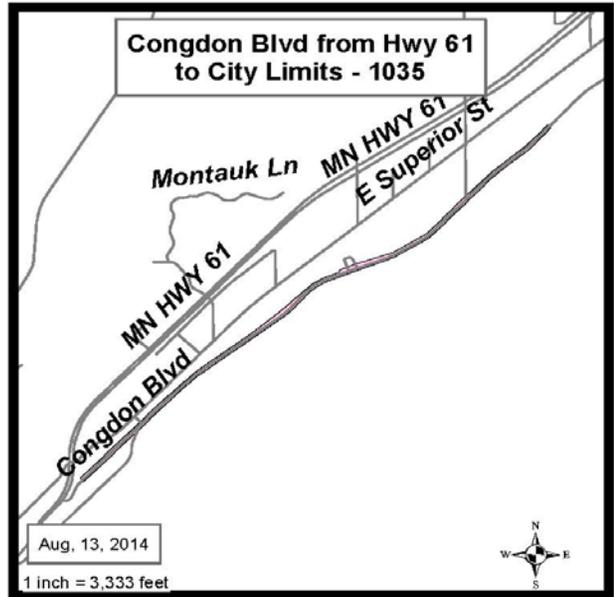
## Street Improvement & Bridge Projects

**Project Title:**

Congdon Boulevard  
Widening, Reclamation, Guardrail

**Funding Source:**

	FY 2017
Federal/ATP	2,282,900
MSA	570,700
	\$2,853,600
<b>PROJECT TOTAL:</b>	

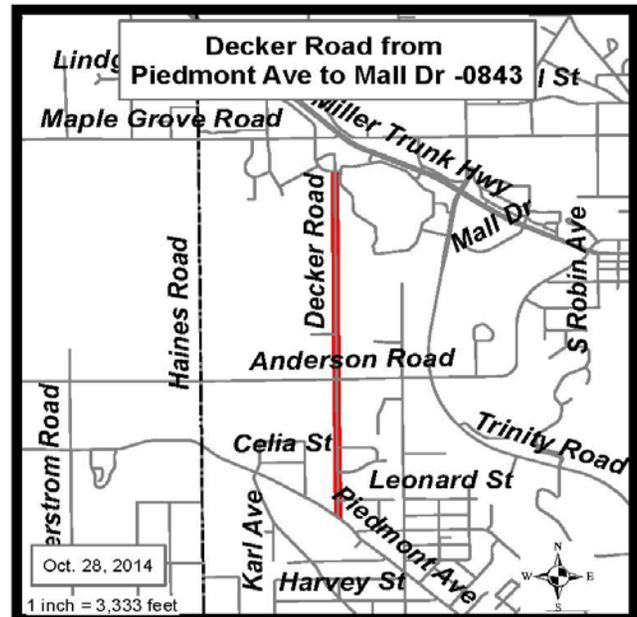


**Project Title:**

Decker Road Mill and Overlay  
Piedmont Avenue to Mall Drive

**Funding Source:**

	FY 2018
Federal/ATP	900,000
MSA	500,000
Street Improvement Subtotal	1,400,000
Water	12,500
Utility Projects Subtotal	12,500
<b>PROJECT TOTAL:</b>	\$1,412,500



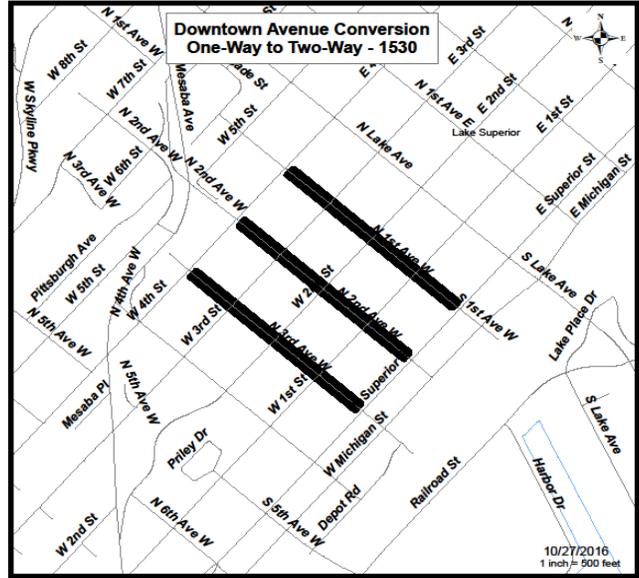
## Street Improvement & Bridge Projects

**Project Title:**

Downtown Avenue Conversion  
One-Way to Two-Way

**Funding Source:**

	FY 2017
PI	100,000
<b>PROJECT TOTAL:</b>	<b>\$100,000</b>

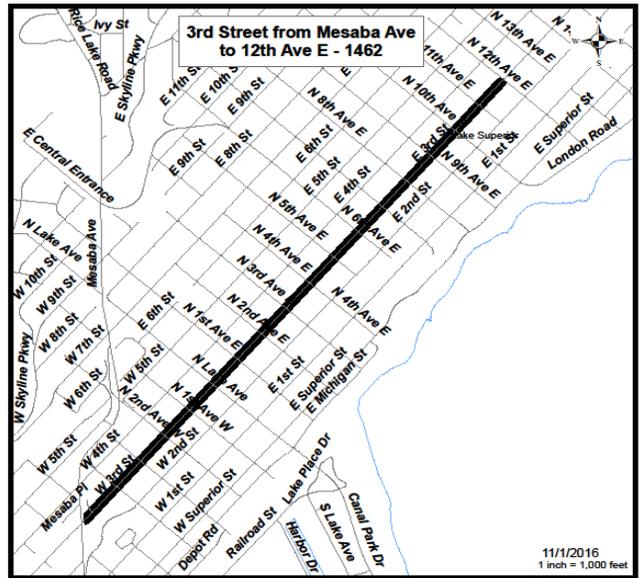


**Project Title:**

E 3rd Street Recondition  
Mesaba to 12th Avenue E

**Funding Source:**

	FY 2020
Federal/ATP	1,110,000
MSA	500,000
<b>PROJECT TOTAL:</b>	<b>\$1,610,000</b>



