

CITY OF DULUTH, MINNESOTA

2019 Adopted Annual Budget



CITY OF DULUTH

2019 Adopted Annual Budget

MAYOR

Emily Larson

CITY COUNCILORS

Gary Anderson

Zack Filipovich

Arik Forsman

Jay Fosle

Noah Hobbs

Barb Russ

Joel Sipress

Renee Van Nett

Em Westerlund

CHIEF ADMINISTRATIVE OFFICER

Noah Schuchman



Table of Contents

City of Duluth, Minnesota - 2019 Approved Budget

Page Section One - INTRODUCTION

This section contains information about the entire city's approved budget and describes the process.

- 1 Transmittal Letter
- 3 Profile of Duluth
- 4 Listing of Duluth Officials
- 5 City Organization Chart and Personnel
- 10 Strengths, Challenges, and Opportunities
- 21 Budget Highlights
- 25 Total Approved Budget
- 27 Total Approved Revenue Comparison
- 28 Total Approved Expense Comparison
- 29 Major Revenue Source Analysis
- 33 City Fund Structure
- 34 Approved Budget by Fund Detail
- 35 Highlights Narrative by Fund
- 41 Budget Award Announcement
- 43 Financial Polices

Section Two - APPROPRIATIONS

This section contains summary information of each specific fund and detail on specific departments and divisions. This includes revenue estimates, personnel, capital needs, and approved operating expenses.

General Fund

- 53 General Fund Summary
- 54 General Fund Revenues
- 55 Revenue Estimates by Source
- 61 General Fund Expenses
- 62 Expenses by Division and Category
- 65 General Fund Personnel Summary
- Departmental Budgets
- 68 Legislative & Executive
- 79 Public Administration
- 129 Finance Department
- 147 Planning and Economic Development
- 161 Fire Department
- 175 Police Department
- 185 Public Works & Utilities
- 199 Transfers and Other Functions

Special Revenue Funds

- 200 Statement of Revenues, Expenses, and Changes in Fund Balance
- 201 Lake Superior Zoological Gardens
- 202 Parks
- 204 Special Projects
- 205 Police Grant Programs
- 206 Capital Equipment
- 207 Economic Development
- 208 Community Investment Fund
- 209 Energy Management
- 210 Tourism Taxes
- 212 Home Investment Partnerships Program
- 213 Community Development
- 214 Community Development Administration
- 215 Workforce Development
- 216 Senior Employment
- 217 Other Postemployment Benefits
- 218 DECC Revenue
- 219 Street System Maintenance Utility

Debt Service Funds

- 220 Statement of Revenues, Expenses, and Changes in Fund Balance
- 221 Debt Service Funds Narrative
- 223 Debt Service Funds Detail by Fund

Capital Projects Funds

- 228 Statement of Revenues, Expenses, and Changes in Fund Balance
- 229 Special Assessment
- 230 Permanent Improvement
- 231 Street Improvement Program
- 232 Capital Improvement
- 233 Tourism & Recreational Projects

Continued on next page

Table of Contents continued

City of Duluth, Minnesota - 2019 Approved Budget

Enterprise Funds

- 234 Golf Fund
- 240 Parking Fund
- 250 Priley Drive Parking Facility
- 254 Public Works & Utilities Summary
- 261 Water Fund
- 276 Gas Fund
- 291 Sewer Fund
- 307 Clean Water Surcharge Fund
- 311 Stormwater Fund
- 324 Steam Utility Fund
- 335 Street Lighting Fund

Internal Service Funds

- 340 Statement of Revenues, Expenses,
and Changes in Fund Balance
- 341 Self Insurance - Workers' Compensation
- 342 Self Insurance - Liabilities
- 343 Medical Health Fund
- 344 Dental Health Fund
- 345 Fleet Services

Section Three - CAPITAL BUDGET

This section contains the city's capital budget.

- 350 Capital Improvement Plan
- 400 Capital Equipment Plan

Section Four - APPENDIX

This section contains supplemental information.

- 421 Ordinances & Resolutions
- 440 Demographic & Economic Statistics
- 441 Principal Employers
- 442 Total Estimated Market Values
- 443 Operating Indicators
- 445 Capital Assets by Function
- 446 Glossary

INTRODUCTION



City of Duluth Finance Department

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Duluth, Minnesota • 55802-1190
218-730-5460 • Fax: 218-730-5919

January 1, 2019

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 2019 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 10, 2018. The City Council approved the proposed maximum tax levy on September 24, 2018. Finance committee meetings were held 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 10, 2018 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 2019 budgets, budget appropriations, tax levies, capital improvement plan, and bonding intent and plan were approved by Council by December 17, 2018.

The 2019 budget is titled "Forward Together"; a budget focused on alignment of funding with the values of the City. This budget pairs the strategies and policy recommendations from Imagine Duluth 2035, the City of Duluth's recently adopted comprehensive plan, with the time intensive, staff-driven and community- influenced budgeting process called Priority Based Budgeting.

Priority Based Budgeting is a unique and innovative budgeting approach used to match available resources with community priorities. Priority Based Budgeting helps to define what the priorities of the citizens are, what programs and services the City offers, how much the programs and services cost to provide, and what value the services and programs offer our citizens.

Using the public process of Imagine Duluth 2035, the priorities of the City of Duluth were identified: infrastructure, livable neighborhoods and affordable housing, green space and energy conservation, dynamic and diverse economy, culture and recreation, and safe and secure community.

The 2019 budget highlights align with the priorities identified for the City.

2019 Budget Highlights:

- **Increased staffing for the Earned Safe and Sick Time Initiative** passed during May of 2018
- **Increase in street improvement budget of \$500,000** over flat \$2.8 million in most previous years
- **Increased staffing for Transportation Planner**
- **An investment of \$280,000 for year-round recreation programming for youth and families**
- **Increased staffing for voter-approved Policy and Communications position**
- **Increased City tax levy impact of 5.92%** after 5.33% growth
- **Increase in health care costs of 10%**

Budget Drivers:

- **State Budget Considerations**
 - LGA
 - Levy limits
- **Employee Expenses**
 - Collective bargaining agreement wage increases
 - Health insurance premiums
 - Retiree insurance

- o **Economy**
 - o Expanding tax base
 - o Sales tax

Framework Goals and Assumptions:

- Increased staffing for the Earned Safe and Sick Time Initiative. The City Council passed this ordinance in May of 2018. The City now has the responsibility to implement the new initiative by 2020. This will require additional staff.
- We have set aside and protected a \$500,000 increase to the street improvement budget over the flat investment of \$2.8 million made in most previous years (net of street debt). We are able to do this because of our diligence in paying down bond debt.
- Increased staffing for a transportation planner. This position will be focused on providing alignment with the values embedded in our comprehensive plan, connecting projects and funding sources, leading public engagement, and providing project efficiency.
- An investment of \$280,000 to fund two full-time, year-round City recreation staff and up to eight year-round AmeriCorps members who will provide recreation programming in partnership with the City's many youth-serving organizations and agencies.
- Increased staffing for voter-approved Policy and Communications position to prepare legislative support for the over \$1 billion anticipated private investment from our health care sector in the next few years, potential public infrastructure state bonding request, and the need to successfully get the sales tax approved.
- General fund ongoing structural imbalance due to increasing health care costs and wage growth which outpace stagnant revenues.
- Property tax value growth of 5.33%
- An increase of 10% in health care rates.
- 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 2019 budget approvals were endorsed by the City Council, led by Council President Noah Hobbs. Mayor Larson's 2019 proposed levy and budget presentation can be seen by clicking [HERE](#)

The 2019 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 eleven 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 Minnesota – 2019 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 129 municipal parks with a total of 6,834 acres of city parkland. The City provides 150 miles of unpaved hiking trails, 85 miles of bike-optimized, multi-use trails, and 12 miles of paved, accessible trails. The City is home to 2 ski hills, 16 designated trout streams and Lake Superior, the world's largest freshwater lake by surface area. 6.7 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 Minnesota, Duluth, the College of St. Scholastica, and Lake Superior College. 35% 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 2018 population of 86,066, as estimated by the US Census Bureau, has remained relatively flat since the 1990 census.

There are 38,461 housing units in Duluth. The per capita income is \$33,170. Duluth's unemployment rate in 2018 was 2.9%.

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



City of Duluth Minnesota – 2019 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 2018	to	January 2022
Arik Forsman	January 2016	to	January 2020
Noah Hobbs	January 2016	to	January 2020
Barb Russ	January 2018	to	January 2022

District Councilors

1	Gary Anderson	January 2016	to	January 2020
2	Joel Sipress	January 2018	to	January 2022
3	Em Westerlund	January 2016	to	January 2020
4	Renee Van Nett	January 2018	to	January 2022
5	Jay Fosle	January 2016	to	January 2020

APPOINTED OFFICIALS

Chief Administrative Officer

Noah Schuchman

City Attorney

Gunnar Johnson

Authorities Directors

Airport	Tom Werner
DECC	Chelly Townsend
DTA	Philip Pumphrey
Spirit Mountain	Brandy Ream

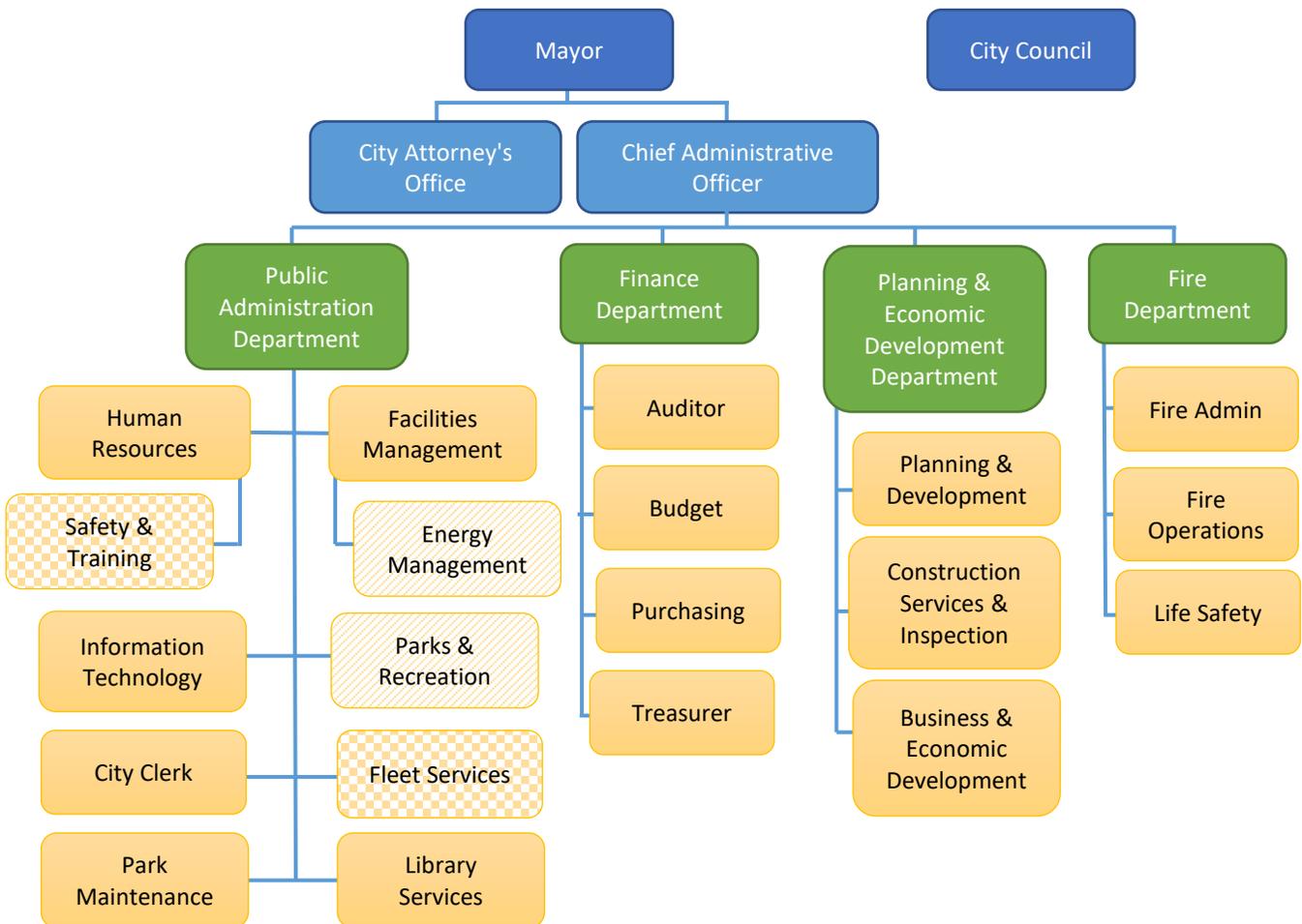
City Department Heads

Chief Financial Officer	Wayne Parson
Public Administration	Jim Filby Williams
Planning & Econ Development	Keith Hamre
Workforce Development	Elena Foshay
Fire	Dennis Edwards
Police	Mike Tusken
Public Works & Utilities	James Benning

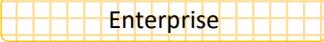
City of Duluth Minnesota - 2019 Budget

City of Duluth Organization Chart

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

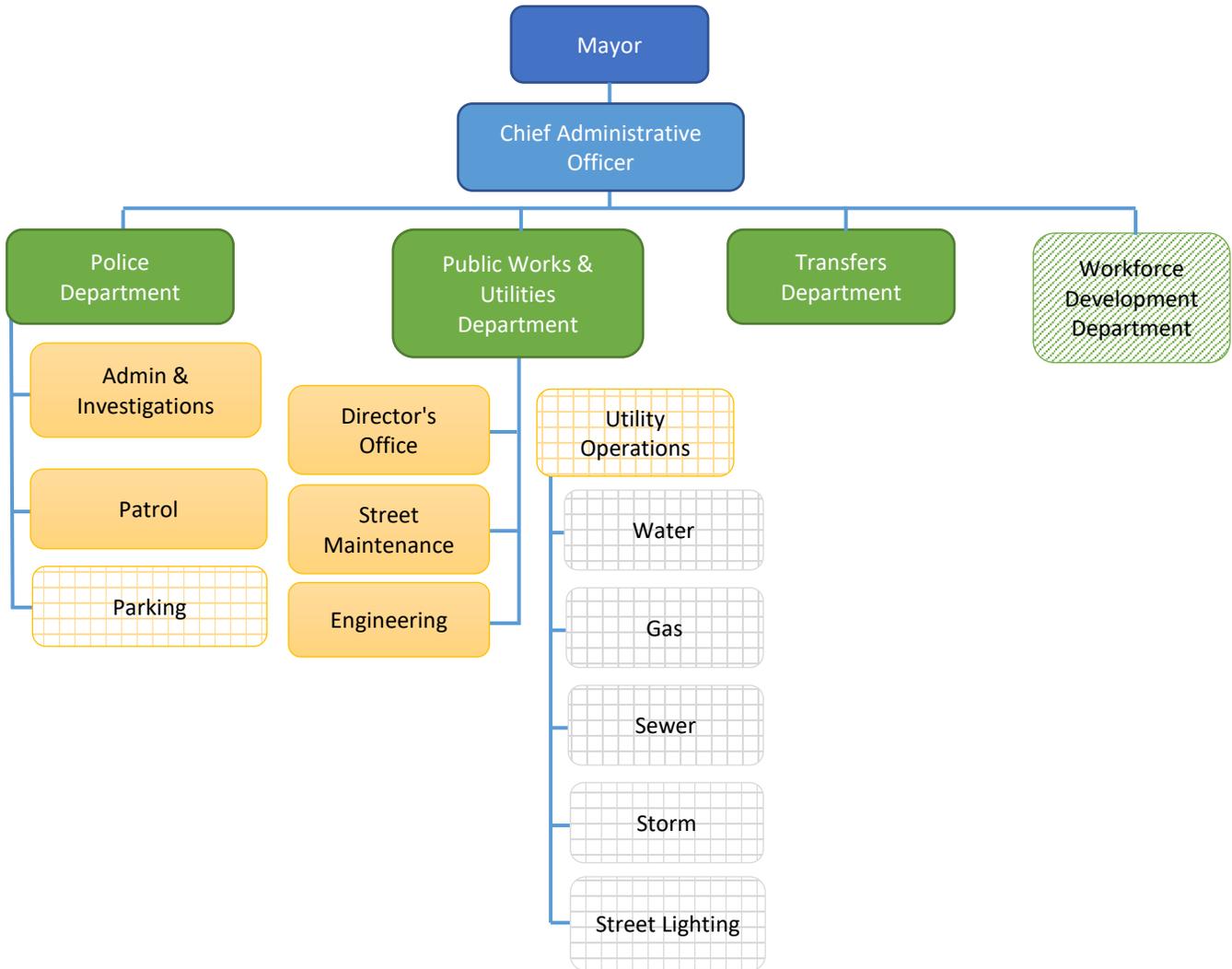


KEY
 Solid = General Fund
 Pattern=

-  Special Revenue
-  Enterprise
-  Internal Service

City of Duluth Minnesota - 2019 Budget

City of Duluth Organization Chart - continued

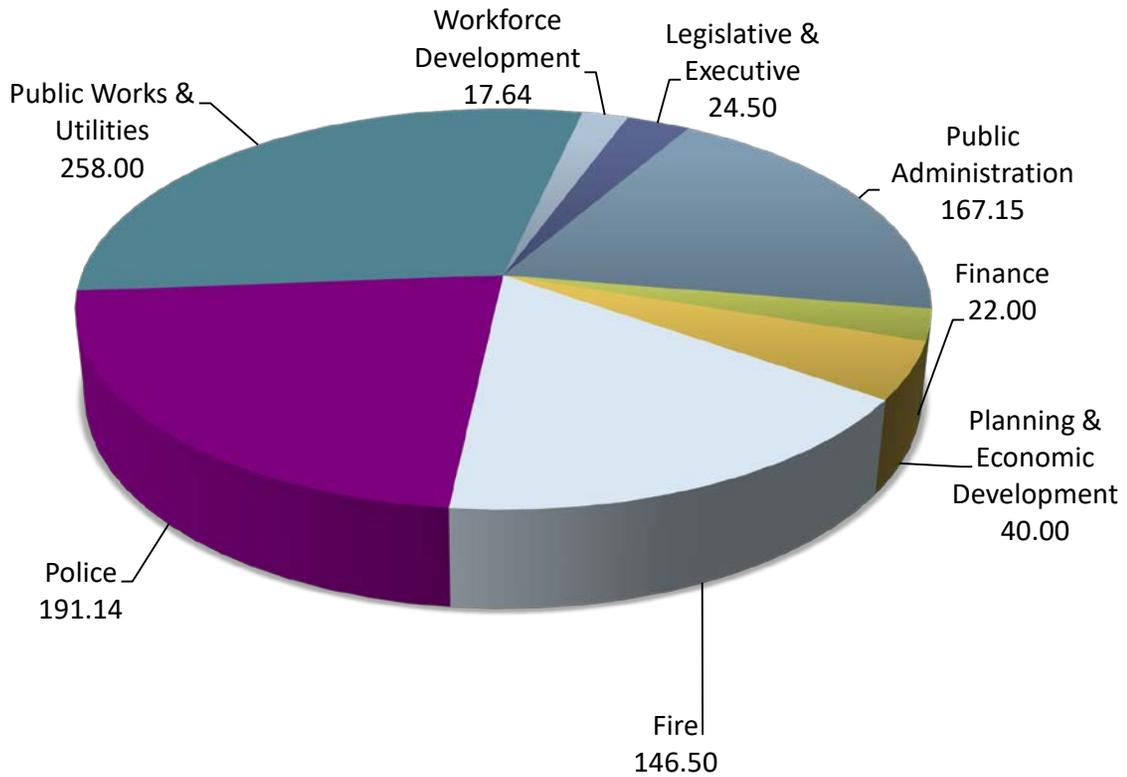


KEY
 Solid = General Fund
 Pattern=

-  Special Revenue
-  Enterprise
-  Internal Service

CITYWIDE PERSONNEL SUMMARY

2019 Permanent FTE's by Department



Department	2016 Budget	2017 Budget	2018 Budget	2019 Approved	Difference 2019-2018
Legislative & Executive	23.50	24.50	22.50	24.50	2.00
Public Administration	168.25	168.50	163.00	167.15	4.15
Finance	23.50	23.00	22.00	22.00	0.00
Planning & Economic Development	36.00	36.00	34.00	40.00	6.00
Fire Department	144.50	146.50	146.50	146.50	0.00
Police Department	189.50	193.14	191.14	191.14	0.00
Public Works & Utilities	259.00	261.00	258.00	258.00	0.00
Workforce Development	18.05	18.05	16.64	17.64	1.00
TOTAL	862.30	870.69	853.78	866.93	13.15

CITYWIDE PERSONNEL SUMMARY

Fulltime, Permanent Positions

Department/Division	2016 Budget	2017 Budget	2018 Budget	2019 Approved
LEGISLATIVE & EXECUTIVE				
City Council	0.00	0.00	0.00	0.00
Mayor Office	4.00	5.00	4.00	5.00
Chief Administrative Officer	2.50	2.50	2.50	2.50
Attorney's Office	17.00	17.00	16.00	17.00
DEPARTMENT TOTAL	23.50	24.50	22.50	24.50
PUBLIC ADMINISTRATION				
Human Resources	11.75	11.00	10.50	10.65
Information Technology	21.00	22.00	22.00	21.00
City Clerk	7.00	7.00	6.00	7.00
Park Maintenance	24.60	24.35	22.60	23.60
Library Services	46.50	46.70	46.70	46.70
Parks and Recreation	11.75	11.95	11.70	11.70
Facilities Management	25.30	25.30	24.30	26.30
Fleet Services	18.35	18.20	17.20	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	168.25	168.50	163.00	167.15
FINANCE				
Budget Office	3.00	3.00	3.00	3.00
Auditor's Office	9.50	9.00	9.00	10.00
Purchasing	2.00	2.00	2.00	2.00
Treasurer's Office	9.00	9.00	8.00	7.00
DEPARTMENT TOTAL	23.50	23.00	22.00	22.00
PLANNING & ECONOMIC DEVELOPMENT				
Physical Planning	6.67	6.97	6.92	7.92
Construction Svs & Insp	17.50	17.50	16.50	20.50
Community Development	6.33	6.03	5.08	6.08
Business Development	5.50	5.50	5.50	5.50
DEPARTMENT TOTAL	36.00	36.00	34.00	40.00

CITYWIDE PERSONNEL SUMMARY

Fulltime, Permanent Positions

Department/Division	2016 Budget	2017 Budget	2018 Budget	2019 Approved
FIRE DEPARTMENT				
Fire Administration	4.50	3.50	3.50	3.50
Firefighting Operations	130.00	132.00	132.00	132.00
Life Safety	10.00	11.00	11.00	11.00
DEPARTMENT TOTAL	144.50	146.50	146.50	146.50
POLICE DEPARTMENT				
Administration, Investigative, Patrol	180.50	184.14	182.14	182.14
Parking	9.00	9.00	9.00	9.00
DEPARTMENT TOTAL	189.50	193.14	191.14	191.14
PUBLIC WORKS & UTILITIES				
Public Works Operations				
Director's Office	0.40	0.40	0.90	0.90
Street Maintenance	45.00	45.50	44.00	44.00
Engineering	16.25	16.25	15.45	15.45
Public Works Subtotal	61.65	62.15	60.35	60.35
Utilities Operations				
Water	54.70	58.00	56.85	57.60
Gas	74.45	76.75	77.90	77.85
Sewer	35.80	33.15	34.65	33.05
Stormwater	27.30	25.85	23.15	24.05
Street Lighting	5.10	5.10	5.10	5.10
Utilities Subtotal	197.35	198.85	197.65	197.65
DEPARTMENT TOTAL	259.00	261.00	258.00	258.00
WORKFORCE DEVELOPMENT	18.05	18.05	16.64	17.64
TOTAL CITY EMPLOYEES	862.30	870.69	853.78	866.93

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 2019, 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 2019, Duluth's net tax capacity grew by 5.33% 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.
- The November 2017 ballot included a referendum to increase the City sales tax an additional ½ percent to fund street improvements. The referendum passed with an overwhelmingly supportive vote of 77% in favor of the additional ½ percent sales tax. If the sales tax increase is approved by the Legislature, the ½ percent sales tax will generate approximately \$7 million annually, more than tripling what the City currently spends on streets.
- The Norshor Arts Center restoration was completed in December of 2017. \$29 million was invested in the historical landmark in downtown Duluth to provide a much needed mid-sized venue that will offer a state-of-the-art facility for national, regional, and local performers. The Norshor Theatre will bring economic growth and development to the City as well as an enhanced quality of life for residents.
- Aviation contributes \$646 million to the regional economy. In December 2016, Cirrus Aircraft Corp completed its 68,000 square foot finishing center in Duluth and delivered the world's first single-engine personal jet. The aircraft expansion project cost over \$16 million and created 150 new jobs. Aviation supports 3,451 jobs and has grown 39% in the past decade.
- 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.

- The port of Duluth-Superior is a backbone of our economy. Approximately 30 million tons of cargo are shipped annually. \$1.5 billion in business revenue is generated from shipping. Shipping generates \$156 million in state and local sales taxes, as well as 11,500 jobs and \$545 million in payroll.
- Duluth continues to be a top tourist destination. 6.7 million tourists visit Duluth each year accounting for an economic impact of over \$950 million.
- 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. The City of Duluth provides 129 municipal parks with a total of 6,834 acres of city parkland. The City provides 150 miles of unpaved hiking trails, 85 miles of bike-optimized, multi-use trails, and 12 miles of paved, accessible trails.
- 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.
- **Medical District Expansion** Healthcare is a leading industry in Duluth, currently responsible for approximately 30% of the total employment. Duluth's medical district centers on St Luke's Hospital and Essentia Health's St Mary's Hospital. The two systems are actively planning for new hospitals and clinics, renovated facilities, and areas available for housing and other development. Over the next few years, St Luke's and Essentia health systems will invest more than \$1 billion combined in their respective Duluth medical campuses.

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



A rendering of Essentia Health's planned facility. Image courtesy of the city of Duluth

Essentia Health

Essentia Health will invest approximately \$675 million to construct a new hospital tower, clinic, and outpatient surgery center on its downtown Duluth campus. It will spend another \$125 million on related infrastructure and financing. The project will build 815,000 square feet of new space and renovate approximately 115,000 square feet in existing facilities.



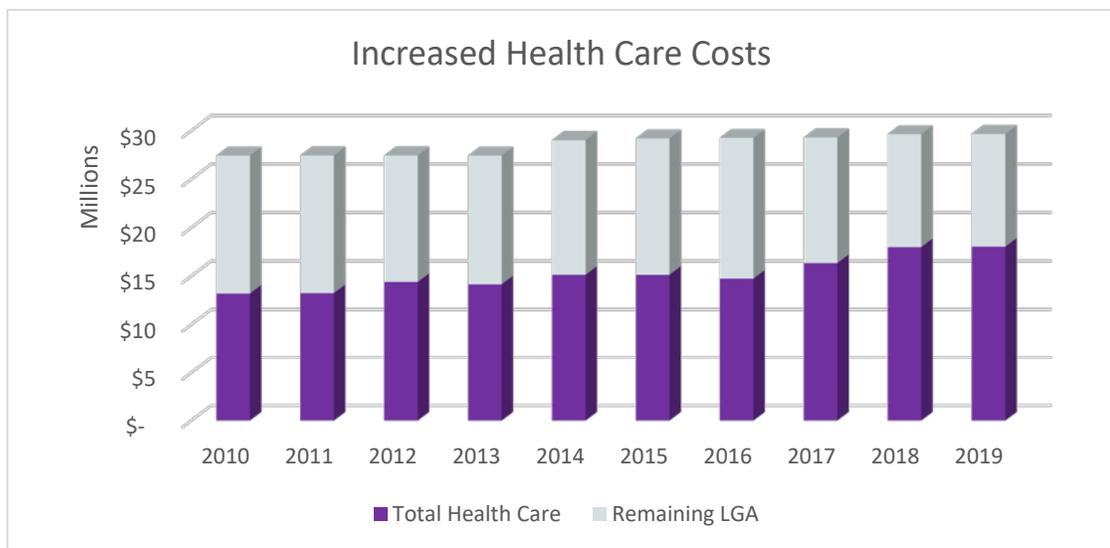
A rendering of St. Luke's planned facility. Image courtesy of the city of Duluth

St Luke's

St Luke's will begin its three-phase project in 2019 with a \$36 million investment to repurpose space inside one of its buildings, retrofit to include a new emergency room and ancillary services. The project will displace parking spaces but allow for two new emergency helipads to be installed. In subsequent phases, St Luke's plans to expand other building and facilities with a focus on increasing pedestrian access to the City's waterfront rose garden and making St Luke's feel more of a healing place.

Challenges:

- The general fund continues to face an ongoing, structural imbalance of expenditures and revenues. Health care is the most volatile cost driver. When health care is compared with our largest general fund revenue source, local government aid (LGA), health care consumes a larger majority of the budget each year because LGA does not grow with inflation to help absorb the increased costs.



- Despite being a less populated county compared to its metro counterparts, St Louis County represents the second highest county for heroin and opioid overdose deaths. St Louis County had 13 deaths per 100,000 residents in 2016. Opioid overdoses have increased by 519 percent since 2013. The Duluth Police Department continues to partner with law enforcement agencies to search, seize, and arrest drug traffickers.
- 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.

- As the City develops its wide ranging outdoor Parks and trails systems, we recognize the need to provide corresponding resources to maintain and protect these new amenities, as well as our longstanding existing parks and trails.

- **Street and Road System**

The condition of Duluth's street and road system remains one of the biggest unmet 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 to fund street improvements, the November 2018 ballot included a sales tax referendum asking voters to consider increasing the City of Duluth local sales tax by ½ percent to be dedicated to fund street improvements. The voters of Duluth showed their support for an increased local sales tax with an overwhelming 77 percent favorable vote. The sales tax increase must be approved by the Legislature in order for it to take effect.

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 2019. 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. Until the Legislature approves the ½ percent local sales tax increase, utilizing the bulk of the tax levy dollars dedicated for street improvements that are not needed for street debt repayment, for enhanced street maintenance is the most beneficial use.

- **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 2019; 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:

- In 2018, the City of Duluth invested in the Minnesota Power Community Solar Garden as a commercial tenant. The community solar garden is a solar array that is divided into 1 kW blocks that customers can subscribe to in order to meet part or all of their energy needs. Solar garden subscribers receive credit for the energy produced from their subscription with their monthly billing and are able to enjoy the benefits of solar energy without needing to install a system. This investment is estimated to save a conservative \$2 million for the City over the course of the 25-year agreement.
- To facilitate in resolving the City's fiscal challenge of the structural imbalance between revenues and expenses, the City of Duluth participated in Priority Based Budgeting for the 2019 budget cycle. Priority Based Budgeting (PBB) is a process which links budget decisions to the strategic results and outcomes that the City wishes to achieve for the long term (priorities). PBB is a strategy for allocating resources according to how effectively the program or service meets the goals and objectives that are of greatest value to the community (priorities). The PBB process continues to include input from the public to assist with defining community priorities. City departments have identified opportunities to align resources with the priorities of the City. These can be seen in the departmental Goals and Objectives.

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



The City has identified the following priorities:

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

- **St Louis River Corridor**

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*

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, residents have 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 2019 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 judiciously protect the City's bond rating.
- **Seek Out the Best Employees** – both internally and externally. Be willing to look out of the box in the search for new talent with unusual or non-standard backgrounds. Provide opportunities for internal staff to move up or across existing job channels to realize their full potential.

BUDGET HIGHLIGHTS

BUDGET PROCESS

The budget process began with Mayor Emily Larson presenting the proposed general fund budget and tax levy to the City Council on September 10, 2018. The City Council approved the proposed maximum tax levy on September 24, 2018. 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 10, 2018, 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 2019 budgets, budget appropriations, tax levies, capital improvement plan, and bonding intent and plan were approved by Council by December 17, 2018.

For the 2019 budget process, the City of Duluth implemented Priority Based Budgeting (PBB). PBB is a unique and innovative approach used by local governments across the country to match available resources with community priorities. City staff and leaders spent all of 2018 developing and implementing Priority Based Budgeting. The process involved directors, managers, and staff identifying programs and services offered to the community, assigning costs to the programs and services, and scoring programs and services based on how they align with community priorities. Community priorities were identified using the City's comprehensive plan, *Imagine Duluth 2035*. City priorities include infrastructure, livable neighborhoods and affordable housing, dynamic and diverse economy, culture and recreation, green space and energy conservation, and safe and secure community.

BUDGET CALENDAR

PRIORITY BASED BUDGETING:

Dec 2017	Priority Based Budgeting Bootcamp
Jan 26	Program templates due
Feb 23	Personnel allocations due
March 2	Non-personnel allocations due
March 9	Revenue allocations due
May 11	BPA scores due
May 25	Priority scores due
June 22	Peer review scores due
Aug 9	Program opportunities due

SOFTWARE BUDGET ENTRIES:

July 25	General Fund and Fleet revenues due in New World
Aug 1	General Fund and Fleet expenditures due in New World
Aug 9	General Fund and Fleet opportunities due in OnlinePbb.net
Aug 17	PW Utility funds, parks fund, parking fund due in New World
Aug 31	PW Utility funds, parks fund, parking fund PBB opportunities due in OnlinePbb.net
Sept 15	Special Revenue funds, Internal Service funds, Debt, Capital funds due

ADMINISTRATIVE OPPORTUNITY BUDGET REVIEWS

Week(s) of:	
Aug 13 & 20	General Fund and Fleet opportunity meetings
Sept 4 & 20	PW Utility funds, parks fund, parking fund opportunity meetings

CAPITAL BUDGETS

August	Instructions and packets sent out to departments
Sept - Oct	CIP and CEP administrative review meetings
Dec 10	Capital Improvement presentation to City Council

MAYOR'S BUDGET PRESENTATION to COUNCIL

Sept 10	2019 Proposed General Fund budget and tax levy presentation to Council
Sept 24	Council sets preliminary budget and maximum property tax levy

Sept 30 2019 proposed budget book for all funds published on website
COUNCIL BUDGET REVIEW
 Aug-Dec Schedule set by Council Finance Chair
PROPOSED TRUTH IN TAXATION MEETINGS
 Dec. 10 Truth in Taxation Hearing
 Dec. 17 Council approves final budget and levy

PROPERTY TAX LEVY REVENUES

The City's final property tax levy (not including the Parks referendum levy) certified to the County was \$31,195,800; an increase of 11.25% over the 2018 levy.

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

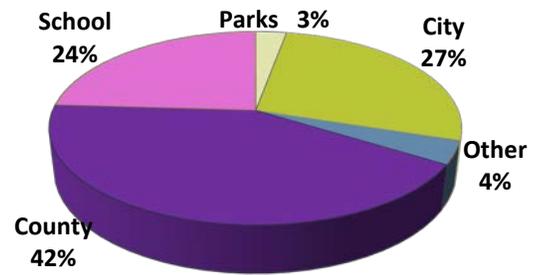
	2018 Approved Levy	2019 Approved Levy	Change In Levy
General Operations Levy			
General Operations	\$ 16,220,400	\$ 19,195,600	\$ 2,975,200
Provision for Tax Delinquency	\$ 150,000	\$ 150,000	\$ -
Total General Operations Levy	\$ 16,370,400	\$ 19,345,600	\$ 2,975,200
Supplemental Parks Levy	\$ -	\$ 280,000	\$ 280,000
Capital Projects Levy			
Debt Service	\$ 6,832,600	\$ 6,982,600	\$ 150,000
Infrastructure Permanent Improvements	\$ 280,000	\$ 280,000	\$ -
Total Capital Projects Levy	\$ 7,112,600	\$ 7,262,600	\$ 150,000
Street Light Levy	\$ 757,600	\$ 1,307,600	\$ 550,000
Street Maintenance Utility Levy			
Street Maintenance	\$ 2,703,300	\$ 2,264,300	\$ (439,000)
Street Maintenance Debt	\$ 1,096,700	\$ 735,700	\$ (361,000)
Total Street Maintenance Utility Levy	\$ 3,800,000	\$ 3,000,000	\$ (800,000)
Total City Property Tax Levy	\$ 28,040,600	\$ 31,195,800	\$ 3,155,200
Parks Referendum Levy	\$ 2,600,000	\$ 2,600,000	\$ -
Property Tax Value Growth		\$ 1,495,600	5.33%
Approved City Levy Tax Impact		\$ 1,659,600	5.92%

INCREASE IN AVERAGE HOMESTEAD (\$180,900) ANNUAL CITY PROPERTY TAX BILL

2018 City Property Taxes	\$ 710
2019 Property Taxes as Approved	\$ 744
Approved Annual Increase	\$ 34

In addition, the City, on behalf of city authorities and voter approved referendum, approved levy requests as follows: The **Duluth Transit Authority** in the amount of

\$1,491,900; the **Housing and Redevelopment Authority** in the amount of \$1,115,956; and **Parks Fund** in the amount of \$2,600,000 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 30% of the total. The chart below shows an average resident's property tax bill with the breakdown by taxing entity.

Taxing Entity	2019 Property Taxes	
City of Duluth (incl. Parks)	\$ 744	30%
St. Louis County	\$ 1,046	42%
School District 709	\$ 598	24%
Other Entities	\$ 96	4%
Total Average Bill	\$ 2,484	100%

*Based on Market Value of \$180,900

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 2019 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 2018 tax bill with the proposed tax bill for 2019. The numbers are based on the property tax levy proposals by St. Louis County, the School District, other taxing districts, as well as the City of Duluth. It also factors in any changes in your property's market value and tax rate classification. The County mails these statements out to individual property owners to show the impact of all property tax proposals on a resident's tax.

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

The St. Louis County Assessor's Office can answer your questions about market value. The Assessor's Office telephone number is 218.726.2383. Also, you can search for properties, access property related information, and view frequently asked questions on the St. Louis County website: <https://www.stlouiscountymn.gov/departments-a-z/assessor/property-information>.

What services do property taxes fund?

Approximately 10 percent of the City property tax levy goes to the Street Maintenance Utility Fund to fund street improvements. Approximately 23 percent goes to fund debt service on capital improvements, equipment and neighborhood street improvements. 4 percent of the levy goes to the Street Light Utility fund. The remaining 63 percent goes into the City's General Fund to pay for services such as police, fire, libraries, planning and zoning, and street maintenance. For 2019, the portion of the City's general services paid for with property taxes is a little over \$19 million or

21 percent of total general services. To put the amount into perspective, this does not even cover the Police Department's 2019 funding requirements.

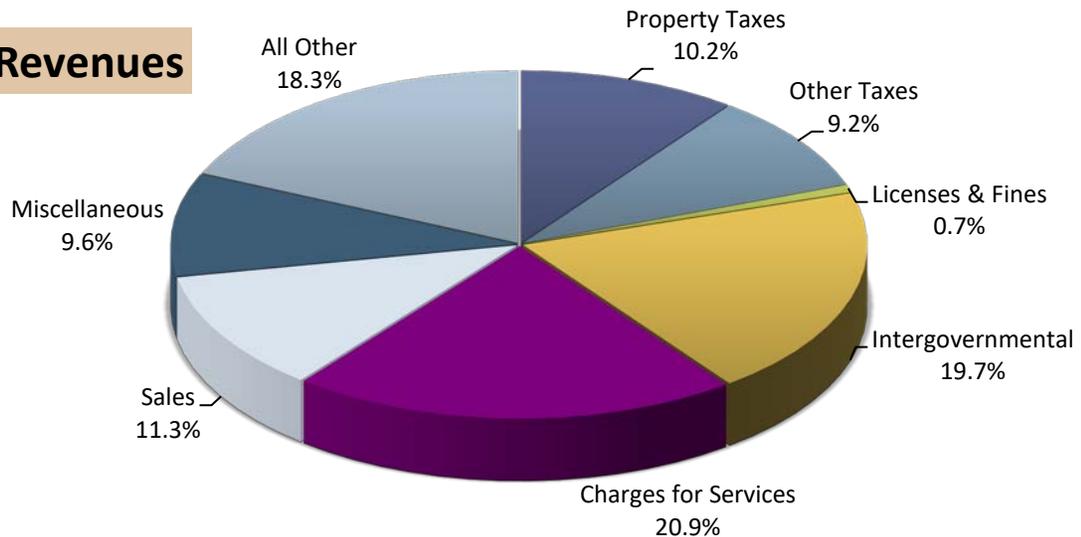
If property taxes only cover 21 percent of the cost of city services, what other sources of revenue fund the City's General Fund?

The General Fund revenues include over 200 separate sources. The largest single source of revenue is Local Government Aid from the State of Minnesota at \$29 million or 33 percent of total general fund revenue. City Sales Tax contributes \$13 million or 15 percent of total general fund revenue.

City of Duluth Minnesota - 2019 Budget

Total Approved City of Duluth Budget

2019 Revenues

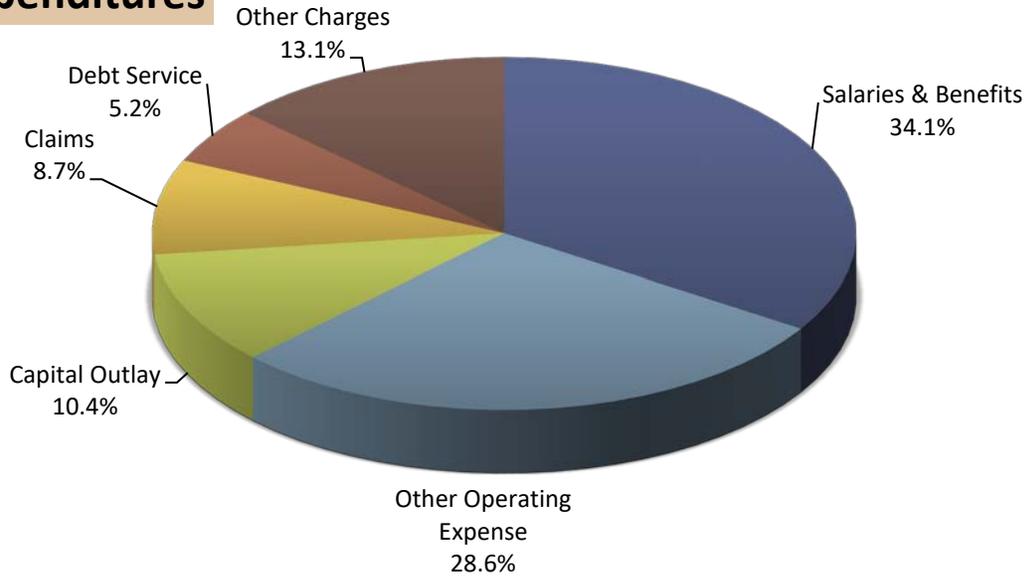


	2016	2017	2018	2019
REVENUES	Actual	Actual	Budget	Approved
Property Taxes	24,261,832	27,953,230	30,640,600	33,795,800
Other Taxes	26,826,512	29,673,868	29,688,800	30,406,700
Licenses & Fines	2,265,684	2,217,095	2,160,900	2,317,200
Intergovernmental	50,613,305	49,325,238	55,718,718	65,086,681
Charges for Services	64,167,004	64,764,694	67,651,331	69,041,950
Sales	29,663,962	34,329,105	36,809,900	37,292,800
Miscellaneous Revenue	34,485,783	40,442,433	30,544,871	31,861,848
All Other Sources	86,029,993	46,933,779	51,783,382	60,630,015
TOTAL REVENUES	318,314,075	295,639,442	304,998,502	330,432,994

City of Duluth Minnesota - 2019 Budget

Total Approved City of Duluth Budget

2019 Expenditures



EXPENDITURES	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Salaries & Benefits	94,265,645	96,761,604	102,530,592	107,626,208
Other Operating Expense	80,379,553	81,417,013	89,772,018	90,299,568
Capital Outlay	12,356,475	11,094,964	21,176,300	32,936,090
Claims	24,381,135	24,740,932	26,296,261	27,511,034
Debt Service	54,329,714	18,107,048	15,785,300	16,348,900
Other Charges	39,847,546	41,638,980	39,173,510	41,253,269
TOTAL EXPENDITURES	305,560,068	273,760,541	294,733,981	315,975,069

TOTAL APPROVED CITY OF DULUTH 2019 BUDGET

REVENUE COMPARISON	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference 2019-2018
CURRENT PROPERTY TAXES					
General Fund	14,155,360	14,754,976	16,370,400	19,345,600	2,975,200
Special Revenue Funds	2,608,208	5,363,211	6,400,000	5,880,000	(520,000)
Debt Service Funds	6,573,311	6,805,401	6,832,600	6,982,600	150,000
Capital Project Funds	280,067	279,031	280,000	280,000	-
Enterprise Funds	644,886	750,611	757,600	1,307,600	550,000
Total Current Property Taxes	24,261,832	27,953,230	30,640,600	33,795,800	3,155,200
OTHER TAXES					
General Fund	15,481,603	17,700,604	17,816,100	17,816,200	100
Special Revenue Funds	11,344,909	11,623,885	11,523,300	11,986,700	463,400
Debt Service Funds	-	349,379	349,400	603,800	254,400
Total Other Taxes	26,826,512	29,673,868	29,688,800	30,406,700	717,900
LICENSES & FINES					
General Fund	2,265,684	2,217,095	2,160,900	2,317,200	156,300
Total Licenses and Fines	2,265,684	2,217,095	2,160,900	2,317,200	156,300
INTERGOVERNMENTAL					
General Fund	34,607,910	33,779,640	33,669,000	33,783,500	114,500
Special Revenue Funds	11,331,851	11,179,785	11,153,218	11,607,302	454,084
Capital Project Funds	4,673,544	4,365,813	10,896,500	19,695,879	8,799,379
Total Intergovernmental	50,613,305	49,325,238	55,718,718	65,086,681	9,367,963
CHARGES FOR SERVICES					
General Fund	4,968,006	5,187,757	5,575,100	6,932,100	1,357,000
Enterprise Funds	55,898,739	56,268,399	58,002,164	57,919,255	(82,909)
Internal Service Funds	3,300,259	3,308,538	4,074,067	4,190,595	116,528
Total Charges for Services	64,167,004	64,764,694	67,651,331	69,041,950	1,390,619
SALES					
Enterprise Funds	29,663,962	34,329,105	36,809,900	37,292,800	482,900
Total Sales	29,663,962	34,329,105	36,809,900	37,292,800	482,900
MISCELLANEOUS REVENUE					
General Fund	1,445,872	1,895,412	1,383,600	918,900	(464,700)
Special Revenue Funds	28,360,410	33,192,418	24,188,653	25,880,320	1,691,667
Debt Service Funds	189,948	223,961	222,300	223,000	700
Capital Project Funds	2,217,949	2,406,856	2,379,941	2,166,578	(213,363)
Internal Service Funds	2,271,604	2,723,786	2,370,377	2,673,050	302,673
Total Miscellaneous Revenue	34,485,783	40,442,433	30,544,871	31,861,848	1,316,977
ALL OTHER SOURCES					
General Fund	7,667,342	7,236,154	8,974,300	8,032,100	(942,200)
Debt Service Funds	50,661,379	8,580,371	8,055,100	7,518,400	(536,700)
Capital Project Funds	2,185,073	3,210,105	6,701,300	7,837,000	1,135,700
Enterprise Funds	3,106,500	3,762,761	1,738,735	9,367,671	7,628,936
Internal Service Funds	22,409,699	24,144,388	26,313,947	27,874,844	1,560,897
Total All Other Sources	86,029,993	46,933,779	51,783,382	60,630,015	8,846,633
TOTAL REVENUES	318,314,075	295,639,442	304,998,502	330,432,994	25,434,492

TOTAL APPROVED CITY OF DULUTH 2019 BUDGET

EXPENDITURE COMPARISON	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference 2019-2018
SALARIES & EMPLOYEE BENEFITS					
General Fund	59,106,403	60,395,926	63,552,500	67,022,700	3,470,200
Special Revenue Funds	13,593,601	13,786,673	15,057,492	15,738,793	681,301
Enterprise Funds	19,134,886	19,933,685	21,599,500	22,363,600	764,100
Internal Service Funds	2,430,755	2,645,320	2,321,100	2,501,115	180,015
Total Salaries & Employee Benefits	94,265,645	96,761,604	102,530,592	107,626,208	5,095,616
OTHER OPERATING EXPENSE					
General Fund	21,664,374	19,824,286	22,048,400	21,814,400	(234,000)
Special Revenue Funds	5,550,494	5,688,299	7,616,540	7,921,421	304,881
Enterprise Funds	48,924,415	51,600,733	55,293,718	55,452,739	159,021
Internal Service Funds	4,240,270	4,303,695	4,813,360	5,111,008	297,648
Total Other Operating Expense	80,379,553	81,417,013	89,772,018	90,299,568	527,550
CAPITAL OUTLAY					
General Fund	326,772	312,613	348,500	308,500	(40,000)
Capital Project Funds	12,029,703	10,782,351	20,827,800	32,627,590	11,799,790
Total Capital Outlay	12,356,475	11,094,964	21,176,300	32,936,090	11,759,790
CLAIMS					
Internal Service Funds	24,381,135	24,740,932	26,296,261	27,511,034	1,214,773
Total Claims	24,381,135	24,740,932	26,296,261	27,511,034	1,214,773
DEBT SERVICE					
Debt Service Funds	54,329,714	18,107,048	15,785,300	16,348,900	563,600
Total Debt Service	54,329,714	18,107,048	15,785,300	16,348,900	563,600
OTHER CHARGES					
Special Revenue Funds	27,900,863	29,477,916	25,877,989	28,024,030	2,146,041
Enterprise Funds	11,946,683	12,161,064	13,295,521	13,229,239	(66,282)
Total Other Charges	39,847,546	41,638,980	39,173,510	41,253,269	2,079,759
TOTAL EXPENDITURES	305,560,068	273,760,541	294,733,981	315,975,069	21,241,088

MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

Property Tax Levy (in millions)



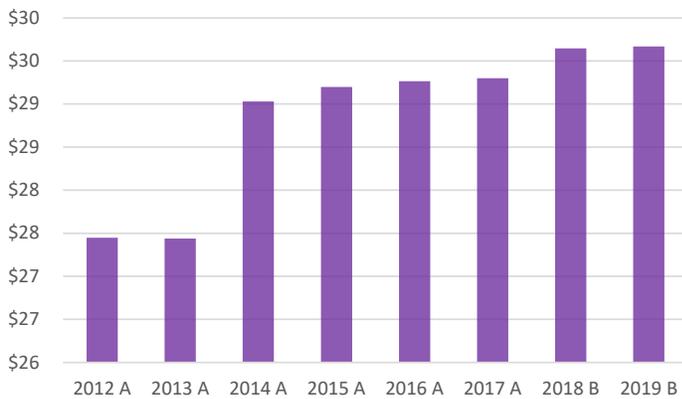
Year	Tax Levy in millions
2012	\$21.41
2013	\$22.04
2014	\$22.04
2015	\$22.69
2016	\$24.26
2017	\$28.05
2018	\$30.64
2019	\$33.80

Description and 2019 Budget

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

The City of Duluth tax levy increased 11.25% over 2018; however, property tax value growth in the City was approximately 5.33% which left an overall tax levy impact of 5.92%. The 2019 property tax levy increase includes \$2.9 million for general operations and a revenue-neutral swap for the street light utility adding \$550 thousand to the tax levy offset by a reduction in the street light fee on utility bills.

Local Government Aid (in millions)

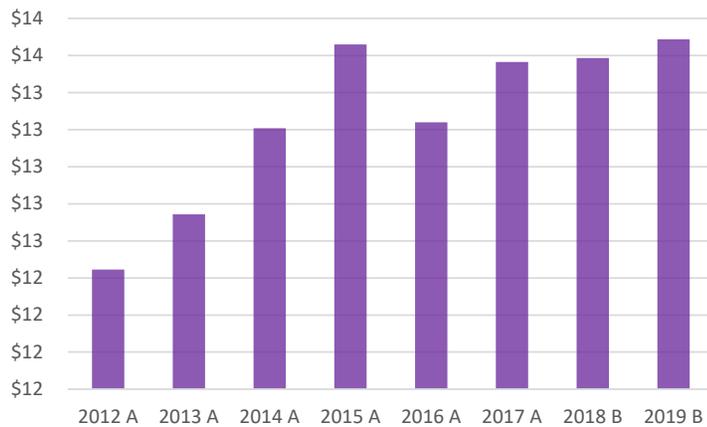


Year	LGA in millions
2012 A	\$27.45
2013 A	\$27.44
2014 A	\$29.03
2015 A	\$29.20
2016 A	\$29.26
2017 A	\$29.30
2018 B	\$29.65
2019 B	\$29.67

Description and 2019 Budget

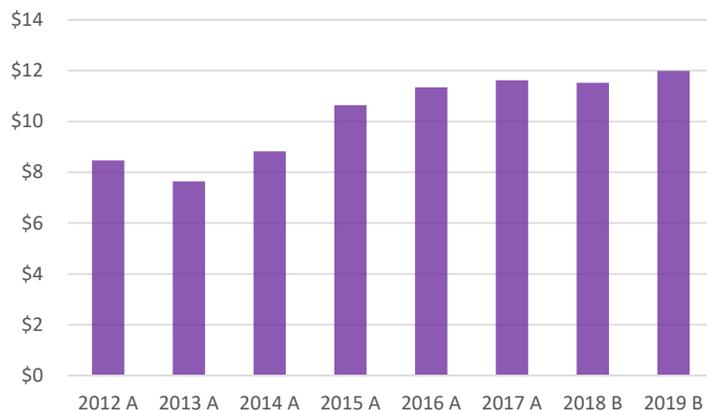
Since its inception in 1971, state aid known as Local Government Aid (LGA) has undergone many changes. These changes include modifications to the formula, legislative cuts, and governor unallotments in times of state budget deficits. 2015 was the first year in which LGA received was comparable to 2009. From 2010 through 2014, local government aid to the City was reduced below the 2009 level. LGA is budgeted to remain relatively flat in 2019.

General Sales and Use Tax



	Sales Tax in millions
2012 A	\$12.44
2013 A	\$12.74
2014 A	\$13.21
2015 A	\$13.66
2016 A	\$13.24
2017 A	\$13.56
2018 B	\$13.59
2019 B	\$13.69

Tourism Taxes (in millions)



	Tourism Taxes in millions
2012 A	\$8.47
2013 A	\$7.64
2014 A	\$8.83
2015 A	\$10.64
2016 A	\$11.34
2017 A	\$11.63
2018 B	\$11.52
2019 B	\$11.99

Description and 2019 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. In June 2018, the Supreme Court ruled in favor of authorizing states to impose sales tax collection on out-of-state sellers.

Consequently, effective October 1, 2018, the MN Department of Revenue mandates remote sellers that sell goods and services into MN from other states begin collecting sales tax. The 2019 sales tax budget reflects a slight increase over the 2018 budget to reflect projected revenue expected from out-of-state sellers, as well as sales and use tax trends.

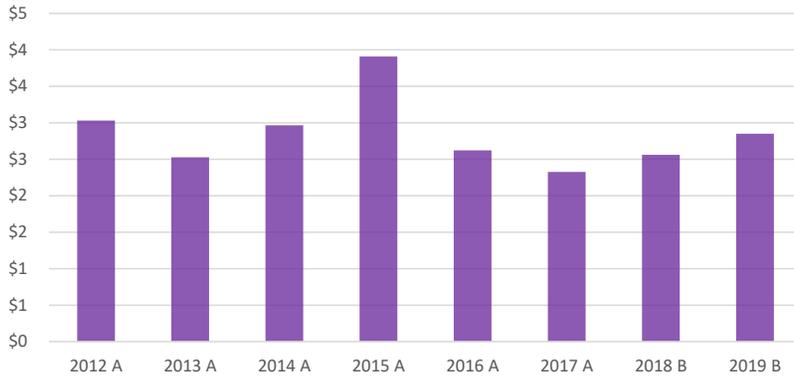
Description and 2019 Budget

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 2019 is projected to increase over the 2018 budget due to local trends. Approximately 50% of tourism taxes go to fund existing debt on the Amsoil Arena and the St Louis River Corridor projects. In 2015, the .5% hotel/motel tax and the .5% food and beverage tax were reinstated to be used for tourist-related capital improvement bond projects along the St Louis River corridor.

MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

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



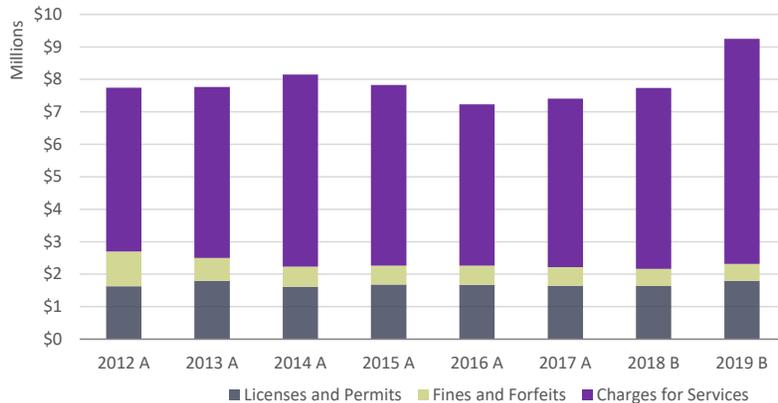
PILOT in millions

2012 A	\$3.03
2013 A	\$2.53
2014 A	\$2.96
2015 A	\$3.91
2016 A	\$2.62
2017 A	\$2.33
2018 B	\$2.56
2019 B	\$2.85

Description and 2019 Budget

Payment in Lieu of Taxes (PILOT) revenue is derived from payments for municipal services provided in lieu of property taxes. The largest source of PILOT revenues is from the municipal gas utility, with a minimal amount from the steam utility. Payments are based on each utility's annual gross receipts. Per City ordinance, effective January 1, 2015, gas PILOT funds are reallocated 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 gas PILOT going to the street system utility fund. Fluctuations from factors related to the prior heating season-pricing and customer usage, affect payments in lieu of taxes for both the gas utility and steam. 2019 PILOT revenues are expected to increase over 2018.

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

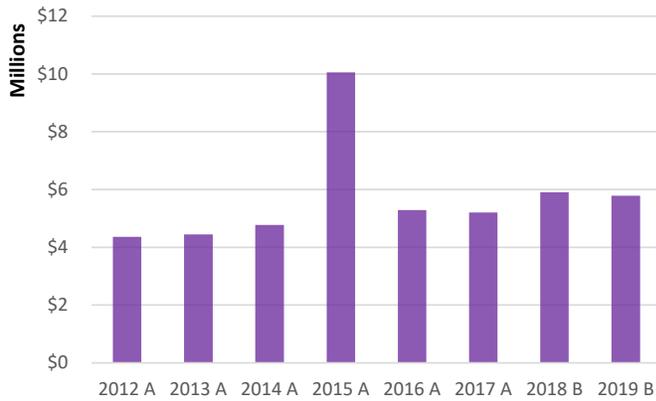


Description and 2019 Budget

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 (3.43% for 2019), 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. 2019 budgeted licenses and permits increased over 2018 budget due to a projected increase in multiple dwelling licenses. 2019 budgeted charges for services increased over 2018 budget mainly due to a projected increase in building inspection fees.

	Licenses and Permits	Fines and Forfeits	Charges for Services	Total
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	\$5.57	\$7.83
2016 A	\$1.67	\$0.59	\$4.97	\$7.23
2017 A	\$1.64	\$0.57	\$5.19	\$7.40
2018 B	\$1.64	\$0.52	\$5.58	\$7.74
2019 B	\$1.80	\$0.52	\$6.93	\$9.25

Parking Funds Operating Revenue

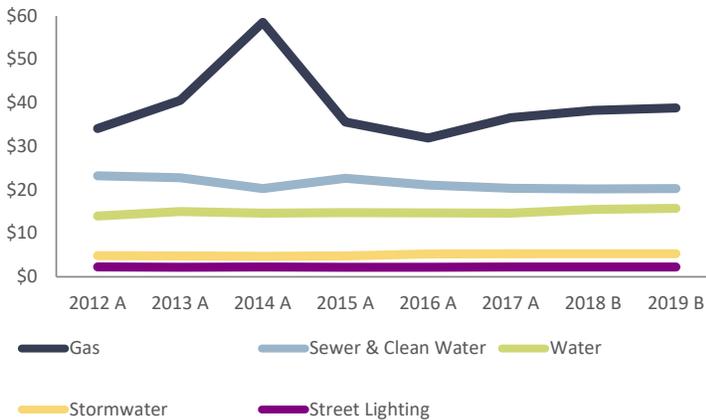


2012 A	\$4.36
2013 A	\$4.44
2014 A	\$4.77
2015 A	\$10.06
2016 A	\$5.29
2017 A	\$5.21
2018 B	\$5.91
2019 B	\$5.78

Description and 2019 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 Priley Drive Parking Facility, and one fund to account for the financial activity of all other parking ramps, lots, and meters. 2019 parking revenues are projected to decrease slightly from 2018 budgeted revenues.

Public Utility Revenues (in millions)



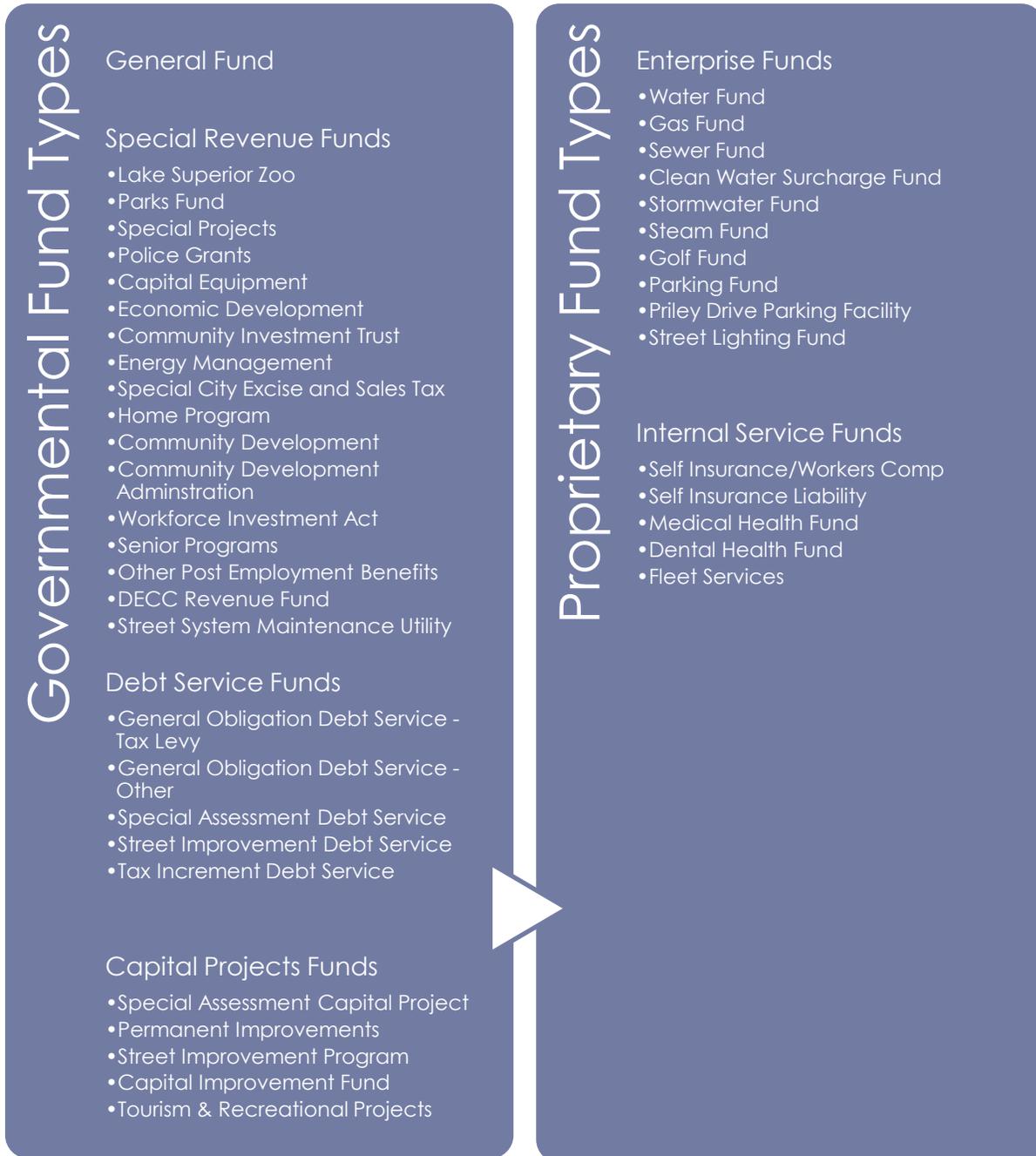
Description and 2019 Budget

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. Utility revenues are budgeted to increase comparable to 2018 budgets, mainly due to the natural gas and water utilities. Natural gas revenues are dependent on pricing and customer usage. Water rates increased effective January 1, 2019.

in millions	Gas	Sewer & Clean Water	Water	Stormwater	Street Lighting	Total
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 A	\$31.91	\$21.13	\$14.67	\$5.27	\$2.21	\$75.19
2017 A	\$36.61	\$20.34	\$14.65	\$5.30	\$2.27	\$79.17
2018 B	\$38.27	\$20.21	\$15.52	\$5.29	\$2.26	\$81.56
2019 B	\$38.82	\$20.30	\$15.74	\$5.30	\$2.25	\$82.41

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 2019 as approved.



TOTAL APPROVED CITY OF DULUTH 2019 BUDGET

DETAIL BY FUND	Estimated			
	Beg. Balance	Revenues	Expenditures	Balance
GENERAL FUND	16,000,000	89,145,600	89,145,600	16,000,000
SPECIAL REVENUE FUNDS:				
Lake Superior Zoo	(393,972)	1,885,235	1,885,235	(393,972)
Parks Fund	1,456,907	3,227,913	3,231,013	1,453,807
Special Projects	1,248,302	927,100	927,100	1,248,302
Police Grants	1,026,450	2,043,039	2,629,861	439,628
Capital Equipment	2,305,971	3,397,471	4,875,000	828,442
Economic Development	10,923	2,157,510	2,157,481	10,952
Community Investment Trust	23,155,370	425,000	425,000	23,155,370
Energy Management	158,447	182,000	302,000	38,447
Special City Excise and Sales Tax	582,515	11,986,700	11,771,500	797,715
Home Program	(88,848)	596,143	596,143	(88,848)
Community Development	(509,159)	2,587,470	2,587,470	(509,159)
Community Development Administration	0	706,289	706,289	0
Workforce Investment Act	260,155	2,532,213	2,532,213	260,155
Senior Programs	13	437,648	437,648	13
OPEB	61,285,639	15,659,991	10,950,491	65,995,139
DECC Revenue Fund	4,826,204	3,602,600	2,669,800	5,759,004
Street System Maintenance Utility	476,936	3,000,000	3,000,000	476,936
TOTAL SPECIAL REVENUE FUNDS:	95,801,854	55,354,322	51,684,244	99,471,932
DEBT SERVICE FUNDS:				
General Obligation Debt Service - Tax Levy	7,588,157	7,205,600	7,158,300	7,635,457
General Obligation Debt Service - Other Source:	6,275,510	6,390,900	6,462,100	6,204,310
Special Assessment Debt Service	535,275	248,700	556,800	227,175
Street Improvement Debt Service	2,828,687	878,800	1,628,300	2,079,187
Tax Increment Debt Service	33,401	603,800	543,400	93,801
TOTAL DEBT SERVICE FUNDS:	17,261,030	15,327,800	16,348,900	16,239,930
CAPITAL PROJECTS FUNDS:				
Special Assessment Capital Project	(241,240)	39,926	0	(201,314)
Permanent Improvements	885,570	25,852,400	25,852,400	885,570
Street Improvement Program	1,542,766	1,575,460	1,540,000	1,578,226
Capital Improvement Fund	2,806,665	1,441,192	1,441,192	2,806,665
Tourism & Recreational Projects	8,302,879	1,070,479	3,793,998	5,579,360
TOTAL CAPITAL PROJECTS FUNDS:	13,296,640	29,979,457	32,627,590	10,648,507
INTERNAL SERVICE FUNDS:				
Self Insurance - Worker's Compensation	714,135	1,207,300	1,231,800	689,635
Self Insurance - Liability	874,731	748,300	762,000	861,031
Medical Health Fund	4,705,021	27,671,694	27,970,071	4,406,644
Dental Health Fund	292,925	913,800	961,656	245,069
Fleet Services	(916,200)	4,197,395	4,197,630	(916,435)
TOTAL INTERNAL SERVICE FUNDS:	5,670,612	34,738,489	35,123,157	5,285,944
ENTERPRISE FUNDS ESTIMATED INCOME AND EXPENSE				
		REVENUE	EXPENSE	INCOME/(LOSS)
Water Fund		15,744,200	12,648,100	3,096,100
Gas Fund		38,821,600	37,345,600	1,476,000
Sewer Fund		18,669,400	16,410,800	2,258,600
Clean Water Surcharge Fund		1,632,000	1,155,700	476,300
Stormwater Fund		5,298,600	4,652,400	646,200
Steam Fund		15,937,932	8,803,911	7,134,021
Golf Fund		1,752,604	1,934,184	(181,580)
Parking Fund		4,784,798	4,470,277	314,521
410 West First Street Parking Facility		998,092	1,469,206	(471,114)
Street Lighting Utility		2,248,100	2,155,400	92,700
TOTAL ENTERPRISE FUNDS:		105,887,326	91,045,578	14,841,748
TOTAL ALL FUNDS	148,030,136	330,432,994	315,975,069	162,488,061

2019 HIGHLIGHTS BY FUND

General Fund

Revenue Assumptions - The final approved 2019 General Fund revenue budget of \$89.1 million is \$3.2 million more than the 2018 approved budget. Major revenue sources in the 2019 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 \$10.8 million. Due to economic improvements, in 2013 the State legislature revamped the LGA formula and increased the allocation while stabilizing future funding levels. For 2019 the City will receive an increase of \$.02 million in its local government aid. The schedule below shows the changes in revenues by major type along with the assumptions used also noted.

		\$ Variance in Millions		Narrative
2018 Approved Revenues			85.95	
Property Tax		2.97		Tax levy increase and property tax value growth
Local Government Aid		0.02		Certified LGA increase for 2019
Charges for Services		1.35		Increase in building inspection fees
Other Financing Sources		0.39		Increase in police grants
Gas In Lieu of Taxes		0.29		Based on projected gas sales
Miscellaneous		(0.45)		Decrease in rent of buildings
General Fund Reserves		(1.62)		Elimination of one-time investments
All Other Operating Revenues		0.25		All other changes throughout
Total Revenue Changes			3.20	
2019 Proposed Revenues			89.15	

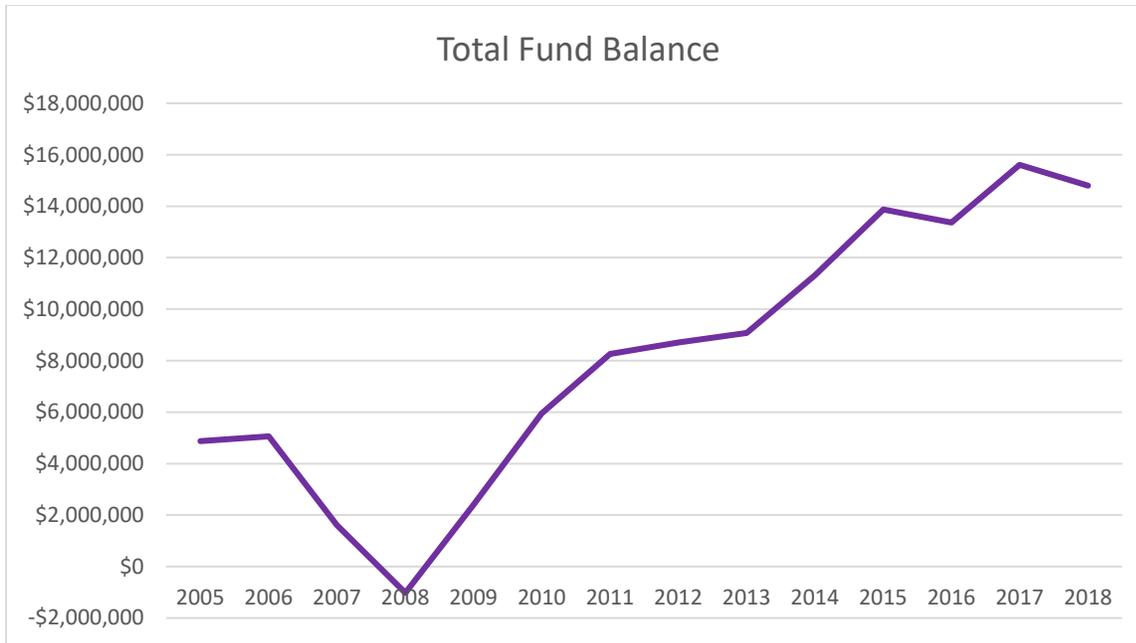
Expenditure Assumptions - As with revenues, the final approved 2019 General Fund budget is \$3.2 million more than the 2018 budget. New positions, cost of living adjustments, and a 10 percent health insurance rate increase contribute to the increased 2019 expenditures.

		\$ Variance in Millions		Narrative
2018 Approved Expenditures			85.95	
Salaries and Benefits		3.47		Cost of living adjustments, 10% health insurance rate increase, new positions
General Fund Reserves - Community Solar Garden		(0.89)		One-time investment in 2018
All Other Operating Expenses		0.62		All other changes throughout
Total Expenditure Changes			3.20	
2019 Proposed Expenditures			89.15	

The number of general fund positions for 2019 increased 10.15 FTE's over 2018, from 594.51 FTE's to 604.66 FTE's. The changes by department are as follows:

Position Bridge Schedule	Full Time Equivalent Variance	
2018 Fulltime Equivalents (FTE's)		594.51
Legislative & Executive	2.00	
Public Administration	3.15	
Finance		
Planning & Construction Services	5.00	
Business & Economic Development		
Fire Department		
Police Department		
Public Works		
Total Changes in FTE's		10.15
2019 Fulltime Equivalents (FTE's)		604.66

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 2019 General Fund budget of \$89.1 million, the minimum level (5%) would require a fund balance of \$4.4 million.



General Fund Undesignated/Unreserved Fund Balance

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

Special Revenue Funds

These funds account for special purpose functions and are restricted in their application. All of these funds have dedicated revenues and provide accounting for special purposes. They include the funds of Lake Superior Zoo, Parks, Special Projects, Police Grants, Capital Equipment, Community Investment Trust, Economic Development, Tourism Tax, Energy Management, DECC Revenue, Community Development, Workforce, 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 2018 the trust fund has accumulated assets of \$58 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 34th Avenue West (also referred to as the St Louis River Corridor). In 2019, \$1,753,100 is budgeted to make debt payments for the projects along the St Louis River Corridor. Including those taxes, budgeted revenue will increase 4% over 2018. Visit Duluth will receive a total tax allocation of \$2,000,000. The Great Lakes Aquarium, Spirit Mountain, and the Lake Superior Zoo will receive operating subsidies from tourism taxes in the amounts of \$360,000, \$275,000, and \$510,000 respectively. Debt service payments totaling \$4,245,700 funded by the tourism tax fund go toward DECC improvements and Spirit Mountain. New tourism allocations will go to the Hawk Ridge Observatory in the amount of \$20,000; the Duluth Children's Museum in the amount of \$20,000; and the Canal Park Trolley in the amount of \$55,000. The total approved tourism tax budget can be found in the Appendix of this book.

The **Parks Fund** was established to account for the property tax money dedicated to be used for City parks only, as approved by the citizens of Duluth in a November 2011 special referendum vote. 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 2019 budget includes \$3 million in dedicated property tax revenue to be used for the following costs; \$.7 million will be used to pay existing street improvement debt, \$.8 million will be used for enhanced street maintenance, and \$1.5 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 2018 is \$154 million. The property tax levy for debt service in 2019 is \$6.9 million. The property tax supported bond issues proposed for 2019 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 2019, a total of \$32.6 million in improvements are planned. The City will bond for \$1.4 million of capital improvement projects including fire hall improvements, civic building improvements, and other city building improvements. Additional capital projects funding will come from intergovernmental contributions from the State of Minnesota and Federal grants, and assessments.

Included in the 2019 budget are \$3.7 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 Priley Drive 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. For 2019, 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 **Priley Drive** fund was established to account for the construction, operation, and maintenance of the parking ramp located at Priley Drive. The parking facility was under construction from 2014-2017. It became operational in May 2018.

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 the City of Duluth's comprehensive land use plan, Imagine Duluth 2035, and Priority Based Budgeting. 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. 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.

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

Priority Based Budgeting (PBB) – A unique, innovative approach to match available resources with community priorities. With the continuous structural imbalance between revenues and expenses, Priority Based Budgeting is a strategic approach to allocate limited resources according to how effectively a program or service achieves the goals and objectives that are of greatest value to the community. The City of Duluth used the Priority Based Budgeting approach for the 2019 budget and will continue to use PBB in future budgets.

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 – For the 2019 budget process, departments used Priority Based Budgeting as a way to identify opportunities in their operations. The opportunities identified included actions linked to performance measures with outputs of individual units to provide a meaningful way to assess the effectiveness and efficiency of the units. Departments set annual goals with strategies for achieving the goals. Desired targets were set for the goals and each goal was objectively measured against the targets.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Duluth
Minnesota**

For the Fiscal Year Beginning

January 1, 2018

Christopher P. Morill

Executive Director

Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Distinguished Budget Presentation to the City of Duluth, Minnesota, for its annual budget for the fiscal year beginning January 1, 2018.

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

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

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

Scope of Budget –

- The operating budget will describe major goals to be achieved, and services and programs to be delivered, within the confines of funding levels.
- The budget will provide for the adequate maintenance of capital facilities and equipment and for their orderly replacement within the confines of available revenue resources.
- The budget process will include input from the Administration, City staff, elected officials, and citizens 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 - 2019 Budget

General Fund

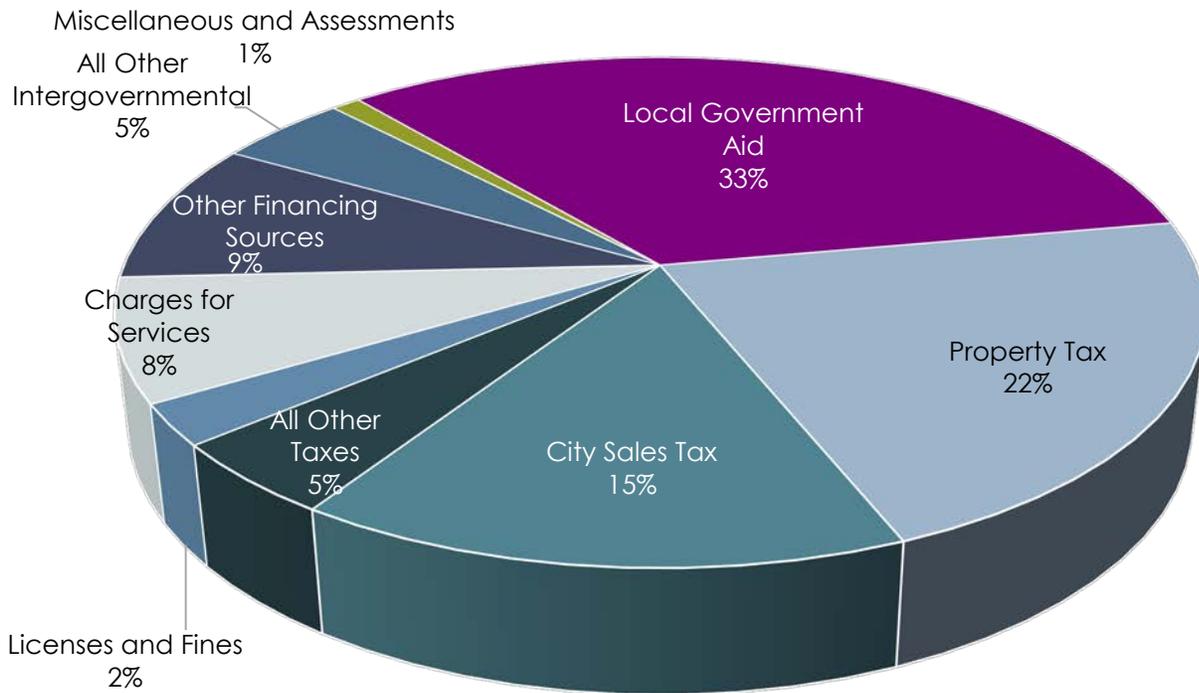
The General Fund provides general purpose government to the citizens of Duluth and accounts for all financial transactions not accounted for in another fund. This fund is used to finance activities such as general government, public safety, public works, libraries, recreation and business and economic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

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

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
REVENUES				
Property Tax				
General Operations Levy	13,893,385	14,538,857	16,220,400	19,195,600
Delinquent Property Taxes	261,975	216,119	150,000	150,000
City Sales Tax	13,240,215	13,564,369	13,586,600	13,686,700
All Other Taxes	2,241,388	4,136,235	4,229,500	4,129,500
Local Government Aid	29,264,120	29,299,670	29,646,000	29,668,600
All Other Intergovernmental	5,343,790	4,479,970	4,023,000	4,114,900
Licenses and Fines	2,265,684	2,217,095	2,160,900	2,317,200
Charges for Services	4,968,006	5,187,757	5,575,100	6,932,100
Other Financing Sources	7,667,342	7,236,154	7,348,300	8,032,100
Miscellaneous	1,445,872	1,895,412	1,383,600	918,900
Fund Balance Reserves				
Fire Department	-	-	730,500	-
Comm Solar Program	-	-	895,500	-
Total Revenues	80,591,777	82,771,638	85,949,400	89,145,600
EXPENDITURES				
Permanent Salaries	39,683,931	40,573,913	41,701,100	44,419,400
Premium Pay	2,263,872	2,013,061	1,791,300	1,816,300
Other Wages	595,856	521,691	670,600	694,900
Employee Benefits	16,562,744	17,287,261	19,389,500	20,092,100
Supplies	3,040,721	2,795,734	2,996,400	2,970,600
Other Services & Charges	10,749,295	8,632,320	9,638,100	10,211,600
Utilities	1,166,073	1,240,651	1,169,300	1,283,100
Retiree Insurance	6,708,285	7,155,581	7,349,100	7,349,100
Capital	326,772	312,613	348,500	308,500
Community Solar Program	-	-	895,500	-
Total Expenditures	81,097,549	80,532,825	85,949,400	89,145,600

City of Duluth Minnesota - 2019 Budget

2019 General Fund Approved Revenues



Local Government Aid	\$	29,668,600
Property Tax	\$	19,345,600
City Sales Tax	\$	13,686,700
All Other Taxes	\$	4,129,500
Licenses and Fines	\$	2,317,200
Charges for Services	\$	6,932,100
Other Financing Sources	\$	8,032,100
All Other Intergovernmental	\$	4,114,900
Miscellaneous and Assessments	\$	918,900

TOTAL 2019 Revenues	\$	89,145,600
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This graph shows the major categories of revenues expressed as a percent of total General Fund revenues estimated for budget fiscal year 2019. The City's policy of maintaining a diverse revenue base is reflected in the categories of revenues listed above, with almost 200 separate budgeted sources of revenue. Although the City does have a wide variety of revenues, the reader will note the City's relative dependence on Local Government Aid, which constitutes 33% of all General Fund revenues and does not adjust for inflation. For this reason, we closely monitor Local Government Aid every session at the State Legislature.

City of Duluth Minnesota - 2019 Budget

General Fund Revenues		2016 Actual	2017 Actual	2018 Budget	2019 Approved
CATEGORY 10 - TAXES					
4005	Current Property Tax	13,893,385	14,538,857	16,220,400	19,195,600
4010	Delinquent Property Tax	261,975	216,119	150,000	150,000
4015	Mobile Home Tax	54,311	56,631	59,700	59,700
4040	City Sales Tax	13,240,215	13,564,369	13,586,600	13,686,700
4050	Charitable Gambling Tax	59,498	61,934	20,000	20,000
4070	MN Power Franchise Fee	1,100,000	3,011,968	3,148,500	3,148,500
4071	Cable Franchise Fee	891,450	864,001	891,500	791,500
4072	No. MN Utility Franchise Fee	7,007	7,348	6,700	6,700
4080	Forfeit Tax Sale	45,401	15,898	19,400	19,400
4090	Other Taxes	83,721	118,456	83,700	83,700
TOTAL TAXES		29,636,963	32,455,581	34,186,500	37,161,800
CATEGORY 20 - LICENSES AND PERMITS					
4101	Liquor License	506,692	517,952	495,000	495,000
4102	Beer License	16,123	16,818	14,000	14,000
4105	Hotel License	12,073	12,195	9,000	9,000
4106	Garbage Collection	17,284	16,986	16,000	16,000
4107	Horse & Carriage	572	286	700	700
4108	Emergency Wrecker License	5,816	5,816	6,000	6,000
4109	Gas Station License	9,110	11,910	8,500	8,500
4111	Pawnbroker License	772	772	1,100	1,100
4112	Peddler's License	4,836	4,925	1,000	1,000
4113	Precious Metal Dealer	1,544	1,544	1,500	1,500
4114	Pet Shop License	622	944	600	600
4115	Dog & Cat Hospitals License	415	913	700	700
4116	Dog Kennels License	611	562	400	400
4117	Massage Parlor	12,661	13,888	12,000	12,000
4118	Cigarette License	12,197	13,585	13,000	11,000
4119-01	Motor Vehicle - Dealer	4,515	5,318	4,400	4,400
4119-02	Motor Vehicle - Rental	1,602	1,602	1,800	1,800
4120	Taxi Permit	11,932	19,002	11,000	11,000
4121	Coin Operating Device	19,640	509	9,000	9,000
4122	Pool & Bowling	1,202	1,202	1,000	1,000
4123	Dance Hall License	208	-	-	-

City of Duluth Minnesota - 2019 Budget

General Fund Revenues		2016 Actual	2017 Actual	2018 Budget	2019 Approved
CATEGORY 20 - LICENSES AND PERMITS continued					
4124	Tree Service Contractor License	-	-	-	1,400
	Transportation Network				
4125	Companies License	-	7,000	7,000	-
4151	Fill Permits	2,394	2,589	1,100	1,100
4152	Excavation Permits	12,670	12,320	15,000	15,000
4153	Multiple Dwell License	855,008	822,567	883,300	1,036,200
4154	Commercial Use/Occupancy	111,665	103,755	95,000	100,000
4155	Special Event Permit	4,212	4,320	3,000	3,000
4170-01	Misc. Perm. & Licenses	47,353	44,038	27,000	37,000
TOTAL LICENSE AND PERMITS		1,673,728	1,643,318	1,638,100	1,798,400
CATEGORY 30 - INTERGOVERNMENTAL					
4209-02	Misc. Federal Grants (Safer Grant)	114,362	27,647	-	-
4210-02	Pass-thru Federal Grants	56,396	84,979	-	-
4220-02	State of Minnesota	22,949	16,638	5,000	5,000
4220-03	State of Minnesota-Disaster Aid	977,935	150,830	-	-
4221	Local Government Aid	29,264,120	29,299,670	29,646,000	29,668,600
4222	State Property Tax Aid	6,402	9,839	-	-
4225	Ski Trail Reimbursement	11,000	11,000	11,000	11,000
4226	Snowmobile Trail Grants	15,750	11,527	13,900	13,900
4227	Police Training Reimbursement	45,649	47,689	50,000	142,000
4230	PERA Aid	124,428	124,428	124,400	124,400
4232	State Insurance Premium	1,950,416	1,980,438	1,820,000	1,820,000
	Municipal State Aid -				
4240-02	Maintenance	1,533,400	1,533,400	1,533,400	1,533,400
4260	St. Louis County	143,500	143,500	143,500	138,400
4261	ISD 709	251,941	255,663	248,400	253,400
4300-01	HRA in Lieu of Taxes	57,492	66,305	57,400	57,400
4300-02	Ordean Foundation	32,172	16,086	16,000	16,000
TOTAL INTERGOVERNMENTAL		34,607,911	33,779,640	33,669,000	33,783,500

City of Duluth Minnesota - 2019 Budget

General Fund Revenues		2016 Actual	2017 Actual	2018 Budget	2019 Approved
CATEGORY 40 - CHARGES FOR SERVICES					
4301	Zoning Appeals Fees	-	-	600	600
4303	Use Permit - Flood & Wetlands	2,496	3,536	900	900
4306	Building Appeals Fees	120	360	-	-
4307	Planning/Zoning Fees	76,945	89,522	80,000	85,000
4310	Assessment Cost Services	45,628	71,814	40,600	40,600
4311	Assessment Certification Fee	9,316	38,217	20,000	20,000
	Stormwater Administrative				
4315-01	Service	151,800	154,500	149,400	134,400
4315-02	Sewer Administrative Service	308,000	232,800	204,600	208,200
4315-03	Steam Administrative Service	49,500	44,100	50,900	55,600
4315-04	DECC Administrative Service	25,000	15,400	13,700	13,800
4315-05	DTA Administrative Service	10,300	10,300	10,300	10,300
4315-06	Grant Administration Services	63,947	73,216	69,000	69,000
4315-07	Airport Administrative Service	45,200	45,200	45,200	45,200
4315-08	DEDA Administrative Service	365,000	365,000	365,000	400,000
4315-09	Public Utility Admin Service	876,600	771,300	773,700	817,100
4315-10	Fleet Administrative Service	108,200	136,800	135,900	145,500
4315-11	Golf Administrative Service	55,000	34,000	18,800	16,100
4315-12	Group Health Admin Service	255,000	350,000	353,300	353,300
4315-13	Self Insurance Admin Service	283,200	426,000	457,500	563,200
4315-14	Spirit Mt. Administrative Service	37,700	37,700	37,700	26,200
4315-15	Parking Administrative Service	23,300	127,400	136,400	138,600
4315-16	Street Lighting System Utility	59,000	56,100	50,500	55,100
4315-17	410 West 1st Street Ramp	-	25,500	22,500	17,200
4319	Attorney Fees	3,725	2,825	4,000	4,000
4320	IT Services	15,849	4,596	5,800	6,300
4322	Animal Shelter Fees	12,069	12,350	12,000	12,000
4323	Garnishment Fees	150	240	-	-
4325	Radio Services	-	-	-	-
4326	Criminal History Checks	376	318	400	400
4328	Pawnbroker Transaction Charge	51,634	44,403	50,000	45,000
4329	False Alarm Fees & Penalties	26,882	15,867	19,600	18,000
4340	Fire Protection Services	4,200	7,518	6,400	6,400
4341	Hydrant Maintenance Service	30,000	30,000	30,000	30,000

City of Duluth Minnesota - 2019 Budget

General Fund Revenues		2016 Actual	2017 Actual	2018 Budget	2019 Approved
CATEGORY 40 - CHARGES FOR SERVICES continued					
4351	Building Inspection Fees	1,259,438	1,141,289	1,481,100	2,654,800
4352	Plumbing Inspection Fees	132,334	113,438	182,200	182,200
4353	Electric Inspection Fees	215,621	185,918	192,300	192,300
4354	HVAC-R Inspection Fees	215,707	203,605	151,800	151,800
4355	Signs Inspection Fees	16,129	15,924	10,600	10,600
4356	House Moving Inspection Fees	4,351	13,363	9,100	9,100
4357	Mobile Home Inspection Fees	416	920	1,900	1,900
4359	CAF Administrative Fee	12,370	8,359	15,300	15,300
4360	Vacant Building Fee	3,000	-	-	-
4361	RZP Registration Fee	15,482	13,200	13,100	13,100
4370	Engineering Services	97,021	264,862	353,000	363,000
TOTAL CHARGES FOR SERVICES		4,968,006	5,187,757	5,575,100	6,932,100
CATEGORY 50 - FINES AND FORFEITS					
4470	License Penalties	10,160	5,498	2,000	2,000
4471	Library Fines	76,438	69,069	72,000	68,000
4472	Administrative Fines	29,689	42,279	21,600	21,600
4473	Court Fines	427,225	391,404	427,200	427,200
TOTAL FINES AND FORFEITS		543,511	508,249	522,800	518,800
CATEGORY 60 - SPECIAL ASSESSMENTS					
4500	Assessments	63,530	91,785	114,100	109,100
4500-12	Assessments - Service Charge	361,857	369,929	300,000	300,000
4501	Assessments - Penalty & Interest	29,364	25,697	24,800	24,800
TOTAL SPECIAL ASSESSMENTS		454,751	487,411	438,900	433,900
CATEGORY 70 - MISCELLANEOUS					
4601-02	Earnings on Investments	(20,873)	11,589	-	-
4602-01	Interest on Temporary Loans	2,329	-	-	-
4622	Rent of Buildings	110,675	535,435	525,900	73,200
4623	Rent of Land	8,368	8,758	5,100	6,600

City of Duluth Minnesota - 2019 Budget

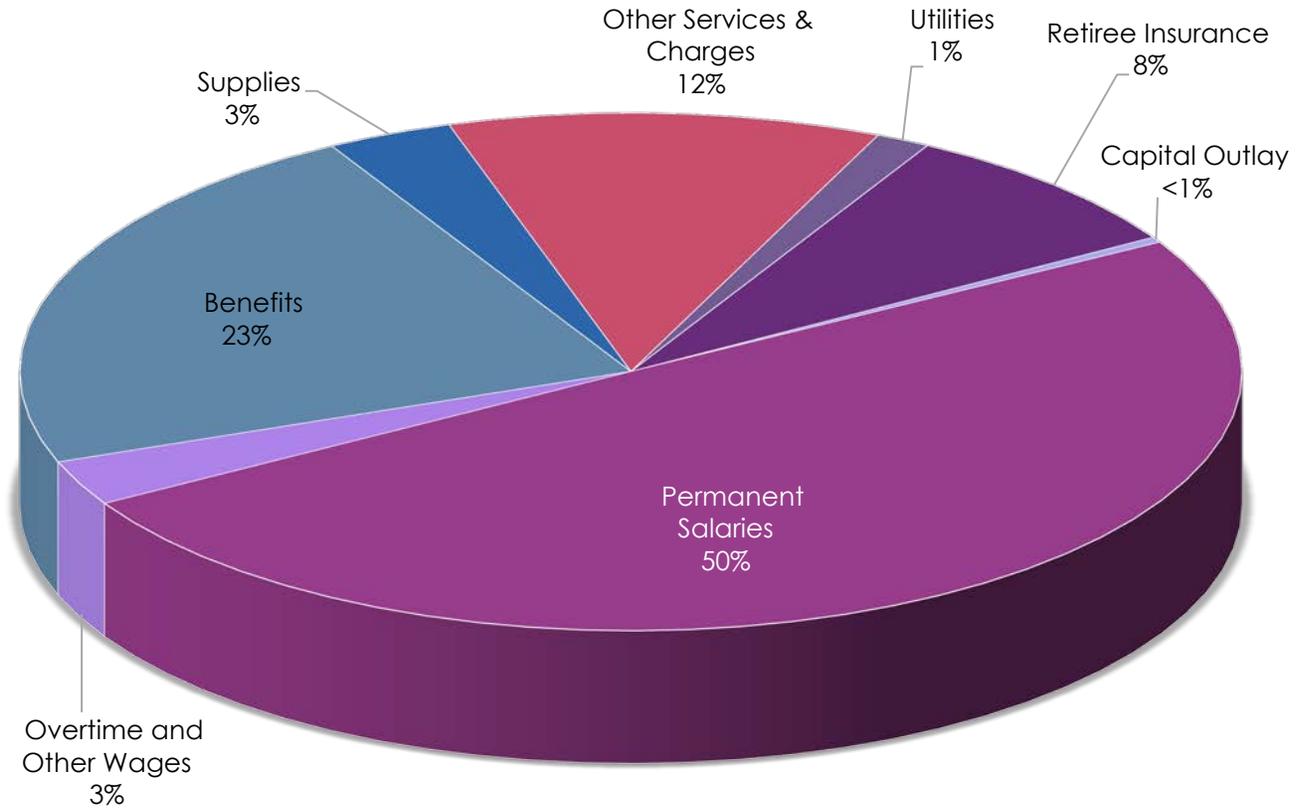
General Fund Revenues		2016 Actual	2017 Actual	2018 Budget	2019 Approved
CATEGORY 70 - MISCELLANEOUS continued					
4627	Concessions & Commissions	12,648	9,706	13,700	10,000
4631	Media Sales	21,424	20,941	23,500	27,000
4636-02	Sale of Materials	6,097	3,232	6,000	6,000
4639	Sale of Equipment	47,006	56,480	-	-
4640	Sale of Land	-	133,189	-	-
4644	Miscellaneous Sales	16,754	153,338	71,200	72,900
4650	Salary Reimbursement	20,867	23,584	20,000	20,000
4651	Reimburse Extra Duty Employment	-	-	-	-
4654	Other Reimbursements	561,602	223,286	127,900	117,900
4655	Drug Task Force Reimbursement	-	15,896	-	-
4660	Gifts & Donations	4,649	25,051	-	-
4680	Damages Recovered	15,472	-	-	-
4700	Other Sources	8,484	9,349	-	-
4701	2% Retention Surtax	1,182	1,012	1,400	1,400
4702	Fond du Luth Proceeds	150,000	150,000	150,000	150,000
TOTAL MISCELLANEOUS		966,684	1,380,843	944,700	485,000
CATEGORY 80 - OTHER FINANCING SOURCES					
Transfer from Special Revenue					
4730-20	Funds	1,819,466	1,797,545	1,684,500	1,743,100
4730-22	Transfer from Police Grant Funds	725,677	696,014	558,500	828,200
Transfer from Police Grant Funds-					
4730-23	Overtime	194,508	159,367	130,000	136,000
4730-30	Transfer from Debt Service Funds	-	34,938	-	-
4730-50	Transfer from Enterprise Funds	1,326,700	1,376,700	1,336,300	1,386,300
4730-51	Transfer from Public Utility Funds	978,683	845,634	1,079,400	1,087,700
Transfer from Permanent					
4730-41	Improvement	911	-	-	-
4731	Gas Utility in Lieu of Taxes	2,484,583	2,184,557	2,406,800	2,698,000
4732	Steam Utility in Lieu of Taxes	136,815	141,400	152,800	152,800
TOTAL OTHER FINANCING SOURCES		7,667,342	7,236,154	7,348,300	8,032,100

City of Duluth Minnesota - 2019 Budget

General Fund Revenues		2016 Actual	2017 Actual	2018 Budget	2019 Approved
4999	Fund Balance Reserves-Fire Department	-	-	730,500	-
4999	Fund Balance Reserves-Com Solar Program	-	-	895,500	-
TOTAL FUND BALANCE RESERVES		-	-	1,626,000	-
GENERAL FUND TOTAL		80,518,896	82,678,953	85,949,400	89,145,600

City of Duluth Minnesota - 2019 Budget

2019 General Fund Approved Expenditures

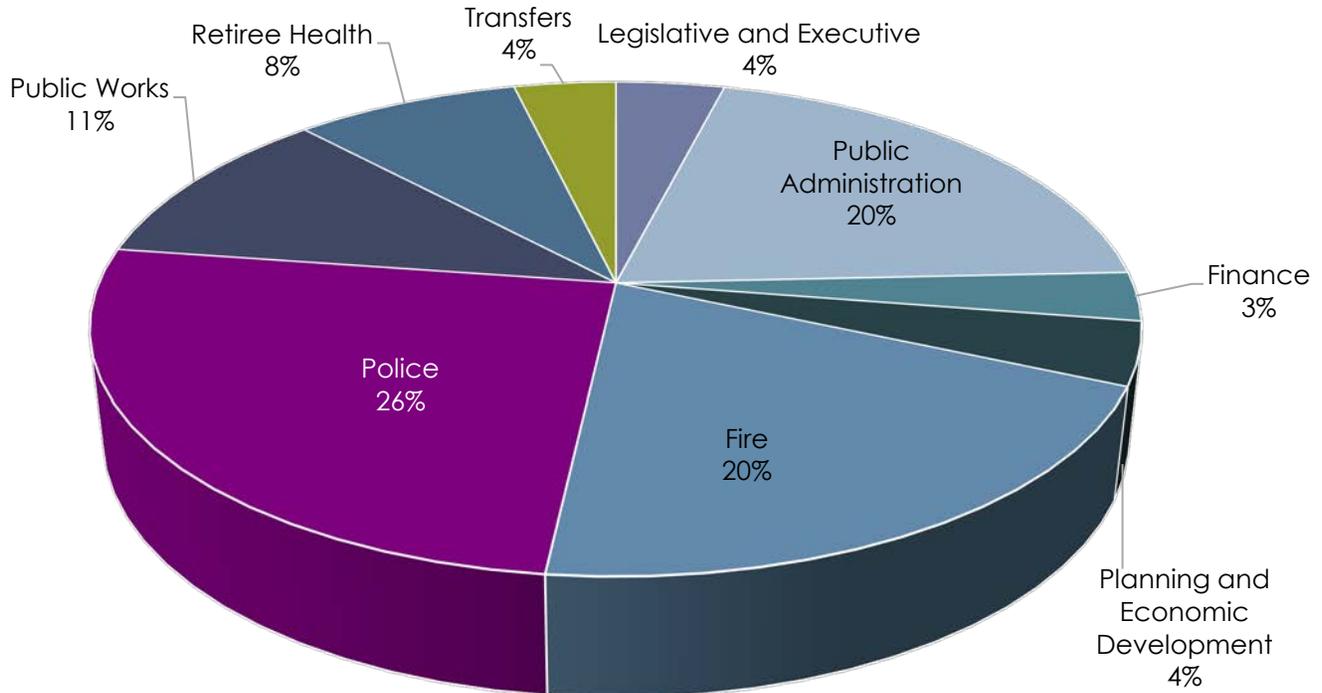


Permanent Salaries	\$	44,419,400
Overtime and Other Wages	\$	2,511,200
Benefits	\$	20,092,100
Supplies	\$	2,970,600
Other Services & Charges	\$	10,211,600
Utilities	\$	1,283,100
Retiree Insurance	\$	7,349,100
Capital Outlay	\$	308,500
TOTAL 2019 EXPENDITURES	\$	89,145,600

This graph shows the General Fund budget by expense category. The largest single category of expense is Permanent Salaries at 50% of all expenses. When the cost of benefits, overtime, and other wages is added, the total is 76% of all budgeted expenses. Other Services and Charges comprises 12% of the total; followed by Retiree Insurance at 8%; Supplies at 3%; Utilities at 1%; and Capital Outlay in the General Fund at less than 1%.

City of Duluth Minnesota - 2019 Budget

2019 General Fund Approved Expenditures



Legislative and Executive	\$	3,548,300
Public Administration	\$	18,109,100
Finance	\$	2,850,700
Planning and Economic Development	\$	3,660,700
Fire	\$	17,992,500
Police	\$	22,749,600
Public Works	\$	9,547,400
Retiree Health	\$	7,349,100
Transfers	\$	3,338,200
TOTAL 2019 EXPENDITURES	\$	89,145,600

This graph shows the General Fund departmental budgets as a percent of the total General Fund expenditures for budget fiscal year 2019. The largest category of expense is public safety with the Police and Fire departments comprising 46% of the total; followed by the Public Administration department which includes Human Resources, Information Technology, City Clerk, Park Maintenance, Library, and Facilities at 20%. The General Fund portion of the Public Works department comprises 11% of the total. Retiree health care comprises 8% of the total. The remaining five departments totaled together are 15%, with no department exceeding 4%.

City of Duluth Minnesota - 2019 Budget

2019 General Fund Approved Expenditures

	Permanent Salaries	Overtime	Other Wages	Benefits	Other Expense	Capital Outlay	TOTAL
LEGISLATIVE AND EXECUTIVE							
City Council	-	-	124,200	11,600	68,700	-	204,500
Mayor's Office	420,000	-	-	193,500	14,600	-	628,100
Chief Administrative Officer	241,300	-	-	113,600	10,600	-	365,500
Attorney's Office	1,702,400	-	30,000	576,700	39,100	2,000	2,350,200
DEPARTMENT TOTAL	2,363,700	-	154,200	895,400	133,000	2,000	3,548,300
PUBLIC ADMINISTRATION							
Human Resources	781,800	-	10,000	348,400	74,500	-	1,214,700
Information Technology	1,648,800	10,000	-	695,800	935,100	-	3,289,700
City Clerk	527,900	1,000	75,000	234,800	52,500	-	891,200
Park Maintenance	1,478,900	75,000	174,200	691,100	926,700	-	3,345,900
Library Facilities Management	2,763,400	800	101,800	1,140,300	411,000	306,500	4,723,800
DEPARTMENT TOTAL	8,802,000	111,800	384,000	3,888,300	4,616,500	306,500	18,109,100
FINANCE							
Budget Office	304,200	-	-	130,500	27,100	-	461,800
Auditor's Office	775,900	14,000	-	354,400	325,100	-	1,469,400
Purchasing	153,200	-	-	87,500	5,700	-	246,400
Treasurer's Office	441,300	-	-	217,800	14,000	-	673,100
DEPARTMENT TOTAL	1,674,600	14,000	-	790,200	371,900	-	2,850,700
PLANNING AND ECONOMIC DEVELOPMENT							
Physical Planning	557,500	-	-	230,800	56,400	-	844,700
Construction Services & Insp	1,363,100	9,000	-	624,100	147,300	-	2,143,500
Economic Development	466,200	-	-	188,000	18,300	-	672,500
DEPARTMENT TOTAL	2,386,800	9,000	-	1,042,900	222,000	-	3,660,700

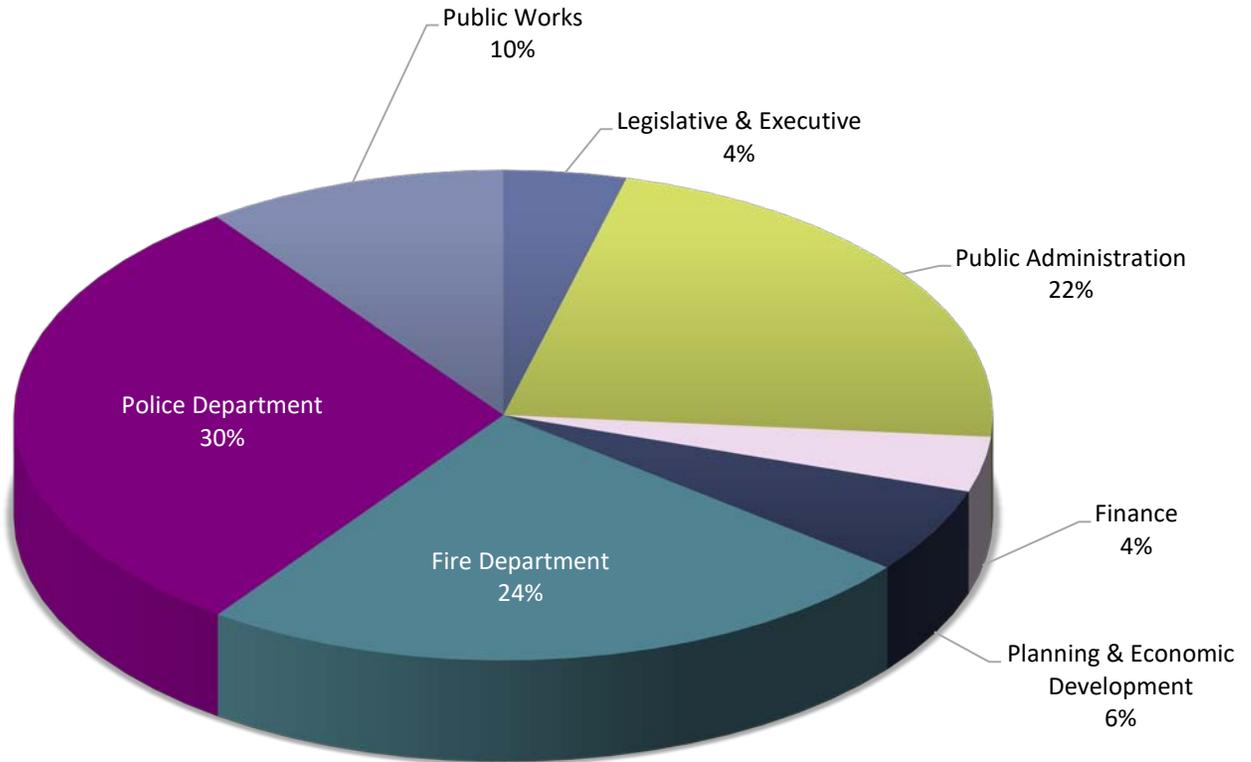
City of Duluth Minnesota - 2019 Budget

2019 General Fund Approved Expenditures

	Permanent Salaries	Overtime	Other Wages	Benefits	Other Expense	Capital Outlay	TOTAL
FIRE DEPARTMENT							
Fire Administration	355,600	-	-	128,900	59,000	-	543,500
Fire Operations	9,966,500	922,200	-	4,662,000	673,300	-	16,224,000
Life Safety	772,700	11,300	-	382,300	58,700	-	1,225,000
DEPARTMENT TOTAL	11,094,800	933,500	-	5,173,200	791,000	-	17,992,500
POLICE DEPARTMENT	14,183,800	575,000	131,600	6,501,600	1,357,600	-	22,749,600
PUBLIC WORKS							
Director's Office	76,000	-	-	27,000	800	-	103,800
Maintenance	2,655,200	117,000	-	1,221,000	3,563,500	-	7,556,700
Engineering	1,182,500	56,000	25,100	475,000	148,300	-	1,886,900
DEPARTMENT TOTAL	3,913,700	173,000	25,100	1,723,000	3,712,600	-	9,547,400
TRANSFERS	-	-	-	77,500	10,609,800	-	10,687,300
2019 APPROVED GENERAL FUND	44,419,400	1,816,300	694,900	20,092,100	21,814,400	308,500	89,145,600

City of Duluth Minnesota - 2019 Budget

2019 General Fund Personnel Summary



Department	2018 Budget	2019 Approved
Legislative & Executive	22.50	24.50
Public Administration	132.10	135.25
Finance	22.00	22.00
Planning & Economic Development	28.92	33.92
Fire Department	146.50	146.50
Police Department	182.14	182.14
Public Works	60.35	60.35
TOTAL	594.51	604.66

City of Duluth Minnesota - 2019 Budget

2019 General Fund Personnel Summary

	2018 Budget	2019 Approved	Difference	Narrative
LEGISLATIVE/EXECUTIVE				
City Council	0.00	0.00	0.00	
Mayor	4.00	5.00	1.00	Communication and Policy Officer
Chief Administrative Officer	2.50	2.50	0.00	
City Attorney	16.00	17.00	1.00	Prosecution and Technology Assistant grant funded position
DEPARTMENT TOTAL	22.50	24.50	2.00	
PUBLIC ADMINISTRATION				
Human Resources	10.50	10.65	0.15	Additional time for Organization Development Coordinator
Information Technology	22.00	21.00	-1.00	Consolidation of Security Administrator duties
City Clerk	6.00	7.00	1.00	Earned Safe and Sick Time Compliance Officer
Park Maintenance	22.60	23.60	1.00	Additional Maintenance Worker
Library	46.70	46.70	0.00	
Facilities Management	24.30	26.30	2.00	Janitor and Building Maintenance Specialist at Public Safety Building
DEPARTMENT TOTAL	132.10	135.25	3.15	
FINANCE				
Budget Office	3.00	3.00	0.00	
Auditor	9.00	10.00	1.00	Finance Tech transferred from Treasurer's
Purchasing	2.00	2.00	0.00	
Treasurer	8.00	7.00	-1.00	Finance Tech transferred to Auditor's
DEPARTMENT TOTAL	22.00	22.00	0.00	

City of Duluth Minnesota - 2019 Budget

2019 General Fund Personnel Summary

	2018 Budget	2019 Approved	Difference	Narrative
PLANNING & ECONOMIC DEVELOPMENT				
Physical Planning	6.92	7.92	1.00	Transportation Coordinator
Construction Svcs & Inspection	16.50	20.50	4.00	Additional Inspectors for large medical expansion projects
Business & Econ Development	5.50	5.50	0.00	
DEPARTMENT TOTAL	28.92	33.92	5.00	
FIRE				
Fire Administration	3.50	3.50	0.00	
Firefighting Operations	132.00	132.00	0.00	
Life Safety	11.00	11.00	0.00	
DEPARTMENT TOTAL	146.50	146.50	0.00	
POLICE				
Administration / Patrol	182.14	182.14	0.00	
DEPARTMENT TOTAL	182.14	182.14	0.00	
PUBLIC WORKS				
Director's Office	0.40	0.90	0.50	Budget Analyst to Director's Office
Street Maintenance	44.50	44.00	-0.50	Budget Analyst to Director's Office
Engineering	15.45	15.45	0.00	
DEPARTMENT TOTAL	60.35	60.35	0.00	
TOTAL GENERAL FUND FTE'	594.51	604.66	10.15	

City of Duluth Minnesota - 2019 Budget

Legislative and Executive Department

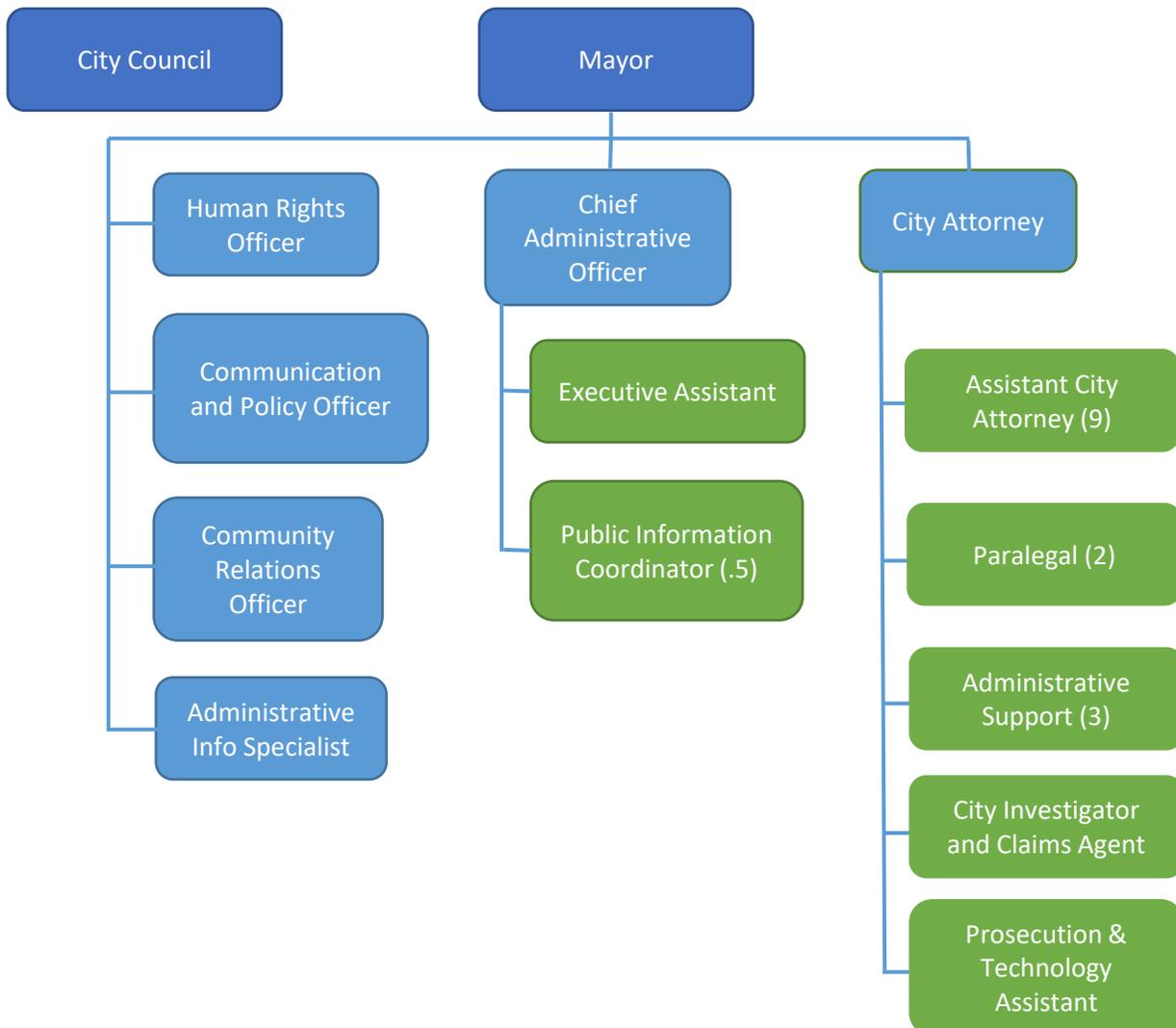
Mission and Vision

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

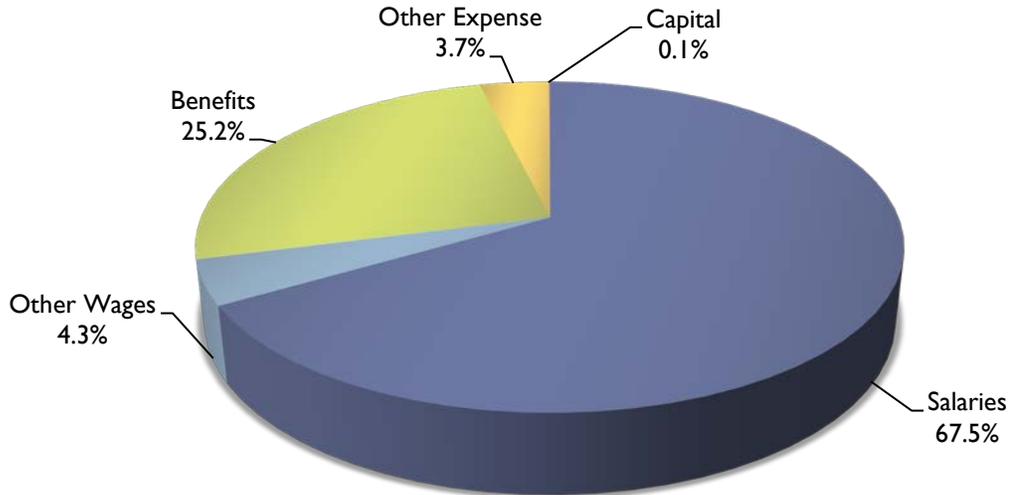
The divisions in this department are responsible for the legislative activity pursuant to City Charter; administration of the organization; enforcement and execution of City ordinances; and legal defense of the City.

Organization Chart



City of Duluth Minnesota - 2019 Budget

Legislative & Executive Department 2019 Approved Budget by Expense Category



Expenditures by Category	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Permanent Salaries	2,036,792	2,129,987	2,086,900	2,363,700	276,800
Overtime	1,417	279	-	-	-
Other Wages	113,638	115,099	154,200	154,200	-
Total Personal Services	2,151,847	2,245,366	2,241,100	2,517,900	276,800
Benefits	691,787	755,722	812,700	895,400	82,700
Other Expense	119,611	101,252	133,000	133,000	-
Capital Outlay	1,819	1,422	2,000	2,000	-
Department Total	2,965,063	3,103,761	3,188,800	3,548,300	359,500

Expenditures by Division	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
City Council	154,077	148,228	204,500	204,500	-
Mayor's Office	384,404	430,231	478,500	628,100	149,600
Chief Admin Officer	293,937	316,497	349,400	365,500	16,100
Attorney's Office	2,132,645	2,208,805	2,156,400	2,350,200	193,800
Department Total	2,965,063	3,103,761	3,188,800	3,548,300	359,500

Budgeted FTE's	2016	2017	2018	2019	Difference
	23.50	24.50	22.50	24.50	2.00

City of Duluth Minnesota - 2019 Budget

City Council

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

Budgeted FTE's	2016	2017	2018	2019	Difference
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There are no fulltime, permanent employees assigned to this division.

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	-	-	-	-	-
Overtime	-	-	-	-	-
Other Wages	89,964	89,131	124,200	124,200	-
Total Salaries	89,964	89,131	124,200	124,200	-
Benefits	7,761	6,769	11,600	11,600	-
Other Expense					
Materials & Supplies	204	482	1,300	1,300	-
Services	44,085	3,829	14,000	14,000	-
Utilities & Maintenance	2,850	41,203	44,200	44,200	-
Other	9,213	6,814	9,200	9,200	-
Total Other Expense	56,352	52,328	68,700	68,700	-
Division Total	154,077	148,228	204,500	204,500	-

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail		2016 Actual	2017 Actual	2018 Budget	2019 Approved
City Council - 110-110-1101					
PERSONAL SERVICES					
5103	Other Wages	89,964	89,131	124,200	124,200
	TOTAL	89,964	89,131	124,200	124,200
EMPLOYEE BENEFITS					
5121	PERA Retirement	1,499	1,499	2,100	2,100
5122	FICA - Social Security	4,958	3,977	7,700	7,700
5123	FICA - Medicare	1,304	1,292	1,800	1,800
	TOTAL	7,761	6,769	11,600	11,600
OTHER EXPENDITURES					
5200	Office Supplies	-	-	-	-
5201	Computer Supplies/Software	140	309	1,000	1,000
5202	Audiovisual & Photography	-	65	-	-
5219	Other Miscellaneous Supplies	64	108	300	300
5319	Other Professional Services	36,452	1,838	5,000	5,000
5331	Travel/Training	6,165	1,336	7,000	7,000
5355	Printing & Copying	1,468	655	2,000	2,000
5456	Equipment/Machinery Repair & Mtc	-	-	-	-
5404	Equipment/Machinery Repair & Mtc	2,850	2,850	3,700	3,700
5414	Software Licenses & Mtce Agreements	-	38,353	40,500	40,500
5433	Dues & Subscription	298	298	1,000	1,000
5441	Other Services & Charges	5,381	4,637	6,000	6,000
5443	Board & Meeting Expenses	3,534	1,878	2,200	2,200
	TOTAL	56,352	52,328	68,700	68,700
DIVISION TOTAL		154,077	148,228	204,500	204,500

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	Difference
Mayor	1.0	1.0	1.0	1.0	-
1110 Comm & Policy Officer	1.0	1.0	-	1.0	1.0
1070 Comm Relations Officer	1.0	1.0	1.0	1.0	-
1050 Human Rights Officer	-	1.0	1.0	1.0	-
129 Admin Info Specialist	1.0	1.0	1.0	1.0	-
Division Total	4.0	5.0	4.0	5.0	1.0

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	262,963	293,333	313,900	420,000	106,100
Overtime	408	88	-	-	-
Other Wages	956	2,793	-	-	-
Total Salaries	264,327	296,214	313,900	420,000	106,100
Benefits	96,662	114,033	150,000	193,500	43,500
Other Expense					
Materials & Supplies	350	1,419	1,700	1,700	-
Services	10,809	11,155	5,100	5,100	-
Other	12,255	7,410	7,800	7,800	-
Total Other Expense	23,415	19,984	14,600	14,600	-
Division Total	384,404	430,231	478,500	628,100	149,600

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Mayor's Office - 110-110-1102				
PERSONAL SERVICES				
5100 Permanent Salaries	262,963	293,333	313,900	420,000
5101 Premium Pay	408	88	-	-
5103 Other Wages	956	2,793	-	-
TOTAL	264,327	296,214	313,900	420,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	15,847	18,823	22,800	31,300
5122 FICA - Social Security	16,033	12,926	19,500	26,000
5123 FICA - Medicare	3,750	4,140	4,600	6,100
5125 Dental Insurance	1,355	1,488	1,500	1,900
5126 Life Insurance	594	648	700	900
5127 Health Care Savings Plan (HCSP)	3,032	6,584	21,700	20,400
5130 Cafeteria Plan Benefits	55,604	69,425	79,200	106,900
5133 Health or Fitness Program	448	-	-	-
TOTAL	96,662	114,033	150,000	193,500
OTHER EXPENDITURES				
5200 Office Supplies	350	689	1,000	1,000
5219 Other Miscellaneous Supplies	-	731	500	500
5241 Small Equip-Office/Operating	-	-	200	200
5320 Data Services	-	-	-	-
5321 Phone Service Cellular Phone	1,475	1,190	-	-
5322 Postage	-	6	100	100
5331 Travel/Training	8,507	8,943	3,000	3,000
5355 Printing & Copying	719	932	2,000	2,000
5356 Copier, Printer Lease & Supplies	108	83	-	-
5433 Dues & Subscription	338	378	300	300
5441 Other Services & Charges	1,750	601	1,500	1,500
5443 Board & Meeting Expenses	5,170	2,809	1,000	1,000
5444 Mayor's Contingent Account	4,997	3,622	5,000	5,000
TOTAL	23,415	19,984	14,600	14,600
DIVISION TOTAL: MAYOR'S OFFICE	384,404	430,231	478,500	628,100

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	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	0.5	-
126 Information Technician	0.5	-	-	-	-
Division Total	2.5	2.5	2.5	2.5	0

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	200,575	215,559	225,400	241,300	15,900
Overtime	331	156	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	200,906	215,714	225,400	241,300	15,900
Benefits	87,320	97,585	113,400	113,600	200
Other Expense					
Materials & Supplies	87	97	2,000	2,000	-
Services	2,876	1,333	2,300	2,300	-
Utilities & Maintenance	-	-	300	300	-
Other	2,748	1,768	6,000	6,000	-
Total Other Expense	5,711	3,198	10,600	10,600	-
Division Total	293,937	316,497	349,400	365,500	16,100

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Chief Administrative Officer - 110-110-1103				
PERSONAL SERVICES				
5100 Permanent Salaries	200,575	215,559	225,400	241,300
5101 Premium Pay	331	156	-	-
5103 Other Wages	-	-	-	-
TOTAL	200,906	215,714	225,400	241,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	14,796	15,865	16,900	18,000
5122 FICA - Social Security	11,366	12,508	14,000	15,000
5123 FICA - Medicare	2,860	2,966	3,300	3,500
5125 Dental Insurance	857	930	900	900
5126 Life Insurance	376	405	400	500
5127 Health Care Savings Plan (HCSP)	14,141	14,356	27,200	27,600
5130 Cafeteria Plan Benefits	42,925	50,526	50,700	48,100
5133 Health or Fitness Program	-	30	-	-
TOTAL	87,320	97,585	113,400	113,600
OTHER EXPENDITURES				
5200 Office Supplies	87	97	1,000	1,000
5201 Computer Supplies/Software	-	-	500	500
5219 Other Miscellaneous Supplies	-	-	500	500
5321 Phone Service Cellular Phone	600	1,129	-	-
5331 Travel/Training	2,235	169	2,000	2,000
5356 Copier, Printer Leases & Supplies	41	35	-	-
5404 Equipment/Machinery Repair & Mtc	-	-	300	300
5418 Vehicle/Equip Lease (Long-term)	-	-	300	300
5433 Dues & Subscription	2,700	1,668	500	500
5435 Books & Pamphlets	-	-	500	500
5441 Other Services & Charges	-	100	4,000	4,000
5443 Board & Meeting Expenses	48	-	1,000	1,000
TOTAL	5,711	3,198	10,600	10,600
DIVISION TOTAL	293,937	316,497	349,400	365,500

City of Duluth Minnesota - 2019 Budget

City Attorney's Office

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

Budgeted FTE's	2016	2017	2018	2019	Difference
Res City Attorney	1.0	1.0	1.0	1.0	-
Assistant Attorney	10.0	10.0	9.0	9.0	-
10 Claims Adjuster	1.0	1.0	1.0	1.0	-
131 Paralegal	2.0	1.0	1.0	2.0	1.0
131 Prosecution Assistant	1.0	1.0	1.0	1.0	-
129 Admin Legal Assistant	2.0	3.0	3.0	3.0	-
Division Total	17.0	17.0	16.0	17.0	1.0

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	1,573,254	1,621,096	1,547,600	1,702,400	154,800
Overtime	678	36	-	-	-
Other Wages	22,718	23,175	30,000	30,000	-
Total Salaries	1,596,650	1,644,307	1,577,600	1,732,400	154,800
Benefits	500,043	537,335	537,700	576,700	39,000
Other Expense					
Materials & Supplies	4,576	3,264	3,300	3,300	-
Services	14,118	9,281	12,400	12,400	-
Other	15,439	13,196	23,400	23,400	-
Total Other Expense	34,133	25,741	39,100	39,100	-
Capital Outlay	1,819	1,422	2,000	2,000	-
Division Total	2,132,645	2,208,805	2,156,400	2,350,200	193,800

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
City Attorney's Office - 110-110-1104				
PERSONAL SERVICES				
5100 Permanent Salaries	1,573,254	1,621,096	1,547,600	1,702,400
5101 Premium Pay	678	36	-	-
5103 Other Wages	22,718	23,175	30,000	30,000
TOTAL	1,596,650	1,644,307	1,577,600	1,732,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	117,393	120,376	118,300	127,800
5122 FICA - Social Security	95,306	99,644	97,800	107,400
5123 FICA - Medicare	22,563	23,212	22,900	25,100
5125 Dental Insurance	6,293	6,262	6,000	6,300
5126 Life Insurance	2,741	2,727	2,900	3,100
5127 Health Care Savings Plan (HCSP)	49,180	55,266	28,500	42,400
5130 Cafeteria Plan Benefits	205,266	228,561	261,300	264,600
5133 Health or Fitness Program	1,302	1,287	-	-
TOTAL	500,043	537,335	537,700	576,700
OTHER EXPENDITURES				
5200 Office Supplies	4,576	3,264	3,300	3,300
5304 Legal Services	528	218	2,000	2,000
5321 Phone Service Cellular Phone	1,800	1,800	2,200	2,200
5331 Travel/Training	9,713	5,673	6,000	6,000
5335 Local Mileage Reimbursement	1,020	607	1,000	1,000
5355 Printing & Copying	-	-	-	100
5356 Copier, Printer Lease & Supplies	1,058	984	1,200	1,100
5414 Software Licenses & Maintenance	1,425	547	1,400	1,400
5433 Dues & Subscription	9,292	11,884	15,000	15,000
5441 Other Services & Charges	4,721	764	7,000	7,000
TOTAL	34,133	25,741	39,100	39,100
CAPITAL OUTLAY				
Library Materials	1,819	1,422	2,000	2,000
TOTAL	1,819	1,422	2,000	2,000
DIVISION TOTAL	2,132,645	2,208,805	2,156,400	2,350,200

City of Duluth Minnesota - 2019 Budget

General Fund Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
City Attorney's Office - 110-110-1104				
REVENUE SOURCE				
4319 Attorney Fees	3,725	2,825	4,000	4,000
4644 Miscellaneous Fees, Sales, Services	4,931	6,021	1,000	1,000
4654 Other Reimbursements	-	10,998	-	-
4730 Transfer from Special Revenue Fund	-	-	-	60,000
DIVISION TOTAL	8,656	19,844	5,000	65,000

City of Duluth Minnesota - 2019 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.