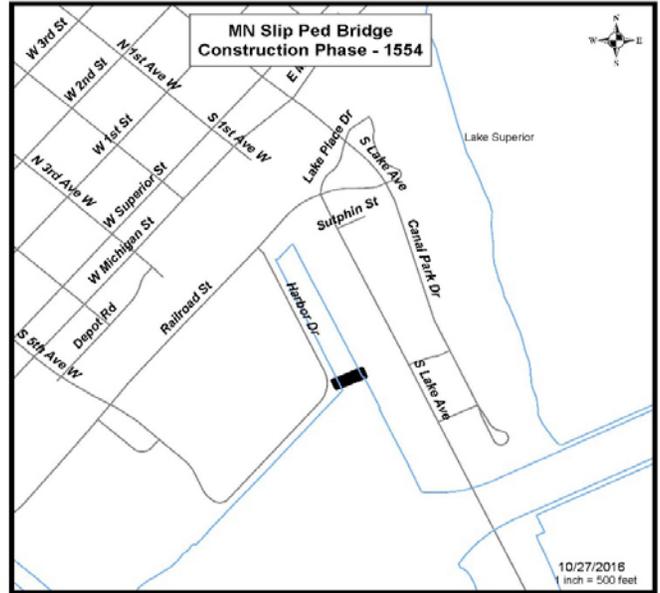
## Street Improvement & Bridge Projects

**Project Title:**

MN Slip Ped Bridge  
Construction Phase

**Funding Source:**

	FY 2017
Other	3,000,000
<b>PROJECT TOTAL:</b>	<b>\$3,000,000</b>



**Project Title:**

Railroad Street  
Lake Avenue to Garfield Avenue

**Funding Source:**

	FY 2021
MSA	1,500,000
<b>PROJECT TOTAL:</b>	<b>\$1,500,000</b>



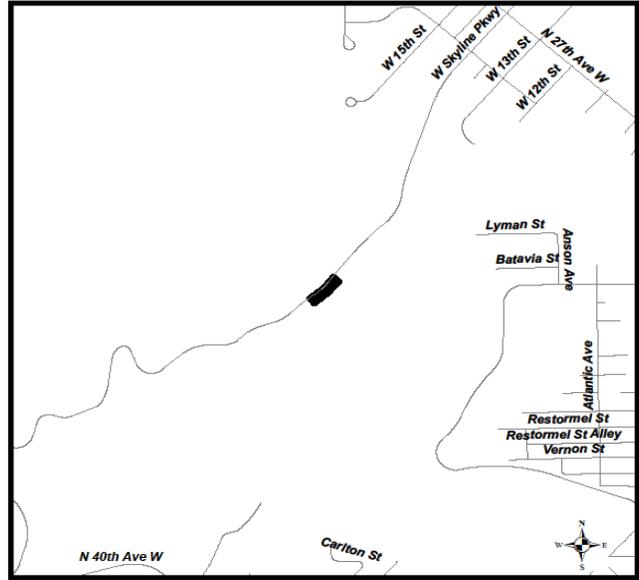
## Street Improvement & Bridge Projects

**Project Title:**

Skyline Parkway Retaining Wall  
Construction Phase

**Funding Source:**

	<u>FY 2017</u>
Federal/ATP	1,228,300
MSA	307,100
<b>PROJECT TOTAL:</b>	<b>\$1,535,400</b>



W Skyline Pkwy between  
40th Ave W & 27th Ave W - 1432

**Project Title:**

Street Preservation Projects  
Various Locations

NO MAP AVAILABLE

**Funding Source:**

	<u>FY 2017 &amp; 2021</u>
MSA	1,950,000
Street System Mtce Utility	2,300,000
<b>PROJECT TOTAL:</b>	<b>\$4,250,000</b>

## Street Improvement & Bridge Projects

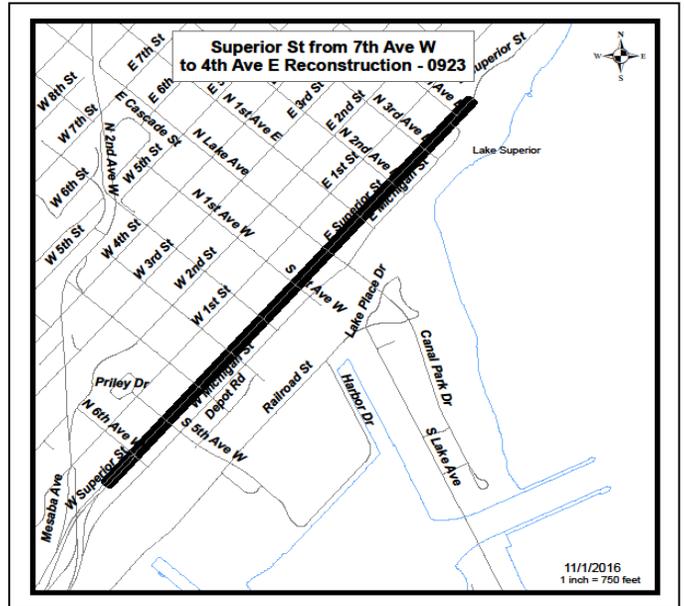
**Project Title:**

Superior Street Reconstruction

**Funding Source:**

	<u>FY 2017-2021</u>
MSA	9,100,000
Street System Mtce Utility	3,800,000
<u>Street Improvement Subtotal</u>	<u>12,900,000</u>
Water	5,000,000
Storm	950,000
<u>Utility Projects Subtotal</u>	<u>5,950,000</u>

**PROJECT TOTAL:** \$18,850,000



## Capital Utility Projects Summary

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

### Operating Cost Implications of 2017 Approved Projects:

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

Projects	2017	2018	2019	2020	2021	Total
Water	2,344,000	2,130,000	2,875,000	2,600,000	3,370,000	13,319,000
Gas	3,814,500	2,530,000	2,360,000	3,200,000	2,000,000	13,904,500
Sewer	1,950,000	2,000,000	2,000,000	2,000,000	2,000,000	9,950,000
Stormwater	635,000	1,025,000	1,215,000	1,155,000	1,155,000	5,185,000
Street Lighting	375,000	925,000	925,000	925,000	575,000	3,725,000
<b>Total</b>	<b>9,118,500</b>	<b>8,610,000</b>	<b>9,375,000</b>	<b>9,880,000</b>	<b>9,100,000</b>	<b>46,083,500</b>

Funding	2017	2018	2019	2020	2021	Total
Water - Current Revenue	2,344,000	2,130,000	2,875,000	2,600,000	3,370,000	13,319,000
Gas - Current Revenue	3,814,500	2,530,000	2,360,000	3,200,000	2,000,000	13,904,500
Sewer - Current Revenue	1,950,000	2,000,000	2,000,000	2,000,000	2,000,000	9,950,000
Stormwater - Current Revenue	635,000	1,025,000	1,215,000	1,155,000	1,155,000	5,185,000
Street Lighting - Current Revenue	375,000	925,000	925,000	925,000	575,000	3,725,000
<b>Total</b>	<b>9,118,500</b>	<b>8,610,000</b>	<b>9,375,000</b>	<b>9,880,000</b>	<b>9,100,000</b>	<b>46,083,500</b>

## Capital Utility Projects

**Description:** **Water Capital Projects**

The proposed water projects over the next five years include updating the aging infrastructure by replacing those distribution mains with a high number of recurring leaks. Rehabilitation of primary transmission lines and pump station upgrades will increase system reliability to meet water demand. Significant facility improvements are required at the Lakewood Water Treatment Plant. Built in 1975, this facility is aging and requires renovation of electrical systems as well as structural repairs to both the treatment plant and pump building. Considerable funds will be spent during years 2018-2020 on the reconstruction of water mains for the Downtown Superior Street project.

Project	2017	2018	2019	2020	2021	Total
2nd Avenue for Mesaba	250,000					250,000
4th Street Reconstruction (County)	1,124,000					1,124,000
42-inch Riveted Steel Inspection Cathodic Protection System on 42-inch Steel Study/Construction					550,000	550,000
East Superior Water Main	70,000	80,000			100,000	180,000
Far East Superior Street Water Main Services off 42-inch				600,000	700,000	1,300,000
Gogebic Creek (MNDOT)					200,000	200,000
Hidden Valley Phase 2			1,050,000			1,050,000
McCuen Street (MNDOT)			225,000			225,000
Michigan Street	650,000					650,000
Middle Pump Station Design					200,000	200,000
Lakewood Filter Anthracite	250,000					250,000
Ramsey Street in Existing Casing		100,000				100,000
Superior Street & Mesaba (MNDOT)		550,000				550,000
Superior Street Reconstruction		1,400,000	1,600,000	2,000,000		5,000,000
US Steel Creek (MNDOT)					120,000	120,000
Water Plant Electrical Upgrades					1,500,000	1,500,000
<b>Total</b>	<b>2,344,000</b>	<b>2,130,000</b>	<b>2,875,000</b>	<b>2,600,000</b>	<b>3,370,000</b>	<b>13,319,000</b>

Funding	2017	2018	2019	2020	2021	Total
Water - Current Revenue	2,344,000	2,130,000	2,875,000	2,600,000	3,370,000	13,319,000

## Capital Utility Projects

**Description:** **Natural Gas Capital Projects**

The proposed gas projects over the next five years include the continued extension of the system into unserved areas and the relocation of gas meters due to code requirements. Other significant costs include projects to replace existing thin wall plastic mains and older steel mains where leaks occur.