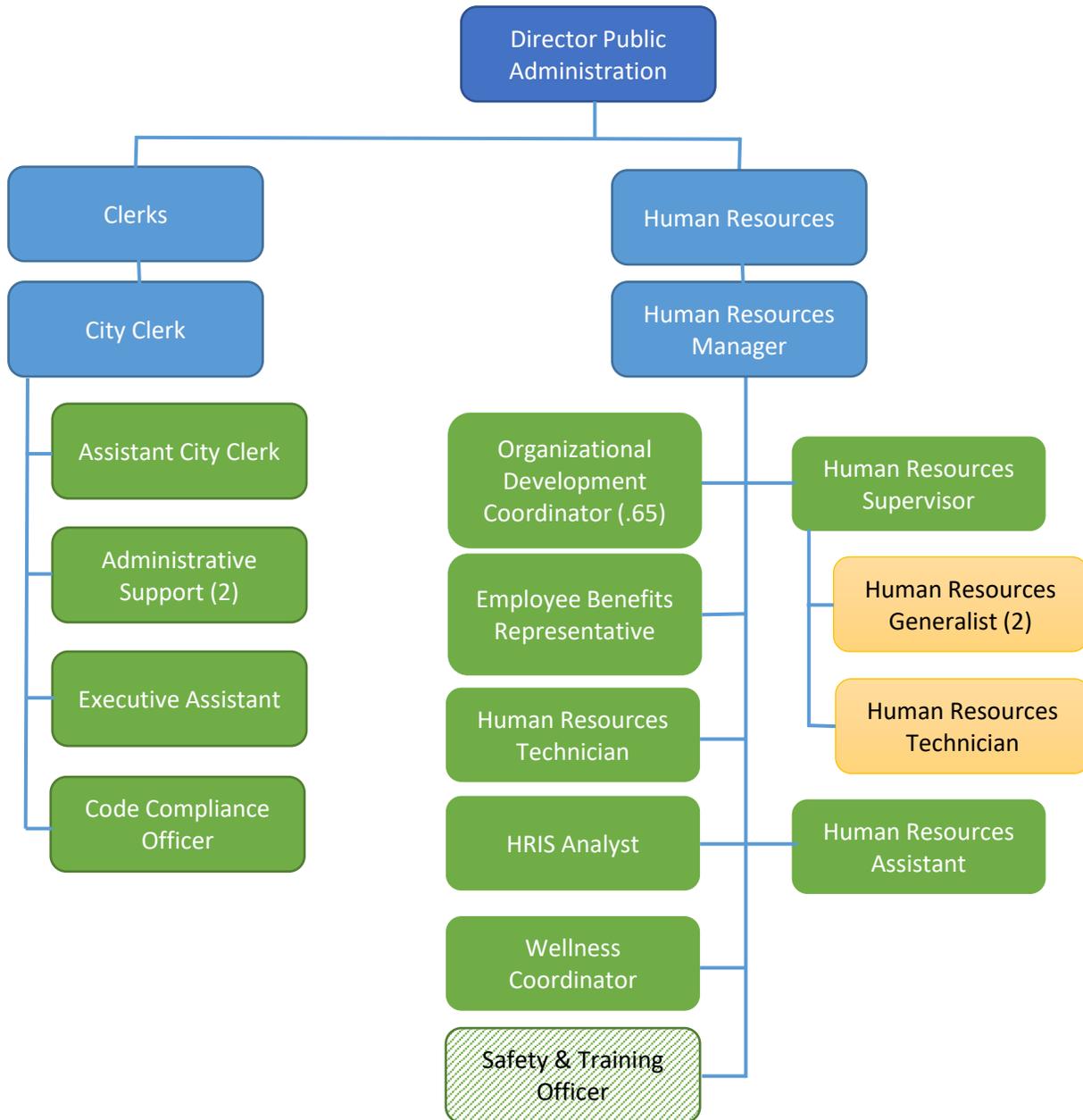
Structure

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 primarily the General Fund and Enterprise Funds. All other divisions operate primarily from the General Fund.

City of Duluth Minnesota - 2019 Budget

Public Administration

Organization Chart

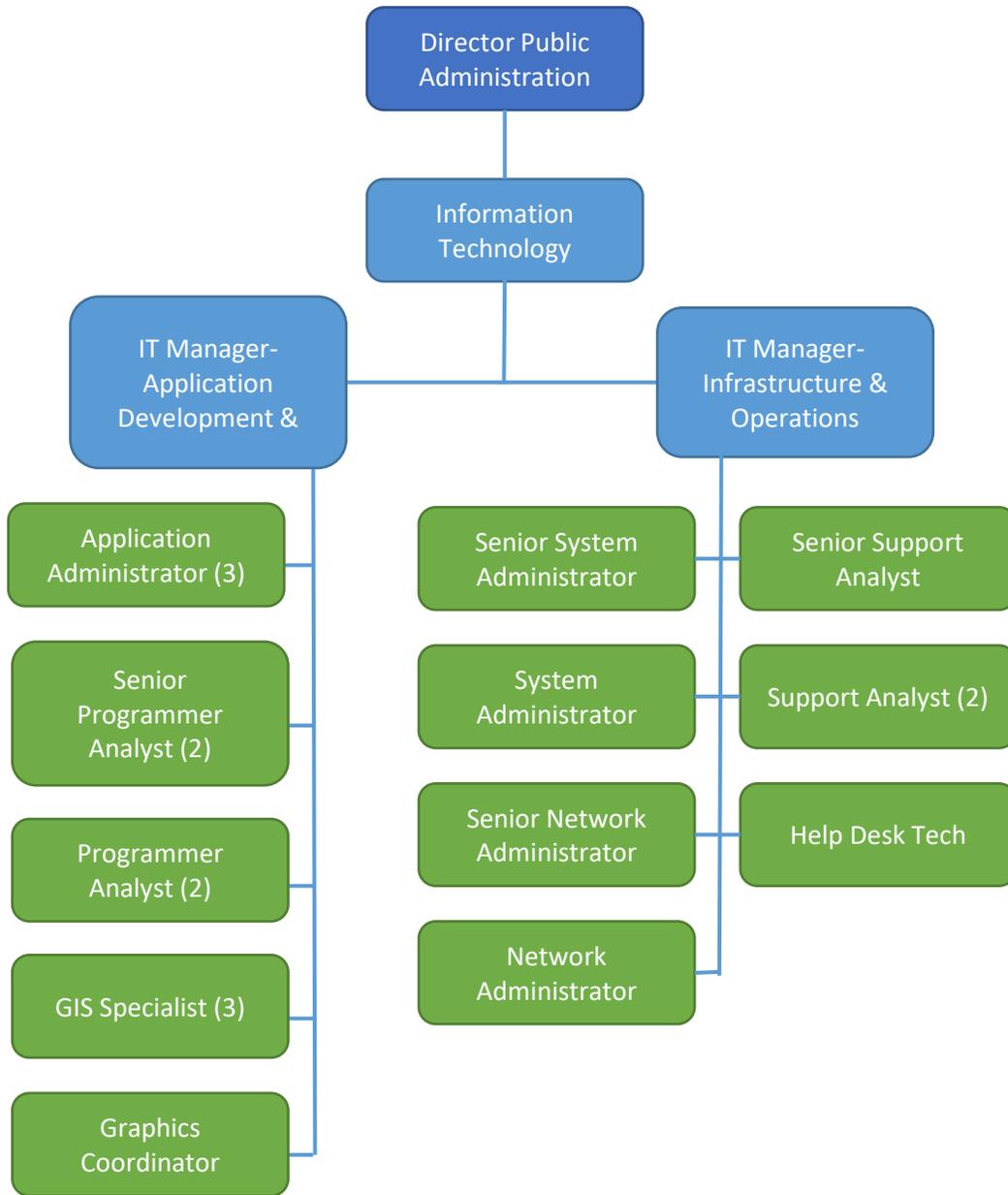


KEY
 Solid = General Fund
 Patterned = Non-General Fund

City of Duluth Minnesota - 2019 Budget

Public Administration

Organization Chart - Continued

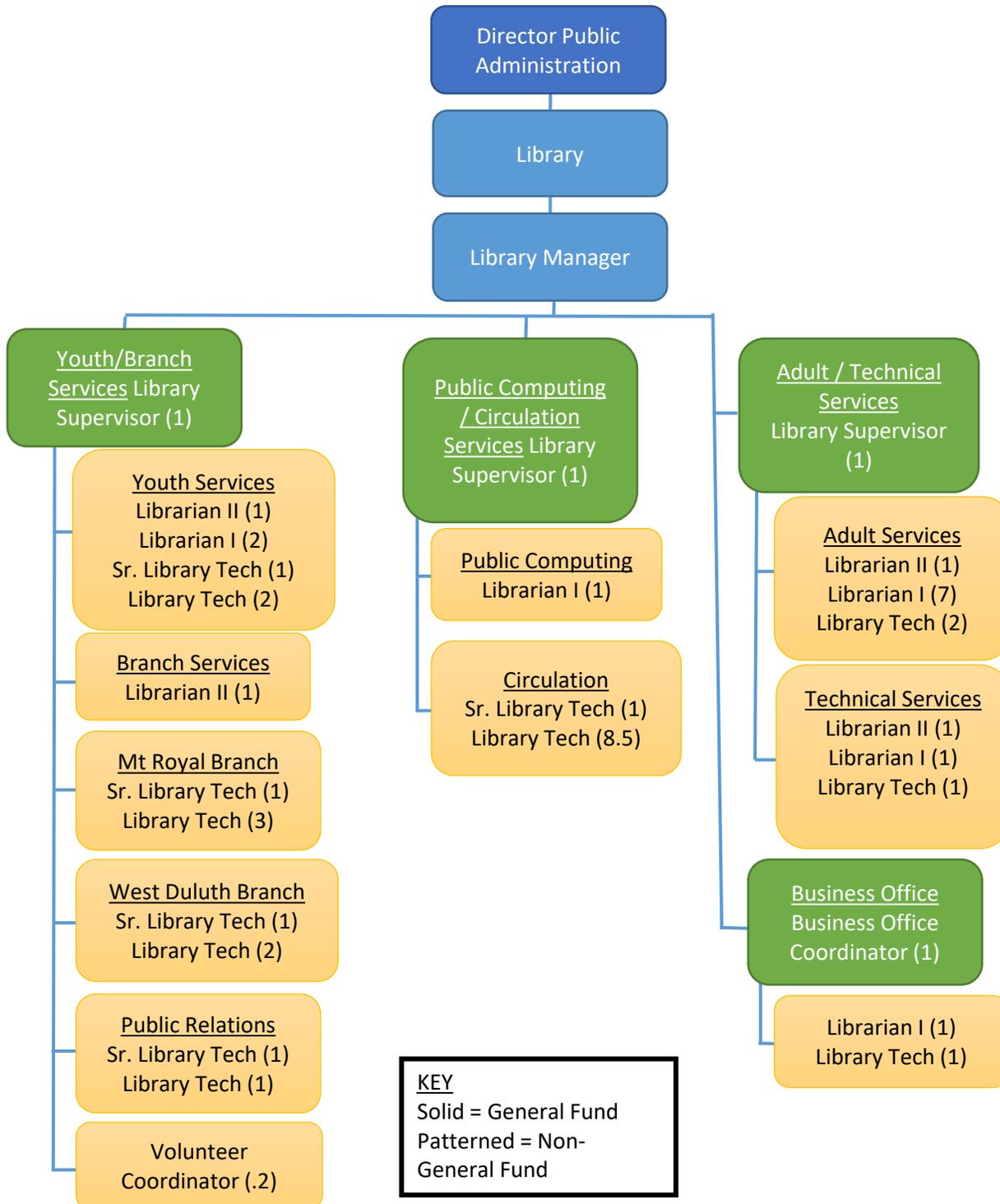


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City of Duluth Minnesota - 2019 Budget

Public Administration

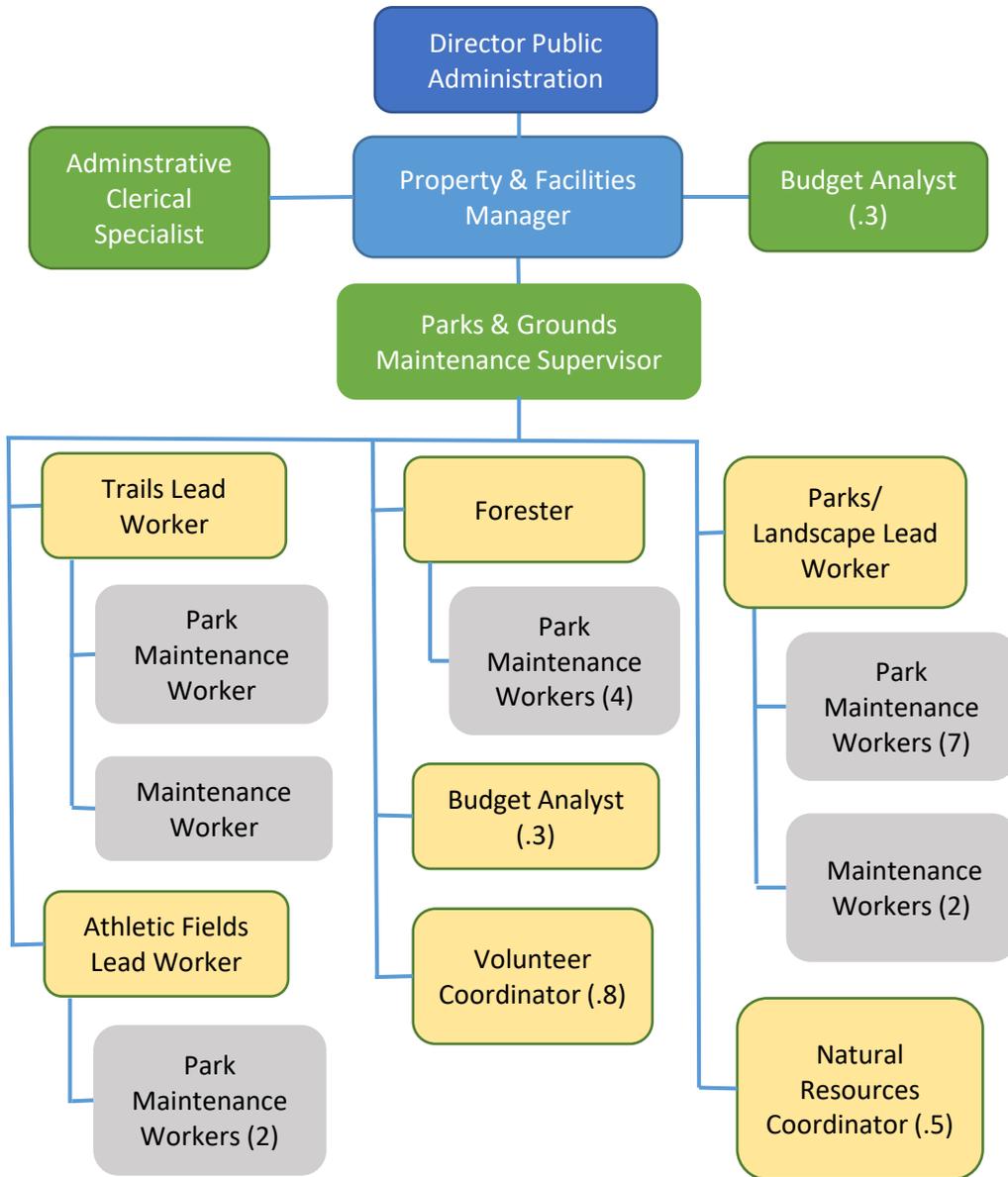
Organization Chart - Continued



City of Duluth Minnesota - 2019 Budget

Public Administration

Organization Chart - Continued

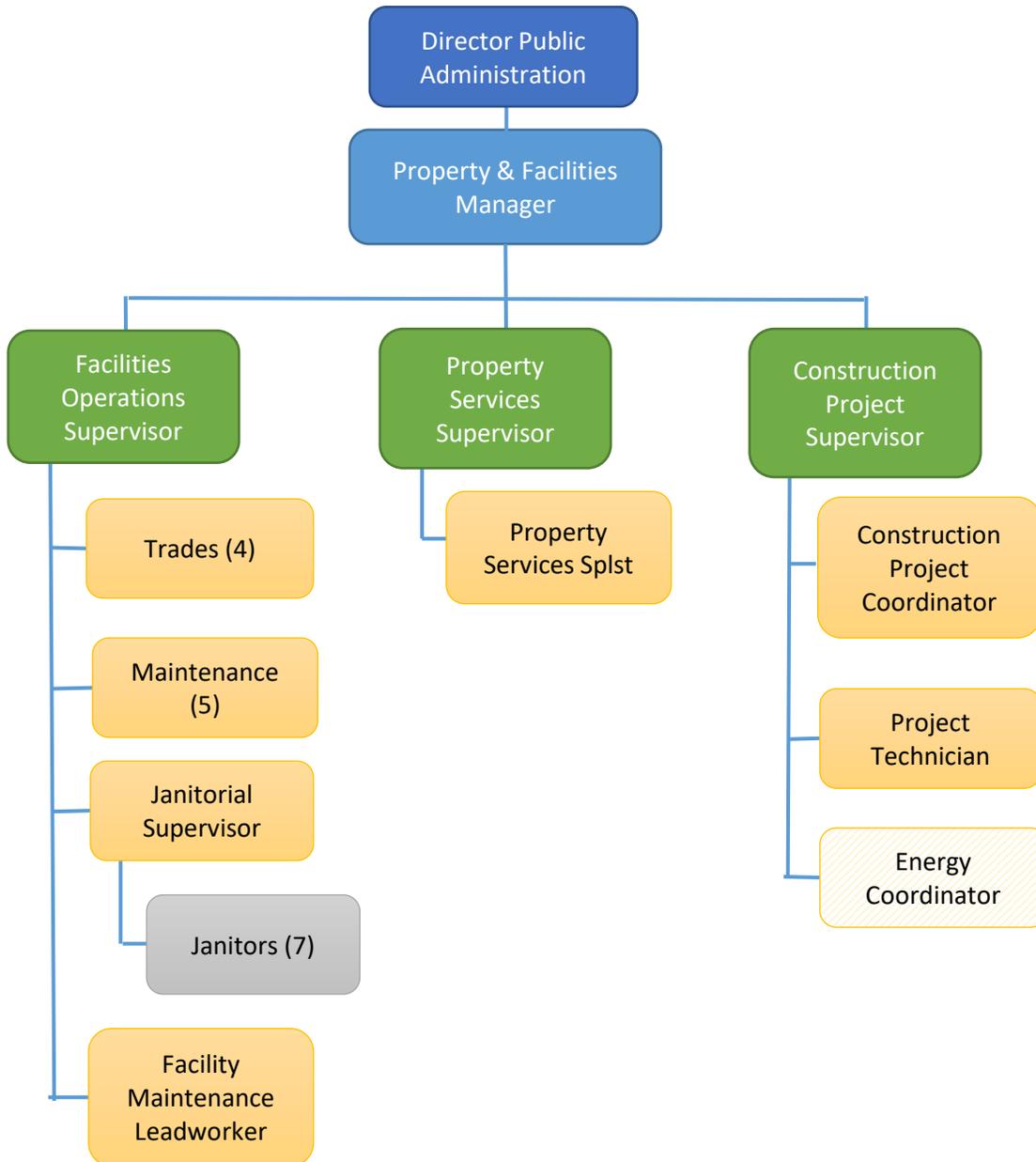


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City of Duluth Minnesota - 2019 Budget

Public Administration

Organization Chart - Continued

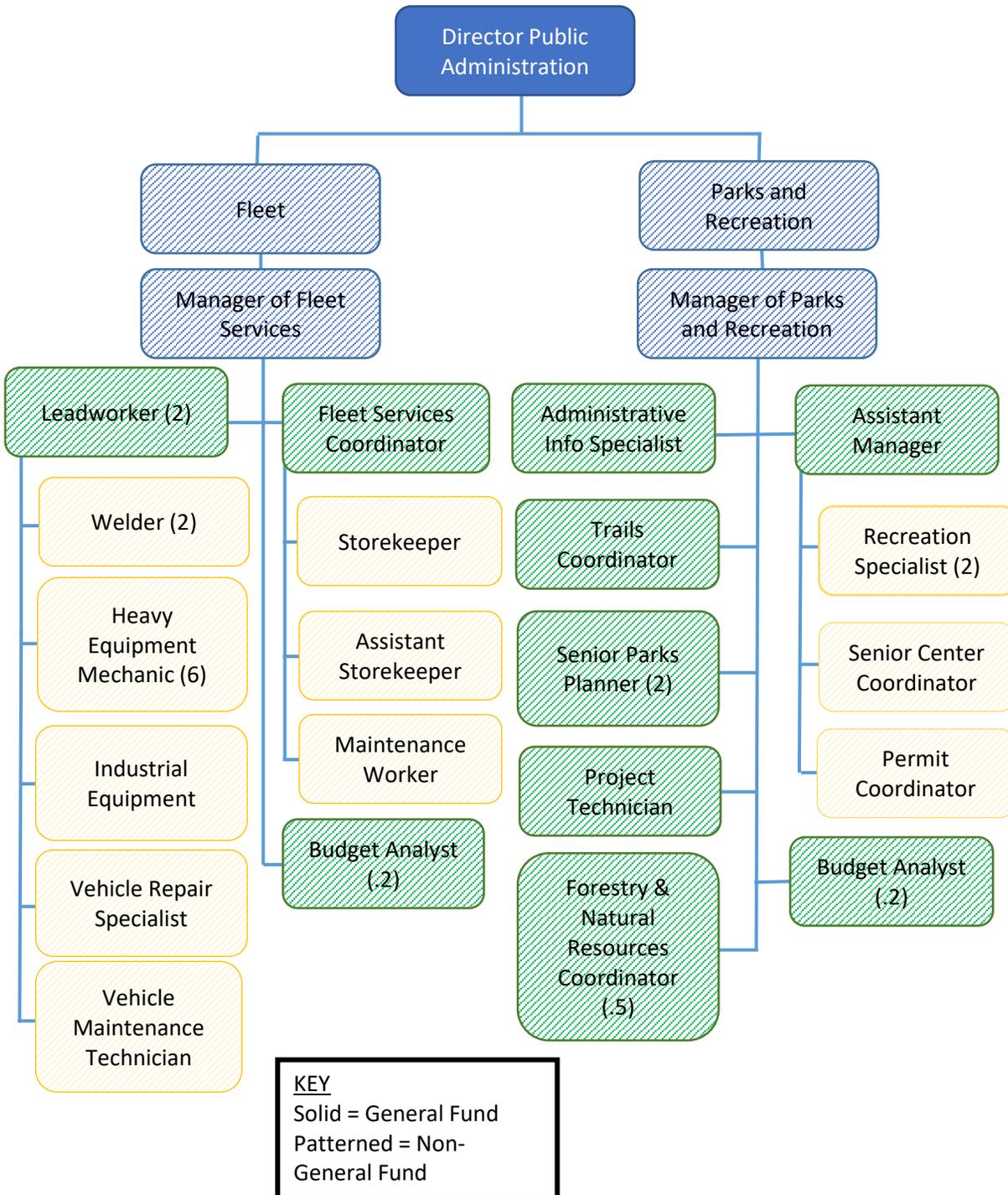


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City of Duluth Minnesota - 2019 Budget

Public Administration

Organization Chart - Continued



City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Human Resources

Program: Employee Recruitment and Hiring

Description: Establish, advise on and facilitate the recruitment process including establishing guidelines advising on recruitment strategy to attract and secure the best qualified applicants, managing requisitions (job posting, application management and tracking) as well as conducting all examinations, interviews, preemployment reference and screening checks. Develops job offers and communicates with successful and unsuccessful candidates.

Opportunity Discovered: Assist others such as Spirit Mountain with hiring processes.

Goal: Implement and expand a targeted recruitment policy

Objective: The most successful organizations are comprised of diverse employees, bringing a multitude of perspectives to the workplace. The inclusion of diverse and qualified people will strengthen the City in delivering quality services.

Strategy: Create and implement a branding strategy identifying the City of Duluth as an "employer of choice". Develop a cross-departmental internship program. Establish a multi-level onboarding process for new hires to the City of Duluth. Promote a mentor program between City employees. Develop detailed departmental workforce succession plans.

Measurements and Performance:

Completion of cross-departmental intership program model.

2017 Actual	2018 Target	2018 Actual	2019 Target 100%	2020 Target

Completion of departmental workforce succession plans.

2017 Actual	2018 Target	2018 Actual	2019 Target 50%	2020 Target 100%

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Human Resources

Program: Learning and Development

Description: Provide employee development opportunities and supervisory skill training to enhance professional growth and employee productivity. Development, delivery and administration of programs to support learning and development needs of employees for today and into the future. Includes leadership development, supervising for results, skill based training.

Opportunity Discovered: Internal training resources

Goal: Increase the existing opportunities for career advancement within the City while simultaneously exploring new methods (on-line instruction, webinars) to assist with the development of leadership skills among City employees.

Objective: Building a culture of best management practices and performance improvement requires investing in the employees. This way we ensure that the skills needed to develop leaders and organizational knowledge are available.

Strategy: Provide annual training on the hiring process and interviewing panels. Continue working on leadership competency model for all leadership positions. Continue to provide manager mentor meetings. Assist on an ongoing basis with CBA training. Design a "non-leadership" series of certification classes for employees wishing to exercise best practices in customer service/leadership.

Measurements and Performance:

of employees engaged in training opportunities.

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
NA	NA	60	150	150

Completion and roll out of leadership competency model.

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
25%	100%	90%	100%	

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Human Resources

Program: Wellness

Description: Support employees in taking positive steps to avoid disease, injury and live a lifestyle that promotes health and energy. Includes formal and informal supports through the wellness committee such as yoga at work, Diabetes Prevention Program, Health coaching and stress management and tobacco cessation. Manage the ergonomic program, the Employee Wellness program and the Employee Assistance Program.

Opportunity Discovered:

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

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

Strategy: Track wellness program activities to align programming with participants' needs and interests.

Measurements and Performance:

Increase participants in new Wellness Program

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
NA	NA	unknown	40% of Workforce	50% of workforce

Increase participation in physical preventative exams and dental exams

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
NA	NA	unknown	10% increase	10% increase

In future development of Wellbeing program, baseline data will be collected to help set stage to improve health statistics. The baseline data will be self-reported that the participants meet or do not meet an identified range of certain biomarkers. To achieve incentives, employees who do not meet the identified range of the pre-set biomarkers will be required to complete a health action plan with physician and/or demonstrate improvement.

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Human Resources

Program: Safety

Description: Safe and healthy at work through the provision of a strong health and safety management system that ensures a culture of safety and that legal requirements are met. Administers health programs such as audiometric testing and respirator fit testing. Monitors the driver, drug, and alcohol program. Investigates and reports on serious incidents. Tracks lost time and modified work. Perform safety audits/compliance reviews, conduct safety education and compliance training. Support management and employee understanding of, and responsibility for, health and safety issues and the prevention of accidents, illness and injuries. Review and improve individual, group and City compliance with the Occupational Health and Safety Act and its regulations. Provides industrial hygiene services for City.

Opportunity Discovered: Increase safety awareness

Goal: Create a "Safety Culture" mindset in the City of Duluth

Objective: It is important to provide a work environment free from hazards that can cause harm to employees. Accident prevention and efficient operations are keys to any workplace.

Strategy: Sharing the safety vision throughout the organization by defining safety responsibilities for each level of the organization and providing safety culture training for all leader positions.

Measurements and Performance: Reduced workplace injuries. Employee survey results.

Number of recordable workplace injuries.

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
41	less than 45	32	less than 45	less than 42

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives City Clerk

<p>Program: Records Management Program. Description: Implement new systems and city-wide employee training for record organization, retention and availability. Opportunity Discovered: Service level increase.</p> <p>Goal: Improve Records Management Program. Objective: Implement new systems and city-wide employee training for record organization, retention and availability. 1. Train Department Coordinators 2. Assess records management in each department. 3. Help departments set and meet implementation deadlines.</p> <p>Measurements and Performance: 100 % training and compliance over all divisions.</p>				
2017 Actual 40%	2018 Target 75%	2018 Actual 75%	2019 Target 100%	2020 Target Completed

<p>Program: Boards & Commissions Administration Description: Provide training and support for the public, Board and Commission members and internal staff administrators. Opportunity Discovered: Service level increase.</p> <p>Goal: Improve recruitment, training and support for Boards and Commissions. Objective: Improve recruitment, training and provide additional support tools for Board and Commission members and for internal administrators supporting Boards and Commissions.</p> <p>Strategy: 1. Conduct internal training and develop toolkits for staff administrators. 2. Develop and offer a training program for seated Board and Commission members. 3. Conduct external training and engagement programs for the public in regard to current Boards and Commissions.</p> <p>Measurements and Performance: 1. 100% of internal staffers trained. 2. Percentage of Boards and Commissions receiving training. 3. Increased number of applications received for Board and Commission vacancies. 4. Conducted two or more community outreach sessions.</p>				
2017 Actual 0%	2018 Target 0%	2018 Actual 0%	2019 Target 75%	2020 Target Completed

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives City Clerk

<p>Program: Licensing and Permitting</p> <p>Description: Improve public service level for licensing and permitting. Opportunity Discovered: Service level increase.</p> <p>Goal: Improve public service level for licensing and permitting. Objective: Improve public service level for licensing and permitting through streamlined administration and improved technology.</p> <p>Strategy:</p> <ol style="list-style-type: none"> 1. Conduct review of Code and Statutory requirements for alcohol licensing. 2. Implement new software for managing licenses and permits. 3. Increase staff training and streamline internal processes. <p>Measurements and Performance:</p>				
2017 Actual 0%	2018 Target 0%	2018 Actual 20%	2019 Target 50%	2020 Target 75%

<p>Program: Earned Sick and Safe Time</p> <p>Description: Implement Earned Sick and Safe Time Program Opportunity Discovered: Service level increase.</p> <p>Goal: Implement Earned Sick and Safe Time Program.</p> <p>Objective: Implement Earned Sick and Safe Time Program including community outreach and engagement and internal program for compliance and enforcement prior to January 1, 2020.</p> <p>Strategy:</p> <ol style="list-style-type: none"> 1. Onboard Code Compliance Officer. 2. Implement Community Engagement and Outreach Program in 3Q of 2019. 3. Develop and implement internal compliance and enforcement program prior to January 1, 2020 <p>Measurements and Performance:</p>				
2017 Actual 0%	2018 Target 30%	2018 Actual 30%	2019 Target 90%	2020 Target Completed

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Facilities

Program: Property and real estate service.

Description: Provides comprehensive property services to all City departments.

Opportunity Discovered: Establish a high-performance property management service for internal and external customers.

Goal: Provide the highest level of property services possible with available staff.

Objective: Improve property services as an internal City service.

Strategy: 1. Standardize property and real estate functions relating to the sale, purchase, leasing, and management of City property. 2. Develop a system to track, organize and prioritize Property Services requests and duties to meet overall City objectives for its real estate portfolio. 3. Seek out software tools, contracted services and interdepartmental collaboration opportunities to manage an extremely overwhelming workload for the two FTEs that currently staff the Property Services office.

Measurements and Performance:

Feedback from internal customers and manageable work load.

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
		Develop transactional real estate goals and priorities.	Transactional real estate operations function according to goals and priorities.	Transactional real estate operations function according to goals and priorities.

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Facilities

<p>Program: Reduce environmental harms associated with City operations. Description: City Energy and Green House Gas (GHG) Emission Reduction Program Opportunity Discovered: Save money and the planet. Goal: Save money and the planet. Objective: Save money and the planet. Strategy: 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. Measurements and Performance: 1. Completion and approval of Energy Plan to guide energy policy for the next 30-years.</p>				
2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
City adopted an Energy plan to reduce GHG by 80% by 2050 - 15% reduction from Community Solar and Steam Plant efforts	3-5% reduction in GHG through implementation of projects	Plan complete.	N/A	N/A
2. Develop capital plans and projects that reduce carbon emissions.				
2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
15% reduction	Projects reduce emissions from City operations by 3.5%	Installed LED lighting and invested in community solar garden resulting in an estimated 3% reduction in emissions.	Projects reduce emissions from City operations by 3.5%	Projects reduce emissions from City operations by 3.5%
3. Develop citywide operational policies and practices necessary to reduce emissions.				
2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
Plan approved, policies in development for 2018.	Implement plan in 2018.	Policy development delayed until 2019.	Develop operational policies and practice goals.	Increase departmental participation by 25%.
4. Leverage the Climate Smart exchange program with UM and Germany to reduce City emissions.				
2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
German intern developed and presented plan to optimize the resiliency of the Lakewood Water pumping facility.	Second German intern to spend 10 weeks working on a City project in 2018.	Second German intern performed feasibility study for CHP, biomass, and traditional heating system for Firehall 10.	Third German intern to spend 10 weeks working on a City project in 2019. Implement Lakewood Water pumping facility resiliency plan.	Implement parallel Duluth/Germany energy projects using same approach and metrics.

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Facilities

Program: Develop and adequately fund a financially sustainable, comprehensive long-range facility plan.

Description: City buildings are rapidly deteriorating and a long-term capital plan for facilities is necessary to meet long-term City operational needs.

Opportunity Discovered: Administrative support for a long-term strategic capital plan.

Goal: Produce a capital plan that will be sufficiently funded and followed over the next few decades.

Objective: Develop a pragmatic plan.

Strategy: 1. Engage an internal stakeholder group to assess facility capital needs and resources and develop a set of high-level strategies for meeting the organization's long-term capital needs.

Measurements and Performance:

Plan is developed and funding strategies determined to support implementation.

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
Postponed to 2018	Convene working group to develop high-level strategies for meeting facility capital needs. Present strategies at year-end.	Postponed to 2019	Develop, present, and adopt a completed 30-year strategic facility plan for the organization	Implement funding of long-range strategic facility plan by integrating with the CIP and special bonding plans

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Fleet Services

<p>Program: GPS Administrator</p> <p>Description: Develop ability for outside departments to better utilize the GPS tracking system for dispatching, scheduling and loss mitigation.</p> <p>Opportunity Discovered: Ability to gain better value for the expenditure of City funds.</p> <p>Goal: Organization of training for departmental "super users". Support of the daily use of the GPS system for dispatching, scheduling and loss mitigation.</p> <p>Objective: Free up time spent by Fleet employees performing tracking, maintenance, and loss mitigation.</p> <p>Strategy: Work with the service provider to schedule and develop user training and roll out training to selected department users.</p> <p>Measurements and Performance: Number of users trained and reduction in overall Fleet time spent.</p>				
2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
Fleet provides vast majority of GPS system support.	Clean up data including removal of inactive units and department separation. Move to new Website.	Departments separated. Inactive units removed. Data cleaned. Partially moved to new Website.	Work with service provider to arrange new Website training. Train and support new users on new site.	Maintain training and peripherally support department users.

<p>Program: Vehicle Pickup and Delivery</p> <p>Description: Encourage customers to be responsible for transport of their own vehicles and equipment to Fleet for service and repair.</p> <p>Opportunity Discovered: Reducing the amount of time our technicians spend shuttling vehicles will increase productivity and reduce downtime.</p> <p>Goal: Fully implement plan to eliminate Fleet responsibility to pick up and deliver vehicles and equipment through scheduling and cooperation and possibly eventually a combined Facility.</p> <p>Objective: Eliminate time and expense spent shuttling vehicles and equipment for maintenance and repair.</p> <p>Strategy: Slowly adjust expectations and develop better scheduling with our customers to facilitate customer pickup and delivery. Support need for combined Facility.</p> <p>Measurements and Performance: Percentage of overall billable time spent on pick up and delivery.</p>				
2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
Status Quo	Create KPIs to track connected productivity, downtime, and p/u & delivery opportunities.	Finetune KPIs and continue to track and compile information to start changing the behavior.	Reduce p/u & delivery based on and supported by compiled information.	Eliminate Fleet based p/u and delivery.

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Fleet Services

Program: Vehicle Registration and Licensing

Description: Maintaining, obtaining & distributing registration tabs on all City vehicles & trailers.

Opportunity Discovered: Different approaches to obtaining and distributing vehicle registration.

Goal: Drastically reduce the labor time involved with the bi-annual renewal of tab/registration

Objective: To redesign the massively labor intensive bi-annual tab/registration renewal process.

Strategy: Work with the State and the local DMV along with Fleet staff to explore alternatives to the current system.

Measurements and Performance: Lower overall labor cost for the tab renewal process.

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
Status Quo	Examine our current tab/registration renewal process and explore viable options.	Spoke with Local DMV and discussed alternatives to current system	Continue discussions on the "off year" develop a plan fo the next year	Implement new program for current year renewal process.

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Fleet Services

Program: Fleet Facility reorganization
Description: Based on assessments from Facilities and our staff develop plans for better utilization of our Fleet facility.
Opportunity Discovered: Better use of the facility as a whole can increase overall productivity.
Goal: Assess and improve functionality of Fleet building and grounds.
Objective: Plan changes to the layout of the Fleet facility based on current needs.
Strategy: 1. Identify and prioritize facility needs on the repair floor and in the parts department. 2. Develop and implement action plan in partnership with Property and Facilities Management.
Measurements and Performance: Level of completion of facility reconfiguration.

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
Complete assessment	Parts department assessment complete. Parts to move downstairs. Plan to move breakroom upstairs.	Began moving parts department downstairs. Continued planning for breakroom remodel in old parts department.	Complete parts department move. Complete plan and implement move of breakroom and lockerroom upstairs. Along with fitness center.	Plan and implement reconfiguration of shop floor based on earlier assesment.

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Fleet Services

Program: Full Fleet Information Management System (FIMS) Implementation
Description: Partner with IT and Collective Data to get the most from our FIMS. Including inventory, productivity, and Capital purchasing.
Opportunity Discovered: Better use of time and assets based on underutilized portions of the FIMS.

Goal: Fully implement all aspects of the new Fleet Information Management System (FIMS).

Objective: Use FIMS to improve inventory management, workflow, and capital replacement.

Strategy: 1. Reduce inventory by using sales records, stocking guides, and obsolescence reporting.
 2. Reduce downtime by using time tracking and repair history tracking to manage work flow.
 3. Use asset life cycle reporting to develop evidence based vehicle replacement plans.

Measurements and Performance:

Reduce overall inventory.

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
Baseline established	Reduce inventory by 1-10%	Reduced inventory by 10% Used FIMS to better inform customers on Capital purchasing.	Reduce inventory by 10% + Establish KPIs to track downtime. Expand role of Fleet in Capital process.	Maintain healthy inventory levels. Work hand in hand with customers to support overall Fleet health and Capital purchasing.

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Information Technology

Program: Technology Security

Description: Technology security including filtering, encryption, auditing, monitoring and compliance

Opportunity Discovered: Reduce expenses

Goal: Eliminate necessity for Security Administrator position

Objective: Reallocate Security Administrator responsibilities

Strategy: 1. Transfer Electronics Technicians positions from Police into IT
2. Crosstrain Electronics Technicians with IT responsibilities
3. Absorb Security Administrator responsibilities into technology positions

Measurements and Performance:

Transfer Electronics Technicians into IT and determine work environment

2019 Target 100%	2019 Actual			
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Successfully cross train Electronics Technicians taking on IT technician responsibilities

2019 Target 25%	2019 Actual	2020 Target 25%	2021 Target 50%	
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Transfer Electronics Technicians into IT and determine work environment

2019 Target 25%	2019 Actual	2020 Target 25%	2021 Target 50%	
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City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Information Technology

Program: Physical Security Systems Management				
Description: Cameras and card access				
Opportunity Discovered: Reduce expenses and increase service level				
Goal: Maintain enterprise level camera system internally				
Objective: Eliminate 3rd party recurring maintenance expenses while improving infrastructure and service				
Strategy: 1. Replace and upgrade backend infrastructure 2. Update camera needs assessment and replacement plan 3. Implementation of camera replacement plan				
Measurements and Performance:				
Complete necessary backend infrastructure replacements and upgrades				
2019 Target 75%	2019 Actual	2020 Target 100%		
Perform citywide camera needs assessment and replacement prioritization				
2019 Target 100%	2019 Actual	2020 Target 100%		
Complete camera replacements per plan				
2019 Target 5%	2019 Actual	2020 Target 25%	2021 Target 45%	2022 Target 65%

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Information Technology

Program: IT Application Support and Finance Software Maintenance				
Description: Business application support and maintenance				
Opportunity Discovered: Reduce expenses and staff time supporting multiple systems				
Goal: Consolidate duplicative timekeeping applications				
Objective: Enhance internally developed timekeeping application to support enterprise needs within the organization				
Strategy: 1. Develop project scope and implementation phases (Police, Fire and General City)				
2. Develop and implement phase 1				
3. Develop and implement phase 2				
4. Develop and implement phase 3				
Measurements and Performance:				
Develop project scope and implementation phases (Police, Fire and General City)				
2019 Target 100%	2019 Actual			
Develop and implement phase 1				
2019 Target 100%	2019 Actual			
Develop and implement phase 2				
2019 Target 50%	2019 Actual	2020 Target 100%		
Develop and implement phase 3				
2019 Target 0%	2019 Actual	2020 Target 100%		

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Information Technology

Goal: Improve efficiency and effectiveness of IT services.

Objective: Implement new and improved IT systems for managing IT services.

Strategy: 1. Implement IT project management framework.

2. Expand scope of IT change management system for all enterprise systems.

3. Implement online support ticketing.

Measurements and Performance:

Adherence to established project plan timelines

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
50%	70%	70%	80%	90%

Change management documentation in place for all enterprise systems

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
90%	100%	100%	100%	100%

Reduce manual entry of support tickets

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
35% Email, 65% Phone, 0% Online	0% Email, 30% Phone, 70% Online	35% Email, 65% Phone, 0% Online	35% Email, 65% Phone, 0% Online	30% Email, 20% Phone, 50% Online

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Information Technology

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				
2017 Target 100%	2017 Actual 100%	2018 Target 100%	2018 Actual 100%	2019 Target 100%
Reduction in simulated phishing failures				
2017 Target 10%	2017 Actual 9%	2018 Target 5%	2018 Actual 3.80%	2019 Target 3.80%
Ensure 100% adherence to training requirements				
2017 Target 100%	2017 Actual 87%	2018 Target 100%	2018 Actual 90%	2019 Target 100%

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Library Services

Program: Collection Development - Early Childhood				
Description: Develop library collections for ages birth to kindergarten				
Opportunity Discovered: Increase service level				
Goal: Improve school readiness of Duluth's children by providing a variety of library materials to engage and educate young children and their caregivers				
Objective: Enhance early childhood collections at all three library locations				
Strategy: Invest in current early childhood collections and add new collections to meet community needs, resulting in more checkouts of juvenile materials				
Measurements and Performance: Number of juvenile items checked out at all three libraries				
2017 Actual 361,184	2018 Target 365,000	2018 Actual 351,521	2019 Target 365,000	2020 Target 370,000

Program: Programs - Early Childhood				
Description: Public events, passive programs and outreach aimed at increasing the school readiness of Duluth's children				
Opportunity Discovered: Increase service level				
Goal: Provide more programs for children birth to kindergarten and their caregivers				
Objective: Dedicate more staff time and resources to early childhood programs and outreach				
Strategy: When a staff retirement occurs, shift position from adult services to youth; work with Duluth Library Foundation to raise money to support additional programs				
Measurements and Performance: Number of programs and participants				
2017 Actual 374 programs, 18,291 attendance	2018 Target 400 programs, 20,000 attendance	2018 Actual 430 programs, 18,517 attendance	2019 Target 440 programs, 20,000 attendance	2020 Target 450 programs, 25,000 attendance

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Library Services

<p>Program: Circulation Direct Services</p> <p>Description: Checkouts, check-ins, collecting fines, holds management, creating patron accounts</p> <p>Opportunity Discovered: Decrease service level</p> <p>Goal: Spend less time on circulation transactions and more time on early literacy work</p> <p>Objective: Make it easy for library patrons to do more of these transactions themselves</p> <p>Strategy: Install new PC management and credit card software</p> <p>Measurements and Performance: Percentage of self-checkout transactions</p>				
2017 Actual 39.55%	2018 Target 45%	2018 Actual 40.08%	2019 Target 50%	2020 Target 55%

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Park Maintenance

<p>Program: Snow Removal – Sidewalks</p> <p>Description: Snow removal on sidewalks based on snow removal tier system on Parks website. Opportunity Discovered: Realign mapping, collaborating with Street Maintenance to improve efficiencies, improving staffing assignments and priorities, and improving capital equipment to support snow removal activities to better service citizens.</p> <p>Goal: Efficient and effective sidewalk snow removal.</p> <p>Objective: To improve opportunities for mobility via sidewalks.</p> <p>Strategy: 1. Update mapping and snow removal priorities. 2. Collaborate with Street Maintenance to improve efficiencies. 3. Reexamine staff assignments and priorities. 4. Acquire and utilize proper capital equipment to support sidewalk snow removal.</p> <p>Measurements and Performance: Higher level of service and completion within 48 hours of a snow event and increased citizen satisfaction.</p>				
2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
Recognition of need to improve system and service.	Acquire additional capital equipment and revise service plan.	Established internal snow removal task force and secured CEP funding for additional capital equipment.	Fully implement revised service plan and utilize new snow removal equipment at capacity to support new plan.	Fully operational and monitoring performance.

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Park Maintenance

Program: Maintenance Planning

Description: Quantify and define Park Maintenance activities and service levels.

Opportunity Discovered: Improve communication with policy makers and the public. Establish practical standards of maintenance for current staffing and funding levels.

Goal: Develop comprehensive maintenance and operations standards manual.

Objective: Effective management of resources.

Strategy: 1. Define maintenance tier system for all park assets. 2. Determine available service level for all park assets. 3. Develop and communicate a maintenance and standards operations manual.

Measurements and Performance:

1. Completed standards and operations manual.

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
Began work on this effort.	Finish parks tier system.	Tier system complete.	Complete manual.	Utilize manual as tool for communicating with policy makers and the public.

Program: Park Ranger Program

Description: Provide support and enforcement of City park-related ordinances.

Opportunity Discovered: Prevent financial loss from vandalism and improve park experience for all

Goal: Develop a robust and sustainable year-round Park Ranger program.

Objective: Work with Duluth Police Department to establish the funding and operational procedures necessary to support the program.

Strategy: 1. Park Maintenance provides support vehicles and equipment. 2. Park Maintenance funds seasonal Park Ranger positions. 3. Continued collaboration with the Duluth Police Department on the expansion of the program.

Measurements and Performance:

1. Decreased graffiti and vandalism in parks.

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
Park vandalism problems reached critical levels.	Collaborate with DPD to explore ways to expand Park Ranger program.	Added funding and staffing to expand Park Ranger program.	Add additional staffing and monitor program success.	Add full-time FTE dedicated to Park Ranger program.

City of Duluth Minnesota - 2019 Budget

Public Administration Department - Goals and Objectives Parks and Recreation

<p>Program: Programming Description: Increase service level and implement a cost recovery strategy through additional recreation programming. Opportunity Discovered: Increase service level</p> <p>Goal: Develop and implement plan for City provision of recreational services Objective: Identify community recreation needs and assess capacity of the City to meet those needs.</p> <p>Strategy: 1. Quantify the City's current and potential capacity to deliver recreational services. 2. Quantify existing external offerings. 3. Assess need within community and determine service gaps.</p> <p>Measurements and Performance: % Identification of existing offerings against community need</p>				
2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
0	75%	25%	60%	100%

<p>Program: Infrastructure Description: Address deferred maintenance and increased recreation offerings from Lincoln Park to Fond Du Lac neighborhoods. Support the goals of ecological restoration, tourism and economy and resident quality of life. Opportunity Discovered: Increase service level</p> <p>Goal: Establish the St. Louis River Corridor as an outdoor recreation hub for residents and visitors.</p> <p>Objective: Complete high quality park and trail construction projects at a sustainable pace. Strategy: 1. Meet or make progress toward individual project fundraising goals. 2. Design, bid, and successfully oversee projects that are ready for construction. 3. Prepare other projects for construction in future years.</p> <p>Measurements and Performance: % of project funded and completed</p>				
2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
20%	30%	40%	60%	80%

City of Duluth Minnesota - 2019 Budget

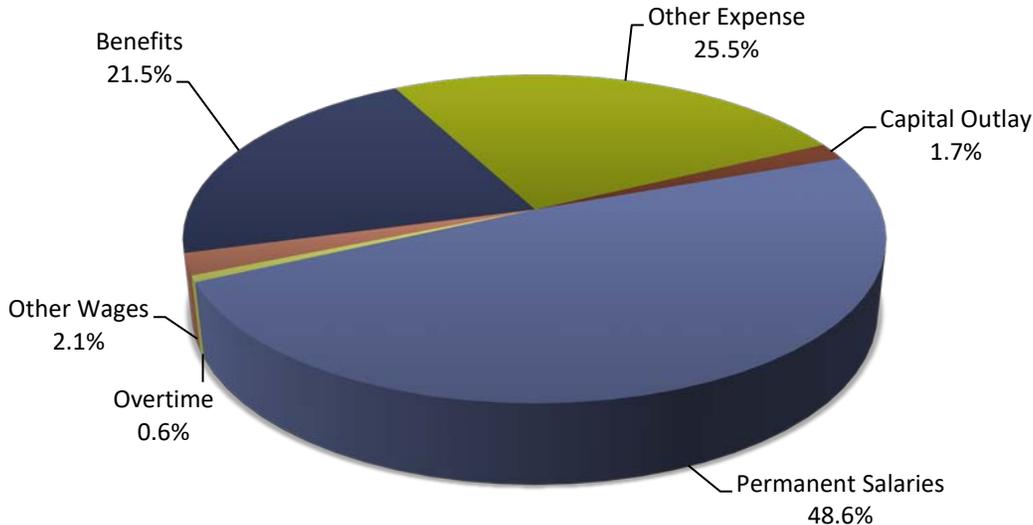
Public Administration Department - Goals and Objectives Parks and Recreation

<p>Program: Infrastructure</p> <p>Description: Gain a greater understanding of short term and long term maintenance cost of parks infrastructure. Including buildings, playgrounds, etc.</p> <p>Opportunity Discovered:</p> <p>Goal: Develop and adequately fund a financially sustainable, comprehensive long-range park and trail facility maintenance plan.</p> <p>Objective: Collect and analyze the park and trail facility inventory and assessment data that is necessary for a comprehensive long term facility plan.</p> <p>Strategy: 1. Inventory park and trail assets in tier 1 and tier 2 parks. 2. Assess condition, deferred maintenance costs, lifespan, and Current Replacement Value (CRV). 3. Develop Asset Priority Index (API) and apply to asset inventory.</p> <p>Measurements and Performance: % assessed</p>				
2017 Actual 10%	2018 Target 50%	2018 Actual 15%	2019 Target 30%	2020 Target 40%

<p>Program: Natural Resources Management</p> <p>Description: Increase service level and implement a cost recovery strategy through additional recreation programming</p> <p>Opportunity Discovered: Increase service level</p> <p>Goal: Establish goals, policies and procedures to protect and manage Duluth's natural resources.</p> <p>Objective: Identify natural resource value of open spaces (city, park, and county land) within the city boundary)</p> <p>Strategy: 1. Increase staff capacity to manage natural resources. 2. Develop and implement a natural resource management plan. 3. Identify sites for Duluth Natural Area Program (DNAP) designation</p> <p>Measurements and Performance: % Marketing plan developed % of lands assessed</p>				
2017 Actual 0	2018 Target 10%	2018 Actual 20%	2019 Target 40%	2020 Target 60%

City of Duluth Minnesota - 2019 Budget

Public Administration Department 2019 Approved Budget by Expense Category



Expenditures by Category	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Permanent Salaries	7,718,808	7,830,907	8,152,000	8,802,000	650,000
Overtime	122,850	88,883	86,800	111,800	25,000
Other Wages	300,530	274,461	384,000	384,000	-
Total Personal Services	8,142,188	8,194,251	8,622,800	9,297,800	675,000
Benefits	3,083,231	3,248,688	3,863,700	3,888,300	24,600
Other Expense	4,768,849	4,258,538	4,256,900	4,616,500	359,600
Capital Outlay	306,502	306,392	346,500	306,500	(40,000)
Department Total	16,300,771	16,007,869	17,089,900	18,109,100	1,019,200

Expenditures by Division	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Human Resources	1,085,179	1,088,585	1,143,500	1,214,700	71,200
Information Technology	2,726,885	2,841,984	3,192,900	3,289,700	96,800
City Clerk	905,878	834,694	809,400	891,200	81,800
Park Maintenance	3,461,830	2,911,874	3,090,400	3,345,900	255,500
Library Services	4,103,255	4,285,645	4,599,600	4,723,800	124,200
Facilities Management	4,017,744	4,045,087	4,254,100	4,643,800	389,700
Department Total	16,300,771	16,007,869	17,089,900	18,109,100	1,019,200

Budgeted FTE's	2016	2017	2018	2019	Difference
	136.15	136.35	132.10	135.25	3.15

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	Difference
1130 Mgr, Human Resources	1.00	1.00	1.00	1.00	-
Res EEO Compliance Officer	1.00	-	-	-	-
1100 HR Supervisor	-	-	1.00	1.00	-
127 HR Assistant	1.00	1.00	1.00	1.00	-
10A Employee Benefit Admin	1.00	1.00	-	-	-
10 HR Generalist	3.00	3.00	2.00	2.00	-
10 Employee Benefits Rep	1.00	1.00	1.00	1.00	-
9 HR Technician	3.00	2.00	2.00	2.00	-
10 HRIS Analyst	-	1.00	1.00	1.00	-
7 Wellness Coordinator	0.75	1.00	1.00	1.00	-
32 Org Development Coor	-	-	0.50	0.65	0.15
Division Total	11.75	11.00	10.50	10.65	0.15

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	713,970	733,757	721,300	781,800	60,500
Overtime	2,143	3,542	-	-	-
Other Wages	7,043	6,077	10,000	10,000	-
Total Salaries	723,156	743,375	731,300	791,800	60,500
Benefits	302,954	295,264	337,700	348,400	10,700
Other Expense					
Materials & Supplies	4,835	3,207	7,500	7,500	-
Services	29,477	27,668	43,500	42,500	(1,000)
Utilities & Maintenance	17,316	14,841	16,000	17,000	1,000
Other	7,441	4,229	7,500	7,500	-
Total Other Expense	59,070	49,945	74,500	74,500	-
Division Total	1,085,179	1,088,585	1,143,500	1,214,700	71,200

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Human Resources - 110-121-1106				
PERSONAL SERVICES				
5100 Permanent Salaries	713,970	733,757	721,300	781,800
5101 Premium Pay	2,143	3,542	-	-
5103 Other Wages	7,043	6,077	10,000	10,000
TOTAL	723,156	743,375	731,300	791,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	51,040	54,352	54,100	57,500
5122 FICA - Social Security	43,332	44,421	45,300	49,100
5123 FICA - Medicare	10,134	10,389	10,600	11,500
5125 Dental Insurance	4,185	4,092	3,900	4,000
5126 Life Insurance	1,823	1,782	1,900	1,900
5127 Health Care Savings Plan (HCSP)	34,552	9,172	32,100	34,300
5130 Cafeteria Plan Benefits	155,423	168,391	186,800	187,100
5133 Health or Fitness Program	2,465	2,666	3,000	3,000
TOTAL	302,954	295,264	337,700	348,400
OTHER EXPENDITURES				
5200 Office Supplies	4,476	1,652	3,500	3,500
5201 Computer Supplies/Software	-	227	500	500
5219 Other Miscellaneous Supplies	359	1,328	3,500	3,500
5319 Other Professional Services	13,106	7,694	13,000	13,000
5321 Phone Service	1,345	1,190	1,500	1,500
5331 Travel/Training	14,108	17,817	17,000	18,000
5355 Printing & Copying	213	402	8,000	6,000
5356 Copier, Printer Lease & Supplies	706	565	4,000	4,000
5404 Equipment/Machinery Repair & Mtc	2,475	-	1,000	1,000
5414 Software Licenses & Mtce Agreements	14,841	14,841	15,000	16,000
5433 Dues & Subscription	1,694	1,288	1,750	1,750
5435 Books & Pamphlets	536	523	750	750
5441 Other Services & Charges	5,211	2,418	5,000	5,000
TOTAL	59,070	49,945	74,500	74,500
DIVISION TOTAL	1,085,179	1,088,585	1,143,500	1,214,700

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	Difference
1135 Mgr, Appl Dev/Desktop	1.00	1.00	1.00	1.00	-
1130 Manager, IT	1.00	1.00	1.00	1.00	-
137 Security Administrator	1.00	1.00	1.00	-	(1.00)
140 Sr Systems Administrator	1.00	1.00	1.00	1.00	-
140 Sr Network Administrator	1.00	1.00	1.00	1.00	-
142 Sr Programmer Analyst	2.00	2.00	2.00	2.00	-
137 Various Administrators	5.00	5.00	5.00	5.00	-
133 Programmer Analyst	2.00	2.00	2.00	2.00	-
131 Graphics Coordinator	1.00	1.00	1.00	1.00	-
136 GIS Specialist	2.00	3.00	3.00	3.00	-
134 Sr Support Analyst	1.00	1.00	1.00	1.00	-
131 Support Analyst	2.00	2.00	2.00	2.00	-
129 Help Desk Technician	1.00	1.00	1.00	1.00	-
Division Total	21.00	22.00	22.00	21.00	(1.00)

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	1,383,253	1,489,936	1,632,200	1,648,800	16,600
Overtime	6,868	7,449	10,000	10,000	-
Other Wages	11,956	3,000	-	-	-
Total Salaries	1,402,077	1,500,386	1,642,200	1,658,800	16,600
Benefits	516,229	556,626	684,500	695,800	11,300
Other Expense					
Materials & Supplies	36,330	22,235	28,900	28,900	-
Services	193,942	194,463	215,800	222,000	6,200
Utilities & Maintenance	567,971	555,504	621,500	684,200	62,700
Other	10,335	12,770	-	-	-
Total Other Expense	808,578	784,972	866,200	935,100	68,900
Division Total	2,726,885	2,841,984	3,192,900	3,289,700	96,800

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail		2016 Actual	2017 Actual	2018 Budget	2019 Approved
Information Technology - 110-121-1107					
PERSONAL SERVICES					
5100	Permanent Salaries	1,383,253	1,489,936	1,632,200	1,648,800
5101	Premium Pay	6,868	7,449	10,000	10,000
5103	Other Wages	11,956	3,000	-	-
	TOTAL	1,402,077	1,500,386	1,642,200	1,658,800
EMPLOYEE BENEFITS					
5121	PERA Retirement	100,011	109,471	123,200	122,900
5122	FICA - Social Security	85,025	90,578	101,800	102,800
5123	FICA - Medicare	19,885	21,184	23,800	24,100
5125	Dental Insurance	7,232	7,502	8,000	7,800
5126	Life Insurance	3,153	3,267	3,900	3,800
5127	Health Care Savings Plan (HCSP)	40,877	25,188	31,500	33,400
5130	Cafeteria Plan Benefits	259,626	298,778	392,300	401,000
5133	Health or Fitness Program	420	660	-	-
	TOTAL	516,229	556,626	684,500	695,800
OTHER EXPENDITURES					
5200	Office Supplies	2,658	1,389	2,500	2,500
5201	Computer Supplies/Software	18,201	17,136	23,600	23,600
5203	Paper/Stationery/Forms	347	104	-	-
5212	Motor Fuels	279	356	300	300
5241	Small Equip-Office/Operating	14,845	3,249	2,500	2,500
5309	MIS Services	3,939	3,967	10,300	10,300
5319	Other Professional Services	35,846	24,859	40,500	40,500
5320	Data Services	124,696	128,736	126,500	131,500
5321	Phone Service	5,538	5,241	6,000	6,000
5331	Travel/Training	18,892	28,222	25,000	25,000
5335	Local Mileage Reimbursement	49	750	500	500
5355	Printing & Copying	4,944	2,688	7,000	7,000
5356	Copier, Printer Lease, & Supplies	39	-	-	1,200
5404	Equipment/Machinery Repair & Mtc	211,068	128,978	175,000	205,000
5409	Fleet Service Charges	3,760	268	6,200	1,200
5414	Software Licenses & Mtce Agreements	353,144	426,258	440,300	478,000
5433	Dues & Subscription	10,335	12,770	-	-
	TOTAL	808,578	784,972	866,200	935,100
DIVISION TOTAL		2,726,885	2,841,984	3,192,900	3,289,700

City of Duluth Minnesota - 2019 Budget

General Fund Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Information Technology - 110-121-1107				
REVENUE SOURCE				
4310 Assessment Cost Services	-	-	-	-
4320 IT Services	15,849	4,596	5,800	6,300
4730 Transfer in from Public Utility	135,000	201,800	214,400	222,700
DIVISION TOTAL	150,849	206,396	220,200	229,000

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	Difference
1155 Director, Public Admin	1.00	1.00	1.00	1.00	-
1125 City Clerk	1.00	1.00	1.00	1.00	-
1055 Assistant City Clerk	1.00	1.00	1.00	1.00	-
129 Executive Assistant	1.00	1.00	1.00	1.00	-
129 Admin Info Specialist	2.00	2.00	1.00	1.00	-
126 Information Tech	1.00	1.00	1.00	1.00	-
1115 ESST Compliance Officer	-	-	-	1.00	1.00
Division Total	7.00	7.00	6.00	7.00	1.00

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	485,394	446,158	457,600	527,900	70,300
Overtime	3,429	1,268	1,000	1,000	-
Other Wages	93,856	85,198	75,000	75,000	-
Total Salaries	582,679	532,625	533,600	603,900	70,300
Benefits	216,959	220,407	223,300	234,800	11,500
Other Expense					
Materials & Supplies	5,607	5,531	2,600	2,600	-
Services	12,546	57,262	20,600	20,600	-
Utilities & Maintenance	6,510	10,470	13,000	13,000	-
Other	81,577	8,400	16,300	16,300	-
Total Other Expense	106,239	81,663	52,500	52,500	-
Division Total	905,878	834,694	809,400	891,200	81,800

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
City Clerk - 110-121-1211				
PERSONAL SERVICES				
5100 Permanent Salaries	485,394	446,158	457,600	527,900
5101 Premium Pay	3,429	1,268	1,000	1,000
5103 Other Wages	93,856	85,198	75,000	75,000
TOTAL	582,679	532,625	533,600	603,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	35,601	33,090	34,400	39,400
5122 FICA - Social Security	31,464	29,141	32,800	37,100
5123 FICA - Medicare	7,358	6,815	7,700	8,700
5125 Dental Insurance	2,573	2,318	2,200	2,500
5126 Life Insurance	1,121	1,013	1,100	1,200
5127 Health Care Savings Plan (HCSP)	9,684	23,354	12,200	9,500
5130 Cafeteria Plan Benefits	128,645	123,957	132,900	136,400
5133 Health or Fitness Program	513	720	-	-
TOTAL	216,959	220,407	223,300	234,800
OTHER EXPENDITURES				
5200 Office Supplies	3,492	2,194	1,100	1,100
5201 Computer Supplies/Software	452	860	500	500
5219 Other Miscellaneous Supplies	1,663	2,477	1,000	1,000
5321 Phone Service Cellular Phone	708	-	600	600
5331 Travel/Training	5,379	3,822	6,000	6,000
5335 Local Mileage Reimbursement	705	812	1,000	1,000
5355 Printing & Copying	4,164	51,755	13,000	13,000
5356 Copier, Printer Lease & Supplies	1,590	874	-	-
5404 Equipment/Machinery Repair & Mtc	6,510	10,470	13,000	13,000
5412 Building Rental	900	900	1,000	1,000
5414 Software Licenses & Mtce Agreements	8,367	5,070	10,000	10,000
5427 Credit Card Commissions	447	291	-	-
5433 Dues & Subscription	320	465	400	400
5441 Other Services & Charges	71,543	1,673	4,900	4,900
TOTAL	106,239	81,663	52,500	52,500
DIVISION TOTAL	905,878	834,694	809,400	891,200

City of Duluth Minnesota - 2019 Budget

General Fund Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
City Clerk - 110-121-1211				
REVENUE SOURCE				
4101 Liquor License	506,692	517,951	495,000	495,000
4102 Beer License	16,123	16,818	14,000	14,000
4105 Hotel License	12,073	12,195	9,000	9,000
4106 Garbage Collection	17,284	16,986	16,000	16,000
4107 Horse & Carriage	572	286	700	700
4108 Emergency Wrecker License	5,816	5,816	6,000	6,000
4109 Gas Station License	9,110	11,910	8,500	8,500
4111 Pawnbroker License	772	772	1,100	1,100
4112 Peddler's License	4,836	4,925	1,000	1,000
4113 Precious Metal Dealer	1,544	1,544	1,500	1,500
4114 Pet Shop License	622	944	600	600
4115 Dog & Cat Hospitals License	415	913	700	700
4116 Dog Kennels License	611	562	400	400
4117 Massage Establishment & Therapist	12,661	13,888	12,000	12,000
4118 Cigarette License	12,197	13,585	13,000	11,000
4119 Motor Vehicle - Dealer	6,117	5,318	4,400	4,400
4119 Motor Vehicle - Rental	-	1,602	1,800	1,800
4120 Taxi Permit	11,932	19,002	11,000	11,000
4121 Coin Operating Device	19,640	509	9,000	9,000
4122 Pool & Bowling	1,202	1,202	1,000	1,000
4123 Dance Hall License	208	-	-	-
4124 Tree Service Contractor License	-	-	-	1,400
4125 Transportation Network Comp License	-	7,000	7,000	-
4155 Special Event Permit	4,212	4,320	3,000	3,000
4170 Misc. Permits & Licenses	3,449	4,746	2,000	2,000
4470 License Penalties	10,160	5,498	2,000	2,000
4644 Miscellaneous Sales	1,263	65,927	25,000	25,000
4654 Other Reimbursements	-	67	-	-
4730 Interfund Transfers In	25,000	25,000	25,000	30,000
DIVISION TOTAL	684,510	759,286	670,700	668,100