Project	2017	2018	2019	2020	2021	Total
3rd St, Vernon, 2nd Street Alley			200,000			200,000
4th St, 18th Ave. E to Hawthorne	1,164,500					1,164,500
20th & 23rd Ave. W, 10th Street				1,000,000		1,000,000
48th Avenue East	750,000					750,000
58th Avenue West			200,000			200,000
Building Shells for Reg Stations		60,000	60,000			120,000
Gas Main Extensions & Services	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
London Road Gas Project	300,000					300,000
Meter Relocations	100,000	200,000	300,000	200,000		800,000
Michigan Street Gas Project		120,000				120,000
Relocate Airpark/Martin Regs		150,000				150,000
Steel Main Replacements				500,000	500,000	1,000,000
Stora Enso Flow Meter			100,000			100,000
Woodland Ave. Gas Project		500,000				500,000
<b>Total</b>	<b>3,814,500</b>	<b>2,530,000</b>	<b>2,360,000</b>	<b>3,200,000</b>	<b>2,000,000</b>	<b>13,904,500</b>

Funding	2017	2018	2019	2020	2021	Total
Gas - Current Revenue	3,814,500	2,530,000	2,360,000	3,200,000	2,000,000	13,904,500



## Capital Utility Projects

**Description:** **Stormwater Capital Projects**

The proposed stormwater projects over the next five years include continued replacement of failing storm sewer lines and large culverts. Reconstruction of Brewery and Greys Creek is planned to repair deteriorated public infrastructure. Significant future costs will occur in the repair and replacement of storm sewer in steep slope areas that discharge into streams located throughout the city. Downtown Superior Street reconstruction will occur during years 2017-2020.

Project	2017	2018	2019	2020	2021	Total
Annual Street Projects	500,000	100,000	100,000	100,000	100,000	900,000
City-wide Driveway Culvert Project		75,000	75,000			150,000
Brewery Creek Tuckpointing		260,000	195,000			455,000
City-wide Down Drains				355,000		355,000
Clarkhouse Creek			75,000		200,000	275,000
Commonwealth Ave. Reconstruction	85,000					85,000
Gary New Duluth System		100,000	100,000	100,000	100,000	400,000
Greys Creek		75,000		200,000		275,000
Kenwood Ave. Box Culvert			125,000			125,000
Lower Coffee Creek		75,000			100,000	175,000
McCuen St (TH39) MNDOT			200,000			200,000
Norton Road & Thurber Road		40,000	25,000		555,000	620,000
Piedmont Heights System			20,000	100,000	100,000	220,000
Superior Street Reconstruction	50,000	300,000	300,000	300,000		950,000
<b>Total</b>	<b>635,000</b>	<b>1,025,000</b>	<b>1,215,000</b>	<b>1,155,000</b>	<b>1,155,000</b>	<b>5,185,000</b>

Funding	2017	2018	2019	2020	2021	Total
Stormwater - Current Revenue	635,000	1,025,000	1,215,000	1,155,000	1,155,000	5,185,000

## Capital Utility Projects

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**Description:** **Street Lighting Capital Projects**

The proposed street lighting capital plan over the next five years will utilize most resources on the replacement of signal and lighting systems for the Downtown Superior Street project. It also includes funding to provide city-wide communications connectivity to signals and lighting systems, as well as replacements of temporary signal systems at specific intersections.

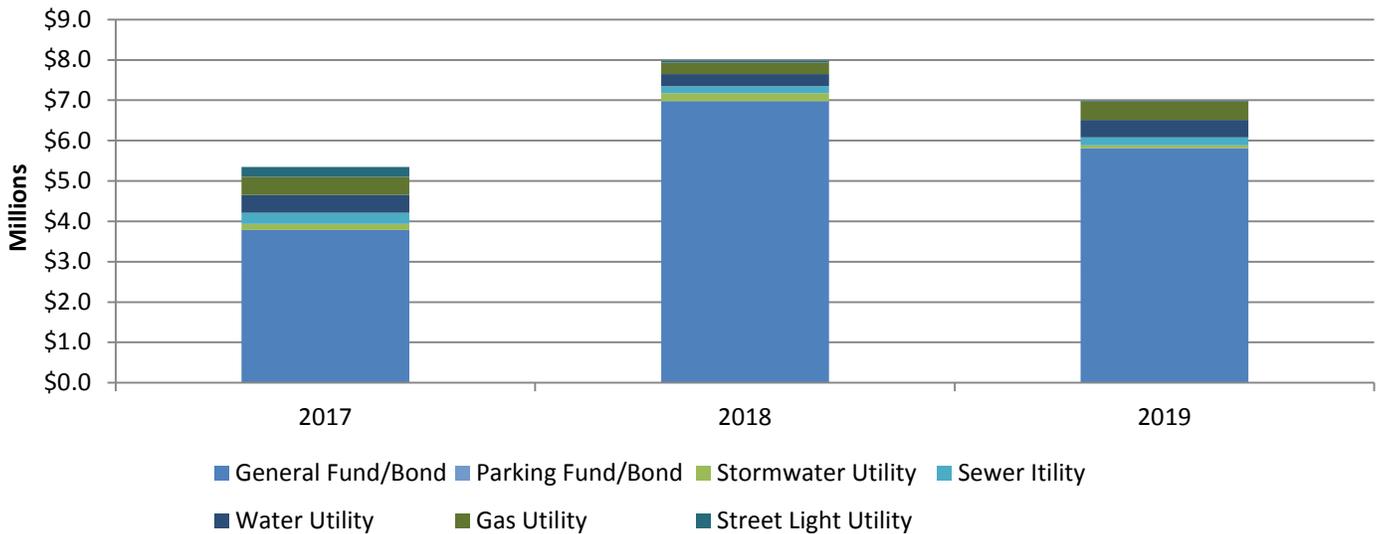
<b>Project</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Decorative Street Lights					200,000	200,000
Intersection Signal Replacement	275,000				275,000	550,000
Signals and Lights Ethernet Superior Street	100,000	100,000	100,000	100,000	100,000	500,000
<b>Total</b>	<b>375,000</b>	<b>925,000</b>	<b>925,000</b>	<b>925,000</b>	<b>575,000</b>	<b>3,725,000</b>

<b>Funding</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Street Lighting - Current	375,000	925,000	925,000	925,000	575,000	3,725,000

# CAPITAL EQUIPMENT BUDGET AND PLAN

## Three Year Equipment Plan

The objective of the City's three-year equipment plan is to maintain city equipment by budgeting an adequate dollar amount annually for replacement on a timely basis. \$20.3 million is proposed in this plan for the period of 2017 through 2019. Of that total, equipment for the General Fund is \$16.6 million to be financed with bonds. The balance of \$3.7 million is proposed for the combined enterprise funds of Water, Gas, Stormwater, Sewer, and Street Lighting. Shown in the chart below are the various funding sources by year for the plan.



	2017	2018	2019	Total
General Fund/Bond	3,788,404	6,980,050	5,813,050	16,581,504
Stormwater	147,000	196,425	70,500	413,925
Sewer	278,700	172,875	193,500	645,075
Water	439,750	301,675	440,275	1,181,700
Gas	448,550	284,525	453,725	1,186,800
Street Light	244,000	45,000	18,000	307,000
<b>Total Plan</b>	<b>5,346,404</b>	<b>7,980,550</b>	<b>6,989,050</b>	<b>20,316,004</b>

## 2017 Proposed Equipment

The City is proposing a total of \$5.3 million in capital equipment expenditures for 2017. This includes equipment for General Fund operating departments and the utility funds named above. The General Fund portion is \$3.8 million to be financed with bonds and the utility portion is \$1.5 million to be paid for out of current year revenues.

For General Fund departments, the City is proposing the purchase of \$2.2 million in rolling stock vehicles comprised of Maintenance Operations vehicles totaling \$1 million; Fire vehicles totaling \$.6 million; police vehicles totaling \$.55 million; and Construction Services vehicles totaling \$.05 million. The non-rolling stock equipment plan of \$1.5 million proposed by the City for 2017 is for technology improvements and replacements, as well as police and fire equipment.

The breakdown of equipment for the utility funds in 2017 includes \$.1 million for non-rolling stock equipment and \$1.4 million for rolling stock vehicles for a total of \$1.5 million in 2017.

City of Duluth 2017 - 2019 Capital Equipment Program

General Fund Rolling Stock Vehicles

	2017	2018	2019	Total
<b>Fire Department</b>				
Fire Trucks/Apparatus	550,000	550,000	1,200,000	2,300,000
Vehicle Replacements	40,000	75,000	-	115,000
Subtotal Fire Department	590,000	625,000	1,200,000	2,415,000
<b>Construction Services</b>				
Inspector Vehicles	50,000	50,000	-	100,000
Subtotal Constructive Services	50,000	50,000	-	100,000
<b>Police Department</b>				
Police Vehicles	559,900	846,350	751,350	2,157,600
Subtotal Police Department	559,900	846,350	751,350	2,157,600
<b>Facilities Management</b>				
1 Ton w/Service Body	-	60,000	60,000	120,000
1 Ton Cargo Van	-	40,000	40,000	80,000
Subtotal Facilities Management	-	100,000	100,000	200,000
<b>Maintenance Operations</b>				
<b>Street Maintenance</b>				
Sweeper	225,000	240,000	300,000	765,000
4 x 4 Pickup	-	90,000	-	90,000
3/4 ton pickup w/plow	-	-	143,000	143,000
Tandem	-	-	325,000	325,000
Plow truck w/wing	240,000	-	-	240,000
Paint truck	-	-	500,000	500,000
Loader	-	225,000	250,000	475,000
Highway mower	-	115,000	-	115,000
Retro - RDS body truck w/plow	340,000	340,000	340,000	1,020,000
Subtotal Street Maintenance	805,000	1,010,000	1,858,000	3,673,000
<b>Park Maintenance</b>				
Log truck loader	100,000	-	-	100,000
4x4 dump/chipper truck	-	58,000	-	58,000
4x4 Truck	71,000	42,000	48,000	161,000
Mower	75,000	75,000	72,000	222,000
Skidsteer	-	62,000	-	62,000
Trailer	-	42,000	-	42,000
Sidewalk cleaner	-	-	150,000	150,000
Subtotal Park Maintenance	246,000	279,000	270,000	795,000
<b>Subtotal Maintenance Operations</b>	1,051,000	1,289,000	2,128,000	4,468,000
<b>Public Works</b>				
Engineering Vehicles	-	-	46,000	46,000
Subtotal Transportation Engineering	-	-	46,000	46,000
<b>Rolling Stock Bond Total</b>	<b>2,250,900</b>	<b>2,910,350</b>	<b>4,225,350</b>	<b>9,386,600</b>

City of Duluth 2017 - 2019 Capital Equipment Program

General Fund Non-Rolling Stock Equipment

	2017	2018	2019	Total
<b>IT</b>				
Communications systems enhancements	50,000	200,000	200,000	450,000
PC / Peripheral adds	15,000	-	-	15,000
Microfilm reader/printer/scanner	12,000	-	-	12,000
Microsoft license true-up	100,000	50,000	50,000	200,000
Document management	250,000	100,000	100,000	450,000
Enterprise wide PC/laptop replacements	150,000	250,000	250,000	650,000
Network equipment replacements	155,000	300,000	300,000	755,000
PCI security requirements	50,000	50,000	50,000	150,000
Conference room technology needs	50,000	50,000	50,000	150,000
Building controls	85,000	-	-	85,000
Clerks microfilm conversion	20,000	-	-	20,000
Sign inventory conversion	10,000	-	-	10,000
Lighting controls	150,000	-	-	150,000
Digital media conversion	150,000	1,000,000	-	1,150,000
Library system	15,000	35,000	-	50,000
Parking ticket system	25,000	-	-	25,000
MIS asset/inventory mgt software	-	100,000	-	100,000
Time & attendance system	-	1,000,000	-	1,000,000
Police mobile technology	-	25,000	-	25,000
eLicensing	-	15,000	-	15,000
Pictometry imagery	-	35,000	-	35,000
Desktop re-cabling project	-	100,000	100,000	200,000
Security card access door additions	-	100,000	100,000	200,000
BCA security regulations	-	50,000	50,000	100,000
ITSC project planning	-	300,000	300,000	600,000
<b>Total Proposed IT Non-Rolling Stock</b>	<b>1,287,000</b>	<b>3,760,000</b>	<b>1,550,000</b>	<b>6,597,000</b>
<b>Fire</b>				
Bail-out kits	60,000	-	-	60,000
Turnout gear, hose, helmet, SCBA	31,000	273,700	1,700	306,400
Thermal imaging camera	-	36,000	36,000	72,000
<b>Total Proposed Fire Non-Rolling Stock</b>	<b>91,000</b>	<b>309,700</b>	<b>37,700</b>	<b>438,400</b>
<b>Police</b>				
TRT equipment	19,000	-	-	19,000
Taser	82,760	-	-	82,760
Shotgun improvements	27,744	-	-	27,744
Permanent camera at fire house flats	30,000	-	-	30,000
<b>Total Proposed Police Non-Rolling Stock</b>	<b>159,504</b>	<b>-</b>	<b>-</b>	<b>159,504</b>
<b>Non-Rolling Stock Bond Total</b>	<b>\$ 1,537,504</b>	<b>\$ 4,069,700</b>	<b>\$ 1,587,700</b>	<b>\$ 7,194,904</b>
<b>TOTAL GENERAL FUND EQUIPMENT BOND PROPOSAL</b>	<b>\$3,788,404</b>	<b>\$6,980,050</b>	<b>\$5,813,050</b>	<b>\$16,581,504</b>

## City of Duluth 2017 - 2019 Capital Equipment Program

### Utility Funds Equipment

	2017	2018	2019	Total
<b>Water Fund</b>				
Cars/Pick-ups	70,300	32,250	54,000	156,550
Trucks/Vans	78,500	160,000	163,900	402,400
Dump Trucks	0	54,250	147,250	201,500
Backhoe/Loader	78,750	17,150	0	95,900
Excavator/Vactor	147,000	0	52,500	199,500
Other Rolling Stock	35,200	23,025	7,625	65,850
Non-Rolling Capital Equipt.	30,000	15,000	15,000	60,000
Subtotal Water Fund	439,750	301,675	440,275	1,181,700
<b>Gas Fund</b>				
Cars/Pick-ups	120,000	79,750	61,000	260,750
Trucks/Vans	165,500	133,000	162,100	460,600
Dump Trucks	0	38,750	162,750	201,500
Backhoe/Loader	26,250	12,250	0	38,500
Excavator/Vactor	105,000	0	37,500	142,500
Other Rolling Stock	4,800	5,775	15,375	25,950
Non-Rolling Capital Equipt.	27,000	15,000	15,000	57,000
Subtotal Gas Fund	448,550	284,525	453,725	1,186,800
<b>Sewer Fund</b>				
Cars/Pick-ups	8,700	0	0	8,700
Trucks/Vans	0	0	0	0
Dump Trucks	0	38,750	0	38,750
Backhoe/Loader	0	117,250	0	117,250
Excavator/Vactor	255,000	0	37,500	292,500
Other Rolling Stock	4,000	6,875	146,000	156,875
Non-Rolling Capital Equipt.	11,000	10,000	10,000	31,000
Subtotal Sewer Fund	278,700	172,875	193,500	645,075
<b>Stormwater Fund</b>				
Cars/Pick-ups	0	0	38,000	38,000
Trucks/Vans	54,000	0	0	54,000
Dump Trucks	0	178,250	0	178,250
Backhoe/Loader	0	7,350	0	7,350
Excavator/Vactor	63,000	0	22,500	85,500
Other Rolling Stock	19,000	825	0	19,825
Non-Rolling Capital Equipt.	11,000	10,000	10,000	31,000
Subtotal Stormwater Fund	147,000	196,425	70,500	413,925
<b>Street Lighting</b>				
Cars/Pick-ups	36,000	27,000	0	63,000
Aerial Bucket Truck	190,000	0	0	190,000
Non-Rolling Capital Equipt.	18,000	18,000	18,000	54,000
Subtotal Street Lighting Fund	244,000	45,000	18,000	307,000
<b>Utility Funds Grand Total</b>	<b>\$ 1,558,000</b>	<b>\$ 1,000,500</b>	<b>\$ 1,176,000</b>	<b>\$3,734,500</b>

# APPENDIX



credited to and added to the appropriate budget item upon approval of the chief administrative officer or their designee.