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	Difference
1115 Mgr Mtce Ops	0.25	-	-	-	-
1075 Bldg & Grds Maint Spvsr	1.00	1.00	1.00	1.00	-
32 Mtc Optns Leadworker	4.00	4.00	4.00	3.00	(1.00)
27 Park Mtceworker	14.00	15.00	14.00	14.00	-
22 Maintenanceworker	5.25	3.25	2.00	3.00	1.00
133 Budget Analyst	0.10	0.30	0.30	0.30	-
131 Volunteer Coordinator	-	0.80	0.80	0.80	-
34 Forester	-	-	-	1.00	1.00
34 Forestry & Nat Rscrs Coor	-	-	0.50	0.50	-
Division Total	24.60	24.35	22.60	23.60	1.00

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	1,374,916	1,337,972	1,356,900	1,478,900	122,000
Overtime	73,927	45,573	50,000	75,000	25,000
Other Wages	70,256	79,506	174,200	174,200	-
Total Salaries	1,519,099	1,463,051	1,581,100	1,728,100	147,000
Benefits	559,389	570,354	659,800	691,100	31,300
Other Expense					
Materials & Supplies	180,834	174,049	199,500	199,500	-
Services	661,588	152,995	97,100	97,100	-
Utilities & Maintenance	360,549	398,859	414,600	491,800	77,200
Other	180,371	152,566	138,300	138,300	-
Total Other Expense	1,383,342	878,469	849,500	926,700	77,200
Division Total	3,461,830	2,911,874	3,090,400	3,345,900	255,500

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail		2016 Actual	2017 Actual	2018 Budget	2019 Approved
Park Maintenance 110-121-1217-2145					
PERSONAL SERVICES					
5100	Permanent Salaries	1,374,916	1,337,972	1,356,900	1,478,900
5101	Premium Pay	73,927	45,573	50,000	75,000
5103	Other Wages	68,310	79,191	174,200	174,200
5118	Meal Allowance	1,946	315	-	-
	TOTAL	1,519,099	1,463,051	1,581,100	1,728,100
EMPLOYEE BENEFITS					
5121	PERA Retirement	104,920	101,860	105,600	114,100
5122	FICA - Social Security	92,750	89,097	98,000	107,100
5123	FICA - Medicare	21,691	20,837	22,900	25,100
5125	Dental Insurance	8,946	8,520	8,400	8,800
5126	Life Insurance	3,899	3,708	4,100	4,200
5127	Health Care Savings Plan (HCSP)	22,354	24,992	23,600	24,400
5130	Cafeteria Plan Benefits	304,637	320,678	397,200	407,400
5133	Health or Fitness Program	192	663	-	-
	TOTAL	559,389	570,354	659,800	691,100
OTHER EXPENDITURES					
5200	Office Supplies	1,302	1,485	1,500	1,500
5201	Computer Supplies/Software	1,249	-	5,700	5,700
5205	Safety & Training Materials	8,578	5,440	10,000	10,000
5210	Plant/Operating Supplies	975	4,253	-	-
5211	Cleaning/Janitorial Supplies	22,318	22,655	30,000	30,000
5212	Motor Fuels	50,056	52,341	55,000	55,000
5218	Uniforms	6,613	6,404	7,000	7,000
5219	Other Miscellaneous Supplies	10,714	8,764	-	-
5220	Repair & Maintenance Supplies	19,806	14,160	65,300	65,300
5225	Park/Landscape Materials	34,680	36,175	-	-
5226	Sign & Signal Materials	-	1,327	-	-
5228	Painting Supplies	8,061	6,014	10,000	10,000
5240	Small Tools	13,310	5,876	9,000	9,000
5241	Small Equip-Office/Operating	3,172	9,156	6,000	6,000
5305	Medical Svcs/Testing Fees	-	35	500	500
5310	Contract Services	651,088	137,744	71,140	71,140
5320	Data Services	86	145	1,100	1,100
5321	Phone Service	1,902	2,786	2,860	2,860
5331	Travel/Training	4,128	8,752	16,000	16,000
5335	Local Mileage Reimbursement	4,019	3,449	5,000	5,000
5356	Copier, Printer Lease & Supplies	365	84	500	500
5384	Refuse Disposal	62,824	76,008	70,000	70,000

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Park Maintenance 110-121-1217-2145 Continued				
5404 Equipment/Machinery Repair & Mtc	438	636	3,000	3,000
5409 Fleet Services Charges	297,287	322,214	341,600	418,800
5414 Software Licenses & Mtce Agreements	13,492	13,235	13,100	13,100
5415 Vehicle/Equip Rent (Short-term)	29,305	4,760	27,500	27,500
5419 Other Rentals	55,096	42,455	51,100	51,100
5433 Dues & Subscription	1,944	1,493	1,000	1,000
5438 Licenses	154	527	700	700
5441 Other Services & Charges	21,682	17,007	16,000	16,000
5454 Contract Tree Services	57,869	28,290	28,900	28,900
5700 Interfund Transfers Out	-	40,000	-	-
5580 Capital Equipment	829	4,800	-	-
TOTAL	1,383,342	878,469	849,500	926,700
DIVISION TOTAL	3,461,830	2,911,874	3,090,400	3,345,900
REVENUE SOURCE				
4225 Ski Trails Grant	11,000	11,000	11,000	11,000
4226 Snowmobile Trails Grant	15,750	11,527	13,900	13,900
4654 Other Reimbursements	86,558	15,286	-	-
4730 Transfer from Special Revenue	200,000	200,000	200,000	200,000
DIVISION TOTAL	313,308	237,813	224,900	224,900

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	Difference
1105 Mgr, Library Services	1.00	1.00	1.00	1.00	-
1075 Library Supervisor	3.00	3.00	3.00	3.00	-
136 Librarian III	1.00	1.00	-	-	-
131 Business Office Coor	-	-	1.00	1.00	-
133 Librarian II	4.00	4.00	4.00	4.00	-
131 Volunteer Coordinator	0.50	0.20	0.20	0.20	-
131 Librarian I	14.00	13.00	13.00	12.00	(1.00)
128 Sr. Library Tech	4.00	5.00	5.00	5.00	-
124 Library Technician	19.00	19.50	19.50	20.50	1.00
Division Total	46.50	46.70	46.70	46.70	-

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	2,413,288	2,496,332	2,580,600	2,763,400	182,800
Overtime	500	795	800	800	-
Other Wages	108,654	100,036	101,800	101,800	-
Total Salaries	2,522,442	2,597,164	2,683,200	2,866,000	182,800
Benefits	907,394	1,018,338	1,238,900	1,140,300	(98,600)
Other Expense					
Materials & Supplies	25,238	30,238	29,800	28,500	(1,300)
Services	36,076	22,658	17,800	55,600	37,800
Utilities & Maintenance	51,722	53,100	51,800	53,800	2,000
Other	253,882	257,755	271,600	273,100	1,500
Total Other Expense	366,917	363,751	371,000	411,000	40,000
Capital Outlay	306,502	306,392	306,500	306,500	-
Division Total	4,103,255	4,285,645	4,599,600	4,723,800	124,200

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Salaries	2,413,288	2,496,332	2,580,600	2,763,400
5101 Premium Pay	500	795	800	800
5103 Other Wages	108,654	100,036	101,800	101,800
TOTAL	2,522,442	2,597,164	2,683,200	2,866,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	179,629	185,743	199,500	206,800
5122 FICA - Social Security	154,466	158,315	166,400	177,700
5123 FICA - Medicare	36,125	37,025	38,900	41,600
5125 Dental Insurance	16,042	16,266	17,400	17,400
5126 Life Insurance	7,140	7,279	8,400	8,400
5127 Health Care Savings Plan (HCSP)	44,703	91,245	76,500	68,800
5130 Cafeteria Plan Benefits	467,759	519,885	731,800	619,600
5133 Health or Fitness Program	1,530	2,580	-	-
TOTAL	907,394	1,018,338	1,238,900	1,140,300
OTHER EXPENDITURES				
5200 Office Supplies	5,981	5,085	6,500	6,000
5201 Computer Supplies/Software	1,231	2,457	1,000	700
5212 Motor Fuels	566	771	1,000	1,000
5219 Other Miscellaneous Supplies	14,959	17,681	18,000	17,500
5220 Repair & Maintenance Supplies	1,709	649	2,000	2,000
5241 Small Equip-Office/Operating	792	3,596	1,300	1,300
5319 Other Professional Services	23,637	7,151	3,200	41,500
5322 Postage	8,069	5,852	4,800	4,300
5331 Travel/Training	-	2,046	4,000	4,000
5335 Local Mileage Reimbursement	-	216	500	500
5355 Printing & Copying	203	1,466	800	800
5356 Copier, Printer Lease & Supplies	-	1,231	-	-
5384 Refuse Disposal	4,166	4,696	4,500	4,500
5404 Equipment/Machinery Repair & Mtc	4,349	3,412	2,700	3,000
5409 Fleet Services Charges	2,784	3,166	4,100	5,800
5412 Building Rental	189,774	194,349	201,000	203,000
5413 Library Materials/Svcs Rental	60,547	60,080	68,000	68,000
5414 Software Licenses & Mtce Agreements	44,589	46,522	45,000	45,000
5433 Dues & Subscription	-	100	100	100
5441 Other Services & Charges	3,560	3,227	2,500	2,000
TOTAL	366,917	363,751	371,000	411,000
CAPITAL OUTLAY				
5590 Library Materials	306,502	306,392	306,500	306,500
TOTAL	306,502	306,392	306,500	306,500
DIVISION TOTAL	4,103,255	4,285,645	4,599,600	4,723,800

City of Duluth Minnesota - 2019 Budget

General Fund Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Library Services - 110-121-1218				
REVENUE SOURCE				
4220 State of Minnesota Operating	5,020	5,054	5,000	5,000
4471 Library Fines	76,438	69,069	72,000	68,000
4622 Rent of Buildings	750	1,035	300	700
4631 Media Sales	18,470	19,929	18,500	22,000
4644 Miscellaneous Sales	2,267	3,429	2,000	2,000
4654 Other Reimbursements	48,709	43,496	42,800	42,800
DIVISION TOTAL	151,653	142,012	140,600	140,500

City of Duluth Minnesota - 2019 Budget

Facilities Management

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

Budgeted FTE's	2016	2017	2018	2019	Difference
1130 Facility Manager	1.00	1.00	1.00	1.00	-
1105 Architect	1.00	-	-	-	-
1105 Construction Project Spvsr	-	1.00	1.00	1.00	-
1075 Spvsr Facilities Operations	1.00	1.00	1.00	1.00	-
1070 Property Srvs Supervisor	1.00	1.00	1.00	1.00	-
133 Budget Analyst	0.30	0.30	0.30	0.30	-
133 Property Srv Specialist	1.00	1.00	1.00	1.00	-
33 Construction Project Crd	1.00	1.00	1.00	1.00	-
32 Maint Leadworker	-	-	-	1.00	1.00
31 Master Plumber/Elect	2.00	2.00	2.00	2.00	-
29 Trades Positions	3.00	3.00	3.00	2.00	(1.00)
28 Building Mtceprs I and II	1.00	3.00	3.00	5.00	2.00
27 Construction Project Tech	1.00	1.00	1.00	1.00	-
25 Janitorial Supervisor	1.00	1.00	1.00	1.00	-
22 Maintenanceworker	3.00	2.00	2.00	-	(2.00)
121 Janitor 1	6.00	5.00	5.00	7.00	2.00
24 Senior Clerical Specialist	1.00	1.00	-	-	-
7 Admin Sec Specialist	1.00	1.00	1.00	-	(1.00)
127 Information Technician	-	-	-	1.00	1.00
Division Total	25.30	25.30	24.30	26.30	2.00

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	1,347,987	1,326,752	1,403,400	1,601,200	197,800
Overtime	35,983	30,255	25,000	25,000	-
Other Wages	8,765	643	23,000	23,000	-
Total Salaries	1,392,735	1,357,650	1,451,400	1,649,200	197,800
Benefits	580,306	587,699	719,500	777,900	58,400
Other Expense					
Materials & Supplies	327,681	356,120	375,800	375,600	(200)
Services	225,014	249,037	224,270	269,700	45,430
Utilities & Maintenance	1,195,232	1,267,450	1,200,330	1,319,800	119,470
Other	296,776	227,131	242,800	251,600	8,800
Total Other Expense	2,044,703	2,099,738	2,043,200	2,216,700	173,500
Capital Outlay	-	-	40,000	-	(40,000)
Division Total	4,017,744	4,045,087	4,254,100	4,643,800	429,700

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail		2016 Actual	2017 Actual	2018 Budget	2019 Approved
Facilities Management - 110-121-1222					
PERSONAL SERVICES					
5100	Permanent Salaries	1,347,987	1,326,752	1,403,400	1,601,200
5101	Premium Pay	35,983	30,255	25,000	25,000
5103	Other Wages	8,720	643	23,000	23,000
5118	Meal Allowance	45	-	-	-
	TOTAL	1,392,735	1,357,650	1,451,400	1,649,200
EMPLOYEE BENEFITS					
5121	PERA Retirement	100,560	97,710	107,200	119,900
5122	FICA - Social Security	84,670	81,509	90,300	102,500
5123	FICA - Medicare	19,802	19,063	21,100	24,000
5125	Dental Insurance	9,040	8,595	9,000	9,800
5126	Life Insurance	3,937	3,740	4,400	4,700
5127	Health Care Savings Plan (HCSP)	37,527	34,029	41,900	47,300
5130	Cafeteria Plan Benefits	324,591	342,276	445,600	469,700
5133	Health or Fitness Program	180	778	-	-
	TOTAL	580,306	587,699	719,500	777,900
OTHER EXPENDITURES					
5200	Office Supplies	1,923	2,391	19,300	12,000
5201	Computer Supplies/Software	3,135	6,697	5,000	5,000
5202	Audiovisual & Photography	-	150	-	-
5205	Safety & Training Materials	1,414	2,949	3,500	3,500
5210	Plant/Operating Supplies	1,434	3,647	-	-
5211	Cleaning/Janitorial Supplies	34,242	42,748	40,000	55,000
5212	Motor Fuels	10,463	9,693	11,000	11,000
5215	Shop Materials	4,712	30	-	-
5218	Uniforms	8,339	5,724	6,000	7,000
5219	Other Miscellaneous Supplies	19,851	15,098	-	-
5220	Repair & Maintenance Supplies	222,938	230,198	291,000	282,100
5228	Painting Supplies	2,843	1,730	-	-
5240	Small Tools	8,635	7,111	-	-
5241	Small Equip-Office/Operating	7,752	27,954	-	-
5310	Contract Services	65,322	83,162	114,270	155,700
5319	Other Professional Services	52,776	86,450	-	-
5321	Phone Service	83,582	64,205	85,000	88,000
5331	Travel/Training	13,524	5,298	15,000	15,000

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail		2016 Actual	2017 Actual	2018 Budget	2019 Approved
Facilities Management - 110-121-1222 continued					
5335	Local Mileage Reimbursement	9,457	7,415	7,000	8,000
5355	Printing & Copying	(166)	1,014	1,000	1,000
5356	Copier, Printer Lease & Supplies	519	1,493	2,000	2,000
5381	Electricity	526,083	532,137	470,750	530,800
5382	Water, Gas & Sewer	446,484	508,334	500,000	546,000
5384	Refuse Disposal	29,158	26,798	31,030	36,700
5385	Oil	3,213	9,579	8,000	10,000
5386	Steam	190,293	190,602	190,550	196,300
5399	Skywalk Expenses	29,653	8,374	30,000	30,000
5401	Bldg/Structure Repair & Mtc	81,772	113,830	75,000	90,000
5404	Equipment/Machinery Repair & Mtc	10,410	3,607	10,000	10,000
5409	Fleet Services Charges	22,701	17,948	29,300	27,800
5411	Land Rental/Easements	-	-	5,000	9,800
5414	Software Licenses & Mtce Agreements	91,087	51,399	75,000	70,000
5415	Vehicle/Equip Rent (Short-term)	3,997	5,625	13,000	10,000
5433	Dues & Subscription	349	256	500	500
5438	Licenses	2,669	2,541	5,000	3,500
5441	Other Services & Charges	38,508	21,478	-	-
5450	Laundry	2,094	2,074	-	-
5700	Interfund Transfer Out	13,536	-	-	-
	TOTAL	2,044,703	2,099,738	2,043,200	2,216,700
CAPITAL OUTLAY					
5580	Capital Equipment	-	-	40,000	-
	TOTAL	-	-	40,000	-
DIVISION TOTAL		4,017,744	4,045,087	4,254,100	4,643,800

City of Duluth Minnesota - 2019 Budget

General Fund Revenue Detail		2016 Actual	2017 Actual	2018 Budget	2019 Approved
Facilities Management - 110-121-1222					
REVENUE SOURCE					
4622	Rent of Buildings	109,925	126,163	125,600	72,500
4623	Rent of Land	8,368	8,758	5,100	6,600
4627	Concessions & Commissions	12,648	9,706	13,700	10,000
4644	Miscellaneous Sales	1	-	1,500	-
4654	Other Reimbursements	49,653	33,912	40,000	30,000
4730	Transfer from Special Revenue	161,175	60,000	50,000	50,000
DIVISION TOTAL		341,769	238,539	235,900	169,100

City of Duluth Minnesota - 2019 Budget

Finance Department

Mission and Vision

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

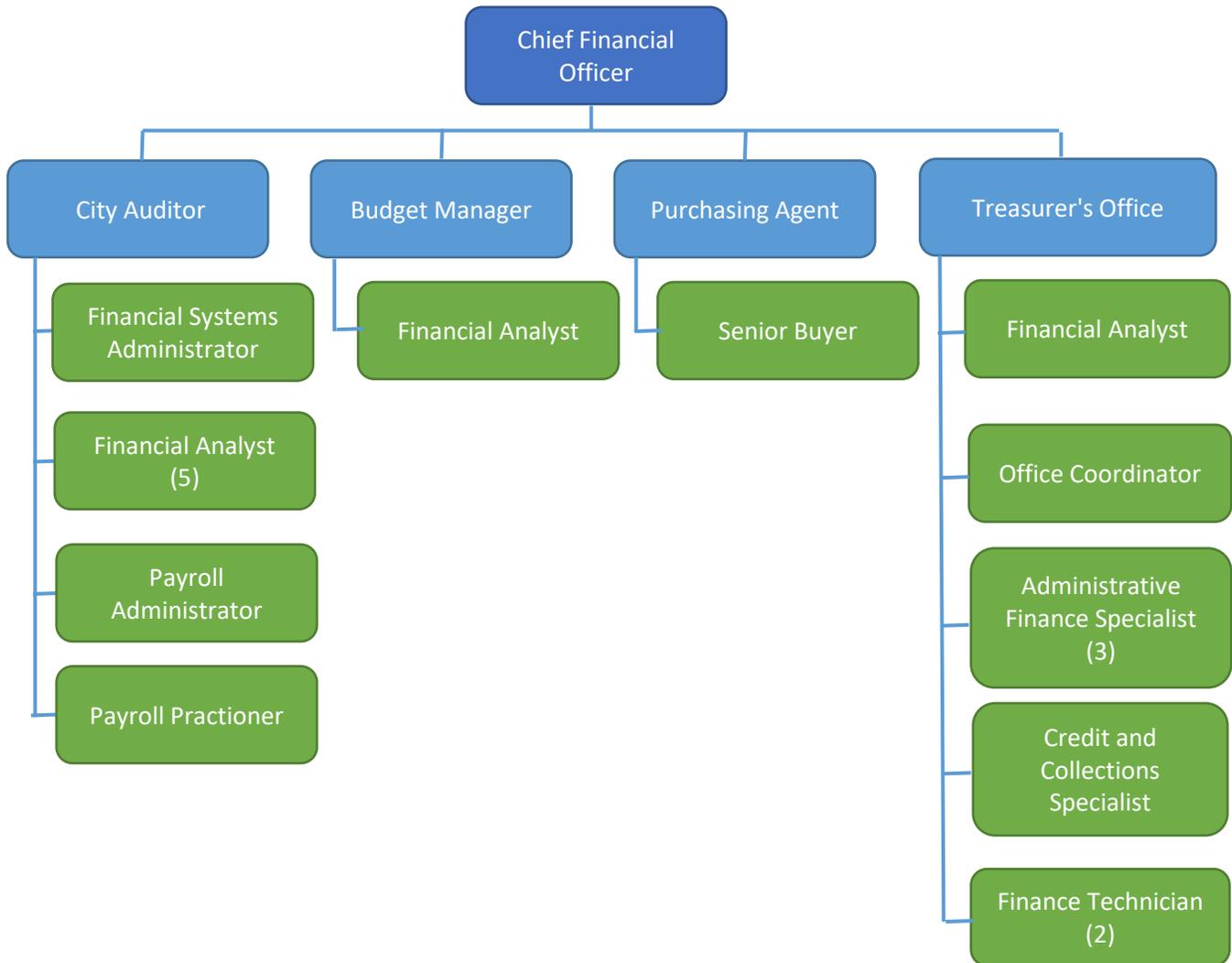
Structure

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 - 2019 Budget

Finance Department

Organization Chart



City of Duluth Minnesota - 2019 Budget

Finance Department - Goals and Objectives

Program: Annual Budget Book and CAFR Preparation
Description: Preparing and compiling information for the City's annual budget book and Comprehensive Annual Financial Report. Includes work related to the annual audit performed by the State Auditor.
Opportunity Discovered:

Goal: Receive annual awards for timely, accurate, thorough government reporting

Objective: Remit timely, accurate, thorough reports to government authorities
Strategy: 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

Measurements and Performance:

Date CAFR remitted to GFOA

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
5/31/17	5/24/18	5/31/18	5/24/19	5/17/20

Date budget book remitted to GFOA

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
3/24/17	3/24/18	3/24/18	3/23/19	3/22/20

Program: City Council Support
Description: Respond to questions and requests from Councilors. Attend council meetings, prepare and review resolutions and ordinances. Provide financial information.
Opportunity Discovered:

Goal: Provide quarterly financial reports to the City Council

Objective: To provide summary financial information to elected officials
Strategy: 1. Develop a financial report format that provides summary data
 2. Discuss report format with the Council Finance Committee Chair

Measurements and Performance:

Date financial report is filed with the City Council on a quarterly basis

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
n/a	n/a	n/a	7/31/2019	n/a

City of Duluth Minnesota - 2019 Budget

Finance Department - Goals and Objectives

<p>Program: Records Management Description: Maintain bid files and purchase order files in accordance with records retention schedules Opportunity Discovered:</p>				
<p>Goal: Implement and improve financial systems</p>				
<p>Objective: Implement an a paperless requisition process for the acquisition of goods & services Strategy: 1. Automate through the use of our ERP system and the newly acquired document management system 2. Implement new systems to reduce paper files 3. Train employees to utilize a paperless requisition process</p>				
<p>Measurements and Performance:</p>				
<p>Percentage of city departments utilizing the paperless requisition process</p>				
<p>2017 Actual 10%</p>	<p>2018 Target 80%</p>	<p>2018 Actual 80%</p>	<p>2019 Target 100%</p>	<p>2020 Target n/a</p>

<p>Program: Departmental Finance and Budget Support Description: Work with City departments to help them understand their budget, work with them to create tools to better monitor their budget, and provide assistance when needed. Opportunity Discovered:</p>				
<p>Goal: Assist departments with proactive financial planning</p>				
<p>Objective: Create financial tools to assist departments with proactive planning Strategy: 1. Email quarterly expense and revenue reports with annual forecasts to departments 2. Meet quarterly with departments to discuss quarterly reports and proactive plans</p>				
<p>Measurements and Performance:</p>				
<p>Percentage of departments meeting their expense budget</p>				
<p>2017 Actual 100%</p>	<p>2018 Target 100%</p>	<p>2018 Actual 100%</p>	<p>2019 Target 100%</p>	<p>2020 Target 100%</p>

City of Duluth Minnesota - 2019 Budget

Finance Department - Goals and Objectives

Program: Investment, Banking, and Cash Management

Description: Calculating daily cash flow needs. Investing excess cash. Maintain and reconcile City cash and investment records.

Opportunity Discovered:

Goal: Diversify Investments into State and Local Obligations

Objective: 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

Strategy: 1. Diversify investment portfolio to include highly rated state and local government bonds

Measurements and Performance:

Percentage of investments in State and local securities

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
10%	20%	11%	20%	20%

Program: Systems Applications Development and Support

Description: Assist in the development of applications and provide support to users.

Opportunity Discovered:

Goal: Increase staff utilization of the City's ERP System (New World System)

Objective: Increase staff use of the reporting and inquiry capabilities of New World Systems

Strategy: 1. Conduct periodic staff training sessions

Measurements and Performance:

Percentage of departmental managers utilizing New World System reporting and inquiry capabilities

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
90%	100%	95%	100%	100%

City of Duluth Minnesota - 2019 Budget

Finance Department - Goals and Objectives

Program: Priority Based Budgeting Management

Description: Prepare, update, and analyze our City's Priority Based Budget

Opportunity Discovered:

Goal: Implement a new priority based budget system

Objective: To allocate resources based upon community priorities utilizing a transparent and public process.

Strategy: 1. Define the role of the City in providing services to the community

2. Determine programs offered by city departments

3. Determine the cost of resources allocated to each program

4. Compare and score programs against city priorities

5. Make budget resource allocations based upon how programs relate to city priorities

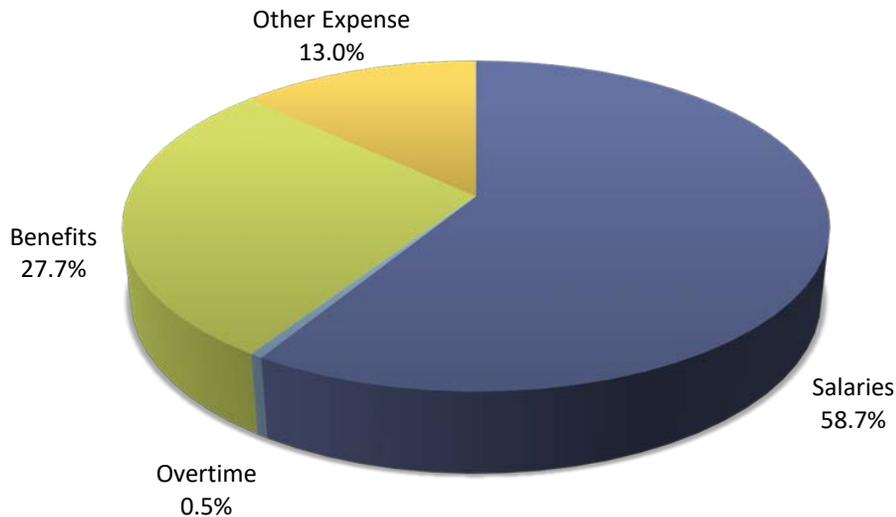
Measurements and Performance:

Annual budget is derived from priority based budgeting system

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
n/a	n/a	n/a	100%	100%

City of Duluth Minnesota - 2019 Budget

Finance Department 2019 Approved Budget by Expense Category



Expenditures by Category	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Permanent Salaries	1,528,409	1,529,464	1,593,700	1,674,600	80,900
Overtime	12,288	6,411	14,000	14,000	-
Other Wages	11,876	-	-	-	-
Total Personal Services	1,552,573	1,535,874	1,607,700	1,688,600	80,900
Benefits	594,070	651,090	758,200	790,200	32,000
Other Expense	311,377	308,299	371,900	371,900	-
Department Total	2,458,020	2,495,264	2,737,800	2,850,700	112,900

Expenditures by Division	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Budget Office	354,390	384,185	444,200	461,800	17,600
Auditor's Office	1,206,516	1,294,594	1,342,700	1,469,400	126,700
Purchasing	177,773	197,752	228,600	246,400	17,800
Treasurer's Office	719,341	618,733	722,300	673,100	(49,200)
Department Total	2,458,020	2,495,264	2,737,800	2,850,700	112,900

Budgeted FTE's	2016	2017	2018	2019	Difference
	22.5	23.5	22.0	22.0	-

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	Difference
1155 Chief Financial Officer Manager, Budget & Fiscal	1.0	1.0	1.0	1.0	-
1115 Analysis	1.0	1.0	1.0	1.0	-
136 Financial Analyst	1.0	1.0	1.0	1.0	-
Division Total	3.0	3.0	3.0	3.0	0.0

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	262,544	281,016	292,600	304,200	11,600
Overtime	-	-	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	262,544	281,016	292,600	304,200	11,600
Benefits	86,668	98,909	124,500	130,500	6,000
Other Expense					
Materials & Supplies	893	52	2,000	2,000	-
Services	3,095	2,783	3,600	3,600	-
Utilities & Maintenance	-	-	-	-	-
Other	1,190	1,426	21,500	21,500	-
Total Other Expense	5,178	4,261	27,100	27,100	-
Division Total	354,390	384,185	444,200	461,800	17,600

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Budget Office - 110-125-1212				
PERSONAL SERVICES				
5100 Permanent Salaries	262,544	281,016	292,600	304,200
5101 Premium Pay	-	-	-	-
5103 Other Wages	-	-	-	-
TOTAL	262,544	281,016	292,600	304,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	18,176	20,599	21,900	22,600
5122 FICA - Social Security	15,838	16,713	18,100	18,900
5123 FICA - Medicare	3,704	3,909	4,200	4,400
5125 Dental Insurance	1,083	1,116	1,100	1,100
5126 Life Insurance	473	486	500	600
5127 Health Care Savings Plan (HCSP)	2,991	6,987	21,600	24,100
5130 Cafeteria Plan Benefits	44,404	49,099	57,100	58,800
TOTAL	86,668	98,909	124,500	130,500
OTHER EXPENDITURES				
5200 Office Supplies	22	-	1,500	1,500
5201 Computer Supplies/Software	871	52	500	500
5331 Travel/Training	3,065	2,763	3,000	3,000
5355 Printing & Copying	30	20	600	600
5433 Dues & Subscription	1,190	1,217	500	500
5434 Grants & Awards	-	-	600	600
5435 Books & Pamphlets	-	-	200	200
5441 Other Services & Charges	-	164	20,200	20,200
5443 Board & Meeting Expenses	-	45	-	-
TOTAL	5,178	4,261	27,100	27,100
DIVISION TOTAL	354,390	384,185	444,200	461,800

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	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	-	-	-
10 Payroll Administrator	1.0	1.0	1.0	1.0	-
136 Financial Analyst	4.0	5.0	5.0	5.0	-
129 Payroll Practitioner	0.5	0.5	1.0	1.0	-
126 Finance Tech	-	-	-	1.0	1.0
Division Total	8.5	9.5	9.0	10.0	1.0

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	635,944	696,376	694,500	775,900	81,400
Overtime	12,288	6,411	14,000	14,000	-
Other Wages	-	-	-	-	-
Total Salaries	648,232	702,787	708,500	789,900	81,400
Benefits	256,483	298,175	309,100	354,400	45,300
Other Expense					
Materials & Supplies	8,506	2,741	6,000	6,000	-
Services	291,613	286,629	316,500	316,500	-
Utilities & Maintenance	-	486	300	300	-
Other	1,682	3,776	2,300	2,300	-
Total Other Expense	301,801	293,632	325,100	325,100	-
Division Total	1,206,516	1,294,594	1,342,700	1,469,400	126,700

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
City Auditor's Office - 110-125-1214				
PERSONAL SERVICES				
5100 Permanent Salaries	635,944	696,376	694,500	775,900
5101 Premium Pay	12,288	6,411	14,000	14,000
5103 Other Wages	-	-	-	-
TOTAL	648,232	702,787	708,500	789,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	48,803	51,995	53,100	58,400
5122 FICA - Social Security	39,032	42,168	43,900	49,000
5123 FICA - Medicare	9,129	9,862	10,300	11,500
5125 Dental Insurance	3,226	3,410	3,300	3,700
5126 Life Insurance	1,411	1,519	1,600	1,800
5127 Health Care Savings Plan (HCSP)	17,855	28,310	16,500	18,800
5130 Cafeteria Plan Benefits	136,771	160,912	180,400	211,200
5133 Health or Fitness Program	257	-	-	-
TOTAL	256,483	298,175	309,100	354,400
OTHER EXPENDITURES				
5200 Office Supplies	2,663	1,547	3,000	3,000
5203 Paper/Stationery/Forms	1,771	940	2,000	2,000
5241 Small Equip-Office/Operating	4,071	255	1,000	1,000
5301 Auditing Services	103,628	88,322	116,800	116,800
5309 IT Services	179,548	183,786	184,000	184,000
5331 Travel/Training	3,707	10,721	13,200	13,200
5355 Printing & Copying	2,467	2,169	1,000	1,000
5356 Copier, Printer Lease & Supplies	2,263	1,632	1,500	1,500
5404 Equipment/Machinery Repair & Mtc	-	-	300	300
5414 Software Licenses & Mtce Agreements	-	486	-	-
5433 Dues & Subscription	1,279	1,316	1,300	1,300
5435 Books & Pamphlets	-	358	500	500
5441 Other Services & Charges	403	2,102	500	500
TOTAL	301,801	293,632	325,100	325,100
DIVISION TOTAL	1,206,516	1,294,594	1,342,700	1,469,400

City of Duluth Minnesota - 2019 Budget

General Fund Revenue Detail		2016 Actual	2017 Actual	2018 Budget	2019 Approved
City Auditor's Office - 110-125-1214					
REVENUE SOURCE					
4005	Current Property Tax	13,893,385	14,538,857	16,220,400	19,195,600
4010	Delinquent Property Tax	261,975	216,119	150,000	150,000
4015	Mobile Home Tax	54,311	56,631	59,700	59,700
4070	MN Power Franchise Fee	1,100,000	3,011,967	3,148,500	3,148,500
4071	Cable Franchise Fee	891,450	864,001	891,500	791,500
4072	No. MN Utility Franchise Fee	7,007	7,347	6,700	6,700
4080	Forfeit Tax Sale	45,401	15,898	19,400	19,400
4090	Other Taxes	83,721	118,456	83,700	83,700
4220	State of Minnesota	977,935	150,830	-	-
4221	Local Government Aid	29,264,120	29,299,670	29,646,000	29,668,600
4222	State Property Tax Aid	6,402	9,839	-	-
4230	PERA Aid	124,428	124,428	124,400	124,400
4300	HRA in Lieu of Taxes	57,492	66,305	57,400	57,400
4300	Ordean Foundation	32,172	16,086	16,000	16,000
4310	Assessment Cost Services	45,628	69,306	40,600	40,600
4315	Stormwater Administrative Service	151,800	154,500	149,400	134,400
4315	Sewer Administrative Service	308,000	232,800	204,600	208,200
4315	Steam Administrative Service	49,500	44,100	50,900	55,600
4315	DECC Administrative Service	25,000	15,400	13,700	13,800
4315	DTA Administrative Service	10,300	10,300	10,300	10,300
4315	Grant Administration Services	63,947	73,216	69,000	69,000
4315	Airport Administrative Service	45,200	45,200	45,200	45,200
4315	DEDA Administrative Service	365,000	365,000	365,000	400,000
4315	Public Utility Admin Service	876,600	771,300	773,700	817,100
4315	Fleet Administrative Service	108,200	136,800	135,900	145,500
4315	Golf Administrative Service	55,000	34,000	18,800	16,100
4315	Group Health Admin Service	255,000	350,000	353,300	353,300
4315	Self Insurance Admin Service	283,200	426,000	457,500	563,200
4315	Spirit Mt. Administrative Service	37,700	37,700	37,700	26,200
4315	Parking Administrative Service	23,300	127,400	136,400	138,600
4315	Street Lighting System Utility	59,000	56,100	50,500	55,100
4315	410 West 1st Street Ramp	-	25,500	22,500	17,200
4323	Garnishment Fees	120	180	-	-
4472	Administrative Fines	29,689	42,279	21,600	21,600
4473	Court Fines	427,225	391,404	427,200	427,200
4500	Assessments	59,820	54,836	58,000	58,000
4501	Assessments - Penalty & Interest	25,898	21,884	24,800	24,800
4602	Interest on Temporary Loans	1,267	-	-	-
4622	Rent of Buildings	-	408,236	400,000	-
4654	Other Reimbursements	26,627	12,756	-	-
4700	Other Sources	8,484	9,349	-	-

City of Duluth Minnesota - 2019 Budget

General Fund Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
City Auditor's Office - 110-125-1214 Continued				
4702 Fond du Luth Proceeds	150,000	150,000	150,000	150,000
4730 Transfer from Special Rev Fund	45,300	45,300	45,300	45,300
4730 Transfer from Parking Fund	1,326,700	1,376,700	1,326,700	1,376,700
4731 Gas Utility in Lieu of Taxes	2,484,583	2,184,557	2,406,800	2,698,000
4732 Steam Utility in Lieu of Taxes	136,815	141,400	152,800	152,800
DIVISION TOTAL	54,284,700	56,309,937	58,371,900	61,385,300

City of Duluth Minnesota - 2019 Budget

City Purchasing

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

Budgeted FTE's	2016	2017	2018	2019	Difference
1100 Purchasing Agent	1.0	1.0	1.0	1.0	-
133 Senior Buyer	-	1.0	1.0	1.0	-
129 Financial Specialist	1.0	-	-	-	-
Division Total	2.0	2.0	2.0	2.0	0.0

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	113,847	133,398	142,000	153,200	11,200
Overtime	-	-	-	-	-
Other Wages	11,876	-	-	-	-
Total Salaries	125,723	133,398	142,000	153,200	11,200
Benefits	51,522	62,687	80,900	87,500	6,600
Other Expense					
Materials & Supplies	148	52	2,300	2,300	-
Services	-	52	1,400	1,400	-
Utilities & Maintenance	-	-	-	-	-
Other	380	1,562	2,000	2,000	-
Total Other Expense	528	1,667	5,700	5,700	-
Division Total	177,773	197,752	228,600	246,400	17,800

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
City Purchasing Office - 110-125-1215				
PERSONAL SERVICES				
5100 Permanent Salaries	113,847	133,398	142,000	153,200
5101 Premium Pay	-	-	-	-
5103 Other Wages	11,876	-	-	-
TOTAL	125,723	133,398	142,000	153,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	8,455	9,810	10,600	11,500
5122 FICA - Social Security	7,492	7,861	8,800	9,500
5123 FICA - Medicare	1,752	1,838	2,100	2,200
5125 Dental Insurance	690	744	700	700
5126 Life Insurance	297	324	400	400
5127 Health Care Savings Plan (HCSP)	1,539	1,843	14,000	15,100
5130 Cafeteria Plan Benefits	31,297	40,267	44,300	48,100
TOTAL	51,522	62,687	80,900	87,500
OTHER EXPENDITURES				
5200 Office Supplies	148	-	2,000	2,000
5201 Computer Supplies/Software	-	52	300	300
5331 Travel/Training	-	42	-	-
5340 Advertising & Promotion	-	-	900	900
5355 Printing & Copying	-	10	500	500
5433 Dues & Subscription	-	510	1,000	1,000
5441 Other Services & Charges	380	1,052	1,000	1,000
TOTAL	528	1,667	5,700	5,700
DIVISION TOTAL	177,773	197,752	228,600	246,400

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	Difference
1115 City Treasurer	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 Admin Financial Spec.	3.0	3.0	3.0	3.0	-
121 Clerical Support Tech	2.0	-	-	-	-
126 Finance Technician	-	2.0	2.0	1.0	(1.0)
Division Total	9.0	9.0	8.0	7.0	(1.0)

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	516,074	418,674	464,600	441,300	(23,300)
Overtime	-	-	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	516,074	418,674	464,600	441,300	(23,300)
Benefits	199,397	191,319	243,700	217,800	(25,900)
Other Expense					
Materials & Supplies	134	476	1,500	1,500	-
Services	3,470	6,582	11,000	11,000	-
Utilities & Maintenance	-	-	500	500	-
Other	265	1,682	1,000	1,000	-
Total Other Expense	3,870	8,740	14,000	14,000	-
Division Total	719,341	618,733	722,300	673,100	(49,200)

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
City Treasurer's Office - 110-125-1216				
PERSONAL SERVICES				
5100 Permanent Salaries	516,074	418,674	464,600	441,300
5101 Premium Pay	-	-	-	-
5103 Other Wages	-	-	-	-
TOTAL	516,074	418,674	464,600	441,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	36,710	30,841	34,900	32,500
5122 FICA - Social Security	31,082	24,743	28,800	27,400
5123 FICA - Medicare	7,269	5,787	6,700	6,400
5125 Dental Insurance	3,193	2,658	3,000	2,600
5126 Life Insurance	1,391	1,154	1,400	1,300
5127 Health Care Savings Plan (HCSP)	7,944	18,890	19,900	19,300
5130 Cafeteria Plan Benefits	111,586	106,888	149,000	128,300
5133 Health or Fitness Program	222	360	-	-
TOTAL	199,397	191,319	243,700	217,800
OTHER EXPENDITURES				
5200 Office Supplies	134	476	1,500	1,500
5306 Collection Services	3,101	5,959	5,000	5,000
5331 Travel/Training	99	316	2,000	2,000
5355 Printing & Copying	270	175	4,000	4,000
5356 Copier, Printer Lease & Supplies	-	132	-	-
5404 Equipment/Machinery Repair & Mtc	-	-	500	500
5433 Dues & Subscription	127	56	500	500
5441 Other Services & Charges	138	1,626	500	500
TOTAL	3,870	8,740	14,000	14,000
DIVISION TOTAL	719,341	618,733	722,300	673,100

City of Duluth Minnesota - 2019 Budget

General Fund Revenue Detail	2016	2017	2018	2019
	Actual	Actual	Budget	Approved
City Treasurer's Office - 110-125-1216				
REVENUE SOURCE				
4040 City Sales Tax	13,240,215	13,564,369	13,586,600	13,686,700
4050 Charitable Gambling Tax	59,498	61,934	20,000	20,000
4310 Assessment Cost Services	-	2,508	-	-
4311 Assessment Certificate Fee	9,316	38,217	20,000	20,000
4323 Garnishment Fees	30	60	-	-
4601 Earning on Investments	(20,873)	11,589	-	-
4644 Miscellaneous Fees	954	3,507	1,000	1,000
4730 Transfer from Tourism Taxes	136,298	138,341	125,600	125,600
DIVISION TOTAL	13,425,438	13,820,525	13,753,200	13,853,300

City of Duluth Minnesota - 2019 Budget

Planning & Economic Development

Mission and Vision

The Planning and Economic Development Department consists of the Planning and Development Division, the Construction Services Division, and the Business Development 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 department also provides services to businesses and developers for economic and community development projects. The Planning and Economic Development 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. This portal is also the private sectors navigation system for accomplishing investment in to private property.

The Planning and Economic Development Department works with the community – residents and neighborhood groups, development professionals and businesses – to ensure 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.

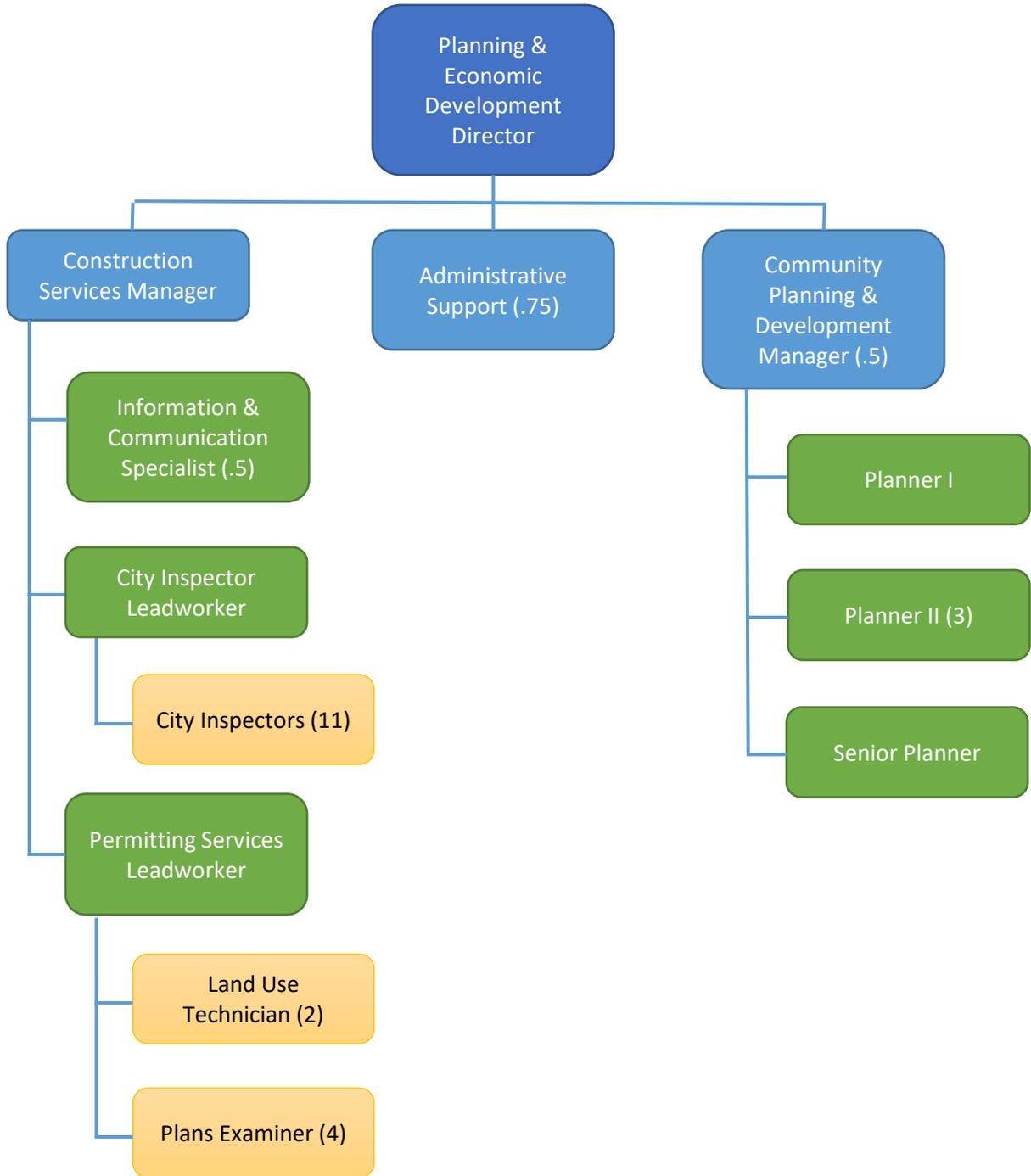
Structure

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

City of Duluth Minnesota - 2019 Budget

Planning & Economic Development

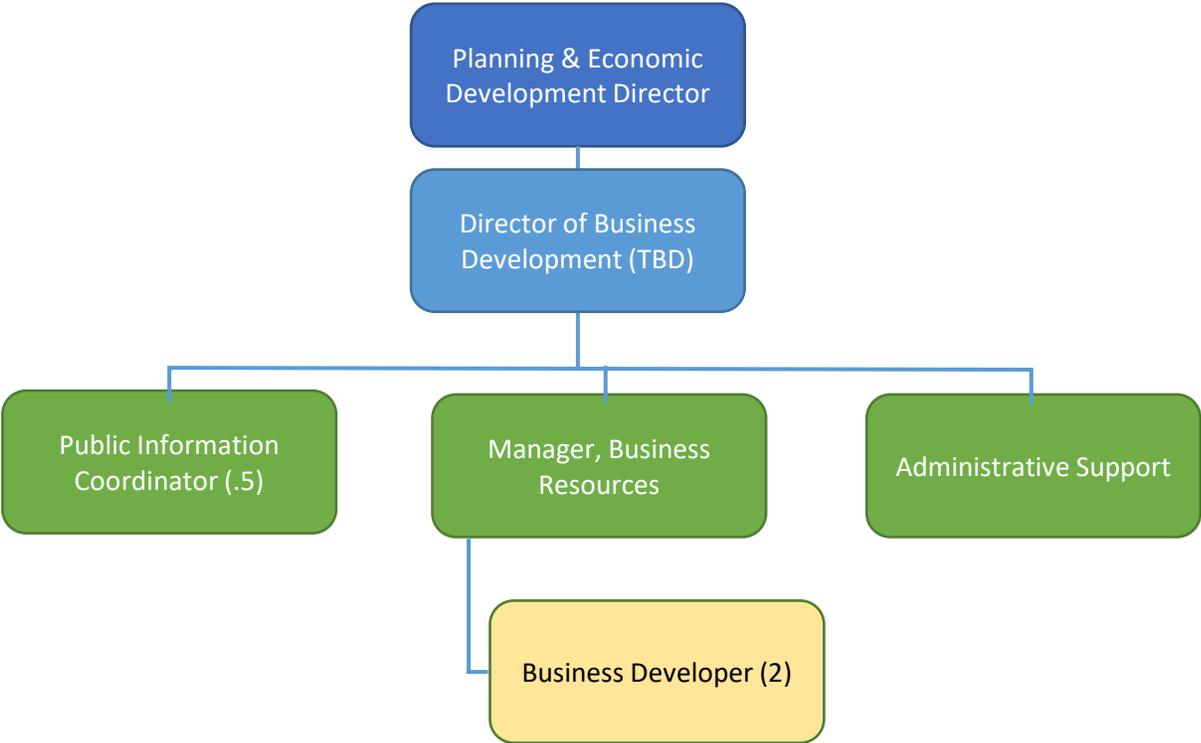
Organization Chart



City of Duluth Minnesota - 2019 Budget

Planning & Economic Development Continued

Organization Chart - Continued



City of Duluth Minnesota - 2019 Budget

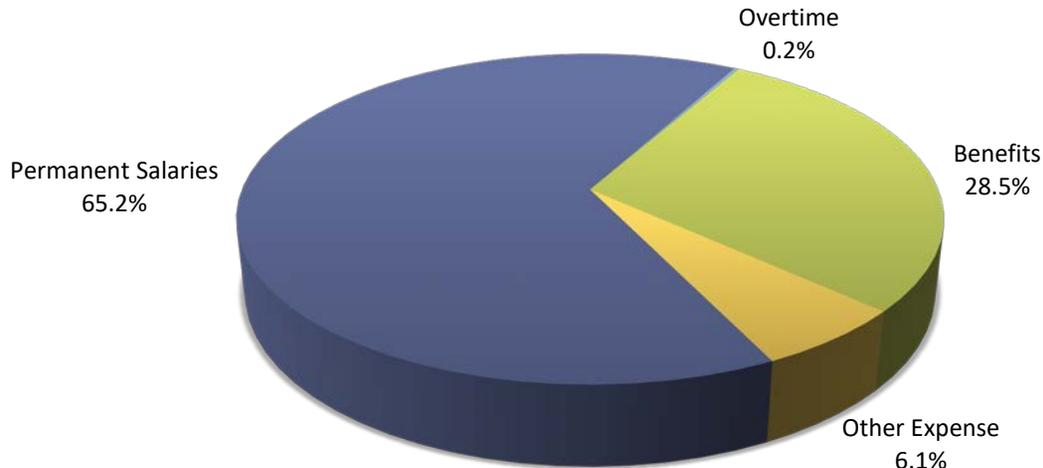
Planning & Economic Development Department - Goals and Objectives

<p>Program: Pre-Development Process</p> <p>Description: Property and building research and information. Pre-review meetings. Code implications consultation during site and building design development.</p> <p>Opportunity Discovered: Partnership with Community Planning and Economic Development Divisions</p> <p>Goal: Well-informed decision-making for potential re-users of existing buildings related to code implications</p> <p>Objective: Provide information about code requirements to assist with business decisions related to reuse of existing buildings</p> <p>Strategy: Work with City business development staff and potential developers and tenants of existing buildings</p> <p>Measurements and Performance: Number of this type of contact/partnership. Feedback from contacts on value of the process.</p>				
2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
na	na	na	10 partner contacts	15

<p>Program: Development Services</p> <p>Description: The assistance provided by the department for permitting or zoning review</p> <p>Opportunity Discovered: Reduce duplication with multiple partners</p> <p>Goal: Reduce confusion for applicants regarding process and expectations</p> <p>Objective: Deliver quality and timely review with navigating the development process</p> <p>Strategy: Combine multiple staff to complete more timely processing of applications</p> <p>Measurements and Performance: Reduction in permit and application review time. Measure success of initial application submittals (completeness)</p>				
2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
na	na	na	setting baseline (not currently measured)	improvement over 2019

City of Duluth Minnesota - 2019 Budget

Planning & Economic Development Department 2019 Approved Budget by Expense Category



Expenditures by Category	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Permanent Salaries	1,828,489	2,009,183	2,016,800	2,386,800	370,000
Overtime	12,185	10,086	9,000	9,000	-
Other Wages	569	3,269	-	-	-
Total Personal Services	1,841,243	2,022,538	2,025,800	2,395,800	370,000
Benefits	682,671	786,852	888,200	1,042,900	154,700
Other Expense	454,950	233,166	221,600	222,000	400
Capital Outlay	-	-	-	-	-
Department Total	2,978,864	3,042,556	3,135,600	3,660,700	525,100

Expenditures by Division	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Planning	677,779	764,080	769,400	844,700	75,300
Construction Srv&Inspect	1,746,109	1,651,164	1,715,200	2,143,500	428,300
Business & Econ Dev	554,976	627,311	651,000	672,500	21,500
Department Total	2,978,864	3,042,556	3,135,600	3,660,700	525,100

Budgeted FTE's	2016	2017	2018	2019	Difference
	29.7	29.0	28.9	33.9	5.0

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	Difference
1155 Dir. Planning & CD	0.67	0.67	0.67	0.67	-
1105 Manager Planning & CD	0.50	0.50	0.50	0.50	-
136 Senior Planner	1.00	1.30	1.00	1.00	-
133 Planner II	4.00	3.00	3.00	4.00	1.00
129 Planner I	-	1.00	1.00	1.00	-
129 Admin Info Specialist	0.50	0.50	0.75	0.75	-
Division Total	6.67	6.97	6.92	7.92	1.00

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	422,512	488,522	500,100	557,500	57,400
Overtime	2,707	1,035	-	-	-
Other Wages	569	3,269	-	-	-
Total Salaries	425,788	492,826	500,100	557,500	57,400
Benefits	164,422	193,085	212,900	230,800	17,900
Other Expense					
Materials & Supplies	4,146	1,049	3,100	3,100	-
Services	66,743	61,368	37,900	37,900	-
Other	16,679	15,752	15,400	15,400	-
Total Other Expense	87,569	78,169	56,400	56,400	-
Division Total	677,779	764,080	769,400	844,700	75,300

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Planning - 110-132-1301				
PERSONAL SERVICES				
5100 Permanent Salaries	422,512	488,522	500,100	557,500
5101 Premium Pay	2,707	1,035	-	-
5103 Other Wages	569	3,269	-	-
TOTAL	425,788	492,826	500,100	557,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	30,558	36,553	37,600	41,100
5122 FICA - Social Security	25,451	31,241	31,100	34,600
5123 FICA - Medicare	5,996	7,287	7,300	8,100
5125 Dental Insurance	2,481	2,770	2,600	2,800
5126 Life Insurance	1,080	1,229	1,200	1,300
5127 Health Care Savings Plan (HCSP)	14,515	8,706	16,600	14,500
5130 Cafeteria Plan Benefits	84,071	104,940	116,500	128,400
5133 Health or Fitness Program	270	360	-	-
TOTAL	164,422	193,085	212,900	230,800
OTHER EXPENDITURES				
5200 Office Supplies	2,524	841	1,800	1,800
5201 Computer Supplies/Software	1,622	208	1,000	1,000
5241 Small Equip-Office/Operating	-	-	300	300
5310 Contract Services	50,182	20,423	-	-
5319 Other Professional Services	10,025	32,772	20,000	20,000
5321 Phone Service	1,200	1,200	600	600
5322 Postage	-	-	1,000	1,000
5331 Travel/Training	4,379	5,337	4,000	4,000
5335 Local Mileage Reimbursement	-	-	300	300
5355 Printing & Copying	641	1,300	11,500	11,500
5356 Copier, Printer Lease & Supplies	316	336	500	500
5414 Software Licenses & Mtce Agreements	11,004	11,554	11,000	11,000
5433 Dues & Subscription	1,820	1,800	2,500	2,500
5435 Books & Pamphlets	23	-	200	200
5441 Other Services & Charges	2,190	1,933	1,000	1,000
5443 Board & Meeting Expenses	1,642	464	700	700
TOTAL	87,569	78,169	56,400	56,400
DIVISION TOTAL	677,779	764,080	769,400	844,700

City of Duluth Minnesota - 2019 Budget

General Fund Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Planning - 110-132-1301				
REVENUE SOURCE				
4210 Pass-thru Federal Grants	1,017	3,700	-	-
4307 Planning/Zoning Fees	76,945	89,522	80,000	85,000
4631 Media Sales	48	96	100	100
4644 Misc Fees, Sales & Services	6	-	-	-
4654 Other Reimbursements	48,631	44,184	-	-
DIVISION TOTAL	126,647	137,502	80,100	85,100

City of Duluth Minnesota - 2019 Budget

Construction Services & Inspection

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

Budgeted FTE's	2016	2017	2018	2019	Difference
1100 Construction Svcs Manager	1.00	1.00	1.00	1.00	-
132 Info & Comm Specialist	0.50	0.50	0.50	0.50	-
126 Information Technician	1.00	-	-	-	-
36 Const Inspect Leadworker	1.00	1.00	1.00	1.00	-
32 Permitting Svcs Leadworker	1.00	1.00	1.00	1.00	-
32 Combination Svcs Inspector	1.00	1.00	1.00	2.00	1.00
31 Electrical Inspector	2.00	2.00	2.00	2.00	-
31 Plumbing Inspector	2.00	2.00	2.00	3.00	1.00
31 Construction Inspector	2.00	2.00	2.00	2.00	-
31 HVAC Inspector	1.00	1.00	1.00	2.00	1.00
29 Plans Examiner	3.00	3.00	3.00	4.00	1.00
28 Land Use Technician	2.00	2.00	2.00	2.00	-
Division Total	17.50	16.50	16.50	20.50	4.00

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	1,005,342	1,078,369	1,072,000	1,363,100	291,100
Overtime	7,454	5,577	9,000	9,000	-
Other Wages	-	-	-	-	-
Total Salaries	1,012,796	1,083,946	1,081,000	1,372,100	291,100
Benefits	387,448	437,964	487,300	624,100	136,800
Other Expense					
Materials & Supplies	12,144	16,556	16,700	16,700	-
Services	24,524	32,588	40,100	40,100	-
Utilities & Maintenance	14,269	15,214	22,600	23,000	400
Other	52,311	48,707	47,500	47,500	-
Building Demolition	242,618	16,188	20,000	20,000	-
Total Other Expense	345,865	129,254	146,900	147,300	400
Division Total	1,746,109	1,651,164	1,715,200	2,143,500	428,300

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Construction Services & Inspection - 110-132-1304				
PERSONAL SERVICES				
5100 Permanent Salaries	1,005,342	1,078,369	1,072,000	1,363,100
5101 Premium Pay	7,454	5,577	9,000	9,000
5103 Other Wages	-	-	-	-
TOTAL	1,012,796	1,083,946	1,081,000	1,372,100
EMPLOYEE BENEFITS				
5121 PERA Retirement	73,305	78,692	81,100	101,300
5122 FICA - Social Security	61,824	65,852	67,000	85,100
5123 FICA - Medicare	14,459	15,401	15,700	19,900
5125 Dental Insurance	5,975	6,262	6,100	7,600
5126 Life Insurance	2,599	2,727	3,000	3,700
5127 Health Care Savings Plan (HCSP)	17,340	31,891	23,100	29,600
5130 Cafeteria Plan Benefits	211,947	237,138	291,300	376,900
TOTAL	387,448	437,964	487,300	624,100
OTHER EXPENDITURES				
5200 Office Supplies	2,528	2,981	3,300	3,300
5205 Safety & Training Materials	189	167	900	900
5212 Motor Fuels	8,378	9,239	11,000	11,000
5219 Other Miscellaneous Supplies	526	54	900	900
5241 Small Equip-Office/Operating	523	4,115	600	600
5321 Phone Service	7,197	6,694	4,500	4,500
5331 Travel/Training	9,235	16,323	14,000	14,000
5335 Local Mileage Reimbursement	-	-	600	600
5355 Printing & Copying	7,710	9,267	12,500	12,500
5356 Copier, Printer Lease & Supplies	382	304	8,500	8,500
5404 Equipment/Machinery Repair & Mtc	-	140	600	600
5409 Fleet Services Charges	14,269	15,075	22,000	22,400
5414 Software Licenses & Mtce Agreements	18,644	18,422	20,000	20,000
5427 Credit Card Commissions	26,293	27,017	17,500	17,500
5433 Dues & Subscription	1,600	1,442	1,500	1,500
5435 Books & Pamphlets	4,728	1,224	4,500	4,500
5441 Other Services & Charges	1,046	602	4,000	4,000
5453 Building Demolition	242,618	16,188	20,000	20,000
TOTAL	345,865	129,254	146,900	147,300
DIVISION TOTAL	1,746,109	1,651,164	1,715,200	2,143,500

City of Duluth Minnesota - 2019 Budget

General Fund Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Construction Services & Inspection - 110-132-1304				
REVENUE SOURCE				
4151 Fill Permits	2,394	2,589	1,100	1,100
4301 Zoning Appeals Fees	-	-	600	600
4303 Use Permit - Flood & Wetlands	2,496	3,536	900	900
4351 Building Inspection Fees	1,259,438	1,141,289	1,481,100	2,654,800
4352 Plumbing Inspection Fees	132,334	113,438	182,200	182,200
4353 Electric Inspection Fees	215,621	185,918	192,300	192,300
4354 HVAC-R Inspection Fees	215,707	203,605	151,800	151,800
4355 Signs Inspection Fees	16,129	15,924	10,600	10,600
4356 House Moving Inspection Fee	4,351	13,363	9,100	9,100
4357 Mobile Home Inspection Fees	416	920	1,900	1,900
4359 CAF Administrative Fee	12,370	8,359	15,300	15,300
4361 RZP Registration Fee	15,482	13,200	13,100	13,100
4500 Assessments	3,710	36,950	51,100	51,100
4501 Assessments - Penalty & Interest	725	3,532	-	-
4602 Interest	1,062	-	-	-
4631 Media Sales	1,872	116	3,300	3,300
4644 Miscellaneous Sales	650	440	500	500
4654 Other Reimbursements	156,721	-	-	-
4660 Gifts and Donations	-	11,835	-	-
4680 Damage or Losses Recovered	12,772	-	-	-
4701 2% Retention Surtax	1,182	1,012	1,400	1,400
DIVISION TOTAL	2,055,432	1,756,026	2,116,300	3,290,000

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	Difference
1150 Dir. Business & ED	1.00	1.00	1.00	1.00	-
1125 Business Dev Manager	1.00	1.00	1.00	1.00	-
138 Sr Business Developer	1.00	-	-	-	-
135 Business Developer	1.00	2.00	2.00	2.00	-
135 Public Info Coordinator	1.00	0.50	0.50	0.50	-
126 Information Tech	0.50	-	-	-	-
129 Administrative Info Spec	-	1.00	1.00	1.00	-
Division Total	5.50	5.50	5.50	5.50	-

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	400,635	442,292	444,700	466,200	21,500
Overtime	2,024	3,473.56	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	402,659	445,766	444,700	466,200	21,500
Benefits	130,800	155,802	188,000	188,000	-
Other Expense					
Materials & Supplies	728	1,333	700	700	-
Services	12,685	16,508	11,000	11,000	-
Utilities & Maintenance	-	-	-	-	-
Other	8,104	7,902	6,600	6,600	-
Total Other Expense	21,516	25,743	18,300	18,300	-
Division Total	554,976	627,311	651,000	672,500	21,500

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Business & Economic Development - 110-135-1310				
PERSONAL SERVICES				
5100 Permanent Salaries	400,635	442,292	444,700	466,200
5101 Premium Pay	2,024	3,474	-	-
5103 Other Wages	-	-	-	-
TOTAL	402,659	445,766	444,700	466,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	28,709	32,416	33,400	34,400
5122 FICA - Social Security	24,809	27,080	27,600	28,900
5123 FICA - Medicare	5,802	6,333	6,500	6,800
5125 Dental Insurance	1,849	2,046	2,000	2,000
5126 Life Insurance	808	891	1,000	1,000
5127 Health Care Savings Plan (HCSP)	7,833	10,176	19,200	21,300
5130 Cafeteria Plan Benefits	60,989	76,830	98,300	93,600
5133 Health or Fitness Program	-	30	-	-
TOTAL	130,800	155,802	188,000	188,000
OTHER EXPENDITURES				
5200 Office Supplies	654	1,249	700	700
5319 Other Professional Service	785	340	1,094	1,094
5321 Phone Service	2,062	2,663	2,200	2,200
5331 Travel/Training	7,164	11,158	4,200	4,200
5335 Local Mileage Reimbursement	2,637	2,157	3,006	3,006
5355 Printing & Copying	38	190	500	500
5356 Copier, Printer Lease & Supplies	74	83	-	-
5433 Dues & Subscription	3,094	3,235	3,200	3,200
5441 Other Services & Charges	2,311	786	400	400
5443 Board & Meeting Expenses	2,699	3,881	3,000	3,000
TOTAL	21,516	25,743	18,300	18,300
DIVISION TOTAL	554,976	627,311	651,000	672,500

City of Duluth Minnesota - 2019 Budget

General Fund Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Business & Economic Development - 110-135-1310				
REVENUE SOURCE				
4644 Miscellaneous Sales	-	69,463	35,200	37,400
4654 Other Reimbursements Refunds	1,417	2,927	-	-
DIVISION TOTAL	1,417	72,390	35,200	37,400

City of Duluth Minnesota - 2019 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 148 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, the type of services we provide has expanded and the incorporation of new technology has significantly changed how we carry out our mission. 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

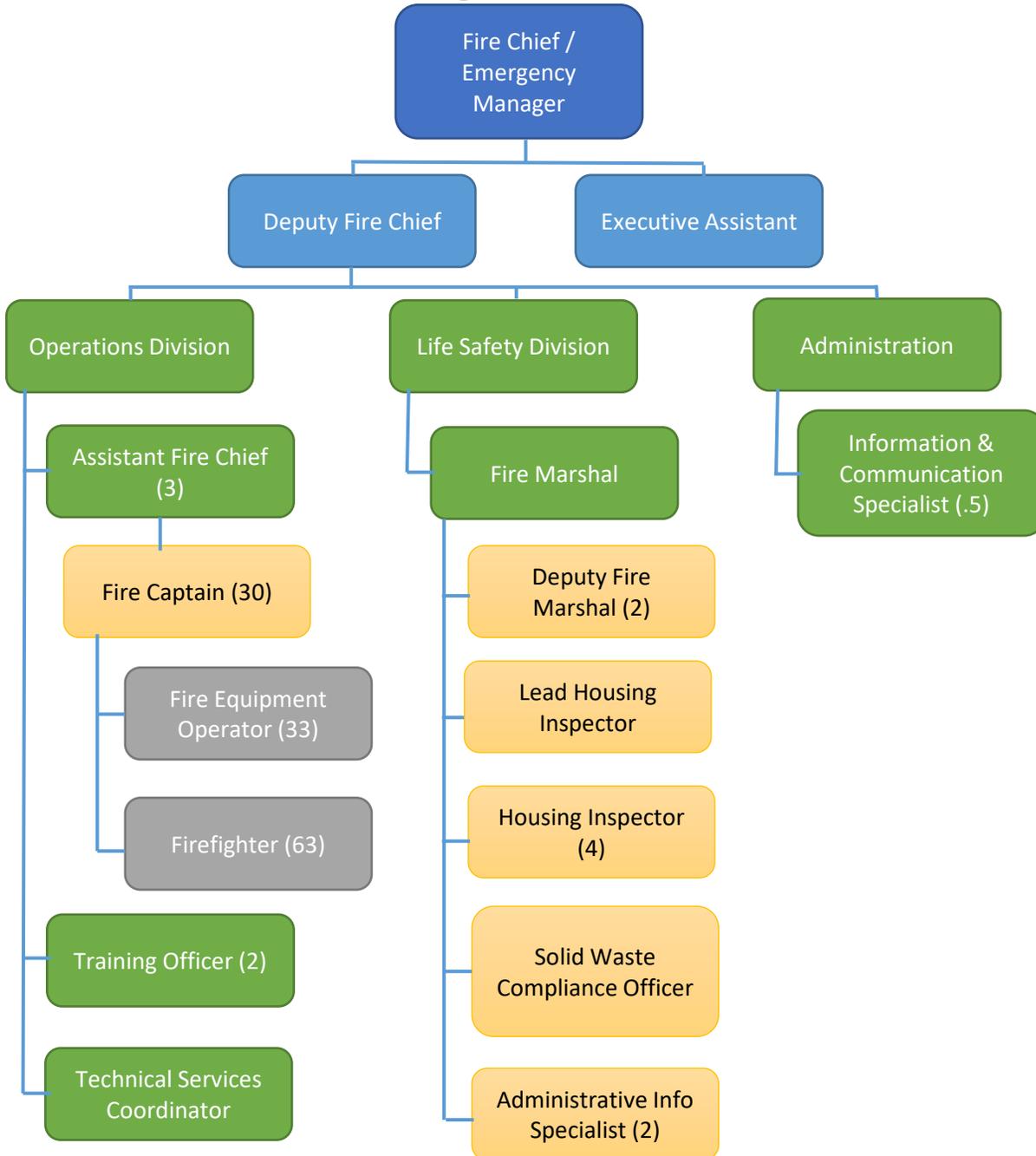
The structure of the Fire Department has four main components: Fire Administration, Emergency Operations, Life Safety Services (Prevention, Plan Review, Licensing and Inspection Services), and Emergency Management. From these business lines, we provide programs that support our mission. The following 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 - 2019 Budget

Fire Department

Organization Chart



City of Duluth Minnesota - 2019 Budget

Fire Department - Goals and Objectives

<p>Program: Fire Prevention Education Description: Annual Classroom Education Program, Special Events, Juvenile Fire-Setter Intervention Education Opportunity Discovered: Increase service level</p> <p>Goal: Dedicate more time to providing fire prevention education to the community.</p> <p>Objective: Free up time for the fire marshal's division.</p> <p>Strategy: End our partnership with the Red Cross to manage the smoke detector installation program. Measurements and Performance: Amount of hours fire marshals spend doing fire prevention education</p>				
2017 Actual 510	2018 Target 520	2018 Actual 518	2019 Target 540	2020 Target 540

<p>Program: Training Description: Training on the technical operation of the All-Hazard Response Vessel Opportunity Discovered: Port Security grant award</p> <p>Goal: Prepare Operations Personnel for the arrival of the All-Hazard Response Vessel Objective: Certify 30 Operations and Administrative personnel on the operation of the All-Hazard Response Vessel</p> <p>Strategy: Utilize grant money allocated for training and certification on boat operations</p> <p>Measurements and Performance: Number of training hours for boat certification</p>				
2017 Actual 0	2018 Target 0	2018 Actual 0	2019 Target 1,920/hours	2020 Target 1,920/hours

City of Duluth Minnesota - 2019 Budget

Fire Department - Goals and Objectives

Description: On-the-job injuries

Goal: Reduce the number of firefighters injured while on duty.