That use of general fund balance that has been assigned for a specific purpose in a prior year, must be approved by the city council if used for a purpose other than what has been specified.

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

That the parks fund prior year unexpended budget appropriation not anticipated in the original budget shall be added to the current year budget appropriation as approved by the chief administrative officer or designee.

Section 2. That the city auditor be authorized to approve the payments of \$2,499,200 from the gas and steam public utility funds to the general fund for administrative services; comprised of \$2,357,800 or seven percent of the gross revenues of the gas utility fund to the general fund; and \$141,400 from public utilities steam fund to the general fund.

Section 3. That the mayor or the chief administrative officer or their designees may make transfers from budget item to budget item as may be considered necessary for the proper administration of the city government for the year. However, the total of any transfers to or from any budget item in excess of ten percent of the appropriation therefore as herein made shall be made only upon approval of the city council. For the purpose of the Section, the term budget item shall mean the amount appropriated to the various funds delineated as fixed charges in the budget summary, the accounts numbers 110 through the 700 series shall each be considered budget items within the general fund, as defined in Chapter 8, Section 54 of the City Charter, the account numbered 205 in the parks fund, and 290 in the street system maintenance utility, the accounts numbered 510 in the water division, 520 in the gas division, 530 and 532 in the sewer division, 535 in the stormwater division, 540 in the steam division, 550 in the street light division, 503 in the golf division, 505 and 506 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 2017.

General Fund

110	Legislative and Executive	3,067,500
121	Public Administration	17,116,200
125	Finance	2,667,800
132	Planning and Construction Services	2,454,500
135	Business and Economic Development	609,200
150	Fire	16,078,300
160	Police	20,990,900

500	Public Works	9,491,100
700	Transfers and Other Functions	10,101,800
	Total General Fund	82,577,300
Parks Fund		
205	Community Resources	2,739,540
Public Enterprise		
503	Golf Fund	2,208,770
505	Parking Fund	5,259,132
506	410 West First Street ramp	1,493,160
Public Utilities		
510	Water Fund	16,792,400
520	Gas Fund	41,558,500
530 & 532	Sewer and Clean Water Fund	22,096,400
535	Stormwater Fund	5,683,900
540	Steam Fund	8,378,300
550	Street Lighting Fund	2,712,200
290	Street System Maintenance Utility	2,800,000

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

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

The programs funded by state and federal grants shall be reduced or eliminated accordingly if state or federal revenue are reduced or eliminated and another funding source is not 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, 2017.

STATEMENT OF PURPOSE: This ordinance established 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 2017 budget for the city's general fund; the parks fund; the seven utility funds of water, gas, sewer, stormwater, steam, street lighting, and street system maintenance utility; and the three public enterprise funds of parking, 410 West First Street parking facility, and golf.



## Legislation Details (With Text)

**File #:** 16-072-O **Name:**  
**Type:** Ordinance **Status:** Passed  
**File created:** 11/22/2016 **In control:** Finance  
**On agenda:** 12/5/2016 **Final action:** 12/12/2016  
**Title:** AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR GENERAL PURPOSES FOR THE YEAR 2017.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Hobbs Motion To Amend - WITHDRAWN (12/5/16)

Date	Ver.	Action By	Action	Result
12/12/2016	1	City Council	adopted	Pass
12/12/2016	1	Mayor	approved	
12/12/2016	1	City Clerk	attested	
12/5/2016	1	City Council	read for the first time	

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR GENERAL PURPOSES FOR THE YEAR 2017.

**CITY PROPOSAL:**

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2017 for general operations is hereby determined to be the sum of \$25,448,392 which sum is levied against the taxable property of the City of Duluth and appropriated to the various accounts of the city, as set forth in the following sections.

Section 2. That there will be levied for the support of the general fund the sum of \$14,778,200.

Section 3. That there will be levied for the support of the street lighting fund the sum of \$757,592.

Section 4. That there will be levied for the support of the street maintenance utility fund the amount of \$2,800,000.

Section 5. That for the payment of debt, there will be levied for the general obligation debt fund the sum of \$6,832,600.

Section 6. That pursuant to Laws of Minnesota 1971, Chapter 824, to pay for the portion of

the cost of local improvements which will not sustain a special assessment, there will be levied for the permanent improvement fund the sum of \$280,000.

Section 7. That this ordinance shall take effect January 1, 2017.

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2017.



## Legislation Details (With Text)

**File #:** 16-071-O      **Name:**  
**Type:** Ordinance      **Status:** Passed  
**File created:** 11/22/2016      **In control:** Finance  
**On agenda:** 12/5/2016      **Final action:** 12/12/2016  
**Title:** AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL PARKS FUND LEVY FOR THE YEAR 2017.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
12/12/2016	1	City Council	adopted	Pass
12/12/2016	1	City Clerk	attested	
12/12/2016	1	Mayor	approved	
12/5/2016	1	City Council	read for the first time	

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL PARKS FUND LEVY FOR THE YEAR 2017.

**CITY PROPOSAL:**

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2017 for the special parks fund levy is hereby determined to be the sum of \$2,600,000 which sum is levied against the taxable property of the city of Duluth and appropriated to the various accounts as set forth in the following section.

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

Section 3. That this ordinance shall take effect January 1, 2017.

**STATEMENT OF PURPOSE:** This ordinance sets the property tax levy for the year 2017 for the parks fund levy. Ordinance 10134, approved by voter referendum on November 9, 2011, created a dedicated parks fund and special levy in the amount of \$2.6 million per year to be utilized for parks and recreation purposes only.







- (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, 2016, 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 \$1,750,000 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 \$1,750,000 (the "Bonds"), for the purpose of providing funds for the following capital improvements under the Plan: improvements to eligible facilities (City Hall, libraries, public safety facilities and public works facilities) under the Act throughout the City, including improvements to the main library, City Center West (public safety and library), 42nd Street tool house, fleet building (public works) and Firehalls #1, 2, 4, 6 and 11, and for the payment of costs of issuance of the Bonds.

(d) If, within 30 days after December 5, 2016, a valid petition is filed with the City Clerk calling for a vote on the proposition of issuing the Bonds, signed by voters residing within the boundaries of the City equal to five percent of the votes cast in the City in the last general election, the Bonds shall not be issued until the question of their issuance has been authorized by a majority of the voters voting on the question at the next general or special election called to decide the question.

(e) This resolution constitutes a declaration of official intent under Treasury Regulations

Section 1.150-2. The City reasonably expects to acquire or construct all or a portion of the capital improvements prior to the issuance of the capital improvement bonds and to reimburse expenditures incurred with respect to such capital improvement program with the proceeds of the capital improvement bonds.

STATEMENT OF PURPOSE: This resolution approves the 2017-2021 capital improvement plan, declares the City's intent to issue general obligation capital improvement bonds in 2017 in an amount not to exceed \$1,750,000 for certain capital improvements as listed in the resolution. The estimated costs of the capital improvements to be financed by the 2017 Bonds are \$1,600,000 plus underwriter discount and costs of issuance.



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

STATEMENT OF PURPOSE: This resolution states the City's intent to issue general obligation capital equipment notes in 2017 to finance the purchase of capital equipment. It further approves the capital equipment list as items to be financed in 2017 in an amount up to \$3,788,404 plus an additional amount for costs of issuance and discount.