Objective: Reduce firefighter injuries through better training and partnership with other city personnel (HR Safety Officer and Wellness Coordinator)

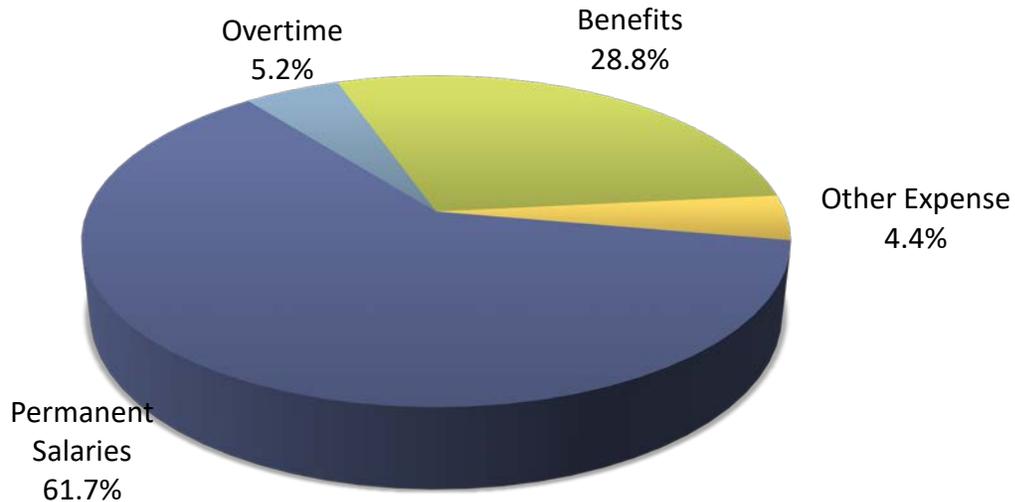
Strategy: Review all fire fighter and vehicle accidents, and near-misses. Make recommendations and implement strategies to improve safety.

Measurements and Performance: Number of firefighter injuries

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
9	8	3	8	8

City of Duluth Minnesota - 2019 Budget

Fire Department 2019 Approved Budget by Expense Category



Expenditures by Category	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Permanent Salaries	10,119,759	10,494,963	10,569,500	11,094,800	525,300
Overtime	956,954	908,615	933,500	933,500	-
Other Wages	-	-	-	-	-
Total Personal Services	11,076,713	11,403,577	11,503,000	12,028,300	525,300
Benefits	4,371,919	4,600,282	4,957,600	5,173,200	215,600
Other Expense	647,881	679,209	715,600	791,000	75,400
Capital Outlay	-	-	-	-	-
Department Total	16,096,513	16,683,068	17,176,200	17,992,500	816,300

Expenditures by Division	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Fire Administration	405,347	498,694	505,800	543,500	37,700
Fire Operations	14,752,959	15,038,381	15,506,300	16,224,000	717,700
Life Safety	938,207	1,145,994	1,164,100	1,225,000	60,900
Department Total	16,096,513	16,683,068	17,176,200	17,992,500	816,300

Budgeted FTE's	2016	2017	2018	2019	Difference
	144.50	146.50	146.50	146.50	-

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	Difference
1160 Fire Chief	1.00	1.00	1.00	1.00	-
1135 Deputy Fire Chief	1.00	1.00	1.00	1.00	-
231 Hazmat Grant Coordinator	1.00	-	-	-	-
132 Const Svcs Info & Comm Spec	0.50	0.50	0.50	0.50	-
131 Executive Assistant	1.00	1.00	1.00	1.00	-
Division Total	4.50	3.50	3.50	3.50	-

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	261,015	325,651	326,500	355,600	29,100
Overtime	1,063	-	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	262,078	325,651	326,500	355,600	29,100
Benefits	87,078	115,789	120,300	128,900	8,600
Other Expense					
Materials & Supplies	18,993	18,107	20,100	20,400	300
Services	9,259	11,014	10,800	9,800	(1,000)
Utilities & Maintenance	3,356	4,024	4,000	4,000	-
Other	24,583	24,110	24,100	24,800	700
Total Other Expense	56,191	57,254	59,000	59,000	-
Division Total	405,347	498,694	505,800	543,500	37,700

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail		2016 Actual	2017 Actual	2018 Budget	2019 Approved
Fire Administration - 110-150-1501					
PERSONAL SERVICES					
5100	Permanent Salaries	261,015	325,651	326,500	355,600
5101	Premium Pay	1,063	-	-	-
5103	Other Wages	-	-	-	-
	TOTAL	262,078	325,651	326,500	355,600
EMPLOYEE BENEFITS					
5121	PERA Retirement	33,195	42,557	44,900	50,500
5122	FICA - Social Security	5,040	5,847	5,700	6,200
5123	FICA - Medicare	3,757	4,639	4,800	5,200
5125	Dental Insurance	1,039	1,302	1,300	1,300
5126	Life Insurance	452	567	600	600
5127	Health Care Savings Plan (HCSP)	7,624	11,777	3,900	6,300
5130	Cafeteria Plan Benefits	35,971	49,099	59,100	58,800
	TOTAL	87,078	115,789	120,300	128,900
5200	Office Supplies	2,283	1,182	2,500	3,000
5202	Audiovisual & Photography	177	210	200	-
5210	Plant/Operating Supplies	1,794	2,029	2,000	2,000
5211	Cleaning/Janitorial Supplies	7,647	7,845	7,500	7,500
5219	Other Miscellaneous Supplies	2,760	2,529	3,000	3,000
5220	Repair & Maintenance Supplies	673	479	1,100	1,100
5228	Painting Supplies	575	617	700	700
5229	Ground Mtc Supplies	88	175	200	200
5240	Small Tools	446	76	400	400
5241	Small Equip-Office/Operating	2,552	2,964	2,500	2,500
5321	Phone Service	1,232	209	2,600	2,600
5322	Postage	437	590	500	500
5331	Travel/Training	4,693	8,722	5,000	5,000
5355	Printing & Copying	1,583	710	1,200	1,200
5356	Copier, Printer Lease & Supplies	1,314	782	1,500	500
5400	Misc Repair & Mtc Service	1,304	2,726	2,000	2,000
5401	Bldg/Structure Repair & Mtc	2,052	1,297	2,000	2,000
5433	Dues & Subscription	1,816	2,238	2,500	2,500
5440	Emergency Management	22,329	19,974	20,000	20,000
5441	Other Services & Charges	438	1,152	1,500	1,500
5443	Board & Meeting Expenses	-	747	100	800
	TOTAL	56,191	57,254	59,000	59,000
DIVISION TOTAL		405,347	498,694	505,800	543,500

City of Duluth Minnesota - 2019 Budget

General Fund Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Fire Administration - 110-150-1501				
REVENUE SOURCE				
4232 State Insurance Premium	518,188	472,493	520,000	520,000
4340 Fire Protection Services	4,200	7,518	6,400	6,400
4341 Hydrant Maintenance Services	30,000	30,000	30,000	30,000
4644 Miscellaneous Sales	181	-	-	-
4654 Other Reimbursements	5,443	6,163	4,000	4,000
4730 Transfer from Special Revenue	69,269	10,000	20,000	20,000
4999 Fund Balance Reserves-Fire Department	-	-	730,500	-
DIVISION TOTAL	627,282	526,174	1,310,900	580,400

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	Difference
233 Assistant Chief	3.00	3.00	3.00	3.00	-
231 Training Officer	1.00	2.00	2.00	2.00	-
231 Technical Services Coord.	-	1.00	1.00	1.00	-
228 Captain	30.00	29.00	29.00	30.00	1.00
227 Equipment Operator	33.00	33.00	33.00	33.00	-
226 Firefighter	63.00	64.00	64.00	63.00	(1.00)
Division Total	130.00	132.00	132.00	132.00	-

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	9,249,621	9,433,480	9,497,000	9,966,500	469,500
Overtime	942,866	895,422	922,200	922,200	-
Other Wages	-	-	-	-	-
Total Salaries	10,192,487	10,328,902	10,419,200	10,888,700	469,500
Benefits	4,011,028	4,154,785	4,485,200	4,662,000	176,800
Other Expense					
Materials & Supplies	160,836	181,370	160,000	160,000	-
Services	30,549	56,702	47,800	47,800	-
Utilities & Maintenance	315,230	269,905	348,900	399,800	50,900
Other	42,829	46,716	45,200	65,700	20,500
Total Other Expense	549,444	554,694	601,900	673,300	71,400
Division Total	14,752,959	15,038,381	15,506,300	16,224,000	717,700

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail		2016 Actual	2017 Actual	2018 Budget	2019 Approved
Fire Operations - 110-150-1502					
PERSONAL SERVICES					
5100	Permanent Salaries	9,249,621	9,433,480	9,497,000	9,966,500
5101	Premium Pay	942,866	895,422	922,200	922,200
5103	Other Wages	-	-	-	-
	TOTAL	10,192,487	10,328,902	10,419,200	10,888,700
EMPLOYEE BENEFITS					
5121	PERA Retirement	1,620,425	1,639,348	1,690,000	1,819,800
5122	FICA - Social Security	-	-	-	-
5123	FICA - Medicare	144,252	145,179	151,300	157,900
5125	Dental Insurance	48,823	48,856	49,100	49,100
5126	Life Insurance	21,182	20,669	23,800	23,800
5127	Health Care Savings Plan (HCSP)	332,867	287,869	172,000	225,500
5130	Cafeteria Plan Benefits	1,825,902	1,996,390	2,381,600	2,368,500
5133	Health or Fitness Program	17,577	16,475	17,400	17,400
	TOTAL	4,011,028	4,154,785	4,485,200	4,662,000
OTHER EXPENDITURES					
5205	Safety & Training Materials	5,947	9,319	7,500	7,500
5210	Plant/Operating Supplies	3,082	3,455	3,500	3,500
5212	Motor Fuels	52,314	59,038	50,000	50,000
5218	Uniforms	13,498	13,732	10,000	10,000
5219	Other Miscellaneous Supplies	31,547	29,305	25,000	25,000
5220	Repair & Maintenance Supplies	1,302	2,773	3,000	3,000
5241	Small Equip-Office/Operating	53,145	63,748	61,000	61,000
5305	Medical Svcs/Testing Fees	3,848	5,431	5,000	5,000
5319	Other Professional Services	5,895	22,561	22,500	22,500
5320	Data Services	7,633	15,329	8,000	8,000
5321	Phone Service	6,250	6,915	7,000	7,000
5322	Postage	555	391	300	300
5384	Refuse Disposal	6,368	6,076	5,000	5,000
5409	Fleet Services Charges	315,230	269,905	348,900	399,800
5414	Software Lic/Mtc Agree	2,314	4,701	2,000	22,500
5441	Other Services & Charges	5,053	5,934	6,200	6,200
5446	Tuition Reimbursement	12,775	11,052	20,000	20,000
5450	Laundry	22,688	25,028	17,000	17,000
	TOTAL	549,444	554,694	601,900	673,300
DIVISION TOTAL		14,752,959	15,038,381	15,506,300	16,224,000

City of Duluth Minnesota - 2019 Budget

General Fund Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Fire Operations - 110-150-1502				
REVENUE SOURCE				
4654 Other Reimbursements	13,472	-	-	-
4730 Transfer from Special Revenue	164,637	196,859	129,500	123,100
DIVISION TOTAL	178,109	196,859	129,500	123,100

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	Difference
233 Fire Marshal	1.00	1.00	1.00	1.00	-
230 Deputy Fire Marshal	2.00	2.00	2.00	2.00	-
32 Lead Housing Inspector	1.00	1.00	1.00	1.00	-
29 Housing Inspector	3.00	4.00	4.00	4.00	-
28 Solid Waste Compliance	1.00	1.00	1.00	1.00	-
129 Admin Information Spec	2.00	2.00	2.00	2.00	-
Division Total	10.00	11.00	11.00	11.00	-

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	609,123	735,832	746,000	772,700	26,700
Overtime	13,025	13,193	11,300	11,300	-
Other Wages	-	-	-	-	-
Total Salaries	622,148	749,025	757,300	784,000	26,700
Benefits	273,812	329,707	352,100	382,300	30,200
Other Expense					
Materials & Supplies	7,529	13,278	10,600	10,600	-
Services	23,245	24,834	29,000	29,000	-
Utilities & Maintenance	4,236	12,082	9,300	13,300	4,000
Other	7,237	17,067	5,800	5,800	-
Total Other Expense	42,247	67,262	54,700	58,700	4,000
Division Total	938,207	1,145,994	1,164,100	1,225,000	60,900

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Life Safety - 110-150-1503				
PERSONAL SERVICES				
5100 Permanent Salaries	609,123	735,832	746,000	772,700
5101 Premium Pay	13,025	13,193	11,300	11,300
5103 Other Wages	-	-	-	-
TOTAL	622,148	749,025	757,300	784,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	65,063	79,442	81,500	85,900
5122 FICA - Social Security	24,209	27,983	29,400	30,400
5123 FICA - Medicare	8,835	10,535	11,000	11,400
5125 Dental Insurance	3,474	4,069	4,100	4,100
5126 Life Insurance	1,512	1,789	2,000	2,000
5127 Health Care Savings Plan (HCSP)	18,941	16,121	8,600	10,600
5130 Cafeteria Plan Benefits	150,976	188,801	215,500	237,900
5133 Health or Fitness Program	802	968	-	-
TOTAL	273,812	329,707	352,100	382,300
OTHER EXPENDITURES				
5200 Office Supplies	765	932	1,500	1,500
5202 Audiovisual & Photography	1,028	715	1,000	1,000
5205 Safety & Training Materials	837	638	1,000	1,000
5212 Motor Fuels	2,692	9,114	4,000	4,000
5219 Other Miscellaneous Supplies	1,778	1,485	1,500	1,500
5241 Small Equipment-Office Operating	430	395	1,600	1,600
5321 Phone Service	5,111	6,449	2,600	2,600
5331 Travel/Training	15,977	14,644	17,000	17,000
5335 Local Mileage Reimbursement	160	25	1,000	1,000
5355 Printing & Copying	1,515	855	3,000	3,000
5356 Copier, Printer Lease & Supplies	482	2,861	5,400	5,400
5400 Misc Repair & Mtc Service	295	-	300	300
5409 Fleet Services Charges	3,941	11,684	9,000	10,000
5427 Credit Card Commissions	-	398	-	3,000
5433 Dues and Subscriptions	720	666	500	500
5435 Books & Pamphlets	3,286	2,410	2,500	2,500
5441 Other Services and Charges	3,100	2,618	2,500	2,500
5443 Board & Meeting Expenses	130	151	300	300
5459 Fire Safety Education Account	-	11,221	-	-
TOTAL	42,247	67,262	54,700	58,700
DIVISION TOTAL	938,207	1,145,994	1,164,100	1,225,000

City of Duluth Minnesota - 2019 Budget

General Fund Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Life Safety - 110-150-1503				
REVENUE SOURCE				
4153 Multiple Dwelling License	855,008	822,567	883,300	1,036,200
4154 Commercial Use/Occupancy Permit	111,665	103,755	95,000	100,000
4306 Building Appeals Fees	120	360	-	-
4360 Vacant Building Fee	3,000	-	-	-
4644 Misc Fees, Sales, Service	6,501	4,550	5,000	6,000
4660 Gifts and Donations	2,254	9,349	-	-
DIVISION TOTAL	978,549	940,581	983,300	1,142,200

City of Duluth Minnesota – 2019 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 158 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, IT, Animal Shelter, Grants

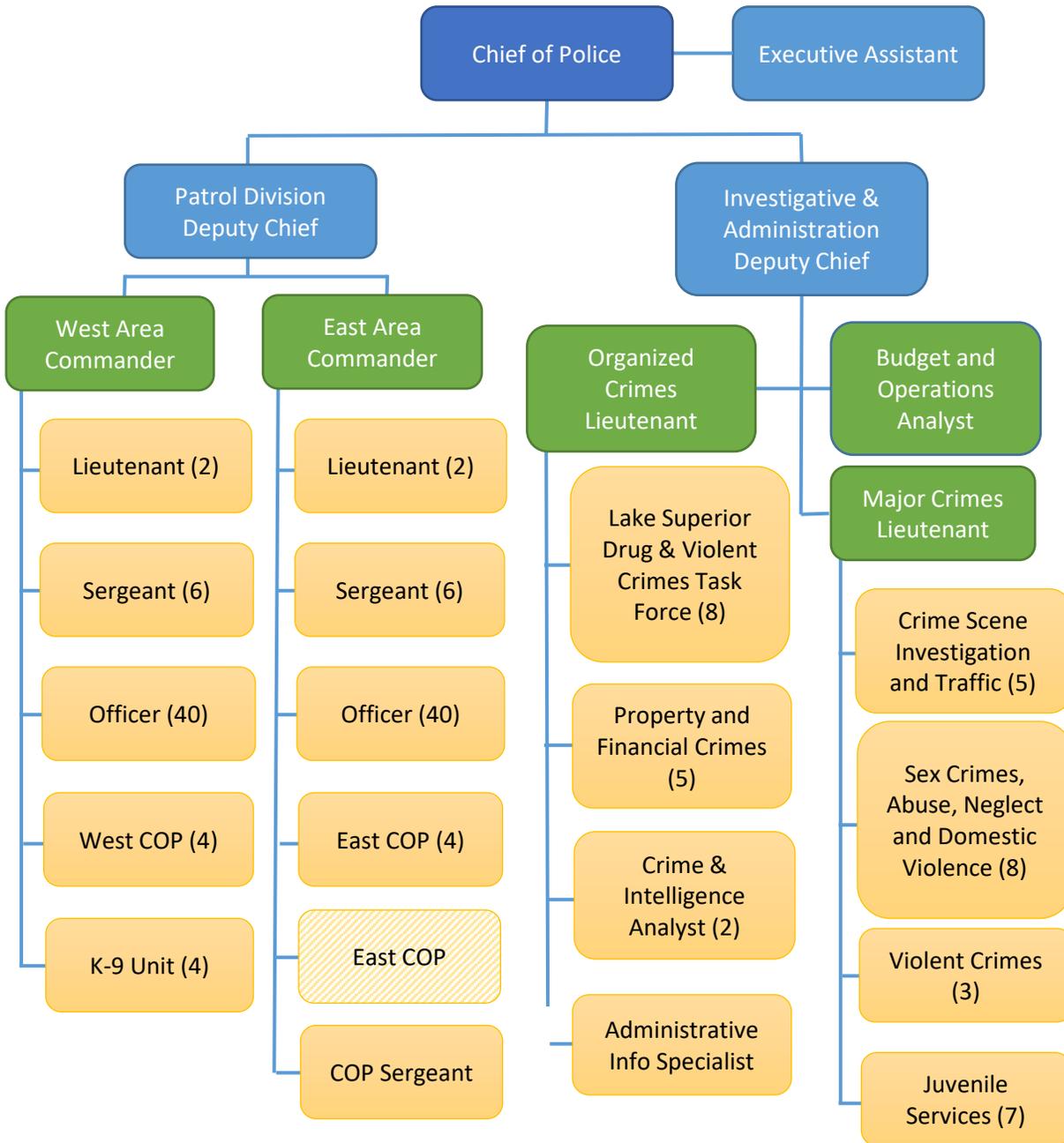
The **Patrol Division** is divided into two geographic patrol areas. Each area is under the command of a lieutenant. The Patrol Division consists of the following units:

-Patrol	-Community Policing	-Canine Unit
-Tactical Response Team	-Bike Patrol Unit	-Mental Health Unit

City of Duluth Minnesota - 2019 Budget

Police Department

Organization Chart

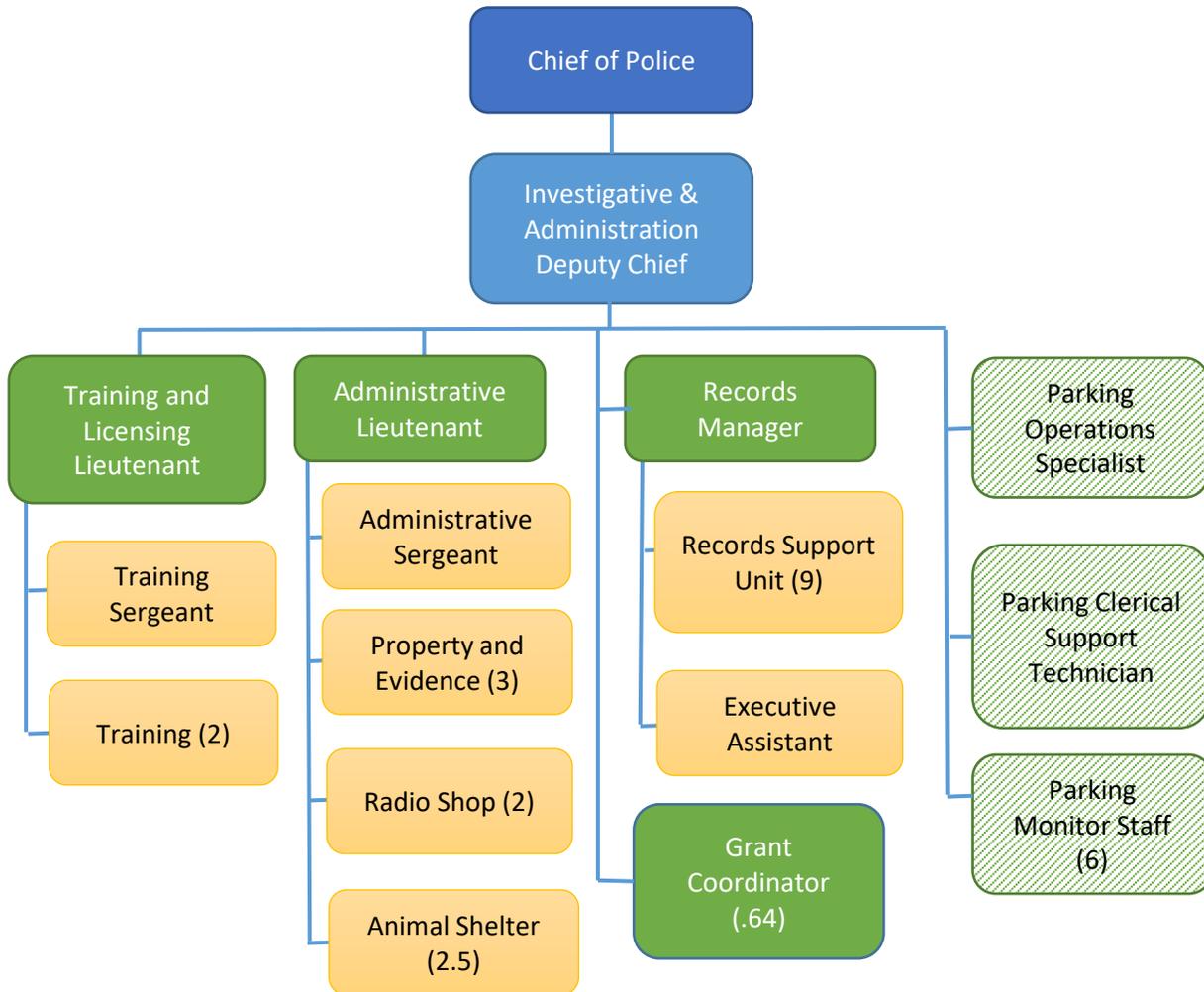


KEY
 Solid = General Fund
 Patterned = Non-General Fund

City of Duluth Minnesota - 2019 Budget

Police Department

Organization Chart - Continued



KEY
 Solid = General Fund
 Patterned = Non-General Fund

City of Duluth Minnesota - 2019 Budget

Police Department - Goals and Objectives

<p>Program: Community Service Officer and Park Ranger Programs</p> <p>Description: Community Service Officers and Park Rangers are non-sworn part-time employees that represent and promote our City as a whole, while providing non-enforcement related services to the police department and community.</p> <p>Opportunity Discovered: Increase Service Level</p> <p>Goal: Increase the Safety of, and service level provided to, our Community.</p> <p>Objective: Increase intradepartmental services, to increase support and effectiveness, and bolster efficiency within the department.</p> <p>Strategy: Increase staffing levels of Community Service Officers</p> <p>Measurements and Performance: Amount of non-emergency calls diverted from Sworn Staff</p>				
2017 Actual	2018 Target	2018 Actual 1232	2019 Target 1355	2020 Target 1491

<p>Program: Bike Patrol</p> <p>Description: Our Bike Patrol Program supplements our patrol division with added resources focused in our downtown and Canal Park areas during Duluth's tourist season.</p> <p>Opportunity Discovered: Cost Recovery</p> <p>Goal: Increase the Safety of, and service level provided to, our Community.</p> <p>Objective: Increase the presence of our Bike Patrol Unit during the busy tourism season.</p> <p>Strategy: Obtain tourism tax dollars that were previously allocated to Mounted Patrol to help fund the critical program.</p> <p>Measurements and Performance: Contacts made with the community by the Bike Patrol Unit</p>				
2017 Actual	2018 Target	2018 Actual 345	2019 Target 366	2020 Target 388

City of Duluth Minnesota - 2019 Budget

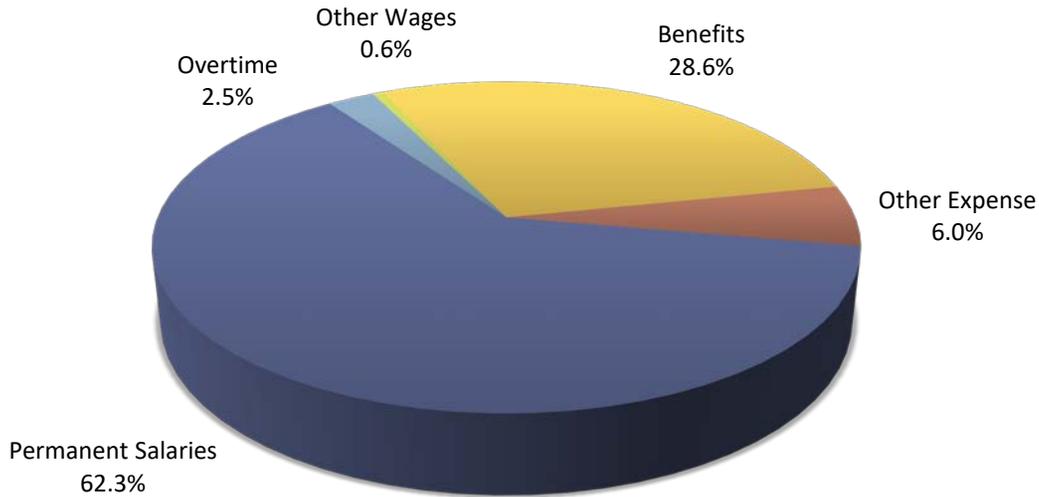
Police Department - Goals and Objectives Continued

<p>Program: Health & Wellness Description: Peer Support, Critical Incident Debriefing, Physical Fitness, and Mental Wellness Training for employees within our department. Opportunity Discovered: Service Level Increase</p> <p>Goal: Increase the Safety of, and services provided to, Police Department employees</p> <p>Objective: Increase services to our employees, promoting a culture of physical and mental wellness.</p> <p>Strategy: Introduce applicable trainings and education, to establish an effective wellness program.</p> <p>Measurements and Performance: Programs directed at providing Health & Wellness opportunities</p>				
2017 Actual	2018 Target	2018 Actual 4	2019 Target 5	2020 Target 6

City of Duluth Minnesota - 2019 Budget

Police Department

2019 Approved Budget by Expense Category



Expenditures by Category	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Permanent Salaries	12,868,291	12,921,986	13,517,000	14,183,800	666,800
Overtime	880,996	752,680	575,000	575,000	-
Other Wages	114,081	110,197	107,300	131,600	24,300
Total Personal Services	13,863,368	13,784,864	14,199,300	14,890,400	691,100
Benefits	5,537,846	5,628,115	6,269,400	6,501,600	232,200
Other Expense	1,403,886	1,419,599	1,434,700	1,357,600	(77,100)
Department Total	20,805,099	20,832,577	21,903,400	22,749,600	846,200

Budgeted FTE's	2016	2017	2018	2019	Difference
Budgeted FTE's	180.50	184.14	182.14	182.14	-

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	Difference
Chief of Police	1.00	1.00	1.00	1.00	-
1130 Deputy Chief	2.00	2.00	2.00	2.00	-
1110 Lieutenant	10.00	10.00	10.00	10.00	-
1090 Police Records & Tech Mgr	1.00	1.00	1.00	1.00	-
328 Sergeant	21.00	22.00	22.00	22.00	-
327 Police Investigator	53.00	53.00	53.00	50.00	(3.00)
326 Police Officer	67.00	68.00	68.00	71.00	3.00
133 Budget Analyst	1.00	1.00	1.00	1.00	-
133 Sr Police Records Tech	1.00	1.00	1.00	1.00	-
131 Grant Coordinator	1.00	0.64	0.64	0.64	-
131 Crime & Intel Analyst	2.00	2.00	2.00	2.00	-
131 Executive Assistant	2.00	2.00	2.00	2.00	-
129 Admin Info Specialist	1.00	1.00	1.00	1.00	-
128 Police Records Tech II	7.00	7.00	7.00	8.00	1.00
126 Information Technician	1.00	1.00	1.00	1.00	-
124 Police Records Tech I	2.00	3.00	2.00	1.00	(1.00)
33 Elec Tech Leadworker	1.00	1.00	1.00	1.00	-
31 Electronics Technician	1.00	1.00	1.00	1.00	-
30 Animal Shelter Leadwrkr	1.00	1.00	1.00	1.00	-
29 Property & Evidence Spec	1.00	1.00	1.00	1.00	-
27 Animal Control Officer	1.00	1.00	1.00	1.00	-
24 Evidence Technician	2.00	3.00	2.00	2.00	-
21 Animal Services Tech	0.50	0.50	0.50	0.50	-
Department Total	180.50	184.14	182.14	182.14	-

City of Duluth Minnesota - 2019 Budget

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	12,868,291	12,921,986	13,517,000	14,183,800	666,800
Overtime	880,996	752,680	575,000	575,000	-
Other Wages	114,081	110,197	107,300	131,600	24,300
Total Salaries	13,863,368	13,784,864	14,199,300	14,890,400	691,100
Benefits	5,537,846	5,628,115	6,269,400	6,501,600	232,200
Other Expense					
Materials & Supplies	357,139	390,775	368,600	356,100	(12,500)
Services	128,999	142,784	134,500	148,100	13,600
Utilities & Maintenance	312,885	316,423	364,800	307,900	(56,900)
Other	604,862	569,618	566,800	545,500	(21,300)
Total Other Expense	1,403,886	1,419,599	1,434,700	1,357,600	(77,100)
Department Total	20,805,099	20,832,577	21,903,400	22,749,600	846,200

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Police Department				
PERSONAL SERVICES				
5100 Permanent Salaries	12,868,291	12,921,986	13,517,000	14,183,800
5101 Premium Pay	880,996	752,680	575,000	575,000
5103 Other Wages	113,531	105,691	107,300	131,600
5111 Long-Term Disability Wages	550	4,506	-	-
TOTAL	13,863,368	13,784,864	14,199,300	14,890,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	2,053,309	2,048,812	2,164,500	2,328,400
5122 FICA - Social Security	92,544	94,180	89,000	101,300
5123 FICA - Medicare	194,553	193,471	206,100	215,600
5125 Dental Insurance	66,782	65,448	67,000	67,800
5126 Life Insurance	29,096	28,526	32,400	32,800
5127 Health Care Savings Plan (HCSP)	524,038	442,505	371,000	387,400
5130 Cafeteria Plan Benefits	2,576,785	2,754,213	3,338,200	3,367,100
5133 Health or Fitness Program	738	960	1,200	1,200
TOTAL	5,537,846	5,628,115	6,269,400	6,501,600

City of Duluth Minnesota - 2019 Budget

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OTHER EXPENDITURES				
5200 Office Supplies	17,839	17,003	24,000	20,000
5201 Computer Supplies/Software	2,327	1,601	2,000	2,000
5202 Audiovisual & Photography	543	311	1,000	1,000
5205 Safety & Training Materials	1,219	928	1,500	1,500
5211 Cleaning/Janitorial Supplies	13,747	13,955	15,500	2,000
5212 Motor Fuels	182,988	210,228	207,000	207,000
5214 Food for Animals	1,319	2,425	4,000	2,500
5217 Ammunition	33,640	39,706	40,000	50,000
5218 Uniforms	77,168	79,039	39,100	39,100
5219 Other Miscellaneous Supplies	16,190	15,184	21,000	20,000
5220 Repair & Maintenance Supplies	7,927	9,277	9,000	9,000
5241 Small Equip-Office/Operating	2,233	1,119	4,500	2,000
5305 Medical Svcs/Testing Fees	625	711	1,000	1,000
5319 Other Professional Services	30,853	46,987	30,000	32,000
5320 Data Services	2,413	6,069	4,500	46,600
5321 Phone Service	81,209	74,066	79,000	53,000
5322 Postage	1,490	1,579	2,000	2,000
5331 Travel/Training	4,177	5,096	5,000	5,000
5355 Printing & Copying	3,220	2,821	3,000	3,000
5356 Copier, Printer Lease & Supplies	2,478	2,659	4,000	2,500
5384 Refuse Disposal	2,533	2,797	6,000	3,000
5401 Bldg/Structure Repair & Mtc	1,806	6,100	11,700	-
5404 Equipment/Machinery Repair & Mtc	-	7,339	-	-
5409 Fleet Services Charges	311,079	302,983	353,100	307,900
5411 Land Rental/Easements	1,000	1,000	1,000	-
5414 Software Licenses & Mtce Agreements	208,574	194,947	201,900	327,000
5433 Dues & Subscription	2,817	3,468	4,000	4,000
5435 Books & Pamphlets	1,073	135	1,000	-
5437 Automated Pawn System	24,531	20,987	22,500	11,500
5438 Licenses	4,686	5,310	5,500	5,500
5441 Other Services & Charges	17,123	33,635	34,000	37,000
5443 Board & Meeting Expenses	997	1,253	1,000	1,000
5448 Police Training	87,187	88,957	65,000	157,000
5460 Law Enforcement Center Expenses	254,375	217,426	228,400	-
5490 Donations to Civic Organizations	2,500	2,500	2,500	2,500
TOTAL	1,403,886	1,419,599	1,434,700	1,357,600
DEPARTMENT TOTAL	20,805,099	20,832,577	21,903,400	22,749,600

City of Duluth Minnesota - 2019 Budget

General Fund Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Police Department				
REVENUE SOURCE				
4209 Federal Grant	70,562	10,647	-	-
4210 Pass-thru Federal Grant	55,379	81,279	-	-
4220 State of Minnesota	17,929	11,584	-	-
4227 Police Training Reimbursement	45,649	47,689	50,000	142,000
4232 State Insurance Premium	1,432,228	1,507,945	1,300,000	1,300,000
4261 ISD 709	222,085	226,525	228,400	228,400
4322 Animal Shelter Fees	12,069	12,350	12,000	12,000
4326 Criminal History Checks	376	318	400	400
4328 Pawnbroker Transaction Surcharge	51,634	44,403	50,000	45,000
4329 False Alarm Fees & Penalties	26,882	15,867	19,600	18,000
4631 Media Sales	963	597	1,500	1,500
4650 Salaries Reimbursement	20,867	23,584	20,000	20,000
4654 Other Reimbursements	19,905	25,561	15,000	15,000
4655 Drug Task Force Reimbursement	-	15,896	-	-
4660 Gifts and Donations	2,395	2,867	-	-
4730 Transfer from Tourism Taxes	307,100	307,100	307,100	307,100
4730 Transfer from Police Grant Fund	725,677	696,014	558,500	828,200
4730 Transfer from Police Grant Fund - OT	194,507	159,367	130,000	136,000
DEPARTMENT TOTAL	3,206,208	3,189,593	2,692,500	3,053,600

City of Duluth Minnesota - 2019 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.

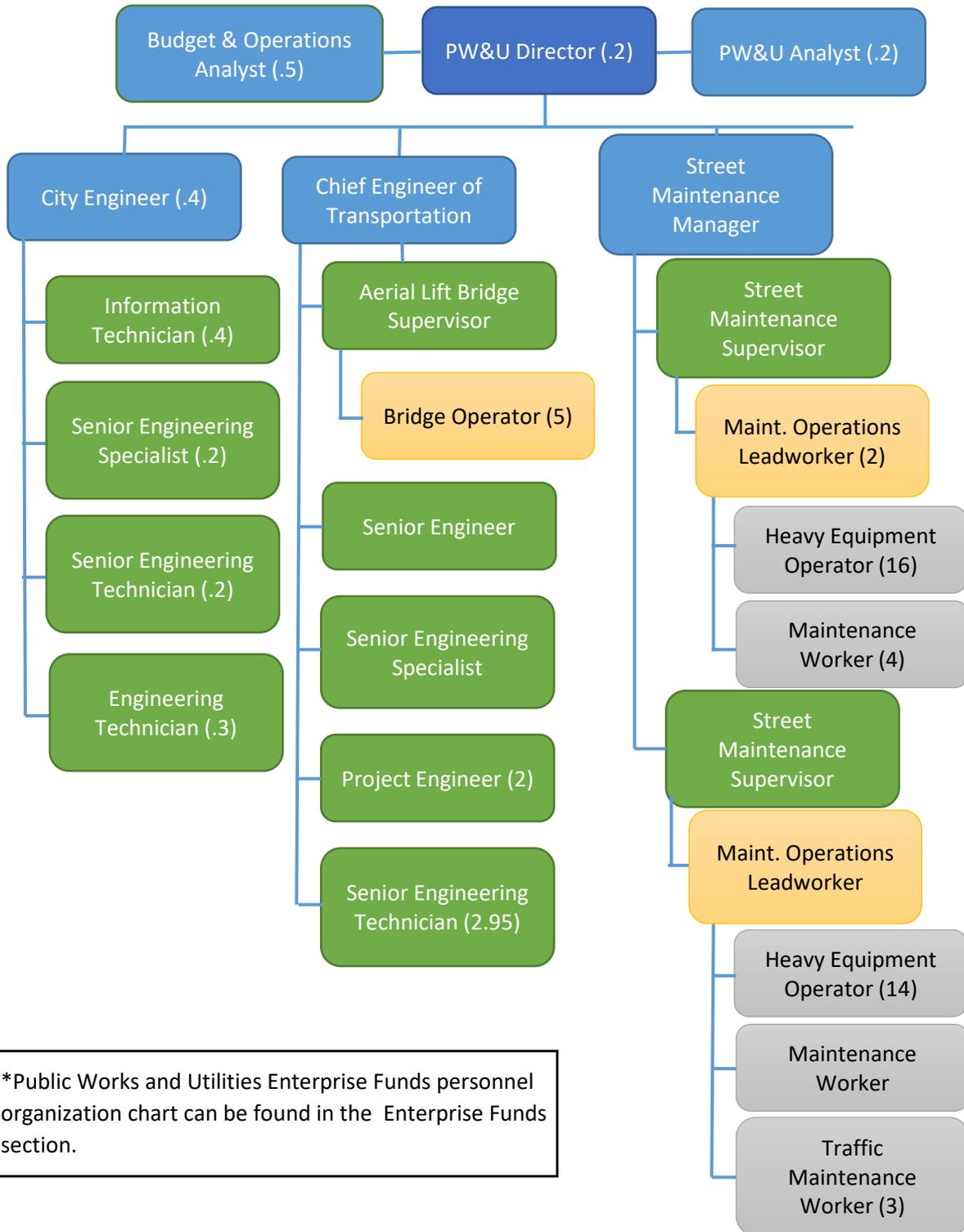
Structure

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 - 2019 Budget

Public Works & Utilities Department - General Fund

Organization Chart



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

City of Duluth Minnesota - 2019 Budget

Public Works & Utilities Department - Goals and Objectives Street Maintenance

<p>Program: Parking Collections and Sign/Spot Maintenance</p> <p>Description: Collection, Audit, and Service of Parking Meters and Spaces throughout the City</p> <p>Opportunity Discovered: Align service function with Parking Enterprise Fund where revenue is credited</p> <p>Goal: Relieve Street Maintenance staff of responsibility for this service to focus on Core Functions of the Street Maintenance department.</p> <p>Objective: Free up Traffic Maintenance Staff and resources to increase productivity on Traffic Maintenance functions.</p> <p>Strategy: Will be achieved by shifting the responsibility to the Parking Enterprise where the revenues are being collected. Thus freeing up Traffic Maintenance staff to perform traffic maintenance duties and eliminate the current practice of utilizing Heavy Equipment Operators and Maintenance Workers to assist with Traffic Maintenance functions.</p> <p>Measurements and Performance: Increase amount of hours Traffic Maintenance Staff spend on Traffic Maintenance related functions.</p>				
2017 Actual 2912	2018 Target n/a	2018 Actual 2847	2019 Target 4000	2020 Target 5000

City of Duluth Minnesota - 2019 Budget

Public Works & Utilities Department - Goals and Objectives Sanitary Sewer/Clean Water

Program: Clean Water Lateral Grants

Description: Aimed to provide financial assistance to private property owners to replace failing lateral lines connected to the sanitary sewer system. Helps to reduce the amount of clear water infiltrating the waste water system.

Opportunity Discovered: Increase Service Level.

Goal: Meet WLSSD mandate to reduce the amount of Inflow & Infiltration of clear water that enters the Sanitary Sewer system.

Objective: Provide a program that identifies and offers a financial incentive for private property owners to replace failing lateral service lines connected to the Sanitary Sewer system.

Strategy: Identify and prioritize properties that have failing lateral lines connected to the Sanitary System.

Measurements and Performance: Provide 100 grants of up to \$4,000 each.

2017 Actual	2018 Target	2018 Actual	2019 Target	2020 Target
\$48,000	\$160,000	\$243,320	\$400,000	\$400,000

City of Duluth Minnesota - 2019 Budget

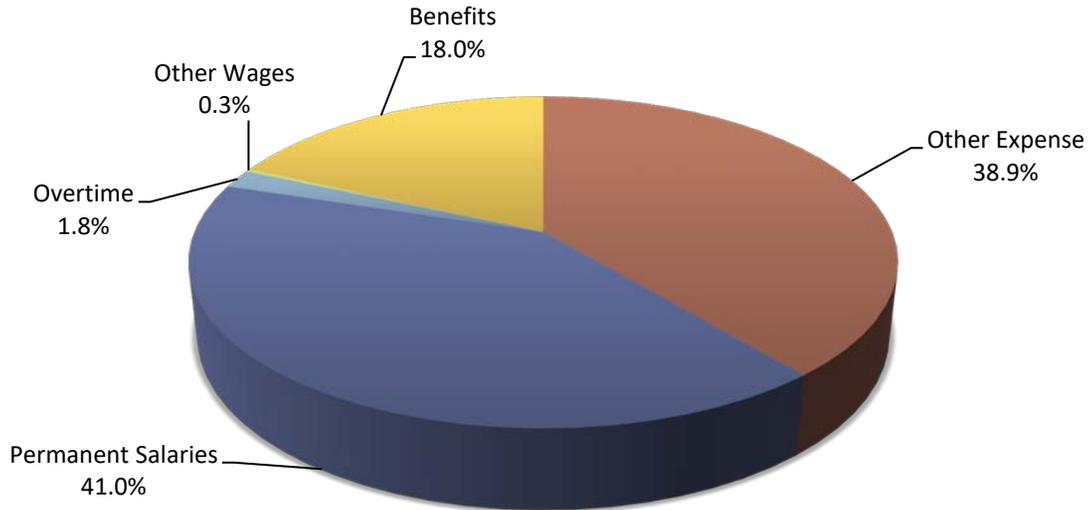
Public Works & Utilities Department - Goals and Objectives Street Improvement Program

<p>Program: Street Improvement Program Description: Rehabilitation & Reconstruction of City Streets in coordination with utility infrastructure improvements and State and County Road projects within the City. Opportunity Discovered: Increase Service Level Goal: Increase efforts to implement the Street Improvement Program through the utilization of an anticipated .5% sales tax dedicated to the Street Improvement Program. Objective: Continually maintain and improve City streets according to methods and priorities identified in the Street Improvement Program. Strategy: City employs three primary strategies: 1) Preservation of streets; 2) Rehabilitation of streets; and 3) Reconstruction of streets</p> <p>Measurements and Performance: Miles of streets (rehabilitation and reconstructed)</p>				
2017 Actual 11.53	2018 Target 7.66	2018 Actual 5.49	2019 Target 3.85	2020 Target TBD on Funding

City of Duluth Minnesota - 2019 Budget

Public Works & Utilities - General Operations

2019 Approved Budget by Expense Category



Expenditures by Category	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Permanent Salaries	3,587,261	3,657,421	3,765,200	3,913,700	148,500
Overtime	277,181	246,108	173,000	173,000	-
Other Wages	66,814	32,081	35,100	25,100	-
Total Personal Services	3,931,256	3,935,610	3,973,300	4,111,800	138,500
Benefits	1,518,329	1,553,923	1,752,200	1,723,000	(29,200)
Other Expense	3,721,011	3,400,139	3,706,400	3,712,600	6,200
Department Total	9,170,596	8,889,673	9,431,900	9,547,400	115,500

Expenditures by Division	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Director's Office	52,131	54,392	53,900	103,800	49,900
Street Maintenance	7,401,318	7,070,092	7,523,600	7,556,700	33,100
Engineering	1,717,148	1,765,189	1,854,400	1,886,900	32,500
Department Total	9,170,596	8,889,673	9,431,900	9,547,400	115,500

Budgeted FTE's	2016	2017	2018	2019	Difference
	61.7	62.2	60.4	60.4	-

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	Difference
1170 Director	0.20	0.20	0.20	0.20	-
33 PW&U Analyst	0.20	0.20	0.20	0.20	-
133 Budget & Ops Analyst	-	-	-	0.50	0.50
Division Total	0.40	0.40	0.40	0.90	0.50

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	41,942	43,341	42,100	76,000	33,900
Overtime	380	472	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	42,322	43,814	42,100	76,000	33,900
Benefits	9,358	9,757	11,000	27,000	16,000
Other Expense					
Materials & Supplies	58	200	200	200	-
Services	393	384	400	500	-
Utilities & Maintenance	-	-	-	-	-
Other	-	238	200	100	-
Total Other Expense	451	821	800	800	
Division Total	52,131	54,392	53,900	103,800	49,900

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Public Works Director - 110-500-1900				
PERSONAL SERVICES				
5100 Permanent Salaries	41,942	43,341	42,100	76,000
5101 Premium Pay	380	472	-	-
5103 Other Wages	-	-	-	-
TOTAL	42,322	43,814	42,100	76,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	3,065	3,142	3,200	5,600
5122 FICA - Social Security	2,425	2,588	2,600	4,700
5123 FICA - Medicare	614	634	600	1,100
5125 Dental Insurance	149	149	100	300
5126 Life Insurance	65	65	100	200
5127 Health Care Savings Plan (HCSP)	1,380	1,413	1,000	900
5130 Cafeteria Plan Benefits	1,660	1,766	3,400	14,200
TOTAL	9,358	9,757	11,000	27,000
OTHER EXPENDITURES				
5200 Office Supplies	58	100	100	100
5241 Small Equip-Office/Operating	-	100	100	100
5321 Phone Service	120	120	100	100
5331 Travel/Training	-	-	100	100
5335 Local Mileage Reimbursement	273	264	200	300
5433 Dues & Subscription	-	238	200	100
TOTAL	451	821	800	800
DIVISION TOTAL	52,131	54,392	53,900	103,800

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	Difference
27 Traffic Maintenance Wkr	3.00	3.00	3.00	3.00	-
32 Maintenance Ops Lead	3.00	3.00	3.00	3.00	-
133 Budget & Ops Analyst	0.50	0.50	0.50	-	(0.50)
1115 Street Maintenance Mgr	0.50	1.00	1.00	1.00	-
22 Maintenance Worker	8.00	6.00	5.00	5.00	-
27 Heavy Equip Operator	28.00	30.00	30.00	30.00	-
1090 Street Maintenance Spvs	2.00	2.00	2.00	2.00	-
Division Total	45.00	45.50	44.50	44.00	(0.50)

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	2,481,872	2,468,730	2,570,300	2,655,200	84,900
Overtime	194,184	181,199	117,000	117,000	-
Other Wages	34,728	19,957	10,000	-	(10,000)
Total Salaries	2,710,784	2,669,885	2,697,300	2,772,200	74,900
Benefits	1,081,676	1,124,529	1,270,700	1,221,000	(49,700)
Other Expense					
Materials & Supplies	1,850,776	1,543,508	1,704,050	1,695,300	(8,750)
Services	27,294	30,122	40,000	45,300	5,300
Utilities & Maintenance	1,045,184	1,112,989	1,346,000	1,353,900	7,900
Other	685,604	589,058	465,550	469,000	3,450
Total Other Expense	3,608,857	3,275,677	3,555,600	3,563,500	7,900
Division Total	7,401,318	7,070,092	7,523,600	7,556,700	33,100

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail		2016 Actual	2017 Actual	2018 Budget	2019 Approved
Street Maintenance - 110-500-1920					
PERSONAL SERVICES					
5100	Permanent Salaries	2,481,872	2,468,730	2,570,300	2,655,200
5101	Premium Pay	194,184	181,199	117,000	117,000
5103	Other Wages	26,088	11,362	-	-
5118	Meal Allowance	8,640	8,595	10,000	10,000
	TOTAL	2,710,784	2,669,885	2,697,300	2,782,200
EMPLOYEE BENEFITS					
5121	PERA Retirement	193,741	194,583	201,600	203,200
5122	FICA - Social Security	165,515	162,662	167,200	171,900
5123	FICA - Medicare	38,709	38,042	39,100	40,200
5125	Dental Insurance	16,896	16,096	16,600	16,100
5126	Life Insurance	7,358	7,020	8,000	7,800
5127	Health Care Savings Plan (HCSP)	53,112	75,149	49,800	51,400
5130	Cafeteria Plan Benefits	606,345	630,527	788,400	720,400
5133	Health or Fitness Program	-	450	-	-
	TOTAL	1,081,676	1,124,529	1,270,700	1,211,000
OTHER EXPENDITURES					
5200	Office Supplies	745	567	1,500	1,500
5201	Computer Supplies/Software	7	1,739	10,000	2,000
5205	Safety & Training Materials	5,125	13,735	9,500	12,000
5210	Plant/Operating Supplies	3,251	12,192	17,000	17,000
5211	Cleaning/Janitorial Supplies	4,124	4,894	5,000	6,000
5212	Motor Fuels	219,314	228,726	250,000	250,000
5215	Shop Materials	-	-	1,600	1,600
5218	Uniforms	11,960	11,497	15,600	13,100
5219	Other Miscellaneous Supplies	24,173	17,356	17,600	17,600
5220	Repair & Maintenance Supplies	5,002	6,032	10,000	10,000
5222	Blacktop	257,755	188,621	192,100	241,000
5223	Salt & Sand	1,124,295	840,241	902,700	856,700
5224	Gravel & Other Misc Materials	90,643	93,172	145,350	130,700
5226	Sign & Signal Materials	23,267	45,995	54,000	64,000
5228	Painting Supplies	69,609	65,116	65,100	65,100
5240	Small Tools	5,076	4,961	5,000	5,000
5241	Small Equip-Office/Operating	6,430	8,664	2,000	2,000
5320	Data Services	2,198	2,709	3,400	3,000
5321	Phone Service	2,185	2,530	2,600	2,200
5331	Travel/Training	1,619	3,888	5,000	7,000

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Street Maintenance - 110-500-1920 continued				
5335 Local Mileage Reimbursement	15,652	14,644	18,000	16,000
5356 Copier, Printer Lease & Supplies	143	163	600	600
5384 Refuse Disposal	5,495	6,188	10,400	16,500
5409 Fleet Services Charges	1,045,184	1,112,989	1,346,000	1,353,900
5412 Building Rental	191,252	161,683	41,000	45,000
5414 Software Licenses & Mtce Agreements	41,261	35,746	36,500	35,500
5415 Vehicle/Equip Rent (Short Term)	68,559	23,085	28,300	28,300
5418 Vehicle/Equip Rent (Long Term)	350,892	350,892	352,000	352,000
5419 Other Rentals	1,208	1,275	-	-
5435 Books & Pamphlets	25	-	-	-
5441 Other Services & Charges	14,783	16,377	7,750	8,200
5580 Capital Equipment	17,623	-	-	-
TOTAL	3,608,857	3,275,677	3,555,600	3,563,500
DIVISION TOTAL	7,401,318	7,070,092	7,523,600	7,556,700
REVENUE SOURCE				
4240 Municipal State Aid	1,533,400	1,533,400	1,533,400	1,533,400
4260 St Louis County	143,500	143,500	143,500	138,400
4261 ISD 709	29,856	29,137	20,000	25,000
4500 Assessments	-	-	5,000	-
4636 Sale of Materials	6,097	3,232	6,000	6,000
4654 Other Reimbursements	36,616	26,076	26,000	26,000
4730 Transfer from Tourism Taxes	300,000	300,000	300,000	300,000
4730 Transfer from Perm Improvement Fund	911	-	-	-
4730 Transfer from Enterprise Funds	742,508	643,834	874,600	874,600
DIVISION TOTAL	2,792,888	2,679,179	2,908,500	2,903,400

City of Duluth Minnesota - 2019 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	2016	2017	2018	2019	Difference
1140 City Engineer	0.40	0.40	0.40	0.40	-
1140 Chief Eng Transportation	1.00	1.00	1.00	1.00	-
1075 Lift Bridge Supervisor	1.00	1.00	1.00	1.00	-
27 Bridge Operator	5.00	5.00	5.00	5.00	-
126 Information Technician	0.60	0.60	0.40	0.40	-
39 Senior Project Engineer	1.00	1.00	1.00	1.00	-
36 Project Engineer	2.00	2.00	2.00	2.00	-
34 Sr. Engineering Spec.	1.20	1.20	1.20	1.20	-
31 Sr. Engineering Tech.	3.60	3.80	3.15	3.15	-
28 Engineering Technician	0.50	0.30	0.30	0.30	-
Division Total	16.30	16.30	15.45	15.45	-

Expenditures	2016 Actual	2017 Actual	2018 Budget	2019 Approved	Difference
Personal Services					
Permanent Salaries	1,063,447	1,145,350	1,152,800	1,182,500	29,700
Overtime	82,617	64,436	56,000	56,000	-
Other Wages	32,086	12,125	25,100	25,100	-
Total Salaries	1,178,150	1,221,911	1,233,900	1,263,600	29,700
Benefits	427,294	419,637	470,500	475,000	4,500
Other Expense					
Materials & Supplies	33,022	29,679	48,100	44,800	(3,300)
Services	24,461	45,091	49,000	53,900	4,900
Utilities & Maintenance	21,075	24,310	21,100	17,400	(3,700)
Other	33,144	24,561	31,800	32,200	400
Total Other Expense	111,703	123,641	150,000	148,300	(1,700)
Division Total	1,717,148	1,765,189	1,854,400	1,886,900	32,500

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail		2016 Actual	2017 Actual	2018 Budget	2019 Approved
Engineering - 110-500-1930					
PERSONAL SERVICES					
5100	Permanent Salaries	1,063,447	1,145,350	1,152,800	1,182,500
5101	Premium Pay	82,617	64,436	56,000	56,000
5103	Other Wages	31,615	12,125	25,100	25,100
5111	Long-Term Disability Wages	471	-	-	-
	TOTAL	1,178,150	1,221,911	1,233,900	1,263,600
EMPLOYEE BENEFITS					
5118	Meal Allowance	438	250	200	200
5121	PERA Retirement	83,313	88,208	89,800	91,000
5122	FICA - Social Security	71,484	73,543	76,500	78,400
5123	FICA - Medicare	16,718	17,200	17,900	18,400
5125	Dental Insurance	5,896	5,970	5,800	5,800
5126	Life Insurance	2,567	2,600	2,900	2,800
5127	Health Care Savings Plan (HCSP)	32,345	20,754	27,200	37,200
5130	Cafeteria Plan Benefits	214,480	211,019	250,200	241,200
5133	Health or Fitness Program	54	93	-	-
	TOTAL	427,294	419,637	470,500	475,000
OTHER EXPENDITURES					
5200	Office Supplies	2,237	2,128	3,300	2,800
5201	Computer Supplies/Software	374	543	300	300
5203	Paper/Stationery/Forms	159	56	700	500
5205	Safety & Training Materials	1,448	355	2,300	2,200
5211	Cleaning/Janitorial Supplies	1,035	95	800	800
5212	Motor Fuels	3,195	3,596	4,200	4,200
5218	Uniforms	795	795	800	800
5219	Other Miscellaneous Supplies	504	598	400	400
5220	Repair & Maintenance Supplies	12,830	15,680	18,000	15,700
5240	Small Tools	591	334	4,000	3,400
5241	Small Equip-Office/Operating	5,678	3,759	4,700	5,100
5242	Survey Equipment and Supplies	4,177	1,740	8,600	8,600
5303	Engineering Services	5,815	17,455	26,400	31,500
5319	Other Professional Services	264	-	500	500
5320	Data Services	1,561	1,563	2,500	2,600
5321	Phone Service	3,721	3,753	3,800	4,300
5322	Postage	-	-	100	100
5331	Travel/Training	10,640	19,527	11,000	11,000

City of Duluth Minnesota - 2019 Budget

General Fund Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Engineering - 110-500-1930 continued				
5335 Local Mileage Reimbursement	1,052	990	1,000	1,000
5355 Printing & Copying	705	1,099	800	1,000
5356 Copier, Printer Lease & Supplies	339	271	2,500	1,500
5384 Refuse Disposal	362	432	400	400
5404 Equipment/Machinery Repair & Mtc	15,279	20,496	12,600	10,600
5409 Fleet Services Charges	5,797	3,814	8,500	6,800
5411 Land Rental/Easements	-	-	1,000	1,000
5414 Software Licenses & Mtce Agreement	23,828	17,977	17,900	17,400
5433 Dues & Subscription	431	191	2,700	2,700
5435 Books & Pamphlets	54	-	700	700
5438 Licenses	195	-	800	-
5441 Other Services & Charges	8,255	5,985	8,300	10,000
5450 Laundry	380	408	400	400
TOTAL	111,703	123,641	150,000	148,300
DIVISION TOTAL	1,717,148	1,765,189	1,854,400	1,886,900
REVENUE SOURCE				
4152 Excavation Permits	12,670	12,320	15,000	15,000
4170 Miscellaneous Permits	43,904	39,292	25,000	35,000
4370 Engineering Services	97,021	264,862	353,000	363,000
4631 Media Sales	70	203	100	100
4654 Other Reimbursements	-	-	100	100
4730 Transfer from Tourism Taxes	57,000	57,000	57,000	57,000
DIVISION TOTAL	210,664	373,677	450,200	470,200

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
EXPENDITURES				
Citywide Dues & Lobbying	174,810	105,042	83,700	83,700
Citywide Communications	149,917	173,747	236,800	236,800
Miscellaneous	717,431	159,859	175,700	272,700
Civic Events and Awards	17,952	19,889	65,500	65,500
Business Improvement Dist.	359,772	375,037	300,000	300,000
Public Access Television	182,000	182,000	182,000	182,000
Sales Tax Administration	107,278	99,675	120,000	120,000
Capital Program - CEP	3,752	525	895,500	-
Unemployment Compensation	30,930	7,742	27,500	27,500
Benefits Administration	71,399	84,872	100,000	100,000
Retiree Insurance	6,748,893	7,197,012	7,399,100	7,399,100
Self Insurance Contribution	1,000,000	1,000,000	1,200,000	1,400,000
Street Improvement Program Debt	688,202	-	-	-
Accruals	-	-	500,000	500,000
Department Total	10,252,336	9,405,400	11,285,800	10,687,300
REVENUE SOURCE				
4500 Assessments - Service Charge	361,857	369,929	300,000	300,000
4501 Assessment Penalty & Interest	2,741	282	-	-
4639 Sale of Equipment	47,006	56,480	-	-
4640 Sale of Land	-	133,189	-	-
4654 Other Reimbursements	294	378	-	-
4660 Gifts and Donations	-	1,000	-	-
4680 Damage or Losses Recovered	2,700	-	-	-
4730 Transfer from Special Revenue	454,862	457,945	425,000	425,000
4730 Transfer from Debt Service	-	34,938	-	-
4999 Fund Balance Reserves-Solar Program	-	-	895,500	-
DEPARTMENT TOTAL	869,460	1,054,141	1,620,500	725,000

Special Revenue Funds

City of Duluth Minnesota - 2019 Budget

Special Revenue Funds

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

Funds

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

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	72,081,872	78,682,292	91,088,704	95,801,854
REVENUES				
Taxes	13,953,117	16,987,096	17,923,300	17,866,700
Intergovernmental	11,331,851	11,179,785	11,153,218	11,607,302
Miscellaneous	28,360,410	33,192,418	24,188,653	25,880,320
TOTAL REVENUES	53,645,378	61,359,299	53,265,171	55,354,322
EXPENSES				
Personal Services	13,593,601	13,786,673	15,057,492	15,738,793
Other Services and Charges	5,550,494	5,688,299	7,616,540	7,921,421
Transfers	13,535,491	14,116,066	14,112,361	14,330,960
Miscellaneous	14,365,372	15,361,850	11,765,628	13,693,070
TOTAL EXPENSES	47,044,958	48,952,888	48,552,021	51,684,244
FUND BALANCE - DECEMBER 31	78,682,292	91,088,704	95,801,854	99,471,932

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	(416,408)	(446,628)	(393,972)	(393,972)
REVENUES				
Intergovernmental, State of MN	200,000	160,000	160,000	160,000
Admissions	602,775	632,161	734,600	848,195
Concessions & Commissions, Misc	177,469	200,846	202,200	233,610
Reimbursement, Lake Superior Zoological Society	222,000	71,295	-	72,500
Gifts and Donations	9,901	8,626	50,000	50,000
Other Sources	14,017	10,987	8,945	10,930
Transfer from Tourism Tax	710,000	710,000	510,000	510,000
TOTAL REVENUES	1,936,162	1,793,915	1,665,745	1,885,235
EXPENSES				
Phone Service	1,113.00	901	3,600	3,420
Contract Services, Zoo Personnel	972,948	1,098,838	974,325	1,016,501
Contract Services, Op Expenses	749,390	611,866	660,120	851,914
Capital Outlay	233,181	18,783	-	-
Bank Charges	9,750	10,871	12,000	13,400
Interest	-	-	15,700	-
TOTAL EXPENSES	1,966,382	1,741,259	1,665,745	1,885,235
FUND BALANCE - DECEMBER 31	(446,628)	(393,972)	(393,972)	(393,972)

City of Duluth Minnesota - 2019 Budget

Parks

205

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

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	1,011,181	1,254,165	1,456,907	1,456,907
REVENUES				
Property Tax Levy	2,608,208	2,606,841	2,600,000	2,880,000
Intergovernmental Revenue	142,265	836,395	-	75,000
Licenses and Permits	51,080	67,673	68,000	120,000
Miscellaneous	124,611	147,322	119,246	152,913
Transfer In	415,000	33,857	-	-
TOTAL REVENUES	3,341,164	3,692,088	2,787,246	3,227,913
EXPENSES				
Personal Services	1,200,022	1,173,857	1,513,300	1,578,700
Other Services and Charges	454,828	500,980	470,392	947,313
Supplies	138,737	219,154	203,554	205,000
Miscellaneous	95,923	101,650	50,000	-
Transfers Out	73,835	286,430	-	-
Capital Outlay	1,134,835	1,207,275	550,000	500,000
TOTAL EXPENSES	3,098,180	3,489,346	2,787,246	3,231,013
FUND BALANCE - DECEMBER 31	1,254,165	1,456,907	1,456,907	1,453,807

City of Duluth Minnesota - 2019 Budget

Parks continued

205

BUDGETED FTE'S	2016	2017	2018	2019
1125 Manager, Parks & Recreation	1.00	1.00	1.00	1.00
1070 Assistant Manager, Parks & Rec	1.00	1.00	1.00	1.00
131 Volunteer Coordinator	0.50	-	-	-
129 Special Events Coordinator	1.50	1.00	-	-
129 Park's Permit Coordinator	-	1.00	1.00	1.00
129 Admin Information Specialist	1.00	1.00	1.00	-
124 Senior Center Coordinator	1.00	1.00	1.00	1.00
34 Project Coordinator	2.00	2.00	-	-
30 Trails Coordinator	1.00	1.00	1.00	1.00
26 Recreation Specialist	2.00	2.00	2.00	2.00
22 Maintenance Worker	0.75	0.75	-	-
27 Project Technician	-	-	-	1.00
34 Senior Park & Trail Planner	-	-	1.00	2.00
Senior Recreation Specialist	-	-	1.00	-
127 Admin Clerical Specialist	-	-	-	1.00
32 Natural Resources Coordinator	-	-	0.50	0.50
133 Budget Analyst	-	-	0.20	0.20
Division Total	11.75	11.75	10.70	11.70

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	898,284	934,165	1,248,302	1,248,302
REVENUES				
Intergovernmental	551,809	412,092	112,500	232,500
Miscellaneous	757,492	968,614	806,800	694,600
Transfers In	30,000	-	30,000	-
TOTAL REVENUES	1,339,301	1,380,706	949,300	927,100
EXPENSES				
Personal Services	-	971	-	-
Personal Services - Police Extra Duty Pay	335,920	292,687	340,500	285,900
Other Services and Charges	295,349	318,364	220,100	154,000
Transfers Out	408,907	369,709	282,500	372,500
Miscellaneous	87,061	57,114	106,200	100,600
Capital Equipment	176,183	27,724	-	14,100
TOTAL EXPENSES	1,303,420	1,066,569	949,300	927,100
FUND BALANCE - DECEMBER 31	934,165	1,248,302	1,248,302	1,248,302

City of Duluth Minnesota - 2019 Budget

Police Grant Programs

215

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

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	(9,202)	34,642	1,026,450	1,026,450
REVENUES				
Intergovernmental	1,482,635	1,486,776	1,336,473	1,943,039
Felony Forfeitures	121,789	1,309,056	100,000	100,000
TOTAL REVENUES	1,604,424	2,795,832	1,436,473	2,043,039
EXPENSES				
Other Services and Charges	373,642	577,794	486,821	774,944
Transfer to General Fund	920,184	855,380	706,316	962,860
Miscellaneous	143,096	275,945	183,336	252,579
Capital Equipment	123,658	94,905	60,000	639,478
TOTAL EXPENSES	1,560,580	1,804,024	1,436,473	2,629,861
FUND BALANCE - DECEMBER 31	34,642	1,026,450	1,026,450	439,628

City of Duluth Minnesota - 2019 Budget

Capital Equipment

250

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

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	2,378,618	2,717,232	2,305,971	2,305,971
REVENUES				
Earnings on Investments	6,474	3,410	-	-
Bond Proceeds	3,882,321	3,845,855	3,877,000	3,397,471
TOTAL REVENUES	3,888,795	3,849,265	3,877,000	3,397,471
EXPENSES				
Bond Issuance Costs	53,207	49,201	65,000	102,529
Capital Equipment - Nonrolling	1,626,161	1,387,502	1,783,948	1,629,971
Capital Equipment - Rolling	1,870,813	2,823,823	2,028,052	3,142,500
TOTAL EXPENSES	3,550,181	4,260,526	3,877,000	4,875,000
FUND BALANCE - DECEMBER 31	2,717,232	2,305,971	2,305,971	828,442

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	20,788	8,796	10,923	10,923
REVENUES				
Intergovernmental	618,338	593,734	2,810,000	1,720,000
Rent Revenues	-	-	-	437,510
Other Reimbursements	-	2,146	-	-
Other Miscellaneous	18,535	18,803	18,147	-
Transfer In	65,954	-	-	-
TOTAL REVENUES	702,827	614,683	2,828,147	2,157,510
EXPENSES				
Economic Development	635,169	612,556	2,828,147	2,157,481
Transfers Out	79,650	-	-	-
TOTAL EXPENSES	714,819	612,556	2,828,147	2,157,481
FUND BALANCE - DECEMBER 31	8,796	10,923	10,923	10,952

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	18,954,798	20,216,936	23,155,370	23,155,370
REVENUES				
Investment Earnings	1,717,000	3,396,379	400,000	425,000
TOTAL REVENUES	<u>1,717,000</u>	<u>3,396,379</u>	<u>400,000</u>	<u>425,000</u>
EXPENSES				
Transfer to General Fund (annual)	454,862	457,945	400,000	425,000
TOTAL EXPENSES	<u>454,862</u>	<u>457,945</u>	<u>400,000</u>	<u>425,000</u>
FUND BALANCE - DECEMBER 31	20,216,936	23,155,370	23,155,370	23,155,370

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	163,844	571,082	312,997	158,447
REVENUES				
Other Reimbursements	40,770	45,000	49,000	50,000
Miscellaneous	(2,550)	868	-	-
Interfund Transfer from General Fund	500,000	-	8,700	57,000
Interfund Transfer from Public Utility	75,000	75,000	75,000	75,000
TOTAL REVENUES	613,220	120,868	132,700	182,000
EXPENSES				
Personal Services	85,590	81,131	86,000	94,000
Other Services and Charges	113,719	238,319	175,500	203,000
Miscellaneous	6,673	364	9,000	-
Interfund Trsf to Special Rev Funds	-	30,000	-	-
Interfund Trsf to Enterprise Funds	-	29,139	16,750	5,000
TOTAL EXPENSES	205,982	378,953	287,250	302,000
FUND BALANCE - DECEMBER 31	571,082	312,997	158,447	38,447
BUDGETED FTE'S				
33 Energy Coordinator	1	1	1	1

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	1,228,188	1,177,129	577,815	582,515
REVENUES				
Hotel Motel 3%	2,725,950	2,766,812	2,746,900	2,901,000
Hotel Motel 1%	908,650	922,271	915,700	963,800
Add'l. 2.0% Hotel Motel Tax	1,692,823	1,725,055	1,713,200	1,808,800
Add'l. .5% Hotel Motel Tax	423,206	431,263	428,250	450,200
Food & Beverage Tax 1.0%	2,486,347	2,568,215	2,541,900	2,605,700
Food & Beverage Tax .75%	1,864,760	1,926,161	1,906,400	1,954,300
Food & Beverage Tax .5%	1,243,173	1,284,108	1,270,950	1,302,900
Change in Fair Value	(1,863)	2,263.00	-	-
Other Reimbursements	-	353.00	-	-
TOTAL REVENUES	11,343,046	11,626,501	11,523,300	11,986,700
EXPENSES				
Duluth Entertainment & Convention Center	97,723	98,289	99,100	100,000
Other Contract Services	42,175	49,178	-	-
Advertising & Publicity	1,942,182	2,028,067	2,072,000	2,025,000
Business Improvement District	200,000	150,000	200,000	200,000
Great Lakes Aquarium	560,000	370,638	360,000	360,000
Lake Superior Zoological Gardens	710,000	710,000	510,000	510,000
Spirit Mountain	559,700	393,971	420,700	420,700
St. Louis County Heritage & Arts Center	226,800	225,666	220,000	220,000
Duluth Children's Museum	-	-	-	20,000
Canal Park Trolley	-	-	-	55,000
Hawk Ridge Bird Observatory	-	-	-	20,000

City of Duluth Minnesota - 2019 Budget

Special City Excise and Sales Tax (Tourism Taxes) continued				258
Public Arts	40,000	39,800	15,000	15,000
Duluth Sister Cities International	39,999	39,800	40,000	40,000
Lake Superior & Mississippi Railroad	20,000	19,900	20,000	20,000
Rail Alliance	9,750	8,970	15,000	15,000
Glensheen	50,000.00	49,750	50,000	50,000
Mounted Patrol	30,000.00	-	-	-
Fourth Fest Fireworks	-	50,000	50,000	57,000
Transfer to General Fund	1,105,698	1,107,741	1,095,000	1,095,000
Transfer to Capital Project Funds	60,000	1,039,270	550,000	550,000
Transfer for Debt Service				
- DECC	3,548,034	3,634,668	3,602,600	3,745,700
- Spirit Mountain	500,000	500,000	500,000	500,000
- St Louis River Corridor	1,652,044	1,710,107	1,699,200	1,753,100
TOTAL EXPENSES	11,394,105	12,225,815	11,518,600	11,771,500
Increase (Decrease) Undesignated Fund Balance	(51,059)	(599,314)	4,700	215,200
FUND BALANCE - DECEMBER 31	1,177,129	577,815	582,515	797,715

City of Duluth Minnesota - 2019 Budget

Home Investment Partnerships Program

260

Special Revenue fund established to account for monies received from the U.S. Department of Housing and Urban Development under the Home Investment Partnership (HOME) Program. These costs include single family rehabilitation and administration of the program, as well as funds targeted to affordable housing development by special community housing organizations. The 2019 budget figures represent preliminary estimates only.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	(21,530)	(30,478)	(88,848)	(88,848)
REVENUES				
Home Grant	618,059	286,828	463,411	596,143
TOTAL REVENUES	618,059	286,828	463,411	596,143
EXPENSES				
Tenant Based Rental Assistance	132,554	44,340	115,000	110,000
Community Housing Devel Program	360,500	173,231	187,070	125,000
Rehabilitation	110,897	86,566	115,000	301,529
Administration	23,056	41,061	46,341	59,614
TOTAL EXPENSES	627,007	345,198	463,411	596,143
FUND BALANCE - DECEMBER 31	(30,478)	(88,848)	(88,848)	(88,848)

City of Duluth Minnesota - 2019 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 2019 budget figures represent preliminary estimates only, awaiting the allocation of HUD funds.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	(306,968)	(285,452)	(509,159)	(509,159)
REVENUES				
State of Minnesota	73,127	969,999	-	-
Community Development Block Grant	2,162,721	2,124,328	2,197,695	2,364,628
Emergency Shelter Grant	172,574	195,789	197,186	197,842
Lead Remediation Grant	770,695	-	-	-
Transfer in from Special Revenue Fund	-	179,422	-	-
Miscellaneous reimbursements	-	380,462	-	25,000
TOTAL REVENUES	3,179,117	3,850,000	2,394,881	2,587,470
EXPENSES				
Economic Development	303,887	316,868	329,654	329,654
Housing	1,490,743	2,484,381	879,078	879,078
Physical Improvements	373,712	462,578	219,770	234,650
Public Service Projects	305,838	290,292	512,052	531,754
Program Administration	683,421	519,588	454,327	612,334
TOTAL EXPENSES	3,157,601	4,073,707	2,394,881	2,587,470
FUND BALANCE - DECEMBER 31	(285,452)	(509,159)	(509,159)	(509,159)

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	-	-	-	-
REVENUES				
Community Development Block Grant	637,220	522,795	537,860	613,837
Home Grant	8,991	22,249	46,341	52,614
HRA Environmental	-	-	-	25,000
Lead Paint Abatement Grant	16,554	6,238	-	-
Emergency Shelter Grant	7,248	10,614	14,788	14,838
TOTAL REVENUES	670,013	561,896	598,989	706,289
EXPENSES				
Personal Services	638,358	514,154	513,800	621,100
OPEB	2,426	1,669	2,300	2,300
Other Services and Charges	29,229	46,073	82,889	82,889
TOTAL EXPENSES	670,013	561,896	598,989	706,289
FUND BALANCE - DECEMBER 31	-	-	-	-
BUDGETED FTE'S				
1155 Director, Planning & Econ Dev	0.33	0.33	0.33	0.33
1105 Manager, CD/Housing	1.00	0.50	0.50	0.50
136 Senior Planner	2.00	2.00	1.00	1.00
133 Planner II	3.00	3.00	2.00	2.00
129 Administrative Info Specialist	0.50	0.50	0.25	0.25
129 Planner I	-	-	1.00	2.00
DIVISION TOTAL	6.83	6.33	5.08	6.08

City of Duluth Minnesota - 2019 Budget

Workforce Development

268

Special Revenue fund which accounts for monies received through the Minnesota Department of Employment and Economic Development, St. Louis County, and SOAR Career Solutions to provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed persons. The 2019 budget figures represent preliminary estimates only and are subject to change as grants are appropriated by the State and approved by the City Council.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	245,684	218,300	260,155	260,155
REVENUES				
Miscellaneous	5,816	6,850	13,635	-
Building Rent	228,763	241,910	237,849	237,849
MN Family Investment Program	908,222	926,445	926,445	878,298
Federal Grant	630,114	666,075	767,171	779,041
State Grant	478,440	392,479	423,499	637,025
Local Grant	-	8,036	-	-
TOTAL REVENUES	2,251,355	2,241,795	2,368,599	2,532,213
EXPENSES				
Personal Services	1,500,762	1,398,835	1,381,335	1,483,200
OPEB	12,129	5,377	7,277	5,777
Other Services and Charges	765,848	795,728	979,987	1,043,236
TOTAL EXPENSES	2,278,739	2,199,940	2,368,599	2,532,213
FUND BALANCE - DECEMBER 31	218,300	260,155	260,155	260,155
BUDGETED FTE'S				
1150 Dctr. Workforce Development	-	-	-	1.00
1085 Mgr. Workforce Development	1.00	1.00	1.00	-
134 Operations Administrator	1.00	1.00	1.00	1.00
131 Employment Technician	13.75	12.64	12.64	14.64
126 Information Technician	2.00	2.00	2.00	1.00
37 Youth Program Tutor	0.30	-	-	-
DIVISION TOTAL	18.05	16.64	16.64	17.64

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	10	(2,008)	13	13
REVENUES				
Senior Employment Program - State	106,660	101,375	102,522	211,829
Senior Aides Program - Federal	232,416	251,206	225,778	225,819
TOTAL REVENUES	339,076	352,581	328,300	437,648
EXPENSES				
Personal Services	327,955	337,447	328,300	372,625
Other Services and Charges	13,139	13,113	-	65,023
TOTAL EXPENSES	341,094	350,560	328,300	437,648
FUND BALANCE - DECEMBER 31	(2,008)	13	13	13

City of Duluth Minnesota - 2019 Budget

Other Postemployment Benefits

280

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

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	44,396,057	49,063,497	57,717,139	61,285,639
REVENUES				
Investment Earnings	1,091,587	1,214,542	1,163,000	1,304,000
Investment Earnings-City Pooled	-	-	400,000	400,000
Change in Fair Value	3,029,073	6,967,672	2,000,000	3,000,000
Transfer from Special Revenue Funds	-	-	8,500	8,500
Contributions- Employer	9,779,402	10,222,267	10,536,980	10,947,491
TOTAL REVENUES	13,900,062	18,404,481	14,108,480	15,659,991
EXPENSES				
Administrative Expenses	3,920	3,543	3,000	3,000
Benefits	9,228,702	9,747,296	10,536,980	10,947,491
TOTAL EXPENSES	9,232,622	9,750,839	10,539,980	10,950,491
FUND BALANCE - DECEMBER 31	49,063,497	57,717,139	61,285,639	65,995,139

City of Duluth Minnesota - 2019 Budget

DECC Revenue

281

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

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	2,856,831	2,846,775	3,531,704	4,826,204
REVENUES				
Investment Earnings Change in Fair Value	(6,980)	(8,155)	-	-
Transfer from Special Revenue Funds (Tourism)				
- Hotel/Motel Tax	1,683,274	1,708,506	1,696,200	1,696,200
- Food & Beverage Tax	1,864,760	1,926,162	1,906,400	1,906,400
TOTAL REVENUES	3,541,054	3,626,513	3,602,600	3,602,600
EXPENSES				
Miscellaneous	678,806	687,734	-	-
Transfer to Debt Service	2,872,304	2,253,850	2,308,100	2,669,800
TOTAL EXPENSES	3,551,110	2,941,584	2,308,100	2,669,800
FUND BALANCE - DECEMBER 31	2,846,775	3,531,704	4,826,204	5,759,004

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	681,697	404,139	476,936	476,936
REVENUES				
Payment in Lieu of Tax	-	-	-	-
Street System Maintenance Utility Fee	2,650,959	-	-	-
Property Tax	-	2,756,370	3,800,000	3,000,000
Other Reimbursements	-	8,739	-	-
Earnings On Investments	31	(1,644)	-	-
Interest Earned-Customer Accounts	9,713	1,503	-	-
TOTAL REVENUES	2,660,703	2,764,968	3,800,000	3,000,000
EXPENSES				
Personal Services	264,163	234,918	350,000	350,000
Supplies	688,751	527,652	360,540	287,000
Other Services and Charges	69,355	92,095	137,565	111,000
Uncollectible Accounts	126	912	-	-
Allowance-Uncollectible Accounts	18,643	(5,233)	-	-
To Public Utilities - Cost Allocation	37,250	-	-	-
Transfer to Street Improvement	172,436	543,646	1,855,195	1,516,000
Transfer to Debt Service	1,687,537	1,298,181	1,096,700	736,000
TOTAL EXPENSES	2,938,261	2,692,171	3,800,000	3,000,000
FUND BALANCE - DECEMBER 31	404,139	476,936	476,936	476,936

Debt Service Funds

City of Duluth Minnesota - 2019 Budget

Debt Service Funds

Funds

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

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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	16,639,942	19,734,866	17,586,930	17,261,030
REVENUES				
Taxes and Tax Increment	6,573,311	7,154,780	7,182,000	7,586,400
Special Assessments	957,957	771,267	550,000	391,800
Miscellaneous	189,948	223,961	222,300	223,000
Other Financing Sources	49,703,422	7,809,104	7,505,100	7,126,600
TOTAL REVENUES	57,424,638	15,959,112	15,459,400	15,327,800
EXPENSES				
Debt Service Payments	13,796,730	17,702,282	15,454,400	15,673,800
Miscellaneous	40,532,984	404,766	330,900	675,100
TOTAL EXPENSES	54,329,714	18,107,048	15,785,300	16,348,900
FUND BALANCE - DECEMBER 31	19,734,866	17,586,930	17,261,030	16,239,930

City of Duluth Minnesota - 2019 Budget

Debt Service Funds Narrative

2018 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, 2018 as it pertains to the City of Duluth is estimated as follows:

Total Gross Bonded Debt	\$154,862,000
Less:	
City - general obligation bonds paid by parking revenues	19,507,000
City - general obligation bonds paid by other revenues	63,925,000
Tax Abatement Bonds	12,605,000
Utility bonds paid from Enterprise Funds	15,440,000
Special assessment bonds	5,165,000
 Net Direct Bonded Debt	 <u>\$38,220,000</u>

The City's debt is shown in the following table as a share of market value and per capita. The general obligation debt is limited by State Statute to 2.0 % of market value or \$124.7 million.

Year	Amount (in thousands)	Percent of Market Value	Dollars Per Capita
2018	\$38,220	0.6	\$443
2017	\$38,200	0.6	\$443
2016	\$38,515	0.7	\$446
2015	\$38,950	0.7	\$452
2014	\$40,310	0.8	\$467
2013	\$41,281	0.8	\$479
2012	\$40,540	0.8	\$470
2011	\$41,874	0.7	\$485
2010	\$40,949	0.7	\$471
2009	\$41,410	0.7	\$476
2008	\$22,420	0.4	\$258

The preceding table used an estimated taxable market value of \$6,234,389,638 and a population of 86,265, as reported in the 2010 census.

City of Duluth Minnesota - 2019 Budget

Debt Service Funds Narrative

The following tables provide specific information relative to the 2018 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>	Issue Date	Outstanding 12/31/2018	2019 Levy Requirements
AAR Abatement	-	-	93,800
Miller Hill Flats Abatement	-	-	9,200
Capstone LLC Abatement	-	-	13,900
Police Station	12/17/2009	13,565,000	1,244,400
Lakewalk & Cross City	12/18/2013	1,135,000	128,700
Equipment	10/30/2014	1,010,000	520,200
Equipment	11/5/2015	2,055,000	726,700
Equipment	11/9/2016	2,930,000	809,600
Equipment	11/21/2017	3,615,000	803,400
Equipment	10/17/2018	3,885,000	833,600
Capital Improvement Projects	11/23/2010	715,000	254,600
Capital Improvement Projects	11/29/2011	815,000	218,600
Capital Improvement Projects	12/18/2013	1,135,000	208,800
Capital Improvement Projects	10/30/2014	810,000	125,400
Capital Improvement Projects	11/5/2015	1,325,000	185,400
Capital Improvement Projects	11/9/2016	1,035,000	137,400
Capital Improvement Projects	11/21/2017	1,545,000	182,600
Capital Improvement Projects	10/17/2018	1,450,000	172,300
TOTAL DEBT SERVICE			6,668,600
5% Additional required by law (1)			333,400
			<u>7,002,000</u>
Less: Cash on hand			(19,400)
NET DEBT LEVY - Total required by taxation			<u>6,982,600</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 - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	7,056,342	7,332,204	7,489,157	7,588,157
REVENUES				
Property Taxes	6,573,311	6,805,401	6,832,600	6,982,600
Earnings on Investments	(17,034)	(10,019)	-	-
Other Sources	222,674	230,331	222,300	223,000
Transfer from Capital Project	1,204	1,871	-	-
TOTAL REVENUES	6,780,155	7,027,584	7,054,900	7,205,600
EXPENSES				
Debt Service Payments				
- Bond Principal	5,165,000	5,475,000	5,540,000	5,565,000
- Bond Interest	1,339,293	1,349,581	1,407,300	1,469,200
Other Expenditures				
- Tax Abatement	-	38,925	-	116,900
- Bond Fees	-	7,125	8,600	7,200
TOTAL EXPENSES	6,504,293	6,870,631	6,955,900	7,158,300
FUND BALANCE - DECEMBER 31	7,332,204	7,489,157	7,588,157	7,635,457

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	4,716,750	6,592,293	5,990,410	6,275,510
REVENUES				
Sale of Bonds	33,470,000	-	-	-
Bond Premium	6,729,694	-	-	-
Earnings on Investments	(20,179)	(4,348)	-	-
Transfer from Special Revenue				
- DECC Improvement	2,109,864	2,253,850	2,307,400	2,314,200
- DECC Improvement - Seawall	-	-	-	355,600
- Spirit Mountain	500,000	500,000	500,000	500,000
- St. Louis River Corridor	1,652,044	1,710,107	1,644,700	1,353,000
Transfer from Capital Projects				
- Excess Proceeds on New Bonds	170,423	732,836	-	-
Funded by Others				
- Airport	1,213,081	1,212,112	1,204,800	1,208,400
- Spirit Mountain	19,119	16,519	18,800	15,900
- Seaway Port - Airpark	91,297	87,976	89,700	-
- Airport - Cirrus	1,049,721	-	643,000	643,800
TOTAL REVENUES	46,985,064	6,509,052	6,408,400	6,390,900
EXPENSES				
Bond Principal	2,020,000	4,320,000	3,440,000	3,740,000
Bond Interest	2,556,537	2,785,710	2,678,300	2,717,100
Payment to Escrow	39,861,356	-	-	-
Bond Discount/Issuance	330,213	-	-	-
Transfer to Debt Service	341,415	-	-	-
Fiscal Agents	-	5,225	5,000	5,000
TOTAL EXPENSES	45,109,521	7,110,935	6,123,300	6,462,100
FUND BALANCE - DECEMBER 31	6,592,293	5,990,410	6,275,510	6,204,310

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	1,326,640	1,129,867	899,975	535,275
REVENUES				
Construction Assessments	674,619	531,009	400,000	248,700
Earnings on Investments	(1,932)	49	-	-
Sale of Bonds	-	-	-	-
Bond Premium	-	-	-	-
TOTAL REVENUES	672,687	531,058	400,000	248,700
EXPENSES				
Bond Principal	791,000	701,000	722,000	530,000
Bond Interest	78,460	58,525	41,300	25,400
Payment to Escrow	-	-	-	-
Bond Discount/Issuance	-	-	-	-
Fiscal Agents	-	1,425	1,400	1,400
TOTAL EXPENSES	869,460	760,950	764,700	556,800
FUND BALANCE - DECEMBER 31	1,129,867	899,975	535,275	227,175

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	3,540,210	4,680,502	3,208,887	2,828,687
REVENUES				
Construction Assessments	283,338	240,258	150,000	143,100
Earnings on Investments	(13,760)	3,600	-	-
Transfer from General Fund	688,202	-	-	-
Transfer from Debt Service	341,415	-	-	-
Transfer from Special Revenue	1,687,537	1,298,181	1,096,700	735,700
TOTAL REVENUES	2,986,732	1,542,039	1,246,700	878,800
EXPENSES				
Fiscal Agent Fees	-	1,188	1,400	1,200
Bond Principal	1,550,000	2,770,000	1,460,000	1,510,000
Bond Interest	296,440	242,466	165,500	117,100
TOTAL EXPENSES	1,846,440	3,013,654	1,626,900	1,628,300
FUND BALANCE - DECEMBER 31	4,680,502	3,208,887	2,828,687	2,079,187

City of Duluth Minnesota - 2019 Budget

Tax Increment Debt Service

359

This debt service fund is for the collection and distribution of tax increment proceeds associated with City Tax Increment Financing districts.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	-	-	(1,499)	33,401
REVENUES				
Tax increments	-	349,379	349,400	603,800
TOTAL REVENUES	-	349,379	349,400	603,800
EXPENSES				
Other Miscellaneous Expenditures	-	1,499	-	-
Transfer to General Fund	-	34,938	-	-
Transfer to Enterprise Fund	-	314,441	314,500	543,400
TOTAL EXPENSES	-	350,878	314,500	543,400
FUND BALANCE - DECEMBER 31	-	(1,499)	33,401	93,801

Capital Project Funds

City of Duluth Minnesota - 2019 Budget

Capital Project Funds

Funds

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

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

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	17,060,315	14,387,245	13,866,699	13,296,640
REVENUES				
Taxes	280,067	279,031	280,000	280,000
Intergovernmental	4,673,544	4,365,813	10,896,500	19,695,879
Miscellaneous	2,217,949	2,406,856	2,379,941	2,166,578
Other Financing Sources	2,185,073	3,210,105	6,701,300	7,837,000
TOTAL REVENUES	9,356,633	10,261,805	20,257,741	29,979,457
EXPENSES				
Current	38,765	42,770	50,000	38,250
Capital Outlay	11,990,938	10,739,581	20,777,800	32,589,340
TOTAL EXPENSES	12,029,703	10,782,351	20,827,800	32,627,590
FUND BALANCE - DECEMBER 31	14,387,245	13,866,699	13,296,640	10,648,507

City of Duluth Minnesota - 2019 Budget

Special Assessment

410

Capital Project fund established to account for improvements which are financed by special assessments. The 2019 budget figures represent preliminary estimates only.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	(236,059)	(196,444)	(276,564)	(241,240)
REVENUES				
Assessment Collections	45,963	34,987	35,324	39,926
TOTAL REVENUES	45,963	34,987	35,324	39,926
EXPENSES				
Improvements Other Than Buildings	6,348	115,107	-	-
TOTAL EXPENSES	6,348	115,107	-	-
FUND BALANCE - DECEMBER 31	(196,444)	(276,564)	(241,240)	(201,314)

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	517,753	(379,773)	885,570	885,570
REVENUES				
Current Property Taxes	275,333	275,465	280,000	280,000
Delinquent Property Taxes	4,734	3,566	-	-
Miscellaneous Federal Grants	592,630	1,666,059	1,419,300	1,468,400
State of Minnesota	22,406	-	-	9,800,000
Municipal State Aid	2,327,647	2,262,371	8,477,200	7,357,000
Investment Earnings	3,656	(45)	-	-
Other Sources	492,299	67,390	-	406,700
Special Revenue Funds	79,650	1,072,197	626,300	483,700
Capital Project Funds	343,248	125,322	-	-
Public Utility Funds	-	-	4,295,000	6,056,600
TOTAL REVENUES	4,141,603	5,472,325	15,097,800	25,852,400
EXPENSES				
Improvements Other Than Buildings	4,989,686	4,206,982	15,097,800	25,852,400
Transfer to General Fund	911	-	-	-
Transfer to Special Revenue	48,532	-	-	-
TOTAL EXPENSES	5,039,129	4,206,982	15,097,800	25,852,400
FUND BALANCE - DECEMBER 31	(379,773)	885,570	885,570	885,570

City of Duluth Minnesota - 2019 Budget

Street Improvement Program

440

Capital Project Fund established to account for improvements to be made as part of the City's Street Improvement Program.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	368,556	815,671	1,198,149	1,542,766
REVENUES				
Investment Earnings	(2,515)	(3,160)	-	-
Transfer from Special Revenue	172,436	543,646	1,230,000	890,000
Assessment Collections	636,532	459,267	344,617	235,460
Other Reimbursements	-	-	-	450,000
TOTAL REVENUES	806,453	999,753	1,574,617	1,575,460
EXPENSES				
Improvements Other than Buildings	59,338	491,953	1,230,000	1,540,000
Transfer to PI Fund	300,000	125,322	-	-
TOTAL EXPENSES	359,338	617,275	1,230,000	1,540,000
FUND BALANCE - DECEMBER 31	815,671	1,198,149	1,542,766	1,578,226

City of Duluth Minnesota - 2019 Budget

Capital Improvement

450

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

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	3,641,222	3,824,342	2,256,665	2,806,665
REVENUES				
Federal Grant	481,926	225,684	-	-
State of Minnesota	772,611	-	-	-
Municipal State Aid	331,418	25,979	-	-
Earnings on Investments	23,231	32,818	-	-
Other Reimbursements	95,491	-	-	-
Transfer from General Fund	-	-	-	-
Transfer from Capital Projects	275,000	-	-	-
Transfer from Special Revenue	822,440	1,206,456	550,000	-
Bond Proceeds	1,135,000	1,545,000	1,500,000	1,375,000
Premium on bonds	149,665	95,392	-	66,192
TOTAL REVENUES	4,086,782	3,131,329	2,050,000	1,441,192
EXPENSES				
Transfer to Debt Service	209	1,422	-	2,942
Transfer to Special Revenue	-	3,857	-	-
Bond Issuance Costs	38,765	42,770	50,000	38,250
Capital Improvements	3,864,688	4,650,957	1,450,000	1,400,000
TOTAL EXPENSES	3,903,662	4,699,006	1,500,000	1,441,192
FUND BALANCE - DECEMBER 31	3,824,342	2,256,665	2,806,665	2,806,665

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	12,768,843	10,323,449	9,802,879	8,302,879
REVENUES				
Federal Grants	-	185,720	500,000	1,070,479
State of Minnesota	144,906	-	500,000	-
Earnings on Investments	96,926	114,597	-	-
Other Sources	34,000	128,000	500,000	-
Transfer from General Fund	-	42,850	-	-
Transfer from Special Revenue	-	152,244	-	-
TOTAL REVENUES	275,832	623,411	1,500,000	1,070,479
EXPENSES				
Capital Improvements	1,579,544	1,071,138	3,000,000	3,793,998
Land	55,158	-	-	-
Transfer to Capital Projects	1,086,524	33,000	-	-
Other Uses	-	39,842	-	-
TOTAL EXPENSES	2,721,226	1,143,981	3,000,000	3,793,998
FUND BALANCE - DECEMBER 31	10,323,449	9,802,879	8,302,879	5,579,360

Enterprise Funds

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
REVENUE				
Operating	1,822,938	1,729,296	1,776,028	1,752,604
Non-Operating	(1,575)	1,151	-	-
	<u>1,821,363</u>	<u>1,730,447</u>	<u>1,776,028</u>	<u>1,752,604</u>
EXPENSES				
Other Services and Charges	1,716,267	1,584,086	1,594,778	1,587,955
Depreciation and Amortization	104,405	104,405	104,405	104,405
Cost of Sales	247,985	251,987	238,496	241,824
	<u>2,068,657</u>	<u>1,940,478</u>	<u>1,937,679</u>	<u>1,934,184</u>
ESTIMATED OPERATING INCOME / (LOSS)	(247,294)	(210,031)	(161,651)	(181,580)

City of Duluth Minnesota - 2019 Budget

Golf Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2016 Actual	2017 Actual	2018 Budget	2019 Approved
ESTIMATED UNRESTRICTED CASH	(1,891,076)	(2,033,965)	(2,139,591)	(2,196,837)
Estimated Net Income (Loss)	(247,294)	(210,031)	(161,651)	(181,580)
<u>Other Sources</u>				
Depreciation	104,405	104,405	104,405	104,405
Total Sources	(142,889)	(105,626)	(57,246)	(77,175)
ESTIMATED BUDGETARY YEAR END CASH BALANCE	(2,033,965)	(2,139,591)	(2,196,837)	(2,274,012)

City of Duluth Minnesota - 2019 Budget

Lester Golf Course

Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING REVENUES:				
4440 Daily Admission	166,217	193,366	199,160	215,322
4441 Unlimited Season - Golf	108,368	124,985	126,515	128,975
4442 Motor Cart	176,287	127,581	131,705	134,126
4443 Driving Range Fees	26,280	24,937	26,156	29,010
4444 Other Rentals	2,178	696	1,125	1,295
4445 Golf Specials/Coupons/Promotions	958	1,404	1,565	1,300
4627 Concessions & Commissions	227,261	210,149	209,788	214,955
TOTAL OPERATING REVENUES	707,549	683,118	696,014	724,983
NON-OPERATING REVENUES				
4644 Misc Fees, Sales & Service	-	1,072	-	-
TOTAL NON-OPERATING REVENUES	-	1,072	-	-
TOTAL REVENUE - LESTER	707,549	684,190	696,014	724,983

City of Duluth Minnesota - 2019 Budget

Enger Golf Course

Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING REVENUES:				
4440 Daily Admission	217,009	259,347	270,151	284,765
4441 Unlimited Season - Golf	324,612	226,471	237,272	208,000
4442 Motor Cart	230,744	190,814	205,481	164,000
4443 Driving Range Fees	51,678	52,637	56,702	52,500
4444 Other Rentals	1,795	952	1,575	1,890
4445 Golf Specials/Coupons/Promotions	5,462	10,266	8,165	7,502
4627 Concessions & Commissions	284,089	305,691	300,668	308,964
TOTAL OPERATING REVENUES	1,115,389	1,046,178	1,080,014	1,027,621
NON-OPERATING REVENUES				
4639 Loss on Sale of Equipment	(1,575)	-	-	-
Misc. Fees, Sales & Services,				
4644 Donations	-	79	-	-
TOTAL NON-OPERATING REVENUES	(1,575)	79	-	-
TOTAL REVENUE - ENGER	1,113,814	1,046,257	1,080,014	1,027,621

City of Duluth Minnesota - 2019 Budget

Lester Golf Course

Expense Detail	2016 Actual	2017 Actual	2018 Adopted	2019 Proposed
OPERATING EXPENSES				
5284 Liquor Purchases	30,476	26,370	26,397	23,909
5285 Food & Beverage for Resale	36,598	31,764	27,693	27,000
5286 Golf Merchandise for Resale	40,431	31,401	42,005	41,830
5310 Contract Services	680,423	549,362	574,862	573,013
5415 Equipment Rental	43,056	43,056	43,056	43,056
5420 Depreciation	39,713	39,713	39,713	39,713
TOTAL - LESTER	870,697	721,666	753,726	748,521

City of Duluth Minnesota - 2019 Budget

Enger Golf Course

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING EXPENSES				
5284 Liquor Purchases	36,399	35,116	35,651	33,927
5285 Food & Beverage for Resale	47,250	52,213	45,966	41,326
5286 Golf Merchandise for Resale	56,831	75,123	60,784	73,832
5310 Contract Services	949,732	948,612	933,804	928,830
5415 Equipment Rental	43,056	43,056	43,056	43,056
5420 Depreciation	64,692	64,692	64,692	64,692
TOTAL - ENGER	1,197,960	1,218,812	1,183,953	1,185,663

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
REVENUES				
Operating Revenue	4,573,476	4,060,635	4,483,938	4,399,798
Non-Operating	377,207	386,576	385,000	385,000
	<u>4,950,683</u>	<u>4,447,211</u>	<u>4,868,938</u>	<u>4,784,798</u>
EXPENSES				
Personal Services	544,890	439,298	622,900	655,900
Supplies	28,201	27,509	36,100	36,930
Other Services and Charges	1,083,972	1,174,308	1,238,943	1,252,997
Utilities	168,079	161,473	188,266	189,350
Depreciation and Amortization	546,373	550,954	475,900	475,900
Improvements - Non-Capital	25,407	169,207	550,000	282,000
Debt Service - Interest	233,682	226,133	190,900	190,900
Transfers Out	1,326,700	1,376,700	1,376,700	1,386,300
	<u>3,957,304</u>	<u>4,125,582</u>	<u>4,679,709</u>	<u>4,470,277</u>
ESTIMATED OPERATING INCOME (LOSS)	993,379	321,629	189,229	314,521
BUDGETED FTE'S				
1100 Parking Manager	1.00	1.00	-	-
327 Officer	-	-	1.00	1.00
131 Parking Operations Specialist	1.00	1.00	1.00	1.00
121 Clerical Support Technician	1.00	1.00	1.00	1.00
24 Parking Ramp Leadworker	-	-	-	-
18 Parking Monitors	5.00	6.00	6.00	6.00
Division Total	<u>8.00</u>	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>

City of Duluth Minnesota - 2019 Budget

Parking Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2018 Projected	2019 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	4,369,597	3,310,497
Estimated Operating Income (Loss)	(773,400)	314,521
<u>Other Sources</u>		
Depreciation	556,500	475,900
Total Other Sources	556,500	475,900
<u>Other Uses</u>		
Bond Principal Payments	795,000	810,000
Capital Equipment	47,200	104,000
Total Other Uses	842,200	914,000
ESTIMATED BUDGETARY YEAR END CASH BALANCE	3,310,497	3,186,918

City of Duluth Minnesota - 2019 Budget

Parking Fund

505

Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING REVENUES				
4371 Parking Meter Revenues	813,998	771,629	813,200	718,800
4373 Transient Parking	1,065,633	961,121	1,048,475	1,047,050
4374 Contract Parking	1,289,477	1,229,295	1,248,753	1,282,788
4375 Charging Station Revenue	-	203	-	-
4170 Miscellaneous Permits	49,665	41,514	49,110	49,110
4472 Administrative Parking Fines	1,230,649	928,111	1,209,400	1,186,600
4315 Cost Allocation	-	23,500	15,000	15,450
4622 Rent of Buildings	102,722	105,262	100,000	100,000
4654 Other Reimbursements	90	-	-	-
4680 Damage or Losses Recovered	21,242	-	-	-
TOTAL OPERATING REVENUE	4,573,476	4,060,635	4,483,938	4,399,798
NON-OPERATING REVENUES				
4601 Earnings on Investments	(10,050)	(5,856)	-	-
4857 Transfer in from DEDA	387,257	392,432	385,000	385,000
TOTAL NON-OPERATING REVENUES	377,207	386,576	385,000	385,000
TOTAL REVENUE	4,950,683	4,447,211	4,868,938	4,784,798

City of Duluth Minnesota - 2019 Budget

Parking Administration

505-015-1479

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	146,850	73,301	61,500	63,100
5101 Permanent Employees - Overtime	1,961	549	-	-
TOTAL	148,811	73,850	61,500	63,100
EMPLOYEE BENEFITS				
5121 P.E.R.A.	9,628	4,342	4,400	4,500
5121 P.E.R.A., GASB 68	20,526	(5,720)	-	-
5122 F.I.C.A. Social Security	8,949	4,553	3,800	3,900
5123 F.I.C.A. Medicare	2,093	1,065	900	900
5125 Dental Insurance	744	434	400	400
5126 Life Insurance	324	189	200	200
5127 Health Care Savings Plan	1,946	1,278	1,200	1,200
5130 Cafeteria Plan Benefits	26,696	12,188	9,700	10,700
TOTAL	70,906	18,329	20,600	21,800
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	1,216	914	1,400	1,200
5307 Admin/Management Fees	-	-	-	-
5321 Phone Service	200	47	400	100
5331 Travel/Training	3,555	3,148	4,000	4,000
5335 Mileage Reimbursement	-	-	100	500
5441 Other Services and Charges	3,178	1,602	2,000	2,000
5700 Transfer to General Fund	-	-	-	-
5700 Transfer to Special Revenue	-	-	-	-
TOTAL	8,149	5,711	7,900	7,800
1479 TOTAL - ADMINISTRATION	227,866	97,890	90,000	92,700

City of Duluth Minnesota - 2019 Budget

Technology Center Ramp

505-015-1480-2510

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	10,643	10,643	10,643	10,643
5310 Contract Services	195,923	181,047	180,850	172,882
5381 Electricity	47,223	46,022	53,500	54,570
5382 Water, Gas & Sewer	3,878	2,983	5,530	3,400
5384 Refuse Disposal	965	2,197	2,400	2,300
5386 Steam	16,805	17,237	19,400	20,090
5404 Equipment Maintenance/Repair	-	1,109	3,000	2,800
5405 Parking Lot Maintenance	9,145	17,762	80,000	20,000
5420 Depreciation	192,214	190,586	171,700	171,700
5441 Other Services and Charges	364	-	-	-
5493 Cost Allocation	4,700	25,480	27,280	27,720
5611 Bond Interest	-	-	700	700
TOTAL	481,860	495,066	555,003	486,805
2510 TOTAL - TECHNOLOGY CENTER RAMP	481,860	495,066	555,003	486,805

City of Duluth Minnesota - 2019 Budget

HART District Ramp

505-015-1480-2511

		2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING EXPENSES					
5307	Admin/Management Fees	12,814	12,814	12,814	12,814
5310	Contract Services	264,686	265,329	272,162	243,239
5381	Electricity	15,732	15,358	17,200	17,400
5382	Water, Gas & Sewer	2,594	6,926	7,200	7,100
5404	Equipment Maintenance/Repair	-	45	5,000	2,800
5405	Parking Lot Maintenance	7,091	135,733	40,000	62,000
5420	Depreciation	58,674	58,674	39,800	39,800
5493	Cost Allocation	4,700	25,480	27,280	27,720
5611	Bond Interest	-	-	100	100
	TOTAL	366,291	520,359	421,556	412,973
NON-OPERATING EXPENSES					
5580	Capital Equipment	7,000	-	-	-
	TOTAL	7,000	-	-	-
2511	TOTAL - HART DISTRICT RAMP	373,291	520,359	421,556	412,973

City of Duluth Minnesota - 2019 Budget

Medical District Ramp

505-015-1480-2512

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	10,714	10,714	12,814	12,814
5310 Contract Services	163,200	185,434	174,600	161,647
5381 Electricity	51,194	46,652	52,100	51,010
5382 Water, Gas & Sewer	19,417	19,468	25,212	27,656
5404 Equipment Maintenance/Repair	605	2,708	3,000	4,000
5405 Parking Lot Maintenance	6,771	4,350	140,000	-
5420 Depreciation	249,749	249,748	227,000	227,000
5441 Other Services and Charges	707	-	-	-
5481 Property Taxes	3,798	3,826	3,500	3,500
5493 Cost Allocation	4,700	25,480	27,280	27,720
5611 Bond Interst	233,682	226,133	190,100	190,100
5620 Fiscal Agents Fees	500	713	-	-
TOTAL	745,037	775,226	855,606	705,447
2512 TOTAL - MEDICAL DISTRICT RAMP	745,037	775,226	855,606	705,447

City of Duluth Minnesota - 2019 Budget

Municipal Lots

505-015-1480-2513

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	4,814	4,814	6,000	6,000
5310 Contract Services	192,001	221,546	218,510	217,808
5381 Electricity	6,259	6,827	8,124	8,124
5382 Water, Gas & Sewer	4,977	-	-	-
5405 Parking Lot Maintenance	2,400	11,362	290,000	200,000
5441 Other Services & Charges	-	87	-	-
5420 Depreciation	32,628	33,096	32,200	32,200
5493 Cost Allocation	4,600	25,480	27,280	27,720
TOTAL	247,679	303,212	582,114	491,852
NON-OPERATING EXPENSES				
5580 Capital Equipment	9,348	-	-	-
TOTAL	9,348	-	-	-
2513 TOTAL - MUNICIPAL LOTS	257,027	303,212	582,114	491,852

City of Duluth Minnesota - 2019 Budget

On Street Parking & Enforcement

505-015-1481

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	228,591	245,381	352,800	382,400
5101 Permanent Employees - Overtime	482	63	-	-
TOTAL	229,073	245,444	352,800	382,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	15,546	18,366	31,800	34,400
5122 F.I.C.A. Social Security	13,823	13,272	17,300	19,000
5123 F.I.C.A. Medicare	3,233	3,509	5,100	5,600
5125 Dental Insurance	2,201	2,139	3,000	3,000
5126 Life Insurance	959	932	1,400	1,400
5127 Health Care Savings Plan	3,243	3,579	13,000	12,900
5130 Cafeteria Plan Benefits	57,005	59,878	116,400	112,300
5133 Health or Fitness Program	90	-	-	-
TOTAL	96,100	101,675	188,000	188,600
OPERATING EXPENSES				
5200 Office Supplies	969	694	1,000	1,000
5212 Motor Fuels	1,728	2,621	2,700	2,700
5218 Uniforms	4,112	2,316	5,000	5,000
5219 Other Miscellaneous Supplies	3,284	3,835	6,000	4,000
5241 Small Equipment	16,892	17,129	20,000	23,030
5306 Collection Services	19,981	17,520	20,000	18,000
5310 Contract Services	153,538	107,918	160,000	220,000
5355 Printing & Copying Services	1,242	1,310	350	350
5356 Copier, Printer Lease & Supplies	62	32	200	200
5409 Fleet Service Charges	9,005	3,209	6,000	4,800
5414 Software Lic & Mtc Agreements	700	1,008	1,700	1,200
5420 Depreciation	13,108	18,850	5,200	5,200
5427 Credit Card Commissions	5,616	6,320	-	7,000
5441 Other Services and Charges	1,861	1,768	2,500	3,000

City of Duluth Minnesota - 2019 Budget

On Street Parking & Enforcement

505-015-1481

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5493 Cost Allocation	4,600	25,480	27,280	27,720
5700 Transfer to General Fund	1,326,700	1,376,700	1,376,700	1,386,300
TOTAL	1,563,398	1,586,710	1,634,630	1,709,500
NON-OPERATING EXPENSES				
5580 Capital Equipment	29,125	28,295	40,000	104,000
TOTAL	29,125	28,295	40,000	104,000
1481 TOTAL - ON STREET PARKING & ENFORCEMENT	1,917,696	1,962,124	2,215,430	2,384,500

City of Duluth Minnesota - 2019 Budget

Priley Drive Parking Facility

506

The 410 West First Street Ramp 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
REVENUES				
Operating Revenue	339,417	446,597	494,198	454,692
Non-Operating	(319)	313,879	543,400	543,400
	339,098	760,476	1,037,598	998,092
EXPENSES				
Contract Services	75,414	137,403	134,235	121,844
Other Services and Charges	-	-	2,000	2,000
Electricity	17,916	34,291	35,100	35,100
Parking Lot Maintenance	-	2,925	50,000	12,000
Equipment/Machinery Repair & M	-	-	5,000	5,000
Cost Allocation	-	49,000	37,500	32,650
Tax Abatement	-	22,219	27,000	27,000
Depreciation - funded	-	50,000	50,000	50,000
Depreciation - unfunded	347,047	470,571	470,572	470,572
Debt Service - Interest	68,200	426,295	575,344	713,040
	508,577	1,192,704	1,386,751	1,469,206
ESTIMATED OPERATING INCOME (LOSS)	(169,479)	(432,228)	(349,153)	(471,114)

City of Duluth Minnesota - 2019 Budget

Priley Drive Parking Facility

	2018	2019
<u>OPERATING FUND</u>	Projected	Approved
ESTIMATED UNRESTRICTED and CAPITAL ACCOUNT CASH	218,310	339,729
Estimated Operating Income (Loss)	(349,153)	(471,114)
<u>Other Sources</u>		
Unfunded Depreciation	470,572	470,572
Total Other Sources	470,572	470,572
ESTIMATED BUDGETARY YEAR END CASH BALANCE	339,729	339,187

City of Duluth Minnesota - 2019 Budget

Priley Drive Parking Facility

506

Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING REVENUES				
4373 Transient Parking	35,835	48,947	39,274	49,692
4374 Contract Parking	303,582	397,650	454,924	405,000
TOTAL OPERATING REVENUE	339,417	446,597	494,198	454,692
NON-OPERATING REVENUES				
4601 Earnings on Investments	(319)	(562)	-	-
4730-30 Interfund Transfers in from Debt Service	-	314,441	543,400	543,400
TOTAL NON-OPERATING REVENUES	(319)	313,879	543,400	543,400
TOTAL REVENUE	339,098	760,476	1,037,598	998,092

City of Duluth Minnesota - 2019 Budget

Priley Drive Parking Facility

506

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	9,600	14,400	14,400	14,400
5310 Contract Services	64,694	123,003	119,835	107,444
5319 Other Professional Service	1,120	-	-	-
5381 Electricity	17,916	34,291	35,100	35,100
Equipment				
5404 Maintenance/Repair	-	-	5,000	5,000
5405 Parking Lot Maintenance	-	2,925	50,000	12,000
5420 Depreciation - funded	-	50,000	50,000	50,000
5420 Depreciation - unfunded	347,047	470,571	470,572	470,572
5441 Other Services and Charges	-	-	2,000	2,000
5479 Tax Abatement	-	22,219	27,000	27,000
5493 Cost Allocation	-	49,000	37,500	32,650
5611 Bond Interest	68,200	426,295	575,344	713,040
TOTAL	508,577	1,192,704	1,386,751	1,469,206
TOTAL - 410 WEST FIRST STREET				
2510 RAMP	508,577	1,192,704	1,386,751	1,469,206

City of Duluth Minnesota – 2019 Budget

Public Works & Utilities Department – Enterprise Funds

Mission and Vision

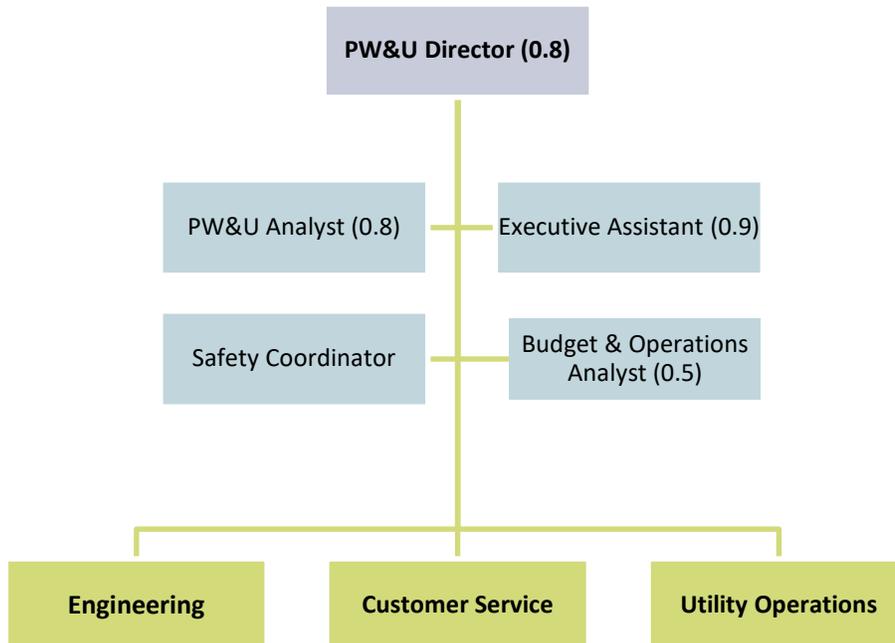
The mission of the Public Works and Utilities Department is to provide professional engineering services, street maintenance activities, and water, natural gas, sanitary sewer, storm water, and street lighting utilities to Duluth's businesses and residents in a safe, cost-effective and environmentally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

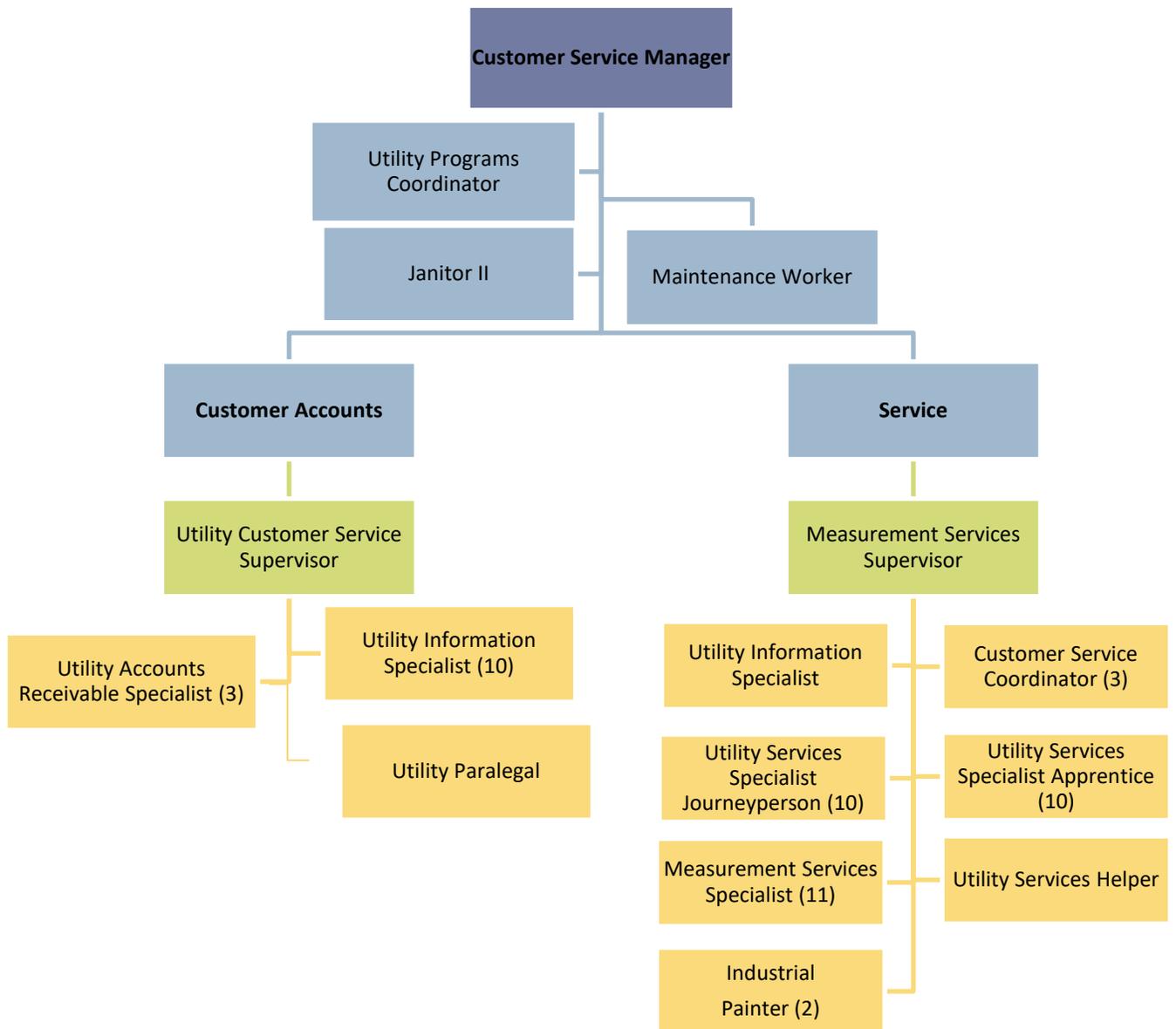
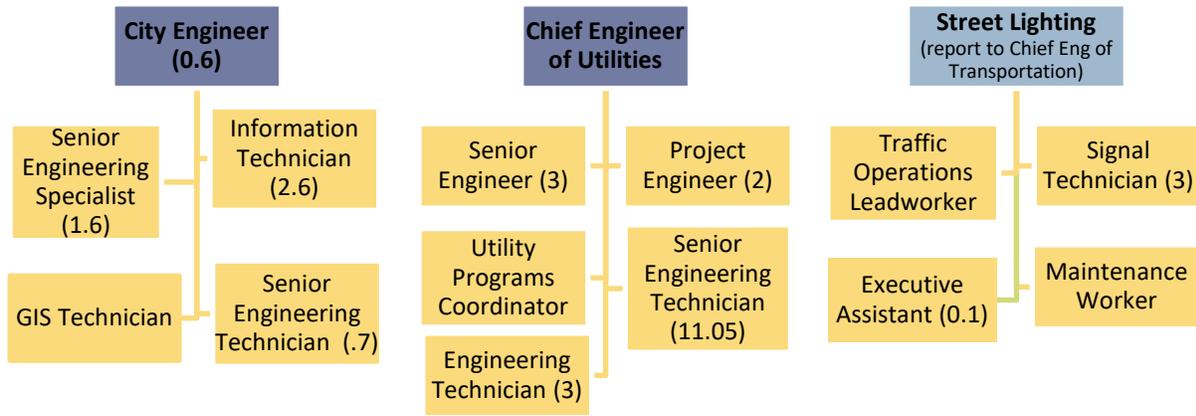
The Department's vision is to become a functionally integrated organization operating at optimum efficiencies and providing cost-effective and reliable service for all Duluthians.

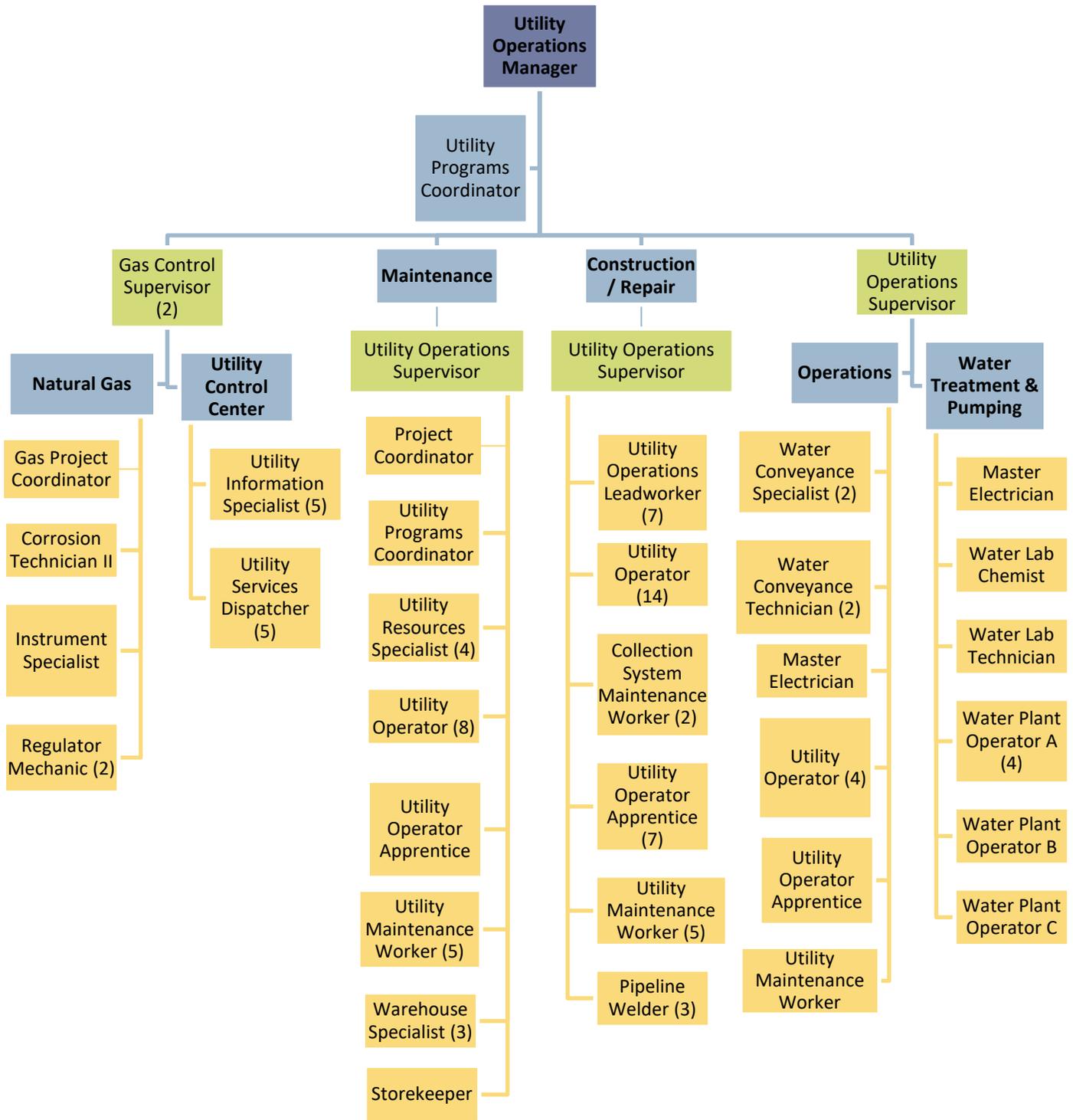
Structure

The utilities portion of the Public Works and Utilities Department is broken into three separate divisions that span across five different 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 - 2019 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.