Spirit Mountain Adventure Park Lease	\$145,700		\$145,700
Visit Duluth	\$1,900,000	\$1,900,000	
Other Advertising and Publicity	\$85,500	\$85,500	
Tourism Events Support General Fund	\$895,000	\$895,000	
Tourist-Related Park Maintenance	\$200,000	\$200,000	
Lake Superior Zoo	\$510,000	\$510,000	
Great Lakes Aquarium	\$372,500	\$372,500	
Business Improve District	\$200,000	\$200,000	
Heritage & Arts Center/Depot	\$226,800	\$226,800	
Public Arts	\$40,000	\$40,000	
Sister Cities	\$40,000	\$40,000	
Lake Superior & Mississippi Railroad	\$20,000	\$20,000	
Rail Alliance	\$9,800	\$9,800	
DECC - Bayfront Park Management	\$60,000	\$60,000	
DECC - Blue Bridge Operations	\$38,000	\$38,000	
Glensheen Matching Funds	\$50,000	\$50,000	
St Louis River Corridor Debt Service	\$1,707,500		\$1,707,500
Spirit Mountain Operations	\$200,000	\$200,000	
Mounted Patrol Support	\$30,000	\$30,000	
Fourth Fest Fireworks	\$50,000	\$50,000	
Minnesota Slip Bridge	\$500,000		\$500,000
Capital Projects	\$50,000		\$50,000
Undesignated Fund Balance	\$195,000	\$195,000	
Total	\$11,677,100	\$5,122,600	\$6,554,500

STATEMENT OF PURPOSE: This resolution distributes the 2017 estimated tourism taxes as required by Minnesota State Statutes, City ordinance, or City policy. 2017 hotel/motel revenue is projected to increase 3.25% over 2016 expected revenue and 2017 food and beverage revenue is projected to increase 2.25% over expected 2016 revenue. A comparison of 2016 approved allocations to 2017 proposed allocations is attached as Exhibit A.

Legislated and contractual tourism tax increases include the DECC-Amsoil Arena debt service, the St Louis River Corridor debt service, and Visit Duluth.

2017 tourism tax allocation increases include \$125,000 additional funding to Visit Duluth and \$12,500 additional funding to the Great Lakes Aquarium.

New allocations being proposed include \$500,000 for reconstruction of the Minnesota slip bridge and \$50,000 to provide fireworks at Fourth Fest.



## Legislation Details (With Text)

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**File #:** 16-0858R      **Name:**  
**Type:** Resolution      **Status:** Passed  
**File created:** 11/23/2016      **In control:** Finance  
**On agenda:** 12/5/2016      **Final action:** 12/5/2016  
**Title:** RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2017 TO DECEMBER 31, 2017, OPERATION BUDGET OF THE DULUTH AIRPORT AUTHORITY.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/5/2016	1	City Council	adopted	Pass
12/5/2016	1	Mayor	approved	

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2017 TO DECEMBER 31, 2017, OPERATION BUDGET OF THE DULUTH AIRPORT AUTHORITY.

**CITY PROPOSAL:**

RESOLVED, that the operations budget for the fiscal year January 1, 2017 to December 31, 2017, in the amount of \$13,849,780 for the Duluth Airport Authority is hereby approved.

**STATEMENT OF PURPOSE:** This resolution adopts the 2017 operating budget for the Duluth Airport Authority, a detailed budget is attached as Exhibit A.

The 2017 operating budget represents an increase of \$819,453, or 6% over the 2016 budget. \$771,869 of the increase is due to the increase in depreciation and amortization.



## Legislation Details (With Text)

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**File #:** 16-0852R      **Name:**  
**Type:** Resolution      **Status:** Passed  
**File created:** 11/23/2016      **In control:** Finance  
**On agenda:** 12/5/2016      **Final action:** 12/5/2016  
**Title:** RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2017 TO DECEMBER 31, 2017, OPERATION BUDGET OF THE DULUTH TRANSIT AUTHORITY.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/5/2016	1	City Council	adopted	Pass
12/5/2016	1	Mayor	approved	
12/5/2016	1	Mayor	approved	

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2017 TO DECEMBER 31, 2017, OPERATION BUDGET OF THE DULUTH TRANSIT AUTHORITY.

**CITY PROPOSAL:**

RESOLVED, that the operation budget for the fiscal year January 1, 2017 to December 31, 2017, in the amount of \$16,062,447 for the Duluth Transit Authority is hereby approved.

**STATEMENT OF PURPOSE:** This resolution adopts the 2017 operating budget for the Duluth Transit Authority, a detailed budget is attached as Exhibit A.

The budget includes an increase of \$757,761 or 4.9% over the 2016 budget. This resolution adopts the budget as presented for the current year.



## Legislation Details (With Text)

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**File #:** 16-0857R      **Name:**  
**Type:** Resolution      **Status:** Passed  
**File created:** 11/23/2016      **In control:** Finance  
**On agenda:** 12/5/2016      **Final action:** 12/5/2016  
**Title:** RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2017 TO DECEMBER 31, 2017 BUDGETS OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/5/2016	1	City Council	adopted	
12/5/2016	1	Mayor	approved	

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2017 TO DECEMBER 31, 2017 BUDGETS OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY.

**CITY PROPOSAL:**

RESOLVED, that the DEDA operating fund, debt service fund, capital projects fund, and MRO maintenance fund, attached in Exhibit A are hereby approved.

STATEMENT OF PURPOSE: This resolution adopts the various DEDA budgets for fiscal year 2017. The DEDA adopted the DEDA budgets at its October 26, 2016 meeting.

# CITY OF DULUTH, MINNESOTA

## DEMOGRAPHIC AND ECONOMIC STATISTICS

<u>Fiscal Year</u>	<u>Population</u>	<u>Total Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Per Capita School Enrollment</u>	<u>Unemployment Rate</u>
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	5.7%
2009	85,530	2,286,461,687	26,733	9,195	7.7%
2010	86,265	2,260,614,999	26,205	8,780	7.6%
2011	86,277	2,324,435,029	26,942	8,815	6.8%
2012	86,200	2,368,110,337	27,472	8,686	6.0%
2013	86,128	2,510,223,601	29,145	8,517	5.2%
2014	86,238	2,604,643,844	30,203	8,517	4.4%
2015	86,238*	2,660,504,493	30,851	8,353	3.8%

Data sources:

The population figures are estimates of the US Census Bureau.

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

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

The unemployment rates were provided by the MN Department of Employment and Economic Development.

\* Estimates

## MINNESOTA CITIES HOUSING STOCK COMPARISON

<b>Age of Housing Stock</b>	<b>Duluth</b>		<b>Rochester</b>		<b>St. Cloud</b>		<b>Mankato</b>	
<b>Total Housing Units</b>	<b>38,146</b>		<b>46,355</b>		<b>27,150</b>		<b>16,647</b>	
1980 or newer	6,576	17.2%	24,040	51.9%	12,606	46.4%	7,284	43.8%
1960 to 1979	7,094	18.6%	11,907	25.7%	7,218	26.6%	3,470	20.8%
1940 to 1959	7,708	20.2%	6,609	14.3%	3,689	13.6%	2,479	14.9%
1939 or earlier	16,768	44.0%	3,799	8.2%	3,637	13.4%	3,414	20.5%

Data source: American Community Survey

# CITY OF DULUTH, MINNESOTA

## PRINCIPAL EMPLOYERS

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Essentia Health (SMDC)	Healthcare / hospital	5,341	1	8.89%
St. Luke's Hospital	Healthcare / hospital	2,073	2	3.45%
St. Louis County	Government	1,956	3	3.26%
University of Minnesota - Duluth	Education	1,700	4	2.83%
Independent School District No. 709	Education	1,426	5	2.37%
Uniprise (United Health Care)	Insurance	1,368	6	2.28%
Allete (Minnesota Power)	Electric utility	1,322	7	2.20%
Duluth Air National Guard Base	Military	1,068	8	1.78%
City of Duluth	Government	856	9	1.42%
US Government	Government	850	10	1.41%
		<u>17,960</u>		<u>29.89%</u>

Source: Northland Connection's website

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

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

<u>Function:</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government	113.90	115.90	125.75	127.65	131.65
Public Safety					
Police	185.00	185.00	178.50	178.50	178.50
Fire	140.00	138.00	141.00	142.00	143.00
Public Works	118.60	106.60	87.10	85.90	85.05
Culture and recreation					
Parks and recreation	7.50	9.00	10.00	10.00	9.75
Zoo	0.00	0.00	0.00	0.00	0.00
Library	43.50	48.50	49.00	49.00	46.50
Urban & Economic Development	62.50	61.50	60.25	59.53	55.50
Water & Gas	128.20	131.00	133.00	132.60	128.65
Sewer	38.40	39.20	40.20	39.33	36.93
Stormwater	24.20	26.00	26.00	25.52	26.87
Golf	0.00	0.00	0.00	0.00	0.00
Parking	3.00	3.00	8.00	8.00	8.00
Street Lighting	5.00	5.00	5.00	5.10	5.10
Total	<u>869.80</u>	<u>868.70</u>	<u>863.80</u>	<u>863.13</u>	<u>855.50</u>