	2016	2017	2018	2019
Budgeted FTE's	197.35	198.85	197.65	197.65

Expenses	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Salaries and Benefits	18,589,996	19,494,387	20,976,600	21,707,700
Supplies	19,314,647	22,277,091	24,842,400	24,263,700
Other Services & Charges	17,294,572	16,872,648	17,725,000	18,268,700
Utilities	2,080,735	2,182,644	2,218,100	2,246,500
Depreciation/Amortization	5,676,567	5,796,287	6,368,200	6,414,100
Grants & Awards	276,262	260,765	440,000	700,000
Improvements -Non-Capital	545,372	167,853	327,500	299,000
Debt Service - Interest	591,086	479,842	523,900	328,100
Debt Service - Other	(30,358)	(26,011)	(24,800)	(8,600)
Capital Lease Interest	211,951	188,241	173,900	148,800
Reimbursed Project Costs	480,350	345,994	-	-
Total Operating	65,031,180	68,039,741	73,570,800	74,368,000
Non-Operating	12,808,427	7,509,106	13,155,500	12,270,100
Total Appropriation Budget	77,839,607	75,548,847	86,726,300	86,638,100

City of Duluth Minnesota - 2019 Budget

Utilities - Personnel Summary

	2016 Budget	2017 Budget	2018 Budget	2019 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
1110 Senior Engineer	-	-	3.00	3.00
1095 Gas Control Supervisor	2.00	2.00	2.00	2.00
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
1055-1085 Utility Customer Service Supervisor	1.00	1.00	1.00	1.00
133 Budget & Operations Analyst	-	0.50	0.50	0.50
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
Utility Accounts Receivable				
132 Specialist	3.00	3.00	3.00	3.00
130 GIS Technician	-	1.00	1.00	1.00
Administrative Information				
129 Specialist	2.00	-	-	-
129 Utilities Information Specialist	-	16.00	16.00	16.00
126 Information Technician	15.40	2.40	2.60	2.60
122 Janitor II	-	-	1.00	1.00
121 Janitor I	-	1.00	-	-
39 Senior Project Engineer	2.00	1.00	-	-
36 Project Engineer	3.00	4.00	1.00	2.00
34 Senior Engineering Specialist	0.80	0.80	0.80	1.60
33 Customer Service Coordinator	2.00	2.00	2.00	3.00
33 Public Works and Utilities Analyst	1.80	0.80	0.80	0.80
33 Utility Programs Coordinator	4.00	4.00	4.00	4.00
32 Corrosion Technician II	1.00	1.00	1.00	1.00
32 Gas Project Coordinator	-	-	-	1.00
32 Project Coordinator	1.00	2.00	3.00	1.00
32 Traffic Operations Leadworker	1.00	1.00	1.00	1.00

City of Duluth Minnesota - 2019 Budget

Utilities - Personnel Summary

	2016 Budget	2017 Budget	2018 Budget	2019 Approved
32 Utility Operations Leadworker	7.00	7.00	7.00	7.00
32 Water Lab Chemist	1.00	1.00	1.00	1.00
31 Master Electrician	1.00	1.00	1.00	2.00
31 Pipeline Welder	3.00	3.00	3.00	3.00
31 Senior Engineering Technician	12.45	12.95	13.55	11.75
31 Utility Resources Specialist	4.00	4.00	4.00	4.00
31 Water Conveyance Specialist	-	1.00	1.00	2.00
31 Water Plant Operator A	5.00	5.00	5.00	4.00
30 Instrument Specialist	1.00	1.00	1.00	1.00
30 Signal Technician	3.00	3.00	3.00	3.00
Utility Services Specialist				
30 Journeyman	12.00	8.00	8.00	10.00
30 Warehouse Specialist	3.00	2.00	2.00	3.00
29 Industrial Painter	2.00	2.00	2.00	2.00
29 Lift Station Operator	2.00	-	-	-
29 Measurement Services Specialist	9.00	12.00	10.00	11.00
29 Regulator Mechanic	2.00	2.00	2.00	2.00
29 Water Conveyance Technician	2.00	3.00	3.00	2.00
Collection System Maintenance				
28 Worker	4.00	2.00	2.00	2.00
28 Engineering Technician	3.50	3.00	3.00	3.00
28 Utility Operator	18.00	19.00	29.00	26.00
28 Utility Operator Apprentice	16.00	16.00	7.00	9.00
Utility Services Specialist				
28 Apprentice	9.00	12.00	12.00	10.00
28 Water Plant Operator B	1.00	1.00	1.00	1.00
27 Storekeeper	-	-	-	1.00
27 Water Lab Technician	1.00	1.00	1.00	1.00
26 Utility Services Dispatcher	5.00	5.00	5.00	5.00
24 Assistant Storekeeper	-	1.00	1.00	-
24 Water Plant Operator C	1.00	1.00	-	1.00
24 Water Plant Operator D	-	-	1.00	-
23 Utility Maintenance Worker	13.00	13.00	10.00	10.00

City of Duluth Minnesota - 2019 Budget

Utilities - Personnel Summary

	2016 Budget	2017 Budget	2018 Budget	2019 Approved
22 Maintenance Worker	1.00	2.00	2.00	2.00
22 Meter Reader	2.00	-	-	-
16 Utility Services Helper	-	-	2.00	1.00
9 Executive Assistant	1.00	1.00	1.00	1.00
DEPARTMENT TOTAL	197.35	198.85	197.65	197.65

City of Duluth Minnesota - 2019 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 98% of total revenues for 2019. The most significant category of expense is personal services at 50% 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
REVENUE				
Operating	14,488,755	14,461,362	15,355,000	15,571,000
Non-Operating	186,151	192,803	165,600	173,200
	<u>14,674,906</u>	<u>14,654,165</u>	<u>15,520,600</u>	<u>15,744,200</u>
EXPENSES				
Personal Services	5,371,931	5,700,134	6,140,800	6,299,400
Supplies	1,201,640	1,281,962	1,359,200	1,324,800
Other Services & Charges	1,271,766	1,170,275	1,239,000	1,296,500
Utilities	1,242,537	1,276,124	1,322,800	1,351,900
Depreciation/Amortization	1,776,832	1,826,881	1,996,800	1,967,700
Improvements -Non-Capital	99,107	17,716	22,500	55,000
Debt Service - Interest	141,514	118,399	204,700	82,000
Debt Service - Other	(4,742)	(4,656)	(4,500)	(4,500)
Capital Lease Interest	76,302	67,767	62,600	53,600
Transfers	179,386	127,984	219,600	221,700
	<u>11,356,273</u>	<u>11,582,586</u>	<u>12,563,500</u>	<u>12,648,100</u>
ESTIMATED OPERATING INCOME (LOSS)				
	3,318,633	3,071,579	2,957,100	3,096,100
Other Sources of Cash	2,663,159	2,349,374	1,992,300	1,963,200
Other Uses of Cash	(6,465,743)	(5,420,953)	(3,027,300)	(4,648,000)
Increase (Decrease) in Cash	<u>(483,951)</u>	<u>-</u>	<u>1,922,100</u>	<u>411,300</u>

City of Duluth Minnesota - 2019 Budget

Water Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2018 Budget	2018 Projected	2019 Approved
ESTIMATED OPERATING INCOME (LOSS)	2,957,100	2,943,200	3,096,100
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,996,800	1,834,400	1,967,700
Interest from Bond Discount	(4,500)	(4,500)	(4,500)
PERA Retirement, GASB 68	-	223,500	-
Due from Other Funds	-	21,296	-
Special Assessment Principal	-	119,969	-
Total Other Sources of Cash	1,992,300	2,194,665	1,963,200
<u>Other Uses of Cash</u>			
Due to Other Funds	-	19,106	-
Interfund Loan Payable	-	376,543	-
Capital Improvements from Current Revenues	970,000	450,000	3,180,000
Capital Equipment Purchases	385,800	364,300	257,200
Bond Principal Payments	1,434,700	1,434,700	965,000
AMR Lease Principal Payments	236,800	236,800	245,800
Total Other Uses of Cash	3,027,300	2,881,449	4,648,000
INCREASE (DECREASE) IN CASH	1,922,100	2,256,416	411,300
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH- BEGINNING	(362,513)	-	2,256,416
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH- ENDING	1,559,587	2,256,416	2,667,716

City of Duluth Minnesota - 2019 Budget

Water Fund

510

Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING REVENUES				
4636 Sale of Scrap	3,866	12,314	12,000	10,000
4680 Damage or Losses Recovered	1,363	10,795	-	-
4800 Meter Repair	25,128	14,975	25,000	25,000
4801 Off/On Charge	23,223	25,696	25,000	25,000
4802 Interest - Customer Accounts	41,697	48,659	48,000	48,000
4805 Reimbursements	22,445	39,526	5,000	5,000
4809 Miscellaneous Operating	12,973	10,870	15,000	15,000
4810 Metered Water Sales	10,689,813	10,768,788	11,502,000	12,000,000
4811 Water for Resale	1,259,757	1,115,311	1,315,000	1,035,000
4831 Fixed Rate Charges	2,400,981	2,408,826	2,403,000	2,403,000
4851 Interest Income	7,509	5,602	5,000	5,000
TOTAL OPERATING REVENUES	14,488,755	14,461,362	15,355,000	15,571,000
NON-OPERATING REVENUES				
4220 State of Minnesota Operating	2,335	-	-	-
4230 Pera Aid	16,919	16,919	16,900	16,900
4601 Change in Fair Value Investments	5,640	(2,067)	-	-
4806 Connection Fees	12,050	11,214	11,000	11,000
4832 Overcharge Refunds	-	(15,978)	-	-
4853 Gain on Sale of Assets	(4,390)	15,762	2,000	1,000
4854 Utility Assessment	(3)	22,653	3,000	-
Transfers from Special Revenue				
4730 Fund	135,000	135,000	123,400	135,000
4730 Transfers from Enterprise Funds	18,600	9,300	9,300	9,300
TOTAL NON-OPERATING REVENUES	186,151	192,803	165,600	173,200
TOTAL REVENUE	14,674,906	14,654,165	15,520,600	15,744,200

City of Duluth Minnesota - 2019 Budget

Director's Office

510-500-1900

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	54,036	60,836	63,000	65,300
5101 Permanent Employees - Overtime	496	603	500	500
TOTAL	54,532	61,439	63,500	65,800
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,881	4,404	4,600	4,800
5122 F.I.C.A. Social Security	3,184	3,676	3,900	4,100
5123 F.I.C.A. Medicare	792	889	900	1,000
5125 Dental Insurance	223	254	300	300
5126 Life Insurance	97	111	100	100
5127 Health Care Savings	1,483	1,602	700	900
5130 Cafeteria Plan Benefits	3,291	4,834	6,100	6,700
TOTAL	12,951	15,770	16,600	17,900
OPERATING EXPENSES				
5200 Office Supplies	70	95	100	100
5241 Small Equipment	-	-	500	300
5321 Telephone	120	120	100	100
5331 Training Expense	1,167	-	200	200
5335 Mileage Reimbursement - Local	289	279	200	300
TOTAL	1,646	494	1,100	1,000
1900 TOTAL - DIRECTOR'S OFFICE	69,129	77,703	81,200	84,700

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING EXPENSES				
5420 Depreciation	1,776,832	1,826,881	1,996,800	1,967,700
5441 Other Services & Charges	19	-	-	-
5535 Improvements (Non-Capital)	99,107	17,716	22,500	55,000
5540 Equipment (Non-Capital)	19,562	19,997	-	-
5611 Bond Interest	141,514	118,399	204,700	82,000
5613 Interest from Bond Amortization	(4,742)	(4,656)	(4,500)	(4,500)
5614 Capital Lease Interest	76,302	67,767	62,600	53,600
5620 Fiscal Agents Fee	726	515	500	500
TOTAL	2,109,320	2,046,619	2,282,600	2,154,300
NON-OPERATING EXPENSES				
5510 Land	-	5,263	-	-
5532 Capital Improvements - Bonds	-	2,550	3,550,000	-
5533 Capital Improvements - Revenue Financing	3,981,068	2,291,905	970,000	3,180,000
5580 Capital Equipment	338,839	311,591	385,800	257,200
TOTAL	4,319,907	2,611,309	4,905,800	3,437,200
1905 TOTAL - CAPITAL	6,429,227	4,657,928	7,188,400	5,591,500

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	12,765	34,180	39,000	37,300
5101 Permanent Employees - Overtime	14	494	-	-
TOTAL	12,779	34,674	39,000	37,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	858	2,365	2,800	2,700
5121 P.E.R.A., GASB 68	190,447	223,506	-	-
5122 F.I.C.A. Social Security	771	2,131	2,400	2,300
5123 F.I.C.A. Medicare	180	498	600	500
5125 Dental Insurance	72	244	300	300
5126 Life Insurance	4,676	4,849	100	100
5127 Health Care Savings	110	2,001	600	600
5130 Cafeteria Plan Benefits	3,594	8,550	10,400	10,800
5133 Health or Fitness Program	-	42	-	-
5134 Other Post Retirement Benefits	(416,661)	(333,441)	-	-
5134 Other Post Retirement Transfer	68,000	-	-	-
5135 Retiree Health Insurance	520,370	557,862	607,800	549,600
5151 Worker's Compensation	44,800	52,500	48,700	41,100
TOTAL	417,217	521,107	673,700	608,000
OPERATING EXPENSES				
5200 Office Supplies	-	-	100	100
5201 Computer Supplies/Software	173	173	-	-
5205 Safety & Training	302	4,901	900	800
5211 Cleaning & Janitorial Supplies	4,365	3,295	3,500	3,500
5212 Motor Fuels	147	60	-	200
5218 Uniforms	55	138	100	100
5219 Other Miscellaneous Supplies	121	30	-	-
5241 Small Equipment	1,863	1,566	2,000	1,200
5301 Auditing Services	3,886	1,405	1,300	1,300
5305 Medical Services/Testing Fees	3,539	2,855	3,000	4,000

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5310 Contract Services	3,099	2,461	-	-
5319 Other Professional Services	1,232	-	-	-
5320 Data Services	19,755	21,107	21,100	21,300
5321 Telephone	4,602	3,628	4,400	3,600
5331 Training Expense	2,737	157	2,800	2,800
5333 Freight/Delivery Charges	975	517	-	-
5335 Mileage Reimbursement - Local	-	-	300	300
5356 Copier, Printer Lease & Supplies	7,303	6,792	6,800	5,500
5360 Insurance	95,500	53,300	32,800	53,100
5381 Electricity	11,770	12,945	13,500	13,500
5382 Water, Gas & Sewer	18,132	17,680	18,200	17,800
5384 Refuse Disposal	3,507	3,849	3,800	4,000
5401 Building Repair & Maintenance	11,607	8,010	43,500	8,500
5404 Equipment Repair & Maintenance	3,750	2,250	1,000	1,000
5409 Fleet Services Charges	203	-	-	-
5414 Software Lic & Mtc Agreements	42,080	44,254	47,900	45,500
5438 Licenses	28	-	-	-
5441 Other Services & Charges	9,782	8,277	4,000	4,000
5450 Laundry	1,048	1,000	1,400	1,200
5457 Hydrant Maintenance	30,000	30,000	30,000	30,000
5493 Cost Allocation	385,300	332,000	331,000	339,000
5700 Transfer to General Fund	59,044	50,450	53,600	55,700
TOTAL	725,905	613,100	627,000	618,000
1915 TOTAL - GENERAL EXPENSE	1,155,901	1,168,881	1,339,700	1,263,300

City of Duluth Minnesota - 2019 Budget

Engineering

510-500-1930

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	327,534	340,107	359,900	364,700
5101 Permanent Employees - Overtime	40,940	37,580	30,000	35,000
5103 Temporary Wages	3,793	2,914	2,000	2,700
5111 Long-Term Disability Wages	47	-	-	-
5118 Meal Allowance	944	1,273	800	1,200
TOTAL	373,258	381,874	392,700	403,600
EMPLOYEE BENEFITS				
5121 P.E.R.A.	27,195	27,849	28,700	29,600
5122 F.I.C.A. Social Security	22,711	22,777	24,300	24,900
5123 F.I.C.A. Medicare	5,312	5,327	5,700	5,800
5125 Dental Insurance	1,874	1,923	2,100	2,000
5126 Life Insurance	815	837	1,000	1,000
5127 Health Care Savings	6,853	7,050	6,200	5,800
5130 Cafeteria Plan Benefits	75,804	82,951	94,900	105,200
5133 Health or Fitness Program	128	216	-	-
TOTAL	140,692	148,930	162,900	174,300
OPERATING EXPENSES				
5200 Office Supplies	755	455	600	500
5201 Computer Supplies	157	324	200	200
5203 Paper, Stationery and Forms	159	56	400	200
5205 Safety and Training Materials	209	241	300	300
5212 Motor Fuel	2,650	3,097	3,000	3,000
5218 Uniforms	434	353	400	400
5219 Other Miscellaneous Supplies	265	183	-	-
5240 Small Tools	158	158	1,000	500
5241 Small Equipment	6,892	4,211	4,000	1,900
5242 Survey Equipment and Supplies	5,224	2,107	7,500	7,500
5303 Engineering Services	72,374	7,112	-	5,000

City of Duluth Minnesota - 2019 Budget

Engineering

510-500-1930

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5320 Data Services	1,660	1,668	1,500	1,600
5321 Telephone	1,548	1,554	1,300	1,500
5322 Postage	26	-	100	100
5331 Training Expenses	1,440	2,097	7,500	3,500
5335 Mileage Reimbursement	-	-	300	300
5355 Printing and Copying	600	1,267	600	1,000
5356 Copier, Printer Lease & Supplies	249	152	600	600
5404 Equipment Maintenance Repair	208	380	1,100	1,600
5409 Fleet Services	6,322	5,590	4,700	9,200
5414 Software Lic & Mtc Agreements	18,218	9,253	12,800	14,500
5433 Dues and Subscriptions	792	387	1,000	1,000
5435 Books and Pamphlets	45	80	-	-
5438 Licenses	73	-	100	-
5441 Other Services and Charges	4,057	1,960	2,100	2,100
5486 One Call System	3,451	3,077	3,600	3,600
TOTAL	127,966	45,762	54,700	60,100
1930 TOTAL - ENGINEERING	641,916	576,566	610,300	638,000

City of Duluth Minnesota - 2019 Budget

Customer Service

510-500-1940

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	640,077	664,829	727,300	735,900
5101 Permanent Employees - Overtime	26,187	12,839	27,800	22,800
5118 Meal Allowance	25	96	100	100
TOTAL	666,289	677,764	755,200	758,800
EMPLOYEE BENEFITS				
5121 P.E.R.A.	48,579	49,262	55,600	55,900
5122 F.I.C.A. Social Security	40,567	40,561	46,800	47,100
5123 F.I.C.A. Medicare	9,488	9,487	10,900	11,000
5125 Dental Insurance	4,044	4,101	4,500	4,300
5126 Life Insurance	1,764	1,785	2,100	2,100
5127 Health Care Savings	11,813	18,918	13,100	14,900
5130 Cafeteria Plan Benefits	142,580	163,095	199,900	208,100
5133 Health or Fitness Program	109	115	-	-
TOTAL	258,944	287,324	332,900	343,400
OPERATING EXPENSES				
5200 Office Supplies	2,597	1,886	2,300	2,300
5201 Computer Supplies	100	1,823	500	500
5203 Paper/Stationery	34	-	-	-
5205 Safety & Training Materials	-	172	-	-
5212 Motor Fuel	9,523	11,801	13,000	12,000
5215 Shop Materials	568	1,013	-	-
5218 Uniforms	3,642	2,766	2,200	2,200
5219 Other Miscellaneous Supplies	9,338	1,697	-	-
5220 Repair & Maintenance Supplies	439	9,568	5,000	7,500
5227 Utility System	125,088	98,386	108,500	88,500
5228 Painting Supplies	778	43	1,000	1,000
5240 Small Tools	1,053	3,501	8,000	5,600

City of Duluth Minnesota - 2019 Budget

Customer Service

510-500-1940

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5241 Small Equipment	9,978	9,292	5,500	8,400
5310 Contract Services	37,499	37,293	43,300	43,300
5321 Telephone	2,171	2,137	2,200	2,200
5322 Postage	42,156	42,465	49,600	47,100
5331 Training Expenses	2,060	3,696	5,000	10,000
5339 Armored Pickup	1,154	1,182	1,200	1,300
5355 Printing & Copying	495	368	2,000	2,000
5356 Copier, Printer Lease & Supplies	572	232	500	500
5401 Building Repair & Maintenance	1,251	-	-	-
5404 Equipment Maintenance & Repair	594	704	800	800
5409 Fleet Services	12,817	16,742	17,100	17,000
5414 Software Lic & Mtc Agreements	3,938	4,473	4,700	4,900
5418 Vehicle/Equipment Lease	724	724	900	-
5427 Credit Card Commission	19,040	22,419	16,000	20,000
5432 Uncollectible Accounts	3,054	12,670	15,000	15,000
5441 Other Services & Charges	1,607	839	5,300	5,300
TOTAL	292,270	287,892	309,600	297,400
1940 TOTAL - CUSTOMER SERVICE	1,217,503	1,252,980	1,397,700	1,399,600

City of Duluth Minnesota - 2019 Budget

Utility Operations

510-500-1945

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,638,359	1,674,807	1,707,400	1,851,400
5101 Permanent Employees - Overtime	201,356	190,331	225,000	200,000
5103 Other Wages	13,900	9,702	16,900	16,900
5118 Meal Allowance	5,928	4,711	5,000	5,000
TOTAL	1,859,543	1,879,551	1,954,300	2,073,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	134,166	137,068	141,900	150,700
5122 F.I.C.A. Social Security	113,854	114,252	120,900	128,200
5123 F.I.C.A. Medicare	26,583	26,721	28,300	30,000
5125 Dental Insurance	10,109	10,321	10,400	11,100
5126 Life Insurance	4,411	4,498	5,000	5,400
5127 Health Care Savings	41,299	39,062	38,500	38,900
5130 Cafeteria Plan Benefits	359,681	387,733	427,700	501,600
5133 Health or Fitness Program	83	120	-	-
5141 Unemployment Compensation	928	916	-	-
TOTAL	691,114	720,691	772,700	865,900
OPERATING EXPENSES				
5200 Office Supplies	1,293	953	2,600	2,100
5201 Computer Supplies/Software	-	171	300	300
5205 Safety & Training Materials	9,612	6,447	8,100	8,500
5210 Plant/Operating Supplies	13,282	12,994	20,000	22,100
5212 Motor Fuel	46,360	48,437	70,000	70,000
5215 Shop Materials	4,692	5,099	4,500	5,000
5218 Uniforms	11,738	10,277	12,600	12,900
5219 Other Miscellaneous Supplies	3,774	3,821	2,500	2,500
5220 Repair & Maintenance Supplies	9,739	11,643	8,600	9,800
5222 Paving Materials	21,596	17,769	25,000	25,000
5224 Gravel & Other Maintenance Mtls	82,931	118,626	68,000	80,000

City of Duluth Minnesota - 2019 Budget

Utility Operations

510-500-1945

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5227 Utility Maintenance Supply	303,748	319,604	383,200	350,100
5228 Painting Supplies	37	487	400	500
5240 Small Tools	16,712	23,356	17,000	19,000
5241 Small Equipment	4,152	4,760	12,900	14,800
5310 Contract Services	35,002	45,558	22,700	24,000
5321 Telephone	2,790	2,617	3,000	3,000
5331 Training Expenses	11,272	16,985	10,500	10,500
5333 Freight/Delivery Charges	-	34	500	500
5335 Mileage Reimbursement	3,308	2,952	3,300	3,300
5355 Printing and Copying	721	113	300	300
5356 Copier, Printer Lease & Supplies	140	142	500	500
5381 Electricity	4,977	5,209	5,300	5,300
5382 Water/Sewer/Gas	2,960	5,189	4,500	5,000
5384 Refuse Disposal	10,207	13,333	11,000	12,000
5401 Bldg/Structure Repair & Mtc	-	194	-	-
5404 Equipment Maintenance/Repair	4,913	5,983	11,300	8,500
5409 Fleet Service Charges	121,007	111,897	160,500	154,100
5414 Software Lic & Mtc Agreements	311	280	-	-
5415 Vehicle/Equipment Rental	9,167	29,426	16,000	21,000
5419 Other Rentals	1,527	-	-	-
5438 License	524	276	500	500
5441 Other Services & Charges	4,893	4,986	6,300	5,300
5450 Laundry	5,766	6,283	7,500	8,000
5700 Transfer to General Fund	120,342	77,534	166,000	166,000
TOTAL	869,493	913,435	1,065,400	1,050,400
1945 TOTAL - UTILITY OPERATIONS	3,420,150	3,513,677	3,792,400	3,989,600

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	602,856	649,119	648,400	635,300
5101 Permanent Employees - Overtime	24,470	28,153	28,000	24,000
5118 Meal Allowance	21	54	-	-
TOTAL	627,347	677,326	676,400	659,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	46,233	49,846	50,000	48,600
5122 F.I.C.A. Social Security	37,376	40,037	41,900	40,900
5123 F.I.C.A. Medicare	8,741	9,363	9,800	9,600
5125 Dental Insurance	3,720	3,816	3,800	3,600
5126 Life Insurance	1,620	1,663	1,800	1,700
5127 Health Care Savings	9,239	21,699	10,000	9,900
5130 Cafeteria Plan Benefits	150,126	167,170	183,600	177,500
5133 Health or Fitness Program	210	90	-	-
TOTAL	257,265	293,684	300,900	291,800
OPERATING EXPENSES				
5200 Office Supplies	1,658	872	1,500	1,000
5201 Computer Supplies/Software	6,444	670	-	-
5210 Plant/Operating Supplies	13,571	10,282	11,000	11,000
5211 Cleaning/Janitorial Supplies	2,936	3,030	4,000	4,000
5212 Motor Fuel	3,821	4,335	6,500	6,500
5216 Treatment Chemicals	323,182	374,241	393,800	396,800
5218 Uniforms	2,802	3,279	3,000	3,000
5219 Other Miscellaneous Supplies	18,534	30,524	21,500	23,100
5220 Repair & Maintenance Supplies	101,463	102,381	92,900	94,000
5228 Painting Supplies	552	417	2,000	1,500

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5240 Small Tools	1,850	1,127	3,000	2,000
5241 Small Equipment	8,024	2,969	13,700	10,500
5310 Contract Services	202	60,991	35,000	35,000
5319 Other Professional Services	-	4,200	5,000	5,000
5321 Telephone	497	454	400	500
5322 Postage	1,734	817	2,000	1,000
5331 Training Expenses	3,770	3,365	7,100	7,100
5335 Local Mileage Reimbursement	5,590	5,801	6,000	6,000
5355 Printing and Copying	6,026	-	5,000	5,000
5356 Copier, Printer Lease & Supplies	720	-	500	500
5381 Electricity	1,159,954	1,176,037	1,220,000	1,250,000
5382 Water & Sewer	44,744	59,064	61,300	60,300
5401 Building Repair & Maintenance	6,965	13,025	21,400	26,500
5404 Equipment Maintenance/Repair	118,072	49,500	91,000	140,000
5409 Fleet Services	9,144	6,159	7,000	14,400
5414 Software Lic & Mtc Agreements	-	2,384	-	-
5433 Dues and Subscriptions	5,756	-	6,000	6,000
5438 Licenses	58	5,938	300	300
5441 Other Services & Charges	7,223	52,313	57,300	56,000
5450 Laundry	151	155	600	500
5483 Water Testing Fees	2,299	820	3,500	-
TOTAL	1,857,742	1,975,150	2,082,300	2,167,500
1955 TOTAL-WATER TRMT & PUMPING	2,742,354	2,946,160	3,059,600	3,118,600

City of Duluth Minnesota - 2019 Budget

Gas Fund

520

The Gas Fund is a self-supporting enterprise fund which accounts for the distribution of an adequate, reliable and safe supply of natural gas. Other services provided are the inspection, maintenance and servicing of customer gas utilization equipment. The major funding source is gas sales, representing 96% of total revenues for 2019. The major category of expense is purchased gas, which represents 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
REVENUE				
Gas Sales	29,663,962	34,329,105	36,809,900	37,292,800
Other Operating Revenues	1,543,995	1,791,084	1,349,500	1,410,500
Non-Operating Revenues	222,532	145,891	115,300	118,300
Project Reimbursements	480,350	345,994	-	-
	<u>31,910,839</u>	<u>36,612,074</u>	<u>38,274,700</u>	<u>38,821,600</u>
EXPENSES				
Personal Services	7,112,627	7,845,608	8,486,700	8,881,000
Supplies	1,121,730	1,215,756	1,098,700	1,141,200
Other Services & Charges	1,429,129	1,665,926	1,759,000	1,777,500
Natural Gas Purchases	15,794,076	18,991,411	21,483,900	20,906,700
Utilities	41,321	43,548	39,000	40,600
Depreciation/Amortization	1,376,238	1,409,755	1,580,600	1,654,400
Improvements -Non-Capital	121,102	53,616	80,000	29,000
Debt Service - Interest	73,457	42,164	29,800	10,100
Debt Service - Other	(21,440)	(17,936)	(17,600)	(1,500)
Capital Lease Interest	69,944	62,119	57,400	49,100
Reimbursed Project Costs	480,350	345,994	-	-
Transfers	2,684,795	2,283,466	2,564,200	2,857,500
	<u>30,283,329</u>	<u>33,941,427</u>	<u>37,161,700</u>	<u>37,345,600</u>
ESTIMATED OPERATING INCOME (LOSS)	1,627,510	2,670,647	1,113,000	1,476,000
Other Sources of Cash	1,316,687	2,658,215	1,713,000	1,802,900
Other Uses of Cash	(5,129,469)	(8,104,459)	(3,973,900)	(4,438,600)
Increase (Decrease) in Cash	<u>(2,185,272)</u>	<u>(2,775,597)</u>	<u>(1,147,900)</u>	<u>(1,159,700)</u>

City of Duluth Minnesota - 2019 Budget

Gas Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2018 Budget	2018 Projected	2019 Approved
ESTIMATED OPERATING INCOME (LOSS)	1,113,000	2,232,400	1,476,000
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,580,600	1,504,600	1,654,400
Interest from Bond Discount	(17,600)	(17,600)	(1,500)
PERA Retirement, GASB 68	-	445,200	-
Due from Other Funds	-	6,720	-
Interfund Loan Repayment	-	1,495,783	-
Energy Fund Loan Repayment	150,000	150,000	150,000
Special Assessment Principal	-	6,304	-
Total Other Sources of Cash	1,713,000	3,591,007	1,802,900
<u>Other Uses of Cash</u>			
Due to Other Funds	-	19,323	-
Capital Improvements from Current Revenue	2,810,000	2,890,000	3,180,000
Capital Equipment Purchases	466,800	451,400	528,200
Bond Principal Payments	480,000	480,000	505,000
AMR Lease Principal Payment	217,100	217,100	225,400
Total Other Uses of Cash	3,973,900	4,057,823	4,438,600
INCREASE (DECREASE) IN CASH	(1,147,900)	1,765,584	(1,159,700)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	2,283,977	331,866	2,097,450
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	1,136,077	2,097,450	937,750

City of Duluth Minnesota - 2019 Budget

Gas Fund

520

Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING REVENUES				
GAS SALES				
4820 Residential Firm	16,430,476	18,362,532	20,943,200	20,122,800
4822 Comm/Industrial Firm Large	7,380,462	8,480,881	9,407,500	9,293,900
4824 Comm/Industrial Interruptible Large	1,988,945	3,518,781	2,535,200	3,856,100
4831 Fixed Rate Charges	3,864,079	3,966,911	3,924,000	4,020,000
TOTAL	29,663,962	34,329,105	36,809,900	37,292,800
OTHER OPERATING REVENUES				
4636 Sale of Scrap	-	-	500	500
4801 Off/On Charge	23,223	25,696	25,000	25,000
4802 Interest Earned on Customer Accts	82,807	82,602	90,000	95,000
4805 Reimbursements	261,215	544,706	200,000	200,000
4809 Miscellaneous Operating Revenue	91,027	101,420	65,000	75,000
4818 Servicing Appliances	432,632	430,162	400,000	430,000
4819 Comfort Policy	377,333	396,337	380,000	400,000
4827 Gas-Interruptible Transport	275,522	209,969	175,000	185,000
4851 Interest Income - Other Sources	236	192	14,000	-
TOTAL	1,543,995	1,791,084	1,349,500	1,410,500
TOTAL OPERATING REVENUES	31,207,957	36,120,189	38,159,400	38,703,300
NON-OPERATING REVENUES				
4220 Minnesota Grants - Operating	131,062	5,584	-	-
4230 Pera Aid	23,365	23,365	23,400	23,400
4601 Change in Fair Value Investments	(12,912)	6,724	-	-
4829 Two Tier Rate	61,627	70,902	66,000	70,000
4853 Gain on Sale of Assets	(10,410)	24,416	10,000	10,000
4854 Utility Special Assessments	-	-	1,000	-
4730 Transfers In from Enterprise Funds	29,800	14,900	14,900	14,900
TOTAL NON-OPERATING REVENUES	222,532	145,891	115,300	118,300
PROJECT REIMBURSEMENTS				
4700 Project Reimbursements	480,350	345,994	-	-
TOTAL REVENUE	31,910,839	36,612,074	38,274,700	38,821,600

City of Duluth Minnesota - 2019 Budget

Director's Office

520-500-1900

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	66,127	78,330	82,000	84,800
5101 Permanent Employees - Overtime	612	734	500	500
TOTAL	66,739	79,064	82,500	85,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	4,697	5,666	6,000	6,200
5122 F.I.C.A. Social Security	3,944	4,764	5,100	5,300
5123 F.I.C.A. Medicare	970	1,143	1,200	1,200
5125 Dental Insurance	298	360	400	400
5126 Life Insurance	130	157	200	200
5127 Health Care Savings	1,586	1,791	900	1,100
5130 Cafeteria Plan Benefits	4,922	7,901	10,300	11,200
TOTAL	16,547	21,782	24,100	25,600
OPERATING EXPENSES				
5200 Office Supplies	38	103	100	100
5241 Small Equipment	-	158	500	300
5321 Telephone	120	120	100	100
5331 Training/Travel	1,654	2,926	1,700	900
5335 Mileage Reimbursement Local	305	294	200	300
5438 Licenses	120	120	-	-
5700 Transfer to Special Revenue Fund	65,954	-	-	-
TOTAL	68,191	3,721	2,600	1,700
1900 TOTAL - DIRECTOR'S OFFICE	151,477	104,567	109,200	112,600

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING EXPENSES				
5420 Depreciation	1,376,238	1,409,755	1,580,600	1,654,400
5441 Other Services & Charges	750	-	-	-
5535 Improvements (Non-Capital)	121,102	53,616	80,000	29,000
5540 Equipment (Non-Capital)	47,644	18,336	-	-
5611 Bond Interest	73,457	42,164	29,800	10,100
5613 Interest - Bond Amortization	(21,440)	(17,936)	(17,600)	(1,500)
5614 Capital Lease Interest	69,944	62,119	57,400	49,100
5620 Fiscal Agents Fee	579	633	600	600
5441 Reimbursed Project Costs	480,350	345,994	-	-
TOTAL	2,148,624	1,914,681	1,730,800	1,741,700
NON-OPERATING EXPENSES				
5510 Land	-	5,263	-	-
5533 Capital Improvements				
- Revenue Financing	2,467,803	3,146,719	2,810,000	3,180,000
5580 Capital Equipment	184,697	344,943	466,800	528,200
TOTAL	2,652,500	3,496,925	3,276,800	3,708,200
1905 TOTAL - CAPITAL	4,801,124	5,411,606	5,007,600	5,449,900

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	29,831	49,404	39,000	57,300
5101 Permanent Employees - Overtime	35	494	-	-
TOTAL	29,866	49,898	39,000	57,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	2,146	3,404	2,800	4,100
5121 P.E.R.A., GASB 68	352,520	445,156	-	-
5122 F.I.C.A. Social Security	1,799	3,079	2,400	3,600
5123 F.I.C.A. Medicare	421	720	600	800
5125 Dental Insurance	180	337	300	400
5126 Life Insurance	4,721	4,890	100	200
5127 Health Care Savings	275	2,278	600	1,000
5130 Cafeteria Plan Benefits	8,985	10,758	10,400	14,000
5134 Other Post Retirement Benefits	-	105	-	-
5134 Other Post Retirement Transfer	(578,736)	(558,052)	-	-
5135 Retiree Health Insurance	874,156	898,890	963,300	958,800
5151 Worker's Compensation	56,500	56,100	46,700	55,700
TOTAL	722,967	867,665	1,027,200	1,038,600
OPERATING EXPENSES				
5200 Office Supplies	-	43	100	100
5201 Computer Supplies/Software	345	345	-	-
5205 Safety & Training	348	505	1,100	1,000
5211 Cleaning & Janitorial Supplies	4,725	3,642	3,500	3,500
5212 Motor Fuels	147	60	-	200
5218 Uniforms	138	138	200	200
5241 Small Equipment	4,711	6,206	2,000	1,200
5301 Auditing Services	1,129	1,405	1,300	1,300
5305 Medical Services/Testing Fees	3,539	2,921	3,000	4,000
5310 Contract Services	3,328	2,461	-	-
5319 Other Professional Services	1,317	-	-	-
5320 Data Services	48,890	46,615	45,300	35,900

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5321 Telephone	8,502	5,176	7,000	4,000
5322 Postage	-	-	700	700
5331 Training Expense	21,044	19,544	24,500	24,300
5333 Freight/Delivery Charges	382	408	-	-
5335 Mileage Reimbursement	-	-	300	600
5340 Advertising and Promotion	31,456	24,128	28,000	24,500
5355 Printing & Copying	-	5,993	10,000	10,000
5356 Copier, Printer Lease & Supplies	7,816	7,296	6,800	5,500
5360 Insurance	62,700	62,400	62,400	62,200
5381 Electricity	15,934	15,457	13,500	13,500
5382 Water, Gas & Sewer	14,397	14,028	13,900	13,100
5384 Refuse Disposal	2,175	2,322	2,300	2,500
5401 Building Repair & Maintenance	11,196	7,049	41,400	6,400
5404 Equipment/Machinery Repair	9,542	5,241	2,300	2,300
5409 Fleet Service Charges	203	-	-	-
5414 Software Lic & Mtc Agreements	64,145	67,681	72,000	65,200
5433 Dues and Subscriptions	-	9,488	7,700	7,200
5438 Licenses	28	-	-	-
5441 Other Services & Charges	54,801	5,489	4,600	4,600
5443 Board & Meeting Expenses	-	1,290	1,700	1,700
5450 Laundry	1,172	1,068	1,400	1,200
5452 Pipe Line Safety	5,469	16,612	12,000	12,000
5493 Cost Allocation	491,300	439,300	442,700	478,100
5711 Payment in Lieu of Taxes	2,484,583	2,184,557	2,406,800	2,698,000
5700 Transfer to General Fund	59,044	50,450	53,600	55,700
TOTAL	3,414,506	3,009,318	3,272,100	3,540,700
1915 TOTAL - GENERAL EXPENSE	4,167,339	3,926,881	4,338,300	4,636,600

City of Duluth Minnesota - 2019 Budget

Engineering

520-500-1930

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	658,549	713,362	741,600	773,100
5101 Permanent Employees - Overtime	71,527	53,497	65,000	60,000
5103 Temporary Wages	3,793	2,914	2,000	2,700
5111 Long-Term Disability Wages	47	-	-	-
5118 Meal Allowance	1,462	1,109	1,500	1,500
TOTAL	735,378	770,882	810,100	837,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	53,059	57,044	60,000	61,900
5122 F.I.C.A. Social Security	44,701	46,158	50,100	51,800
5123 F.I.C.A. Medicare	10,455	10,795	11,700	12,100
5125 Dental Insurance	3,586	3,877	4,000	4,000
5126 Life Insurance	1,564	1,688	1,900	1,900
5127 Health Care Savings	14,233	21,825	12,800	14,000
5130 Cafeteria Plan Benefits	151,823	180,187	204,100	220,400
5133 Health or Fitness Program	188	192	-	-
TOTAL	279,609	321,766	344,600	366,100
OPERATING EXPENSES				
5200 Office Supplies	854	896	600	500
5201 Computer Supplies	891	334	200	200
5203 Paper, Stationery and Forms	166	103	400	200
5205 Safety & Training Materials	352	249	500	400
5212 Motor Fuel	5,520	5,792	5,000	5,500
5218 Uniforms	844	924	700	900
5219 Other Miscellaneous Supplies	379	186	-	-
5240 Small Tools	354	754	1,100	1,100
5241 Small Equipment	14,238	8,250	8,700	6,800
5242 Survey Equipment and Supplies	8,946	6,064	7,500	7,500
5303 Engineering Services	-	23,531	-	15,000

City of Duluth Minnesota - 2019 Budget

Engineering

520-500-1930

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5310 Contract Services	3	-	-	-
5320 Data Services	1,867	1,895	1,500	1,600
5321 Telephone	3,540	3,990	3,500	3,500
5322 Postage	27	-	100	100
5331 Training Expenses	4,859	12,892	14,600	13,400
5335 Mileage Reimbursement	-	1	300	300
5355 Printing and Copying	601	1,320	600	1,000
5356 Copier, Printer Lease & Supplies	317	204	800	800
5404 Equipment Maintenance Repair	42	390	1,100	1,600
5409 Fleet Services	8,638	14,651	7,900	17,400
5414 Software Lic & Mtc Agreements	13,173	15,125	18,400	18,200
5433 Dues and Subscriptions	371	191	700	700
5438 Licenses	195	-	400	400
5441 Other Services and Charges	2,114	8,321	4,300	4,700
5486 One Call System	3,577	3,259	3,600	3,600
TOTAL	71,868	109,322	82,500	105,400
1930 TOTAL - ENGINEERING	1,086,855	1,201,970	1,237,200	1,308,800

City of Duluth Minnesota - 2019 Budget

Customer Service

520-500-1940

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	2,049,010	2,236,395	2,431,700	2,601,400
5101 Permanent Employees - Overtime	102,296	64,990	71,500	76,500
5103 Temporary Wages	15,905	17,325	25,000	25,000
5118 Meal Allowance	143	474	500	500
TOTAL	2,167,354	2,319,184	2,528,700	2,703,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	156,252	167,164	184,100	197,300
5122 F.I.C.A. Social Security	132,364	139,136	156,600	167,600
5123 F.I.C.A. Medicare	30,956	32,539	36,700	39,200
5125 Dental Insurance	12,709	13,387	14,600	14,700
5126 Life Insurance	5,537	5,827	7,100	7,100
5127 Health Care Savings	43,001	52,044	46,300	52,800
5130 Cafeteria Plan Benefits	450,267	519,492	639,400	701,700
5133 Health or Fitness Program	174	251	-	-
TOTAL	831,260	929,840	1,084,800	1,180,400
OPERATING EXPENSES				
5200 Office Supplies	3,992	2,990	3,100	3,100
5201 Computer Supplies/Software	838	2,922	800	800
5203 Paper/Stationery	-	237	-	-
5210 Plant/Operating Supplies	15,926	27,053	40,000	40,000
5212 Motor Fuel	30,621	37,526	46,400	45,000
5215 Shop Materials	17,268	11,103	15,500	17,000
5218 Uniforms	9,643	10,093	8,500	8,500
5219 Other Miscellaneous Supplies	152,007	164,608	142,000	132,000
5220 Repair & Maintenance Supplies	56,853	62,708	25,000	25,000

City of Duluth Minnesota - 2019 Budget

Customer Service

520-500-1940

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5227 Utility System Maintenance Supply	315,659	298,475	277,200	275,500
5228 Painting Supplies	5,493	6,094	7,500	7,500
5240 Small Tools	37,766	53,965	37,000	27,400
5241 Small Equipment	24,912	57,078	25,800	34,200
5310 Contract Services	59,999	59,751	69,200	69,200
5321 Telephone	8,050	8,559	8,200	8,600
5322 Postage	67,371	67,933	79,400	75,300
5331 Training / Travel	19,389	27,589	26,300	34,300
5335 Mileage Reimbursement	100	167	200	200
5339 Armored Pickup	1,959	2,008	1,900	2,100
5340 Advertising and Promotion	63,509	82,905	100,400	92,000
5355 Printing & Copying	851	709	3,200	3,200
5356 Copier, Printer Lease & Supplies	738	387	700	700
Bldg/Structure Repair & Maintenance				
5401 Maintenance	2,006	-	-	-
5404 Equipment Repair & Maintenance	1,350	1,380	1,600	1,600
5409 Fleet Services	49,566	54,748	46,400	59,000
5414 Software Lic & Mtc Agreements	6,313	7,171	6,900	7,200
5418 Vehicle/Equipment Lease	764	1,393	900	-
5427 Credit Card Commissions	46,815	49,032	47,000	54,000
5432 Uncollectible Accounts	(38,692)	5,807	55,000	55,000
5433 Dues and Subscriptions	2,748	815	900	3,900
5441 Other Services & Charges	7,523	26,374	32,400	32,400
5487 Conservation Improvement	47,790	151,975	271,000	221,900
5615 Customer Deposit Refund Interest	11,072	18,729	-	20,000
TOTAL	1,030,199	1,302,284	1,380,400	1,356,600
1940 TOTAL - CUSTOMER SERVICES	4,028,813	4,551,308	4,993,900	5,240,400

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,266,432	1,346,943	1,355,500	1,367,200
5101 Permanent Employees - Overtime	102,958	98,808	122,000	108,000
5118 Meal Allowance	3,589	2,777	3,000	3,000
TOTAL	1,372,979	1,448,528	1,480,500	1,478,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	99,658	105,589	107,800	108,200
5122 F.I.C.A. Social Security	84,377	88,327	91,700	91,500
5123 F.I.C.A. Medicare	19,719	20,657	21,400	21,400
5125 Dental Insurance	7,733	8,119	8,100	8,000
5126 Life Insurance	3,370	3,537	3,900	3,900
5127 Health Care Savings	26,009	27,016	32,700	30,000
5130 Cafeteria Plan Benefits	249,043	286,805	301,300	351,400
5133 Health or Fitness Program	158	290	-	-
5141 Unemployment Compensation	928	916	-	-
TOTAL	490,995	541,256	566,900	614,400
OPERATING EXPENSES				
5200 Office Supplies	2,769	2,476	2,600	2,100
5201 Computer Supplies/Software	60	174	300	300
5205 Safety & Training Materials	9,100	10,236	8,900	8,500
5210 Plant Operations Supplies	16,806	14,039	20,000	14,600
5212 Motor Fuel	28,388	30,653	45,500	41,800
5215 Shop Materials	16,760	16,868	15,000	15,000
5218 Uniforms	9,748	9,454	10,700	10,100
5219 Other Miscellaneous Supplies	7,181	5,957	3,000	3,000
5220 Repair and Maintenance Supplies	13,939	14,825	6,300	7,300
5222 Paving Materials	18,521	11,649	20,000	20,000
Gravel & Other Maintenance				
5224 Supplies	54,714	68,114	53,000	57,000
5227 Utility Maintenance Supply	114,126	113,763	151,300	148,100
5228 Painting Supplies	-	455	500	500
5240 Small Tools	16,040	22,604	17,800	21,300

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5241 Small Equipment	3,334	13,420	7,500	12,300
5310 Contract Services	3,591	4,927	10,200	6,000
5320 Data Services	(10)	-	-	-
5321 Telephone	2,362	2,671	2,100	3,100
5331 Training Expense	5,535	7,383	5,800	10,800
5333 Freight/Delivery Charges	194	101	500	500
5335 Mileage Reimbursement	2,093	2,235	2,500	2,300
5355 Printing and Copying	721	147	500	500
5356 Copier, Printer Lease & Supplies	-	219	1,000	500
5384 Refuse Disposal	9,934	6,373	10,000	7,800
5400 Misc Repair & Mtc Service	453	-	-	-
5401 Bldg/Structure Repair & Mtc	-	207	-	-
5404 Equipment Repair & Maintenance	6,768	10,687	8,000	10,000
5409 Fleet Service Charges	68,510	71,913	74,400	88,300
5414 Software Lic & Mtc Agreements	332	-	-	-
5415 Vehicle/Equipment Rental	10,356	43,853	6,000	13,000
5419 Other Rentals	1,289	490	-	-
5441 Other Services & Charges	1,126	429	3,000	2,000
5450 Laundry	4,146	4,477	5,400	8,400
5700 Transfer to General Fund	75,214	48,459	103,800	103,800
TOTAL	504,100	539,258	595,600	618,900
1945 TOTAL - UTILITY OPERATIONS	2,368,074	2,529,042	2,643,000	2,711,500

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	284,359	349,235	349,700	343,400
5101 Permanent Employees - Overtime	7,760	10,423	8,000	9,000
5118 Meal Allowance	84	96	-	-
TOTAL	292,203	359,754	357,700	352,400
EMPLOYEE BENEFITS				
5121 P.E.R.A. Contribution	21,764	25,784	26,500	26,000
5122 F.I.C.A. Social Security	17,690	21,788	22,200	21,800
5123 F.I.C.A. Medicare	4,137	5,095	5,200	5,100
5125 Dental Insurance	1,339	1,600	1,600	1,600
5126 Life Insurance	583	702	800	800
5127 Health Care Savings	9,003	10,268	4,300	12,400
5130 Cafeteria Plan Benefits	52,214	70,752	80,000	74,300
TOTAL	106,730	135,989	140,600	142,000
OPERATING EXPENSES				
5200 Office Supplies	940	441	1,000	800
5201 Computer Supplies/Software	1,925	4,187	-	6,000
5210 Plant Operations Supplies	21,730	23,874	22,000	21,000
5212 Motor Fuel	2,830	2,937	5,000	5,000
5218 Uniforms	440	658	600	800
5219 Other Miscellaneous Supplies	665	3,395	2,000	2,000
5220 Repair & Maintenance Supplies	63,922	65,504	35,000	92,000
5241 Small Equipment	3,818	10,469	9,700	6,000
5280 Natural Gas Purchases	15,794,076	18,991,411	21,483,900	20,906,700
5310 Contract Services	10,530	33	-	-
5319 Other Professional Services	-	12,220	-	-
5321 Telephone	1,384	1,746	2,000	2,200
5331 Training Expense	5,378	12,305	18,300	20,300
5356 Copier, Printer Lease & Supplies	-	34	300	300

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5381 Electricity	9,478	11,880	10,000	12,000
5382 Water/Sewer/Gas	1,512	2,183	1,600	2,000
5400 Miscellaneous Repair & Maint	1,495	-	-	-
5404 Equipment Maintenance Repair	28	160	1,500	1,000
5409 Fleet Services Charges	2,486	3,237	2,500	4,500
5414 Software Lic & Mtc Agreements	1,786	10,334	2,500	3,500
5433 Dues and Subscriptions	5,121	5,643	6,200	6,600
5438 Licenses	-	43	-	-
5441 Other Services & Charges	3,670	53,989	6,000	6,000
5450 Laundry	-	552	900	900
TOTAL	15,933,214	19,217,235	21,611,000	21,099,600
1960 TOTAL - NATURAL GAS	16,332,147	19,712,978	22,109,300	21,594,000

City of Duluth Minnesota - 2019 Budget

Sewer Fund

530

The Sewer Fund accounts for the provision of sanitary sewer service as a self-supporting enterprise fund. Activities include the operation and maintenance of the City's sanitary sewer collection system. The major funding source is user charges, representing 98% of total revenues for 2019. 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
REVENUE				
Operating Revenue	17,915,012	17,923,927	18,487,800	18,580,400
Non-Operating Revenue	1,587,891	789,614	97,000	89,000
	<u>19,502,903</u>	<u>18,713,541</u>	<u>18,584,800</u>	<u>18,669,400</u>
EXPENSES				
Personal Services	3,066,395	3,132,134	3,446,400	3,445,400
Supplies	309,950	272,270	351,000	349,200
Other Services & Charges	1,010,342	931,639	1,016,800	990,100
WLSSD Treatment	8,791,458	8,986,192	9,046,900	9,254,200
Utilities	113,193	168,331	124,800	128,400
Depreciation/ Amortization	1,318,964	1,377,332	1,525,600	1,543,000
Sanitary Sewer -Grants	248,350	212,765	280,000	300,000
Improvements -Non-Capital	111,772	19,440	50,000	80,000
Debt Service - Interest	196,029	160,317	144,100	111,200
Debt Service - Other	2,659	3,399	3,800	3,900
Capital Lease Interest	65,705	58,355	53,900	46,100
Transfers	134,258	98,909	157,300	159,300
	<u>15,369,075</u>	<u>15,421,083</u>	<u>16,200,600</u>	<u>16,410,800</u>
ESTIMATED OPERATING INCOME (LOSS)	4,133,828	3,292,458	2,384,200	2,258,600
Other Sources of Cash	1,692,063	1,517,565	1,529,400	1,546,900
Other Uses of Cash	(5,847,722)	(6,101,673)	(4,287,200)	(3,838,400)
Increase (Decrease) in Cash	<u>(21,831)</u>	<u>(1,291,650)</u>	<u>(373,600)</u>	<u>(32,900)</u>

City of Duluth Minnesota - 2019 Budget

Sewer Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2018 Budget	2018 Projected	2019 Approved
ESTIMATED OPERATING INCOME (LOSS)	2,384,200	2,279,200	2,258,600
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,525,600	1,438,300	1,543,000
Interest from Bond Discount	3,800	3,800	3,900
PERA Retirement, GASB 68	-	(13,600)	-
Due from Other Funds	-	15,662	-
Loans Repaid by Other Funds	-	1,495,782	-
Special Assessment Principal	-	163,231	-
Total Other Sources of Cash	1,529,400	3,103,175	1,546,900
<u>Other Uses of Cash</u>			
Due to Other Funds	-	15,170	-
Infrastructure System Replacement Fund	119,900	119,900	119,900
Capital Improvements from Current Revenues	1,950,000	1,990,000	1,800,000
Capital Equipment Purchases	334,100	330,300	414,800
Bond Principal Payments	1,679,300	1,679,300	1,292,000
AMR Lease Principal Payment	203,900	203,900	211,700
Total Other Uses of Cash	4,287,200	4,338,570	3,838,400
INCREASE (DECREASE) IN CASH	(373,600)	1,043,805	(32,900)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	2,460,996	279,605	1,323,410
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	2,087,396	1,323,410	1,290,510

City of Duluth Minnesota - 2019 Budget

Sewer Fund

530

Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING REVENUES:				
4636 Sale of Materials	-	-	500	500
4802 Interest Earned on Customer Accts	50,599	52,997	54,000	53,500
4805 Reimbursements	28,203	33,868	27,000	27,000
4809 Misc. Operating Revenue	1,945	2,667	1,800	2,000
4831 Fixed Rate Charges	1,931,460	1,940,283	1,932,800	1,936,300
4832 Overcharge Refunds	-	(29,284)	-	-
4833 Sewer Revenues	15,757,173	15,772,668	16,342,100	16,409,300
Fond du Lac Grinder Pump				
4834 Surcharge	11,326	11,945	11,600	11,800
4839 Point of Sale Inspection Fee	119,917	127,700	110,000	130,000
4851 Interest Income - Other Sources	14,389	11,083	8,000	10,000
TOTAL OPERATING REVENUES	17,915,012	17,923,927	18,487,800	18,580,400
NON-OPERATING REVENUES:				
4220 Minnesota Grants - Capital	174,776	489,257	-	-
4220 Minnesota Grants - Operating	1,868	-	-	-
4230 Pera Aid	8,283	8,283	8,300	8,300
4601 Change in Fair Value Investments	(2,481)	(6,321)	-	-
4853 Gain on Sale of Assets	-	17,735	1,000	3,000
4854 Utility Special Assessments	(3)	(1,323)	10,000	-
4857 Capital Contributions	1,135,082	204,268	-	-
4730 Transfer from Enterprise Funds	270,366	77,715	77,700	77,700
TOTAL NON-OPERATING REVENUES	1,587,891	789,614	97,000	89,000
TOTAL REVENUE	19,502,903	18,713,541	18,584,800	18,669,400

City of Duluth Minnesota - 2019 Budget

Director's Office

530-500-1900

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	51,152	57,821	59,700	61,900
5101 Permanent Employees - Overtime	467	571	500	500
TOTAL	51,619	58,392	60,200	62,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,677	4,185	4,400	4,600
5122 F.I.C.A. Social Security	3,003	3,487	3,700	3,900
5123 F.I.C.A. Medicare	750	845	900	900
5125 Dental Insurance	205	236	200	200
5126 Life Insurance	89	103	100	100
5127 Health Care Savings	1,457	1,575	600	800
5130 Cafeteria Plan Benefits	2,883	4,392	5,600	6,100
TOTAL	12,064	14,823	15,500	16,600
OPERATING EXPENSES				
5241 Small Equipment	-	81	500	300
5321 Telephone	120	120	100	100
5331 Training Expense	810	-	200	200
5335 Mileage Reimbursement	285	276	200	300
5356 Copier, Printer Lease & Supplies	86	61	100	100
TOTAL	1,301	538	1,100	1,000
1900 TOTAL - DIRECTOR'S OFFICE	64,984	73,753	76,800	80,000

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING EXPENSES				
5420 Depreciation	1,318,964	1,377,332	1,525,600	1,543,000
5535 Improvements (Non-Capital)	111,772	19,440	50,000	80,000
5540 Equipment (Non-Capital)	22,336	13,767	-	-
5611 Bond Interest	196,029	160,317	144,100	111,200
5613 Interest - from Amortization	2,659	3,399	3,800	3,900
5614 Capital Lease Interest	65,705	58,355	53,900	46,100
5620 Fiscal Agents Fee	2,238	1,900	1,900	1,900
TOTAL	1,719,703	1,634,510	1,779,300	1,786,100
NON-OPERATING EXPENSES				
5510 Land	-	5,263	-	-
5532 Capital Improvements-Bond	335,192	314,404	-	-
5533 Capital Improvements - Revenue	3,022,746	473,147	1,950,000	1,800,000
5580 Capital Equipment	87,539	144,769	334,100	414,800
TOTAL	3,445,477	937,583	2,284,100	2,214,800
1905 TOTAL - CAPITAL	5,165,180	2,572,093	4,063,400	4,000,900

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	9,918	31,642	39,000	33,900
5101 Permanent Employees - Overtime	10	494	-	-
TOTAL	9,928	32,136	39,000	33,900
EMPLOYEE BENEFITS				
5121 P.E.R.A.	644	2,192	2,800	2,500
5121 P.E.R.A., GASB 68	115,986	(13,619)	-	-
5122 F.I.C.A. Social Security	600	1,973	2,400	2,100
5123 F.I.C.A. Medicare	140	461	600	500
5125 Dental Insurance	54	229	300	200
5126 Life Insurance	1,270	1,443	100	100
5127 Health Care Savings	82	1,955	600	500
5130 Cafeteria Plan Benefits	2,696	8,182	10,400	10,300
5133 Health or Fitness Program	-	32	-	-
5134 Other Post Retirement Benefits	(61,368)	(66,119)	-	-
5135 Retiree Health Insurance	164,612	148,756	153,100	157,500
5151 Worker's Compensation	25,700	32,900	41,900	37,800
TOTAL	250,416	118,385	212,200	211,500
OPERATING EXPENSES				
5200 Office Supplies	-	-	100	100
5201 Computer Supplies/Software	173	173	-	-
5205 Safety & Training	336	390	700	600
5211 Cleaning & Janitorial Supplies	4,366	3,295	3,500	3,500
5212 Motor Fuels	147	60	-	200
5218 Uniforms	41	138	100	100
5219 Other Miscellaneous Supplies	57	30	-	-
5241 Small Equipment	1,456	795	2,000	1,200
5301 Auditing Services	1,129	1,405	1,300	1,300

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5305 Medical Services/Testing Fees	3,539	2,820	3,000	4,000
5310 Contract Services	3,099	2,461	-	-
5319 Other Professional Services	1,232	-	-	-
5320 Data Services	16,520	16,298	16,400	16,600
5321 Telephone	3,533	2,716	2,800	2,800
5331 Training / Travel	1,931	373	2,800	2,800
5335 Mileage Reimbursement - Local	-	-	300	200
5356 Copier, Printer Lease & Supplies	7,303	6,792	6,800	5,500
5360 Insurance	(18,400)	-	12,000	24,100
5381 Electricity	14,329	14,201	13,500	13,500
5382 Water, Gas & Sewer	9,563	11,044	14,500	13,900
5384 Refuse Disposal	2,175	2,322	2,300	2,500
5401 Building Repair & Maintenance	9,489	6,443	41,400	6,400
5404 Equipment/Machinery Repair & Mtc	6,563	3,938	1,700	1,700
5409 Fleet Service Charges	203	-	-	-
5414 Software Lic & Mtc Agreements	41,963	44,446	43,400	43,600
5438 Licenses	28	-	-	-
5441 Other Services & Charges	6,269	3,798	3,700	3,700
5450 Laundry	1,048	1,000	1,400	1,200
5493 Cost Allocation	308,000	232,800	204,600	208,200
5700 Transfer to General Fund	59,044	50,450	53,600	55,600
TOTAL	485,136	408,188	431,900	413,300
1915 TOTAL - UTILITY GENERAL	745,480	558,709	683,100	658,700

City of Duluth Minnesota - 2019 Budget

Engineering

530-500-1930

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	367,018	337,471	356,800	371,600
5101 Permanent Employees - Overtime	39,795	34,272	25,000	30,000
5103 Temporary Wages	3,701	2,914	2,000	2,700
5111 Long-Term Disability Wages	47	-	-	-
5118 Meal Allowance	896	1,218	800	1,200
TOTAL	411,457	375,875	384,600	405,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	30,097	27,318	28,100	29,700
5122 F.I.C.A. Social Security	25,099	22,527	23,800	25,100
5123 F.I.C.A. Medicare	5,870	5,268	5,600	5,900
5125 Dental Insurance	2,043	1,848	2,000	2,000
5126 Life Insurance	889	805	1,000	1,000
5127 Health Care Savings	7,272	6,673	5,700	5,500
5130 Cafeteria Plan Benefits	80,792	76,381	88,000	99,800
5133 Health or Fitness Program	128	201	-	-
TOTAL	152,190	141,021	154,200	169,000
OPERATING EXPENSES				
5200 Office Supplies	1,089	488	700	500
5201 Computer Supplies	157	324	200	200
5203 Paper, Stationary & Forms	159	56	400	200
5205 Safety & Training Materials	343	121	500	500
5212 Motor Fuels	2,260	2,664	3,000	3,000
5218 Uniforms	426	283	400	400
5219 Other Miscellaneous Supplies	204	12	-	-
5240 Small Tools	158	187	900	700
5241 Small Equipment	6,234	3,949	3,600	2,000
5242 Survey Equipment and Supplies	4,867	2,021	7,500	7,500
5303 Engineering Services	184	10,514	-	10,000

City of Duluth Minnesota - 2019 Budget

Engineering

530-500-1930

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5310 Contract Services	83	-	-	-
5320 Data Services	1,621	1,626	1,500	1,600
5321 Telephone	1,763	1,657	1,600	2,000
5322 Postage	26	-	100	100
5331 Training Expenses	201	2,307	5,900	4,900
5335 Mileage Reimbursement - Local	2,351	2,118	2,000	2,000
5355 Printing and Copying	235	828	500	1,000
5356 Copier, Printer Lease & Supplies	249	152	700	700
5404 Equipment Maintenance/Repair	42	378	1,100	1,600
5409 Fleet Services Charges	3,578	4,053	5,600	5,800
5414 Software Lic & Mtc Agreements	8,221	7,274	12,800	12,300
5433 Dues & Subscriptions	467	191	800	800
5435 Books & Pamphlets	-	-	-	-
5438 Licenses	73	-	100	-
5441 Other Services and Charges	10,469	3,840	3,700	4,100
5486 One Call System	3,451	3,077	3,600	3,600
TOTAL	48,911	48,120	57,200	65,500
1930 TOTAL - ENGINEERING	612,558	565,016	596,000	640,000

City of Duluth Minnesota - 2019 Budget

Customer Service

530-500-1940

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	168,614	169,938	180,200	186,300
5101 Permanent Employees - Overtime	980	1,132	2,300	2,300
5118 Meal Allowance	1	-	-	-
TOTAL	169,595	171,070	182,500	188,600
EMPLOYEE BENEFITS				
5121 P.E.R.A.	12,104	12,392	13,300	13,800
5122 F.I.C.A. Social Security	10,272	10,194	11,300	11,700
5123 F.I.C.A. Medicare	2,402	2,384	2,600	2,700
5125 Dental Insurance	1,143	1,110	1,100	1,100
5126 Life Insurance	499	483	500	500
5127 Health Care Savings	3,209	5,828	2,700	3,400
5130 Cafeteria Plan Benefits	35,812	39,086	43,400	47,300
5133 Health or Fitness Program	87	85	-	-
TOTAL	65,528	71,562	74,900	80,500
OPERATING EXPENSES				
5200 Office Supplies	964	759	1,000	1,000
5201 Computer Supplies	-	-	400	400
5212 Motor Fuel	958	732	1,000	-
5218 Uniforms	138	-	-	-
5241 Small Equipment	2,274	1,120	2,500	2,500
5310 Contract Services	29,999	29,725	34,600	34,600
5321 Telephone	198	226	200	300
5322 Postage	33,790	33,981	39,800	37,800
5331 Training Expense	1,606	965	1,600	2,400
5339 Armored Pickup	924	944	900	1,000
5355 Printing & Copying	399	294	1,400	1,400

City of Duluth Minnesota - 2019 Budget

Customer Service

530-500-1940

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5356 Copier, Printer Lease & Supplies	366	157	300	300
5404 Equipment Repair & Maintenance	265	214	300	300
5409 Fleet Services	927	5,099	500	-
5414 Software Lic & Mtc Agreements	3,281	3,728	4,000	4,100
5418 Vehicle/Equipment Lease	724	724	900	-
5427 Credit Card Commission	23,940	29,477	19,000	25,000
5432 Uncollectible Accounts	(1,493)	3,464	23,000	23,000
5441 Other Services & Charges	2,057	111	700	700
TOTAL	101,317	111,720	132,100	134,800
1940 TOTAL-CUSTOMER SERVICES	336,440	354,352	389,500	403,900

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	942,039	1,005,240	1,065,400	946,700
5101 Permanent Employees - Overtime	59,254	61,322	80,000	72,000
5103 Temporary Wages	19,460	13,582	23,700	23,700
5111 Long-Term Disability Wages	278	-	-	-
5118 Meal Allowance	2,559	1,791	2,200	2,000
TOTAL	1,023,590	1,081,935	1,171,300	1,044,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	74,367	77,833	84,400	74,900
5122 F.I.C.A. Social Security	62,146	65,556	72,500	64,600
5123 F.I.C.A. Medicare	14,534	15,332	17,000	15,100
5125 Dental Insurance	6,398	6,510	6,800	5,800
5126 Life Insurance	2,780	2,857	3,300	2,800
5127 Health Care Savings	25,182	38,108	24,500	24,500
5130 Cafeteria Plan Benefits	232,774	263,629	314,200	274,100
5133 Health or Fitness Program	75	23	-	-
5141 Unemployment Compensation	3,123	2,565	-	-
TOTAL	421,379	472,413	522,700	461,800
OPERATING EXPENSES				
5200 Office Supplies	2,061	1,478	2,600	2,100
5201 Computer Supplies	2,263	1,223	1,300	1,400
5205 Safety & Training Materials	7,676	6,313	5,400	6,200
5210 Plant Operations Supplies	31,261	50,130	26,100	30,100
5212 Motor Fuel	34,785	38,686	52,000	48,000
5215 Shop Materials	893	1,165	1,000	1,500
5218 Uniforms	9,082	8,545	11,900	11,000
5219 Other Miscellaneous Supplies	5,521	7,916	2,500	2,500
5220 Repair and Maintenance Supplies	10,272	8,226	17,300	17,600
5222 Paving Materials	14,434	9,931	20,000	15,000

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5224 Gravel and other Mtc Materials	52,382	54,871	50,000	50,000
5227 Utility Maintenance Supply	84,146	31,178	90,000	88,300
5240 Small Tools	8,808	10,643	7,300	9,000
5241 Small Equipment	11,016	6,103	13,000	19,200
5310 Contract Services	21,473	19,272	29,300	27,500
5321 Telephone	1,601	1,603	1,500	2,000
5331 Training Expense	12,452	15,087	13,900	14,400
5333 Freight/Delivery Charges	592	749	500	500
5335 Mileage Reimbursement	2,462	2,496	3,000	2,500
5355 Printing and Copying	1,696	138	1,000	1,000
5356 Copier, Printer Lease & Supplies	192	642	500	500
5381 Electricity	79,179	133,537	84,800	91,000
5382 Water, Gas & Sewer	10,122	9,549	12,000	10,000
5384 Refuse Disposal	14,813	12,865	16,500	16,000
5404 Equipment Maintenance/Repair	16,282	13,456	34,500	27,000
5409 Fleet Service Charges	129,598	108,278	129,600	126,000
5410 Fond Du Lac Grinder Pump	-	-	1,500	1,500
5414 Software Lic & Mtc Agreements	2,899	1,844	1,000	1,300
5415 Vehicle/Equipment Rental	2,476	9,439	3,000	6,500
5419 Other Rentals	49	-	-	-
5433 Dues and Subscriptions	-	275	900	900
5438 Licenses	771	849	500	1,000
5441 Other Services & Charges	5,938	3,465	12,500	3,000
5443 Board & Meeting Expenses	-	77	-	-
5450 Laundry	3,913	4,311	5,100	4,800
5700 Transfer to General Fund	75,214	48,459	103,700	103,700
TOTAL	656,322	622,799	755,700	743,000
1945 TOTAL - UTILITY OPERATIONS	2,101,291	2,177,147	2,449,700	2,249,200

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING EXPENSES				
5484 Western Lake Superior Sanitary District Service Charge	8,791,458	8,986,192	9,046,900	9,254,200
5485 Western Lake Superior Sanitary District Testing	216,697	216,697	217,000	217,000
1965 TOTAL- SEWER TREATMENT	9,008,155	9,202,889	9,263,900	9,471,200

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	365,865	407,358	414,500	503,600
5101 Permanent Employees - Overtime	8,130	15,940	18,000	15,000
5118 Meal Allowance	138	161	300	300
TOTAL	374,133	423,459	432,800	518,900
EMPLOYEE BENEFITS				
5121 P.E.R.A.	26,328	30,812	32,000	38,500
5122 F.I.C.A. Social Security	22,828	25,592	26,800	32,200
5123 F.I.C.A. Medicare	5,339	5,985	6,300	7,500
5125 Dental Insurance	2,121	2,369	2,500	2,900
5126 Life Insurance	924	1,026	1,200	1,400
5127 Health Care Savings	3,982	6,491	6,800	12,100
5130 Cafeteria Plan Benefits	62,625	98,536	120,900	157,700
5133 Health or Fitness Program	349	252	-	-
TOTAL	124,496	171,063	196,500	252,300
OPERATING EXPENSES				
5200 Office Supplies	1,190	1,091	600	1,000
5205 Safety & Training	130	32	200	200
5212 Motor Fuels	1,595	2,622	3,000	3,500
5218 Uniforms	1,420	1,980	1,700	1,700
5220 Repair & Maintenance Supplies	267	2,652	-	-
5240 Small Tools	111	-	-	-
5241 Small Equipment	3,830	9,807	16,100	16,000
5321 Telephone	1,199	1,374	1,800	1,300
5322 Postage	35	-	500	700
5331 Training Expense	374	3,040	4,300	5,300
5335 Mileage Reimbursement	11,216	10,453	8,000	5,000
5355 Printing & Copying	-	75	300	2,000

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5356 Copier, Printer Lease & Supplies	-	134	200	200
5404 Equipment Maintenance Repair	-	33	3,000	3,000
5409 Fleet Services	2,167	4,419	2,200	5,200
5418 Vehicle/Equipment Lease	5,815	6,978	7,200	1,800
5441 Other Services and Charges	2,134	584	1,000	1,500
5450 Laundry	2,002	2,146	2,900	2,100
5482 Private Property Sewer Grants	248,350	212,765	280,000	300,000
TOTAL	281,835	260,185	333,000	350,500
 1970 TOTAL INFLOW & INFILTRATION	 780,464	 854,707	 962,300	 1,121,700

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
REVENUE				
Operating Revenue	1,626,376	1,625,730	1,625,000	1,632,000
Non-Operating Revenue	(3,675)	(240)	-	-
	<u>1,622,701</u>	<u>1,625,490</u>	<u>1,625,000</u>	<u>1,632,000</u>
EXPENSES				
Other Services & Charges	5,126	9,252	5,600	7,600
Depreciation/ Amortization	556,972	557,796	566,700	566,900
Grants & Awards	27,912	48,000	160,000	400,000
Debt Service - Interest	153,089	137,301	127,100	110,900
Transfers	255,466	70,265	70,300	70,300
	<u>998,565</u>	<u>822,614</u>	<u>929,700</u>	<u>1,155,700</u>
ESTIMATED OPERATING INCOME (LOSS)	624,136	802,876	695,300	476,300
Other Sources of Cash	561,062	557,796	566,700	566,900
Other Uses of Cash	(1,120,881)	(1,143,864)	(1,153,400)	(1,168,000)
Increase (Decrease) in Cash	<u>64,317</u>	<u>216,808</u>	<u>108,600</u>	<u>(124,800)</u>

City of Duluth Minnesota - 2019 Budget

Clean Water Fund Estimated Unrestricted Cash Balance

<u>OPERATING FUND</u>	2018 Budget	2018 Projected	2019 Approved
ESTIMATED OPERATING INCOME (LOSS)	695,300	833,900	476,300
<u>Other Sources of Cash</u>			
Depreciation and Amortization	566,700	562,700	566,900
Total Other Sources of Cash	566,700	562,700	566,900
<u>Other Uses of Cash</u>			
Bond Principal Payments	1,153,400	1,153,400	1,168,000
Total Other Uses of Cash	1,153,400	1,153,400	1,168,000
INCREASE (DECREASE) IN CASH	108,600	243,200	(124,800)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	777,608	759,616	1,002,816
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	886,208	1,002,816	878,016

City of Duluth Minnesota - 2019 Budget

Clean Water Surcharge Fund

532

Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING REVENUES				
4836 I & I Surcharge	13,190	8,572	10,000	12,000
4837 Clean Water Surcharge	1,613,186	1,617,158	1,615,000	1,620,000
TOTAL	1,626,376	1,625,730	1,625,000	1,632,000
NON-OPERATING REVENUES				
4601 Change in Fair Value Investments	(3,675)	(240)	-	-
TOTAL	(3,675)	(240)	-	-
TOTAL REVENUE	1,622,701	1,625,490	1,625,000	1,632,000

City of Duluth Minnesota - 2019 Budget

Clean Water Surcharge Fund

532

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING EXPENSES				
5301 Auditing Services	-	-	200	-
5420 Depreciation	556,972	557,796	566,700	566,900
5427 Credit Card Commissions	2,420	2,517	2,400	2,600
5432 Uncollectible Accounts	2,706	6,735	3,000	5,000
5434 Grants & Awards	27,912	48,000	160,000	400,000
5611 Bond Interest	153,089	137,301	127,100	110,900
5700 Transfers to Sewer Fund	255,466	70,265	70,300	70,300
TOTAL	998,565	822,614	929,700	1,155,700
NON-OPERATING EXPENSES				
5532 Capital Improvements-Bond	2,770	-	-	-
TOTAL	2,770	-	-	-
TOTAL EXPENSES	1,001,335	822,614	929,700	1,155,700

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
REVENUE				
Stormwater Sewer Service	5,213,783	5,254,971	5,255,000	5,260,000
Miscellaneous Revenue	35,414	43,300	33,000	33,000
Non-Operating	18,773	388	5,600	5,600
	5,267,970	5,298,659	5,293,600	5,298,600
EXPENSES				
Personal Services	2,522,095	2,253,692	2,393,900	2,555,400
Supplies	337,206	249,109	291,200	290,600
Other Services and Charges	617,282	566,674	662,600	620,200
Utilities	19,174	21,600	26,500	25,600
Depreciation and Amortization	422,187	418,796	475,500	471,100
Improvements - Non-Capital	213,391	69,634	175,000	135,000
Debt Service - Interest	26,997	21,661	18,200	13,900
Bond Amortization	(6,835)	(6,818)	(6,500)	(6,500)
Transfers Out	522,934	519,833	545,100	547,100
	4,674,431	4,114,181	4,581,500	4,652,400
ESTIMATED OPERATING INCOME (LOSS)	593,539	1,184,478	712,100	646,200
Other Sources of Cash	527,122	471,775	469,000	464,600
Other Uses of Cash	(2,668,073)	(862,004)	(1,453,300)	(1,632,400)
Increase (Decrease) in Cash	(1,547,412)	794,249	(272,200)	(521,600)

City of Duluth Minnesota - 2019 Budget

Stormwater Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2018 Budget	2018 Projected	2019 Approved
ESTIMATED OPERATING INCOME (LOSS)	712,100	1,003,700	646,200
<u>Other Sources of Cash</u>			
Depreciation and Amortization	475,500	417,400	471,100
Interest from Bond Discount	(6,500)	(6,500)	(6,500)
PERA Retirement, GASB #68	-	16,200	-
Due from Other Funds	-	12,325	-
Special Assessment Principal	-	2,308	-
Total Other Sources of Cash	469,000	441,733	464,600
<u>Other Uses of Cash</u>			
Due to Other Funds	-	20,601	-
Capital Improvements from Current Revenue:	1,025,000	990,000	1,265,000
Capital Equipment Purchases	186,800	198,500	237,400
Bond Principal Payments	241,500	241,500	130,000
Total Other Uses of Cash	1,453,300	1,450,601	1,632,400
INCREASE (DECREASE) IN CASH	(272,200)	(5,168)	(521,600)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	496,262	889,030	883,862
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	224,062	883,862	362,262

City of Duluth Minnesota - 2019 Budget

Stormwater Fund

535

Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING REVENUES:				
4636 Sale of Materials	4,299	3,767	3,000	3,000
4170 Miscellaneous Permits & Licenses	12,900	14,350	12,000	13,000
4835 Stormwater Revenues	5,213,783	5,254,971	5,255,000	5,260,000
Interest Earned on Customer				
4802 Accounts	11,303	13,744	14,000	13,000
4805 Reimbursements	1,105	8,495	500	500
4809 Miscellaneous Operating Revenues	70	-	-	-
4851 Interest - Other Sources	5,541	2,944	3,500	3,500
4854 Utility Assessments	196	-	-	-
TOTAL OPERATING REVENUES	5,249,197	5,298,271	5,288,000	5,293,000
NON-OPERATING REVENUES:				
4220 Minnesota Grants - Operating	1,401	-	-	-
4601 Change in Fair Value Investments	4,322	(5,212)	-	-
4853 Gain/Loss - Sales of Fixed Assets	1,850	-	-	-
4730 Tranfers from Enterprise Funds	11,200	5,600	5,600	5,600
TOTAL NON-OPERATING REVENUES	18,773	388	5,600	5,600
TOTAL REVENUE	5,267,970	5,298,659	5,293,600	5,298,600

City of Duluth Minnesota - 2019 Budget

Director's Office

535-500-1900

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	51,152	57,821	59,700	61,900
5101 Permanent Employees - Overtime	467	571	500	500
TOTAL	51,619	58,392	60,200	62,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,677	4,185	4,400	4,600
5122 F.I.C.A. Social Security	3,003	3,487	3,700	3,900
5123 F.I.C.A. Medicare	750	845	900	900
5125 Dental Insurance	205	236	200	200
5126 Life Insurance	89	103	100	100
5127 Health Care Savings	1,457	1,575	600	800
5130 Cafeteria Plan Benefits	2,883	4,392	5,600	6,100
TOTAL	12,064	14,823	15,500	16,600
OPERATING EXPENSES				
5241 Small Equipment	-	81	500	300
5321 Telephone	120	120	100	100
5331 Training Expense	129	-	100	100
5335 Mileage Reimbursement-Local	285	276	200	300
5356 Copier, Printer Lease & Spplies	22	57	100	100
TOTAL	556	534	1,000	900
1900 TOTAL - DIRECTOR'S OFFICE	64,239	73,749	76,700	79,900

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING EXPENSES				
5420 Depreciation	422,187	418,796	475,500	471,100
5535 Improvements (Non-Capital)	213,391	69,634	175,000	135,000
5540 Equipment (Non-Capital)	15,272	13,767	-	-
5611 Bond Interest	26,997	21,661	18,200	13,900
5613 Interest from Amortization	(6,835)	(6,818)	(6,500)	(6,500)
5620 Fiscal Agent Fees	432	218	300	200
TOTAL	671,444	517,258	662,500	613,700
NON-OPERATING EXPENSES				
5510 Land	-	5,263	-	-
5533 Capital Improvements - Revenue	2,345,763	299,866	1,025,000	1,265,000
5580 Capital Equipment	42,009	158,162	186,800	237,400
TOTAL	2,387,772	463,291	1,211,800	1,502,400
1905 TOTAL - CAPITAL	3,059,216	980,549	1,874,300	2,116,100

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	9,919	31,641	39,000	33,900
5101 Permanent Employees - Overtime	10	494	-	-
TOTAL	9,929	32,135	39,000	33,900
EMPLOYEE BENEFITS				
5121 P.E.R.A.	644	2,191	2,800	2,500
5121 P.E.R.A., GASB 68	149,772	16,184	-	-
5122 F.I.C.A. Social Security	600	1,973	2,400	2,100
5123 F.I.C.A. Medicare	140	461	600	500
5125 Dental Insurance	54	228	300	200
5126 Life Insurance	23	101	100	100
5127 Health Care Savings	82	1,955	600	500
5130 Cafeteria Plan Benefits	2,695	8,181	10,400	10,300
5133 Health or Fitness Program	-	32	-	-
5134 Other Post Retirement Benefits	(47,699)	32,684	-	-
5134 Other Post Retirement Transfer	91,000	-	-	-
5135 Retiree Health Insurance	14,738	25,151	27,500	29,600
5151 Worker's Compensation	12,000	13,300	14,000	16,700
TOTAL	224,049	102,441	58,700	62,500
OPERATING EXPENSES				
5200 Office Supplies	-	-	100	100
5205 Safety & Training Materials	242	390	700	600
5211 Cleaning and Janitorial Supplies	4,365	3,295	3,500	3,500
5212 Motor Fuels	147	60	-	200
5218 Uniforms	1	138	100	100
5241 Small Equipment	1,389	795	2,000	1,200
5301 Auditing Services	377	470	400	400
5305 Medical Services/Testing Fees	3,539	2,877	3,000	4,000
5310 Contract Services	3,099	2,461	-	-
5319 Other Professional Services	1,232	-	-	-

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5320 Data Services	9,244	9,764	10,000	10,000
5321 Telephone	1,578	1,094	1,900	1,000
5331 Training Expenses	1,134	157	2,800	2,800
5335 Mileage Reimbursement - Local	-	-	300	200
5356 Copier, Printer Lease & Supplies	7,303	6,792	6,800	5,500
5360 Insurance	9,200	8,000	14,400	16,700
5381 Electricity	10,235	12,112	13,500	13,500
5382 Water & Gas	8,939	9,488	13,000	12,100
5384 Refuse Disposal	5,381	5,506	8,500	7,500
5401 Building Repair & Maintenance	8,788	6,232	41,200	6,200
5409 Fleet Service Charges	203	-	-	-
5414 Software Lic & Mtc Agreements	26,236	26,188	28,900	28,200
5441 Other Services and Charges	26,968	21,328	3,600	3,600
5450 Laundry	1,048	1,000	1,400	1,200
5493 Cost Allocation Charges	151,800	154,500	149,400	134,400
5700 Transfer to General Fund	59,044	50,450	53,600	55,600
TOTAL	341,492	323,097	359,100	308,600
1915 TOTAL - UTILITY EXPENSE	575,470	457,673	456,800	405,000

City of Duluth Minnesota - 2019 Budget

Engineering

535-500-1930

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	434,789	458,411	478,700	491,000
5101 Permanent Employees - Overtime	30,893	18,049	25,000	25,000
5103 Temporary Wages	3,701	2,914	2,000	2,700
5111 Long-Term Disability Wages	47	-	-	-
5118 Meal Allowance	490	395	500	500
TOTAL	469,920	479,769	506,200	519,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	34,746	34,500	37,300	38,300
5122 F.I.C.A. Social Security	28,531	28,533	31,400	32,200
5123 F.I.C.A. Medicare	6,672	6,673	7,300	7,500
5125 Dental Insurance	2,271	2,224	2,300	2,300
5126 Life Insurance	988	969	1,100	1,100
5127 Health Care Savings	9,281	33,287	14,400	8,400
5130 Cafeteria Plan Benefits	94,603	94,201	113,000	119,200
5133 Health or Fitness Program	128	138	-	-
5141 Unemployment Compensation	2,968	2,098	-	-
TOTAL	180,188	202,623	206,800	209,000
OPERATING EXPENSES				
5200 Office Supplies	663	439	500	500
5201 Computer Supplies	157	324	600	600
5203 Paper, Stationery and Forms	159	56	400	200
5205 Safety & Training Materials	184	121	500	500
5212 Motor Fuel	1,856	2,154	2,500	2,500
5218 Uniforms	501	368	500	500
5219 Other Miscellaneous Supplies	204	12	-	-
5240 Small Tools	158	187	800	800
5241 Small Equipment	5,207	6,471	2,700	1,900
5242 Survey Equipment and Supplies	3,519	1,644	7,500	7,500
5303 Engineering Services	10,021	5,765	60,000	55,000
5310 Contract Services	6,191	43,804	10,000	15,000

City of Duluth Minnesota - 2019 Budget

Engineering

535-500-1930

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5320 Data Services	1,603	1,603	1,500	1,600
5321 Telephone	2,199	1,930	2,500	2,700
5322 Postage	-	-	100	100
5331 Training Expenses	3,835	3,174	6,300	5,300
5335 Mileage Reimbursement	2,351	2,118	2,000	2,200
5355 Printing and Copying	235	828	300	1,000
5356 Copier, Printer Lease & Spplies	249	152	600	600
5404 Equipment Maintenance Repair	-	105	1,100	1,600
5409 Fleet Services	2,542	2,274	2,600	3,900
5411 Land Rental/Easements	-	-	10,000	-
5414 Software Lic & Mtc Agreements	8,967	8,185	13,700	13,200
5433 Dues and Subscriptions	371	118	400	400
5438 Licenses	73	-	300	-
5441 Other Services and Charges	1,702	795	2,800	2,800
5486 One Call system	3,451	3,077	3,600	3,600
TOTAL	56,398	85,704	133,800	124,000
1930 TOTAL - ENGINEERING	706,506	768,096	846,800	852,200

City of Duluth Minnesota - 2019 Budget

Customer Service

535-500-1940

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	112,954	124,052	131,200	136,000
5101 Permanent Employees - Overtime	650	839	1,700	1,700
5118 Meal Allowance	1	-	-	-
TOTAL	113,605	124,891	132,900	137,700
EMPLOYEE BENEFITS				
5121 P.E.R.A.	8,110	9,052	9,700	10,100
5122 F.I.C.A. Social Security	6,882	7,445	8,200	8,500
5123 F.I.C.A. Medicare	1,609	1,741	1,900	2,000
5125 Dental Insurance	751	813	800	800
5126 Life Insurance	327	354	400	400
5127 Health Care Savings	2,220	4,028	2,000	2,500
5130 Cafeteria Plan Benefits	23,363	28,674	31,700	34,600
5133 Health or Fitness Program	65	64	-	-
TOTAL	43,327	52,171	54,700	58,900
OPERATING EXPENSES				
5200 Office Supplies	471	500	800	800
5201 Computer Supplies	-	-	300	300
5212 Motor Fuels	98	174	200	-
5241 Small Equipment	1,575	852	800	800
5310 Contract Services	22,500	22,294	26,000	26,000
5321 Telephone	102	116	200	200
5322 Postage	25,186	25,464	29,800	28,300
5331 Training Expense	838	475	1,200	1,800
5339 Armored Pickup	693	708	700	800
5355 Printing & Copying	208	221	1,100	1,100
5356 Copier, Printer Lease & Spplies	191	97	300	300
5404 Equipment Repair & Maintenance	108	112	200	200
5409 Fleet Services	29	-	100	-

City of Duluth Minnesota - 2019 Budget

Customer Service

535-500-1940

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5418 Vehicle/Equipment Lease	724	724	900	-
5427 Credit Card Commission	6,281	8,122	4,900	8,000
5432 Uncollectible Accounts	515	2,282	4,800	4,900
5441 Other Services & Charges	237	67	500	500
TOTAL	59,756	62,208	72,800	74,000
1940 TOTAL - CUSTOMER SERVICES	216,688	239,270	260,400	270,600

City of Duluth Minnesota - 2019 Budget

Utility Operations

535-500-1945

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	913,164	758,035	813,300	901,300
5101 Permanent Employees - Overtime	71,545	57,692	89,000	81,000
5103 Other Wages	22,276	15,523	27,000	27,000
5118 Meal Allowance	2,956	1,601	2,000	2,200
TOTAL	1,009,941	832,851	931,300	1,011,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	72,788	61,169	66,500	72,500
5122 F.I.C.A. Social Security	61,424	50,522	57,600	62,600
5123 F.I.C.A. Medicare	14,364	11,815	13,500	14,600
5125 Dental Insurance	6,139	4,957	5,000	5,400
5126 Life Insurance	2,658	2,134	2,400	2,600
5127 Health Care Savings	20,909	24,105	17,800	18,300
5130 Cafeteria Plan Benefits	228,991	198,828	225,800	267,700
5133 Health or Fitness Program	180	66	-	-
TOTAL	407,453	353,596	388,600	443,700
OPERATING EXPENSES				
5200 Office Supplies	3,072	1,557	2,600	2,100
5201 Computer Supplies/Software	127	230	600	600
5205 Safety & Training Materials	6,988	5,698	4,400	4,600
5210 Plant Operating Supplies	12,249	16,463	12,100	14,000
5212 Motor Fuels	34,454	33,018	50,000	48,000
5218 Uniforms	9,147	7,580	7,600	7,000
5219 Other Miscellaneous Supplies	1,468	1,823	2,000	2,000
5220 Repair and Maintenance Supplies	3,606	2,053	7,500	7,000
5222 Blacktop Gravel and Other Maintenance	14,984	9,971	21,000	16,500
5224 Materials	76,119	58,631	56,000	56,000
5227 Utility Maintenance Supplies	139,325	86,242	91,500	92,000
5240 Small Tools	6,221	4,810	3,100	4,200
5241 Small Equipment	8,550	2,972	7,800	13,700

City of Duluth Minnesota - 2019 Budget

Utility Operations

535-500-1945

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5310 Contract Services	16,767	24,174	13,200	9,000
5320 Data Services	100	-	-	-
5321 Telephone	1,249	1,013	1,300	1,200
5331 Training Expense	2,943	3,248	6,000	6,000
5333 Freight and Delivery Charges	265	998	600	600
5335 Mileage Reimbursement	3,761	6,182	4,000	4,500
5355 Printing & Copying	8,100	1,729	7,500	6,500
5356 Copier, Printer Lease & Supplies	78	529	300	300
5384 Refuse Disposal	8,961	6,919	12,000	11,000
5404 Equipment/Maintenance Repair	10,520	3,662	4,500	5,100
5409 Fleet Services	107,653	92,888	109,600	109,800
5414 Software Lic & Mtc Agreements	2,281	-	1,000	1,200
5415 Vehicle/Equip Rent	63,011	13,372	21,000	21,000
5419 Other Rentals	3,400	1,900	-	-
5433 Dues and Subscriptions	1,890	5,000	7,000	7,000
5438 Licenses	1,000	-	-	-
5441 Other Services & Charges	6,131	5,623	8,800	29,000
5443 Board & Meeting Expenses	330	-	-	-
5450 Laundry	4,050	4,020	3,900	4,400
5700 Transfer to General Fund	463,890	469,383	491,500	491,500
TOTAL	1,022,690	871,688	958,400	975,800
1945 TOTAL - UTILITY OPERATIONS	2,440,084	2,058,135	2,278,300	2,431,000

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
REVENUE				
Operating	6,840,749	7,485,033	7,722,300	7,926,761
Miscellaneous	170,288	1,513,722	440,700	8,011,171
	<u>7,011,037</u>	<u>8,998,755</u>	<u>8,163,000</u>	<u>15,937,932</u>
EXPENSES				
Duluth Steam Co-op Management Contract	2,835,924	2,801,132	2,903,400	2,931,413
Fuel Expense	2,878,985	3,158,034	3,204,100	3,332,619
Other Operating & Maintenance Expenses	1,181,718	886,202	840,300	892,157
Depreciation	1,190,539	1,200,684	1,305,900	1,305,873
In Lieu of Taxes	136,815	141,400	152,800	152,800
Bond Interest	216,285	209,525	207,300	189,049
	<u>8,440,266</u>	<u>8,396,977</u>	<u>8,613,800</u>	<u>8,803,911</u>
ESTIMATED OPERATING INCOME/(LOSS)	(1,429,229)	601,778	(450,800)	7,134,021

City of Duluth Minnesota - 2019 Budget

Steam Utility Fund

540

Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING REVENUES:				
4801 Off/On Charge	500	-	-	-
4802 Interest Earned on Customer Accts	34,350	(779)	22,800	22,800
4809 Misc Non-Operating Income	7,739	31,031	11,000	11,000
4840 Energy Charge	2,652,666	2,943,566	3,016,800	3,127,639
4842 Capacity Charge	3,667,605	3,962,755	4,128,000	4,094,880
4843 Steam Repair - Labor	1,700	2,380	4,200	4,200
4844 Steam Repair - Materials	1,648	4,764	6,000	6,000
4845 Hot Water Sales	141,739	257,804	230,200	263,350
4846 Chilled Water Capacity Charge	198,253	189,614	198,300	198,253
4847 Chilled Water Energy Charge	134,549	93,898	105,000	112,191
4858 Infrastructure Charge	-	-	-	86,448
TOTAL OPERATING REVENUES	6,840,749	7,485,033	7,722,300	7,926,761
MISCELLANEOUS REVENUES:				
4210 Pass-thru Federal Grants	-	-	210,700	7,782,171
4220 Minnesota Grants - Capital	-	1,296,791	-	-
4220 Minnesota Grants - Operating	-	29,586	-	-
4850 Earnings on Investments	4,976	-	-	-
4855 DECC Capacity Charge	223,653	227,121	230,000	229,000
4720 Gain/Loss on Sale Capital Assets	(58,341)	(39,776)	-	-
TOTAL MISCELLANEOUS REVENUES	170,288	1,513,722	440,700	8,011,171
TOTAL REVENUE	7,011,037	8,998,755	8,163,000	15,937,932

City of Duluth Minnesota - 2019 Budget

Steam Utility Fund

540

Expense Detail by Division	2016 Actual	2017 Actual	2018 Budget	2019 Approved
1490 Production	2,878,985	3,158,034	3,204,100	3,332,619
1491 Chiller Production	65,823	47,513	64,700	65,057
1492 Production Maintenance	547,635	366,605	297,000	279,000
1493 Transmission & Distribution	275,674	244,367	260,000	318,000
1494 Customer Accounting	7,486	6,869	11,900	11,900
1495 Administration & General	4,366,640	4,345,297	4,547,200	4,586,636
1497 Hot Water	21,555	18,767	21,600	21,650
1499 Debt Service & Capital	276,468	209,525	207,300	189,049
TOTAL EXPENSES	8,440,266	8,396,977	8,613,800	8,803,911

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5216 Chemicals	57,008	59,719	54,000	54,000
5220 Repair and Mtc Supplies	2,042	2,496	-	-
5310 Contract Services	45,808	-	-	-
5381 Electricity	211,363	150,023	195,700	160,000
5382 Water, Gas and Sewer	189,553	190,266	216,600	200,200
5383 Natural Gas	186,810	1,534,861	1,201,000	1,889,330
5384 Refuse Disposal	2,260	2,172	-	-
5385 Oil	27,491	14,583	24,700	29,388
5387 Coal	2,067,902	1,158,571	1,451,000	955,725
5388 Ash Handling	88,748	45,343	61,100	43,976
1490 TOTAL - PRODUCTION	2,878,985	3,158,034	3,204,100	3,332,619

City of Duluth Minnesota - 2019 Budget

Chiller Production

540-1491

Records the variable cost of producing and distributing chilled water.

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5216 Chemicals	17,626	1,762	7,500	7,500
5220 Repair & Mntc Supplies	13,325	9,548	6,400	6,600
5310 Contract Services	356	-	10,200	10,250
5381 Electricity	29,444	31,364	35,100	35,233
5382 Water, Gas & Sewer	5,072	4,839	5,500	5,474
1491 TOTAL - PRODUCTION	65,823	47,513	64,700	65,057

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5205 Safety Equipment & Supplies	14,003	8,359	15,000	15,000
5220 Repair Materials & Supplies	435,480	225,614	180,000	192,000
5310 Contract Services	91,160	129,648	102,000	72,000
5441 Other Services & Charges	6,992	2,984	-	-
1492 TOTAL - PRODUCTION MAINTENANCE	547,635	366,605	297,000	279,000

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5220 Chemicals	294	3,227	-	-
5220 Repair Materials & Supplies	57,616	75,448	60,000	108,000
5310 Contract Services	217,764	165,159	200,000	210,000
5409 Fleet Services Charges	-	533	-	-
TOTAL - TRANSMISSIONS & 1493 DISTRIBUTION	275,674	244,367	260,000	318,000

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5200 Office Supplies	25	-	500	500
5322 Postage	1,461	869	1,200	1,200
5432 Uncollectible Accounts	6,000	6,000	10,200	10,200
1494 TOTAL - CUSTOMER ACCOUNTING	7,486	6,869	11,900	11,900

City of Duluth Minnesota - 2019 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	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5200 Office Supplies	5,456	2,762	3,800	3,800
5301 Audit Fees	1,010	849	1,200	1,200
5304 Legal Services	1,500	1,000	3,000	3,000
5307 Management Contract	2,835,924	2,801,132	2,903,400	2,931,413
5319 Other Professional Services	37,321	25,815	24,000	18,000
5321 Telephone Service	10,052	10,481	8,400	9,600
5322 Postage	32	219	600	600
5340 Advertising & Promotion	6,193	12,302	9,000	9,000
5361 General Liability Boiler Insurance	3,325	20,013	6,000	22,000
5384 Refuse Disposal	-	-	1,200	1,200
5404 Equipment/Machinery Repair & Mtc	77	-	3,000	3,000
5415 Vehicle/Equip Rent (Short-term)	11,939	7,513	6,000	6,000
5420 Depreciation	1,190,539	1,200,684	1,305,900	1,305,873
5433 Dues & Subscription	-	6,186	1,700	1,750
5438 Licenses Operating	58,190	58,477	61,000	51,000
5441 Other Services & Charges	15,671	11,054	9,600	9,600
5443 Board & Meeting Expenses	3,096	1,310	1,200	1,200
5480 Payment in Lieu of Taxes	136,815	141,400	152,800	152,800
5493 Cost Allocation	49,500	44,100	45,400	55,600
1495 TOTAL - ADMINISTRATION & GENERA	4,366,640	4,345,297	4,547,200	4,586,636

City of Duluth Minnesota - 2019 Budget

Hot Water

540-1497

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5216 Chemicals	-	2,513	-	-
5220 Repair & Maintenance Supplies	10,950	2,255	6,000	6,000
5310 Contract Services	4,939	4,954	8,400	8,400
5381 Electricity	5,666	8,570	7,200	7,250
5441 Other Services & Charges	-	475	-	-
1497 TOTAL - HOT WATER	21,555	18,767	21,600	21,650

City of Duluth Minnesota - 2019 Budget

Debt Service

540-1499

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

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5611 Bond Interest	180,884	174,930	162,500	148,579
5612 Other Debt Interest	-	-	12,400	8,066
5620 Fiscal Agents Fee	1,738	1,009	700	700
5622 Bond Amortization	33,663	33,586	31,700	31,704
5530 Improvements Other than Bldgs	59,612	-	-	-
5580 Capital Equipment	571	-	-	-
1499 TOTAL - DEBT SERVICE	276,468	209,525	207,300	189,049

City of Duluth Minnesota - 2019 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 Income and Expense	2016 Actual	2017 Actual	2018 Budget	2019 Approved
REVENUE				
Operating Revenue	1,534,238	1,489,764	1,453,400	931,500
Non-Operating	678,349	780,294	803,600	1,316,600
	2,212,587	2,270,058	2,257,000	2,248,100
EXPENSE				
Personal Services	516,948	562,819	508,800	526,500
Supplies	550,045	266,583	258,400	251,200
Other Services and Charges	347,530	404,983	401,400	429,500
Utilities	664,510	673,041	705,000	700,000
Depreciation	225,374	205,727	223,000	211,000
Non-Capital Improvements	-	7,447	-	-
Transfers	45,100	37,250	37,200	37,200
	2,349,507	2,157,850	2,133,800	2,155,400
ESTIMATED OPERATING INCOME / (LOSS)	(136,920)	112,208	123,200	92,700
Other Sources of Cash	260,987	358,251	223,000	211,000
Other Uses of Cash	(69,913)	(4,153)	(1,477,000)	(1,207,500)
Increase (Decrease) in Cash	54,154	466,306	(1,130,800)	(903,800)

City of Duluth Minnesota - 2019 Budget

Street Lighting Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2018 Budget	2018 Projected	2019 Approved
ESTIMATED OPERATING INCOME (LOSS)	123,200	118,500	92,700
<u>Other Sources of Cash</u>			
Depreciation and Amortization	223,000	210,800	211,000
PERA Retirement, GASB 68	-	42,600	-
Total Other Sources of Cash	223,000	253,400	211,000
<u>Other Uses of Cash</u>			
Due to Other Funds	-	3,684	-
Capital Improvements from Current Revenues	1,200,000	1,140,000	1,160,500
Capital Equipment Purchases	277,000	221,400	47,000
Total Other Uses of Cash	1,477,000	1,365,084	1,207,500
INCREASE (DECREASE) IN CASH	(1,130,800)	(993,184)	(903,800)
EST. UNRESTRICTED CASH AND DEBT SERVICE CASH- BEGINNING	1,965,421	2,376,080	1,382,896
EST. UNRESTRICTED CASH AND DEBT SERVICE CASH- ENDING	834,621	1,382,896	479,096

City of Duluth Minnesota - 2019 Budget

Street Lighting Fund

550

Revenue Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OPERATING REVENUES:				
4838 Street Lighting Fee	1,495,427	1,393,853	1,407,400	845,000
4170 Miscellaneous Permits & Licenses	-	-	-	38,500
4636 Sale of Scrap	590	293	1,000	4,000
4654 Other Reimbursements	25,297	59,926	21,000	21,000
4680 Damages or Losses Recovered	7,015	30,168	20,000	18,000
4802 Interest Earned	5,909	5,524	4,000	5,000
TOTAL OPERATING REVENUE	1,534,238	1,489,764	1,453,400	931,500
NON-OPERATING REVENUES:				
4220 Minnesota Grants - Operating	22,235	-	-	-
4222 State Property Tax Aid	-	465	-	-
4005 Current Property Taxes	644,886	750,611	757,600	1,307,600
4010 Delinquent Property Taxes	2,128	5,426	1,000	4,000
4601 Change in Fair Value Investments	(4,436)	(5,347)	-	-
4730 Transfers from General Fund	13,536	-	40,000	-
4730 Transfers Spec Rev Funds	-	29,139	5,000	5,000
TOTAL NON-OPERATING REVENUES	678,349	780,294	803,600	1,316,600
TOTAL REVENUE	2,212,587	2,270,058	2,257,000	2,248,100

City of Duluth Minnesota - 2019 Budget

Street Lighting Fund

550

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	307,720	323,980	330,700	339,400
5101 Permanent Employees - Overtime	49,272	61,442	35,000	35,000
5118 Meal Allowance	690	1,845	300	300
TOTAL	357,682	387,267	366,000	374,700
EMPLOYEE BENEFITS				
5121 P.E.R.A.	26,312	28,237	26,800	27,500
5121 P.E.R.A., GASB 68	35,613	42,555	-	-
5122 F.I.C.A. Social Security	21,718	23,376	22,700	23,200
5123 F.I.C.A. Medicare	5,079	5,467	5,300	5,400
5125 Dental Insurance	1,897	1,897	1,900	1,900
5126 Life Insurance	826	826	900	900
5127 Health Care Savings Plan	5,137	5,278	10,800	11,600
5130 Cafeteria Plan Benefits	62,354	67,646	74,400	81,300
5133 Health or Fitness Program	330	270	-	-
TOTAL	159,266	175,552	142,800	151,800
OPERATING EXPENSES				
5200 Office Supplies	1,511	1,117	1,500	1,500
5201 Computer Supplies	167	24	-	-
5205 Safety & Training	2,514	5,475	3,000	3,000
5211 Cleaning/Janitorial Supplies	2,823	3,792	3,000	3,500
5212 Motor Fuels	5,843	5,740	8,000	8,000
5218 Uniforms	1,346	1,080	2,500	2,500
5219 Other Miscellaneous Supplies	4,792	13,353	5,000	10,000
5226 Sign & Signal Supplies	69,954	83,296	63,400	66,500
5230 Street Lighting Supplies	416,183	115,211	130,000	110,000
5240 Small Tools	2,073	3,959	5,000	5,000
5241 Small Equipment	42,839	33,536	37,000	41,200
5310 Contract Services	199,342	268,599	185,000	205,000

City of Duluth Minnesota - 2019 Budget

Street Lighting Fund

550

Expense Detail	2016 Actual	2017 Actual	2018 Budget	2019 Approved
5319 Other Professional Services	12,720	14,906	50,000	50,000
5320 Data Services	-	-	-	2,900
5321 Telephone	2,665	2,926	2,700	2,700
5331 Travel/Training	2,684	380	4,000	4,000
5335 Mileage Reimbursement - Local	3,386	3,034	3,500	3,500
5381 Electricity	664,510	673,041	705,000	700,000
5389 Street Lighting	3,771	6,302	18,000	18,000
5401 Structure Repair & Maintenance	-	-	500	500
5404 Equipment Repair & Maintenance	2,516	-	1,500	1,500
5409 Fleet Service Charges	60,296	44,246	64,500	64,100
5414 Software Lic & Mtc Agreements	1,820	5,930	16,900	16,900
5415 Equipment Rental	-	-	500	500
5420 Depreciation	225,374	205,727	223,000	211,000
5432 Uncollectible Accounts	(2,029)	1,398	1,500	2,500
5433 Dues & Subscriptions	170	100	100	100
5435 Books	-	-	100	100
5438 Licenses	-	168	200	200
5441 Other Services & Charges	586	300	1,000	1,000
5450 Laundry	603	594	900	900
5493 Cost Allocation	59,000	56,100	50,500	55,100
5535 Non-Capital Improvements	-	7,447	-	-
5700 Interfund Transfers Out	45,100	37,250	37,200	37,200
TOTAL	1,832,559	1,595,031	1,625,000	1,628,900
TOTAL OPERATING EXPENSES	2,349,507	2,157,850	2,133,800	2,155,400
NON-OPERATING EXPENSES				
Capital Improvements - Revenue				
5533 Financing	-	-	1,200,000	1,160,500
5580 Capital Equipment	-	-	277,000	47,000
TOTAL NON-OPERATING EXPENSES	-	-	1,477,000	1,207,500
TOTAL STREET LIGHT UTILITY	2,349,507	2,157,850	3,610,800	3,362,900

Internal Service Funds

City of Duluth Minnesota - 2019 Budget

Internal Service Funds

Funds

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

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

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	10,926,775	7,856,177	6,342,942	5,670,612
REVENUES				
Participation from Other Funds	22,409,699	24,144,388	26,313,947	27,874,844
Charges for Services	3,300,259	3,308,538	4,074,067	4,190,595
Miscellaneous	2,271,604	2,723,786	2,370,377	2,673,050
TOTAL REVENUES	27,981,562	30,176,712	32,758,391	34,738,489
EXPENSES				
Personal Services	2,430,755	2,645,320	2,321,100	2,501,115
Other Expenditures	4,240,270	4,303,695	4,813,360	5,111,008
Claims	24,381,135	24,740,932	26,296,261	27,511,034
TOTAL EXPENSES	31,052,160	31,689,947	33,430,721	35,123,157
FUND BALANCE - DECEMBER 31	7,856,177	6,342,942	5,670,612	5,285,944

City of Duluth Minnesota - 2019 Budget

Self-Insurance - Workers' Compensation

605

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

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	1,851,433	1,521,679	738,835	714,135
REVENUES				
Transfer from City Funds				
- General	600,000	600,000	800,000	900,000
- Public Utility	139,000	154,800	151,300	151,300
Other Reimbursements	111,181	88,887	73,100	156,000
TOTAL REVENUES	850,181	843,687	1,024,400	1,207,300
EXPENSES				
Personal Services	593,937	769,342	417,000	453,200
Claims: Workers' Compensation	201,959	360,093	205,400	275,400
Other Services and Charges	384,039	497,095	426,700	503,200
TOTAL EXPENSES	1,179,935	1,626,531	1,049,100	1,231,800
FUND BALANCE - DECEMBER 31	1,521,679	738,835	714,135	689,635
BUDGETED FTE'S				
1100 Safety & Training Officer	1	1	1	1

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	1,676,445	1,546,823	983,631	874,731
REVENUES				
Transfer from City Funds				
- General	400,000	400,000	400,000	500,000
- Public Utility	149,000	123,700	121,600	156,100
- Duluth Steam	3,325	20,013	20,100	20,300
Duluth Airport	47,494	47,330	47,300	47,300
DEDA	20,471	24,559	24,600	24,600
Other Reimbursements	41,538	10,960	-	-
TOTAL REVENUES	661,828	626,562	613,600	748,300
EXPENSES				
Claims: Liability	454,479	747,597	275,200	255,200
Property/Boiler Insurance	178,947	190,166	184,000	187,800
Other Services and Charges	158,024	251,992	263,300	319,000
TOTAL EXPENSES	791,450	1,189,754	722,500	762,000
FUND BALANCE - DECEMBER 31	1,546,823	983,631	874,731	861,031

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	7,452,191	5,167,766	5,311,247	4,705,021
REVENUES				
City Employer/Employee Premium	20,254,504	21,984,302	23,944,819	25,233,240
Sub-Group Employer/Employee Premium	1,686,631	1,856,440	2,121,009	2,338,454
Miscellaneous	350,204	683,073	100,000	100,000
TOTAL REVENUES	22,291,339	24,523,815	26,165,828	27,671,694
EXPENSES				
Personal Services	320,968	350,000	355,000	371,315
Claims	22,972,275	22,825,695	25,049,698	26,080,961
Other Services and Charges	1,282,521	1,204,639	1,367,356	1,517,795
TOTAL EXPENSES	24,575,764	24,380,334	26,772,054	27,970,071
FUND BALANCE - DECEMBER 31	5,167,766	5,311,247	4,705,021	4,406,644

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	192,469	249,854	245,766	292,925
REVENUES				
City Employer/Employee Premiums	795,905	789,684	804,228	842,004
Sub-Group Employer/Employee Premiums	75,283	75,533	69,468	71,796
TOTAL REVENUES	871,188	865,217	873,696	913,800
EXPENSES				
Claims	752,422	807,547	765,963	899,473
Other Services and Charges	61,381	61,758	60,574	62,183
TOTAL EXPENSES	813,803	869,305	826,537	961,656
FUND BALANCE - DECEMBER 31	249,854	245,766	292,925	245,069

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
FUND BALANCE - JANUARY 1	(245,763)	(629,945)	(936,537)	(916,200)
REVENUES				
SALES & SERVICES (BY ACCOUNT):				
Fuel Sales	742,289	817,416	948,400	948,400
Fleet Repair Part Sales, Fleet Parts	989,823	782,900	916,500	910,000
Fleet Repair Part Sales, Sublet Part Sales	-	280,673	330,110	330,110
Fleet Repair Services, Fleet Labor	1,568,147	1,246,902	1,673,327	1,796,355
Fleet Repair Services, Sublet Labor	-	180,647	205,730	205,730
TOTAL SALES & SERVICES	3,300,259	3,308,538	4,074,067	4,190,595
SALES & SERVICES (BY FUND):				
General Fund	2,486,614	2,522,582	3,112,067	3,197,795
Parks Fund	2,626	295	4,000	4,000
Parking Fund	10,733	5,830	8,700	7,500
Water and Gas	408,904	429,635	514,900	553,100
Sewer	176,219	166,613	196,900	191,700
Stormwater	146,982	130,568	165,000	164,400
Steam	2,042	3,029	-	-
Street Light Utility	66,139	49,986	72,500	72,100
TOTAL SALES & SERVICES	3,300,259	3,308,538	4,074,067	4,190,595
Other Revenue	6,767	8,893	6,800	6,800
TOTAL REVENUES	3,307,026	3,317,431	4,080,867	4,197,395

City of Duluth Minnesota - 2019 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.

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
EXPENSES				
Personal Services	1,022,442	1,019,916	1,086,500	1,162,700
Benefits	493,408	506,062	462,600	513,900
Other Expenses	2,175,358	2,098,045	2,511,430	2,521,030
TOTAL EXPENSES	3,691,208	3,624,023	4,060,530	4,197,630
FUND BALANCE - DECEMBER 31	(629,945)	(936,537)	(916,200)	(916,435)

City of Duluth Minnesota - 2019 Budget

Fleet Services - Personnel Summary

660

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
Maintenance Operations				
1115 Manager	0.25	-	-	-
Manager Maintenance & 1100 Supply Services	1.00	1.00	1.00	1.00
133 Budget & Operations Analyst	0.10	0.20	0.20	0.20
32 Fleet Services Leadworker	1.00	2.00	2.00	2.00
28 Fleet Assistant	2.00	1.00	1.00	1.00
28 Heavy Equipment Mechanic	6.00	6.00	6.00	6.00
28 Welder	2.00	2.00	2.00	2.00
27 Industrial Equipment Technician	1.00	1.00	1.00	1.00
27 Storekeeper	1.00	1.00	1.00	1.00
27 Vehicle Repair Specialist	-	-	1.00	1.00
Equipment Maintenance 25 Specialist	2.00	2.00	-	-
Vehicle Maintenance 25 Technician	-	-	1.00	1.00
24 Assistant Storekeeper	1.00	1.00	1.00	1.00
22 Maintenance Worker	1.00	1.00	-	1.00
Division Total	18.35	18.20	17.20	18.20

City of Duluth Minnesota - 2019 Budget

Fleet Services - Expense Detail

660

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,016,867	1,013,918	1,066,500	1,142,700
5101 Permanent Employees - Overtime	5,575	5,998	20,000	20,000
5103 Other Wages	-	-	-	-
TOTAL	1,022,442	1,019,916	1,086,500	1,162,700
5121 P.E.R.A.	73,778	72,781	78,200	85,300
5121 P.E.R.A., GASB 68	86,927	75,918	-	-
5122 F.I.C.A. Social Security	61,921	61,115	67,400	72,100
5123 F.I.C.A. Medicare	14,482	14,293	15,700	16,900
5125 Dental Insurance	6,516	6,371	6,400	6,800
5126 Life Insurance	4,180	4,117	3,100	3,300
5127 Health Care Savings Plan	16,192	21,153	20,000	22,600
5130 Cafeteria Plan Benefits	229,412	238,026	271,800	306,900
5133 Health or Fitness Program	-	120	-	-
5141 Unemployment Compensation	-	12,168	-	-
TOTAL	493,408	506,062	462,600	513,900
OTHER EXPENDITURES				
5200 Office Supplies	1,661	1,409	1,500	1,500
5201 Computer Supplies/Software	909	-	5,800	5,800
5205 Safety & Training Materials	2,188	2,653	1,500	5,000
5210 Plant/Operating Supplies	15,520	7,302	11,000	11,000
5211 Cleaning/Janitorial Supplies	851	916	4,000	1,000
5212 Motor Fuel	744,872	819,461	948,400	948,400
5215 Shop Materials	13,215	15,105	16,100	16,100
5219 Other Miscellaneous Supplies	1,978	2,425	9,500	5,000
5221 Equipment Repair Supplies	946,424	800,239	1,000,100	1,000,100
5240 Small Tools	10,301	6,046	2,400	8,000
5241 Small Equipment	-	3,127	2,000	2,000
5319 Other Professional Services	499	-	-	8,000
5320 Data Services	7,920	4,280	7,500	7,500
5321 Telephone	890	741	-	570

City of Duluth Minnesota - 2019 Budget

Fleet Services - Expense Detail

660

	2016 Actual	2017 Actual	2018 Budget	2019 Approved
OTHER EXPENDITURES CONTINUED				
5331 Travel/Training	2,024	1,927	1,500	5,000
5335 Local Mileage Reimbursement	-	24	-	130
5356 Copier, Printer Lease & Supplies	3,152	2,698	5,000	3,000
5381 Electricity	14,667	16,668	17,000	19,000
5382 Water, Gas and Sewer	11,812	11,812	17,000	14,000
5384 Refuse Disposal	1,129	1,177	2,800	1,500
5401 Building Structure Repair	1,096	1,588	3,000	3,000
5404 Equipment Repair & Maintenance	204,070	164,398	202,730	202,730
5414 Software Licenses & Maintenance	1,750	11,906	11,900	11,900
5419 Other Rental	-	-	1,000	1,000
5420 Depreciation	56,666	64,631	63,800	61,800
5438 Licenses	6,980	939	7,000	2,500
5441 Other Services and Charges	8,841	10,611	18,000	18,000
5450 Laundry	7,743	9,162	15,000	12,000
5493 Cost Allocation Charges	108,200	136,800	135,900	145,500
TOTAL	2,175,358	2,098,045	2,511,430	2,521,030
5580 Capital Equipment	100,745	-	-	-
TOTAL EXPENSES	3,791,953	3,624,023	4,060,530	4,197,630

CAPITAL PROGRAM

CAPITAL IMPROVEMENT PLAN

The City of Duluth's Capital Budget and Plan addresses current and future improvements to the City's infrastructure, facilities, and properties by combining elements of both budgeting (current year needs) and planning (five-year plan). The purpose of the capital budget is two-fold: first, to prioritize and fund the most urgent needs in the coming year's budget; and 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 2019 capital improvement budget and the 2019 through 2023 capital improvement plans.

2019 Proposed Improvements

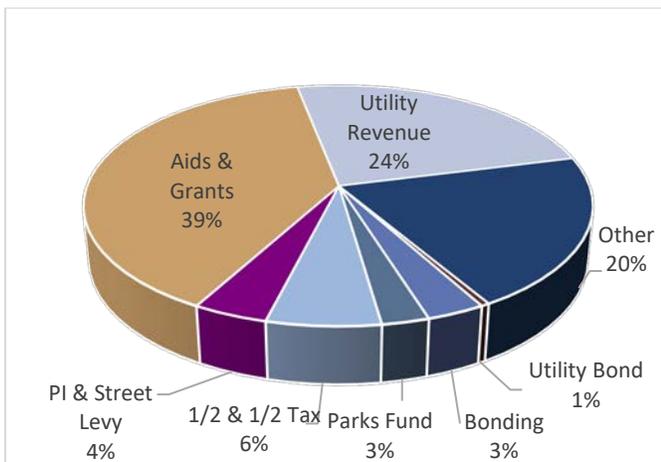
The 2019 capital improvement program outlines total proposed projects in the amount of \$43,859,276 funded through various sources including bonding, the Parks fund, the 1/2 and 1/2 tax, state and federal grants, the Permanent Improvement fund, the Street System Maintenance levy, and utilities revenue. 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 2019 program.

Capital improvements to city buildings and infrastructure will be funded by issuing a capital improvement bond in the amount of \$1,400,000.

Parks and trails are to be funded by federal grants totaling \$2,101,030; state grants totaling \$1,085,000; St Louis River Corridor bond proceeds (1/2 and 1/2 tax) of \$2,723,519; other Grants and Donations totaling \$1,712,153; other City funding totaling \$260,500; and the Parks fund contribution of \$1,133,145 for a combined program total of \$9,015,347.

The Street and Bridge Improvement and Preservation program for 2019 totals \$22,658,429. Funding sources include \$12,162,148 from aids and grants, \$280,000 from property tax dollars levied in the Permanent Improvement fund, \$8,700,000 from a state bridge bond, and \$1,516,281 from the Street System Maintenance levy.

2019 Capital Utility Projects total \$10,785,500 and will be funded with \$10,585,500 of utility revenue and \$200,000 of a Utility Bond.

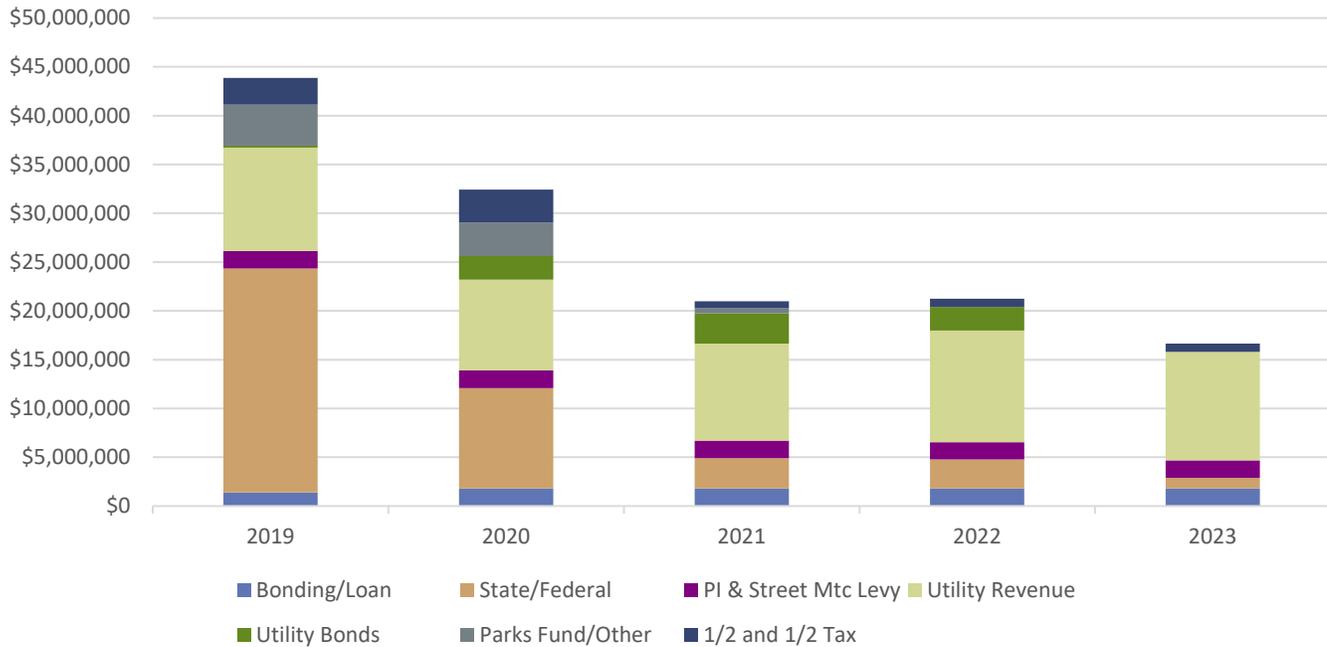


Bonding	\$1,400,000
Parks Fund	\$1,133,145
1/2 & 1/2 Tax	\$2,723,519
PI & Street Levy	\$1,796,281
Aids & Grants	\$17,060,331
Utility Revenue	\$10,585,500
Utility Bond	\$200,000
Other	\$8,960,500
	<hr/>
	\$43,859,276

Five Year Improvement Plan Funding

The City has identified \$135.14 million in improvements along with funding sources over the course of the next five years. The City will bond for certain types of improvements as allowed in State Statute. As can be seen below, over the next five years, the City is proposing to bond for a total of \$8.6 million in capital improvements.

Shown in the chart below are the funding sources by year for the five-year capital improvement plan.



	2019	2020	2021	2022	2023	Total
Bonding/Loan	1,400,000	1,800,000	1,800,000	1,800,000	1,800,000	8,600,000
State/Federal	22,948,178	10,284,869	3,111,369	2,975,000	1,100,000	40,419,416
PI & Street Mtc Levy	1,796,281	1,834,855	1,780,000	1,780,000	1,780,000	8,971,136
Utility Revenue	10,585,500	9,290,000	9,952,500	11,437,500	11,115,000	52,380,500
Utility Bonds	200,000	2,400,000	3,100,000	2,400,000	0	8,100,000
Parks Fund/Other	4,205,798	3,428,252	529,000	0	0	8,163,050
1/2 and 1/2 Tax	2,723,519	3,386,525	694,533	850,000	850,000	8,504,577
Total Plan	43,859,276	32,424,501	20,967,402	21,242,500	16,645,000	135,138,679

2019 CAPITAL IMPROVEMENTS PROGRAM FUNDING SOURCES

	Bond	Parks Fund	1/2 & 1/2 Tax	PI/ Prior Yr PI	Aids/ Grants	Street Mtce Levy	Utility Rev/Bond	Other	Total
Facilities									
CIP Eligible VFA Bldg Improvements	175,000	-	-	-	-	-	-	-	175,000
Maintenance Bldg Improvements	325,000	-	-	-	-	-	-	-	325,000
Civic Buildings	490,000	-	-	-	-	-	-	-	490,000
Public Safety Buildings (Fire/Police)	410,000	-	-	-	-	-	-	-	410,000
	1,400,000	-	-	-	-	-	-	-	1,400,000
Parks and Trails									
Major Parks	-	37,500	1,531,141	-	3,401,653	-	-	260,500	5,230,794
Other Neighborhood Parks	-	312,895	443,383	-	57,000	-	-	-	813,278
Miscellaneous Parks Improvements	-	466,750	-	-	-	-	-	-	466,750
Cross City Trail	-	-	524,917	-	1,350,452	-	-	-	1,875,369
Western Waterfront Trail	-	-	89,078	-	89,078	-	-	-	178,156
Lakewalk Mini-Master Plan	-	120,000	-	-	-	-	-	-	120,000
Miscellaneous Trails Improvements	-	196,000	135,000	-	-	-	-	-	331,000
	-	1,133,145	2,723,519	-	4,898,183	-	-	260,500	9,015,347
Street & Bridge Reconstruction and Preservation Program									
Superior Street	-	-	-	-	7,300,000	526,281	-	-	7,826,281
Garfield Ave CPR	-	-	-	-	238,438	-	-	-	238,438
Decker Rd	-	-	-	-	1,526,710	-	-	-	1,526,710
Kayak Bay Dr	-	-	-	-	247,000	-	-	-	247,000
Aerial Lift Bridge Paint & Repairs	-	-	-	-	1,300,000	-	-	8,700,000	10,000,000
Misc. Annual Infrastructure	-	-	-	260,000	-	300,000	-	-	560,000
Waseca Industrial Blvd Extension	-	-	-	-	1,550,000	-	-	-	1,550,000
Sidewalks	-	-	-	20,000	-	100,000	-	-	120,000
Street Preservation	-	-	-	-	-	590,000	-	-	590,000
	-	-	-	280,000	12,162,148	1,516,281	-	8,700,000	22,658,429
Capital Utility Projects									
24th Ave W	-	-	-	-	-	-	450,000	-	450,000
Cathodic Protection System	-	-	-	-	-	-	80,000	-	80,000
Decker Rd	-	-	-	-	-	-	1,450,000	-	1,450,000
Lakewood Roof Replacement	-	-	-	-	-	-	850,000	-	850,000
McCuen St	-	-	-	-	-	-	550,000	-	550,000
Middle Pump Station design	-	-	-	-	-	-	200,000	-	200,000
Paint pipe at Lester Creek Bridge	-	-	-	-	-	-	100,000	-	100,000
Woodland Ave and East Calvary	-	-	-	-	-	-	1,540,000	-	1,540,000
Gas Main Extensions and services	-	-	-	-	-	-	1,350,000	-	1,350,000
Great Lakes Interconnect gas heater	-	-	-	-	-	-	150,000	-	150,000
Meter relocations/bollards	-	-	-	-	-	-	250,000	-	250,000
Rice Lake and Arrowhead	-	-	-	-	-	-	200,000	-	200,000
Superior St reconstruction	-	-	-	-	-	-	1,205,000	-	1,205,000
Woodland Ave 6" steel	-	-	-	-	-	-	700,000	-	700,000
Lift station rehabilitation	-	-	-	-	-	-	450,000	-	450,000
Park Point lining	-	-	-	-	-	-	700,000	-	700,000
Annual street projects	-	-	-	-	-	-	100,000	-	100,000
Citywide catch basin & storm sewer	-	-	-	-	-	-	125,000	-	125,000
Signal & lighting communication	-	-	-	-	-	-	75,000	-	75,000
Warwick signal system	-	-	-	-	-	-	110,500	-	110,500
Emergency Vehicle Pre-emption	-	-	-	-	-	-	150,000	-	150,000
	-	-	-	-	-	-	10,785,500	-	10,785,500
	1,400,000	1,133,145	2,723,519	280,000	17,060,331	1,516,281	10,785,500	8,960,500	43,859,276

2019-2023 CAPITAL IMPROVEMENTS PROGRAM PROJECT SUMMARY

	2019	2020	2021	2022	2023	Total
Capital Improvement Program						
CIP Eligible VFA Building Improvements	175,000	100,000	10,000	490,000	1,000,000	1,775,000
Fleet building Improvements	-	-	-	-	450,000	450,000
42nd Tool House Improvements	-	-	250,000	-	-	250,000
40th Tool House Improvements	325,000	-	-	-	-	325,000
Lund Tool House Improvements	-	-	40,000	-	-	40,000
Tree Farm/Riley Road Improvements	-	350,000	-	-	-	350,000
City Center West Improvements	200,000	750,000	175,000	-	-	1,125,000
City Hall	40,000	-	-	500,000	-	540,000
Library Improvements	250,000	-	400,000	-	-	650,000
Firehall #1 Improvements	310,000	55,000	-	400,000	-	765,000
Miscellaneous Parks Improvements	-	-	-	410,000	-	410,000
Firehall #4 Improvements	-	-	350,000	-	-	350,000
Firehall #7 Improvements	-	-	295,000	-	-	295,000
Firehall #8 Improvements	75,000	-	-	-	-	75,000
Miscellaneous Trails Improvements	25,000	45,000	280,000	-	125,000	475,000
Public Safety Building (Police)	-	500,000	-	-	225,000	725,000
Capital Improvement Program Total	1,400,000	1,800,000	1,800,000	1,800,000	1,800,000	8,600,000
Parks and Trails						
Major Parks	5,230,794	-	-	-	-	5,230,794
Other Neighborhood Parks	813,278	5,439,574	640,103	-	-	6,892,955
Parks - Contingency	466,750	180,000	558,430	550,000	550,000	2,305,180
Cross City Trail	1,875,369	734,400	-	-	-	2,609,769
Western Waterfront Trail	178,156	-	-	-	-	178,156
Snowmobile Trail	-	325,000	-	-	-	325,000
Brighton Beach Lakewalk Extension	-	593,292	-	-	-	593,292
Lakewalk