# CITY OF DULUTH, MINNESOTA

## TOTAL ESTIMATED MARKET VALUES

<u>Fiscal Year End</u>	<u>Total Estimated Market Value</u>	<u>Tax Capacity</u>	<u>% Capacity to Market Value</u>	<u>Tax Rate</u>
2006	5,036,127,627	56,123,821	1.11%	0.22183
2007	5,188,965,700	60,063,072	1.16%	0.22939
2008	5,483,418,320	63,722,897	1.16%	0.23259
2009	5,706,520,800	66,655,461	1.17%	0.25403
2010	5,696,100,100	67,344,436	1.18%	0.26331
2011	5,531,528,600	65,577,970	1.19%	0.27956
2012	5,569,039,800	61,532,873	1.10%	0.31597
2013	5,473,015,800	61,948,785	1.13%	0.33198
2014	5,584,098,600	62,430,044	1.12%	0.32338
2015	5,725,483,100	64,221,257	1.12%	0.32509

## PRINCIPAL PROPERTY TAXPAYERS

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Estimated Market Value</u>	<u>Rank</u>	<u>% of Market Value</u>
Minnesota Power	Electric utility	126,217,700	1	2.20%
Simon Property, Inc.	Shopping mall	44,882,300	2	0.78%
Essentia Health	Healthcare / hospital	41,853,200	3	0.73%
Sherman Associates	Real estate developmen	30,427,100	4	0.53%
Wisconsin Central LTD	Railway	27,451,600	5	0.48%
IRET Properties	Property Management	19,328,700	6	0.34%
Riverland AG Corp	Grain elevators	18,334,000	7	0.32%
NewPage (StoraEnso)	Paper mill	18,009,100	8	0.31%
ZMC Hotels	Hotels	14,653,900	9	0.26%
Burlington Northern	Railroad	14,531,600	10	0.25%
		355,689,200		6.20%

# CITY OF DULUTH, MINNESOTA

## OPERATING INDICATORS BY FUNCTION

	2011	2012	2013	2014	2015
<b>Police</b>					
Criminal offences	11,278	9,924	10,828	9,472	10,262
Cleared by arrest	4,231	3,785	4,473	4,070	4,081
Traffic violations	9,746	9,499	11,152	9,307	8,525
Parking violations	51,991	46,492	51,361	55,097	50,647
<b>Fire</b>					
Number of calls answered	9,262	9,587	10,816	11,114	12,231
Number of inspections conducted	1,200	1,200	1,200	1,200	1,200
<b>Public works</b>					
Construction permits:					
Permits issued	1,700	2,325	2,054	2,030	1,896
Estimated cost of construction during year	\$ 173,357,959	\$ 104,841,877	\$ 137,097,967	\$ 182,409,369	\$ 160,884,495
<b>Culture and recreation</b>					
<b>Parks and recreation department</b>					
Participation in special events	15,436	18,129	40,045	30,749	23,122
Participation in recreation	39,839	35,681	27,393	28,304	22,586
Zoo regular customers	93,705	71,842	58,306	65,270	64,071
<b>Library</b>					
Registered borrowers	47,965	50,171	50,491	48,147	47,086
Items in collection*	463,418	457,999	467,050	456,753	444,790
Items loaned	902,221	953,270	959,432	923,063	927,389
Library visits	376,817	460,918	484,917	492,106	474,982
Internet uses	66,394	89,070	106,662	118,825	109,965
Reference/research questions answered**	79,443	90,155	84,838	89,232	77,896
<b>Water</b>					
Meters in service	29,069	28,082	28,051	28,131	28,134
Average number of gallons treated per month	461,125,000	468,170,000	433,795,000	433,676,667	431,616,667
Water pumped - million cubic feet	739.8	756.1	695.9	695.7	692.4
Water sold - million cubic feet	589.6	644.4	606.0	591.0	589.8
Daily average consumption in gallons	15,160,274	13,206,643	12,418,716	14,257,863	14,190,136
<b>Gas</b>					
Meters in service	26,693	27,542	27,452	26,585	26,896
MMBTU sold	5,184,800	4,528,009	5,355,988	5,679,683	4,885,371
<b>Sewer</b>					
Number of service connections	28,845	27,250	27,956	27,956	27,963
Daily average treatment in gallons	13,284,575	12,137,000	12,843,000	14,257,000	13,000,530
<b>Stormwater</b>					
Cleaning storm sewer pipe (in feet)	14,750	230,165	31,658	2,700	3,330
<b>Steam District #1</b>					
Steam sold (in 1,000 lbs)	409,295	379,257	394,762	300,669	332,830
<b>Golf</b>					
Season passes	985	1,028	879	840	2,415
Daily tickets	32,101	35,121	31,401	28,860	46,700
Carts	12,553	14,751	14,019	15,056	42,606
Rounds played	75,480	84,740	63,196	60,172	81,082

## CAPITAL ASSETS BY FUNCTION

	2011	2012	2013	2014	2015
<b>Police</b>					
Patrol units	94	93	93	93	93
<b>Fire</b>					
Fire stations	9	8	8	8	8
<b>Public works</b>					
<b>Miles of streets and alleys:</b>					
Miles of streets - paved	470.23	470.43	470.49	472.51	473.80
Miles of streets - unpaved	48.02	48.02	47.96	47.96	47.96
Miles of sidewalk	409.00	409.90	410.98	410.98	410.98
<b>Number of street lights:</b>					
Ornamental lamps (no. of bulbs)	3,930	3,930	3,930	3,930	3,930
Overhead street lamps	3,665	3,665	3,665	3,665	3,665
<b>Culture and recreation</b>					
<b>Parks and recreation department</b>					
Number of parks	127	128	128	128	128
Park acreage	15,255	12,000	12,000	12,000	12,000
Number of ski hills	2	2	2	2	2
Number of municipal tennis courts	17	17	17	19	19
Community clubs/field houses operated	22	21	21	19	19
Number of athletic fields	57	57	57	57	57
Number of hiking trails	14	14	14	14	14
<b>Library department</b>					
Libraries/branches	3	3	3	3	3
<b>Water</b>					
Miles of water mains	426.30	426.74	428.30	429.50	433.40
Number of hydrants	2,583	2,597	2,671	2,677	2,688
Maximum daily capacity of plant in gallons	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000
<b>Gas</b>					
Miles of gas mains	511.00	520.00	527.00	534.70	534.70
<b>Sewer</b>					
Miles of sanitary sewers	382.00	406.20	398.00	402.00	395.30
<b>Stormwater</b>					
Miles of storm sewers	431.00	431.00	443.00	435.00	398.07
<b>Steam District #1</b>					
Miles of line	11.00	11.00	11.00	11.00	11.00
<b>Golf</b>					
Number of municipal golf courses	2	2	2	2	2

# GLOSSARY OF TERMS

## **Accrual Basis of Accounting**

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

## **Appropriation**

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

## **ARRA- American Recovery and Reinvestment Act**

A federal economic stimulus package

## **Assessed Valuation**

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

## **Bond**

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

## **Budget**

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

## **Budget Basis**

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

## **Budgetary Control**

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

## **Comprehensive Annual Financial Report (CAFR)**

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

## **Capital Budget**

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

## **Capital Improvements**

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

## **Capital Outlay**

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

## **Capital Projects Fund**

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

## **Charges for Services**

Revenues collected as reimbursement for services provided to the public or to some other program/fund in the City.

## **City Authority**

An organizational unit created by the Legislature of the State of Minnesota to administer and maintain the operations of the Duluth Airport, Duluth Entertainment and Convention Center, Transit Authority, and Spirit Mountain Recreation Area. Each is considered a component unit of the City of Duluth reporting entity, and is accounted for as an enterprise fund.

**Collective Bargaining Agreement**

A legal contract between the employer and a verified representative of a recognized bargaining unit for specific terms and conditions of employment (e.g. hours, working conditions, salary, fringe benefits, and matters affecting health and safety of employees).

**Component Unit**

A legally separate organization for which the elected officials of a primary government are financially accountable. For Duluth, the component units are the authorities.

**Contractual Services**

Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include maintenance agreements and professional consulting services.

**Cured in Place Pipe (CIPP)**

Trenchless rehabilitation method to repair existing pipelines.

**Debt Service**

Payment of principal and interest on specific obligations which result from the issuance of bonds.

**Debt Service Fund**

A governmental fund type used to account for the accumulation of resources for, and the payment of, general long term debt principal and interest.

**Deficit**

An excess of expenditures or expenses over revenues (resources) during an accounting period.

**Department**

Major unit of organization comprised of subunits named divisions. Organizational elements responsible for administration and supervision of various service delivery activities.

**Depreciation**

The portion of the cost of a fixed asset which is charged as an expense during a particular period. In accounting for and recognizing depreciation, the cost of a fixed asset is prorated over the estimated useful life of such an asset, and each period is charged with a share of such cost.

**Distinguished Budget Presentation Awards Program**

A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

**Division**

Organizational subunits of a department which are responsible for the administration and supervision of various service delivery activities.

**Employee Benefits**

Those costs incurred by the employer for pension contributions and the provision of health, dental and term insurance for all covered personnel.

**Encumbrance**

The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

**Enterprise Fund**

Funds which account for operations that are financed and managed in a manner similar to private business enterprises-- where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges.

**Expenditure**

The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

**Expense**

Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

**Financial Policy**

The City's policies with respect to revenues, spending, and debt management as these related to government services, programs, and capital investments. Financial policies provide an agreed-upon set of principles for the planning and programming of the budget and its funding.

**Fiscal Year**

Twelve-month period to which the operating budget applies; January 1 to December 31 in the case of the City.

**Fixed Assets**

Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

**Franchise Tax**

A fee charged by a governmental unit to a private business for the privileges of using a public right-of-way to generate revenue through its operations.

**Full Faith and Credit**

A pledge of a government's taxing power to repay debt obligations.

**Full Time Equivalent (FTE)**

A job classification created by Civil Service, authorized through the budgetary process, and filled in accordance with Civil Service rules and Chapter 13 of the Duluth City Code.

**Function**

Description of a division's operation relative to routine activities performed to accomplish established objectives and goals.

**Fund**

A fiscal and accounting entity, which is created and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The major funds are the General Operating; Water; Gas; Steam; Sewer; Golf/Zoo funds; Debt Service funds; Special Revenue funds; Capital Projects funds; and Internal Service funds.

**Fund Balance**

The excess of the assets of a fund over its liabilities, which may include reserves and designations.

**Generally Accepted Accounting Principles (GAAP)**

Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

**General Fund**

A governmental fund type which serves as the chief operating fund of the City to account for all financial resources except those required to be accounted for in another fund type.

**General Obligation Bond (G.O.)**

This bond is backed by the full faith, credit, and taxing power of the government.

**Goal**

A statement of broad direction, purpose or intent based on the needs of the community. A goal is a general and timeless.

**Governmental Accounting Standards Board (GASB)**

The organization that establishes generally accepted accounting principles (GAAP) for states and local governments.

**Governmental Funds**

Fund type which includes general fund, special revenue funds, permanent improvement funds, debt service funds and special assessment funds.

**Government Finance Officers Association (GFOA)**

The professional association of Finance professionals in the public sector.

**Grants**

A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

**HUD**

U.S. Department of Housing and Development, a federal government agency.

**Infrastructure**

The physical assets of a government (e.g. streets, water, sewer, public buildings, and parks).

**Intergovernmental Revenue**

Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

**Internal Service Funds**

Proprietary fund type used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government or component unit, or to other governments on a cost reimbursement basis.

**Internal Service Charges**

The charges to user departments for internal services provided by another government agency, such as fleet and insurance.

**Interfund Transfer**

Flows of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for repayment.

**Levy**

To impose taxes for the support of government activities.

**Local Government Aid – LGA**

A general purpose aid that can be used for any lawful expenditure. It is also intended to be used for property tax relief. The Department of Revenue certifies LGA for cities based on current LGA statutes, including any changes enacted during the most recent legislative session.

**Long-Term Debt**

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

**Materials and Supplies**

Expendable materials and operating supplies necessary to conduct departmental operations.

**Modified Accrual Basis of Accounting**

Recognizes expenses in the accounting period in which they are incurred and measurable. Recognizes revenues in the accounting period in which they are measurable and available.

**Municipal State Aid (MSA)**

Refers to gas tax dollars distributed by the State to local governments for use on State designated Municipal State Aid streets - usually major thoroughfares.

**Object of Expenditure**

An expenditure classification, referring to the lowest and most detailed level of classification, such as permanent employee wages, over-time, electricity, office supplies, and paving materials.

**Objective**

Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

**Obligations**

Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

**Operating Expenses**

The cost for materials, services, and supplies required for a department to operate.

**Operating Revenue**

Funds that the City receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

**Ordinance**

A formal legislative enactment by the City Council. It has the full force and effect of law within City boundaries unless pre-empted by a higher form of law. An Ordinance has a higher legal standing than a Resolution.

**Other Post-Employment Benefits (OPEB)**

Post-employment benefits other than pension benefits that include post-employment healthcare benefits, regardless of the type of plan that provides them.

**Payment In Lieu of Taxes (PILOT)**

Payment that a property owner not subject to taxation makes to a government to compensate it for services that the property owner receives that normally are financed through property taxes.

**Performance Measure**

Quantitative and/or qualitative measures of work performed related to specific departmental or program objectives.

**Personal Services**

Those costs associated with the salaries and wages of permanent and temporary employees.

**Proprietary Funds**

Fund type which includes the enterprise funds of Public Service, Public Utility and City Authorities.

**Public Employees Retirement Association (PERA)**

State-wide pension plan, to which a majority of the City's employees belong.

**Public Service Fund**

A fund established to account for the operation and maintenance of the City of Duluth's sanitary and storm sewer collection system.

**Public Utility Fund**

A fund established to account for the operations of the Department of Water and Gas, Street Light Utility and the Duluth Steam Cooperative Association which provide water, gas, street lighting, traffic signals and steam utility services, respectively, to the citizens of Duluth.

**Purpose**

A broad statement of the goals, in terms of meeting public service needs, that a department is organized to meet.

**Resolution**

A special order of the City council which has a lower legal standing than an ordinance.

**Revenue**

Sources of income financing the operations of government.

**Revenue Bond**

Revenues from a specific enterprise or project back this type of bond. An example would be a utility improvement or project.

**Revenue Source**

A revenue classification that designates the origination or type of funds received.

**Special Assessment**

Compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

**Special Revenue Fund**

Funds which account for specific financial resources that is restricted to expenditures for specified purposes.

**Tax Capacity**

A valuation placed upon the market value of the real and personal property in the City in a manner prescribed by state law as the basis for levying property taxes. The tax capacity reflects a percentage of the property's assessed value. The market value of a property is multiplied by the appropriate tax capacity classification rate to arrive at its "tax capacity".

**Tax Capacity Classification Rate**

The tax rates applied to tax capacities within the City. The tax capacity rate will vary depending on the property classification (homestead, seasonal-recreation, rental, non-homestead, commercial/industrial, vacant). The lowest rate is for homestead property, with significantly higher rates for seasonal-recreation, vacant, and commercial/industrial property.

**Tax Levy**

The sum to be raised by general taxation, for specific purposes, as delineated in the Tax Levy Ordinance upon the taxable properties within the jurisdiction and corporate limits of the City.

**Taxes**

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. Taxes for this city include property, sales, tourism, and charitable gambling.

**Truth in Taxation (TNT)**

A set of procedures adopted by the 1989 Minnesota Legislature intended to improve local accountability in the adoption of the budget and property tax levy of local government.

**Unassigned Fund Balance**

The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

**User Charges**

The payment of a fee for direct receipt of a public service by the party who benefits from the service.

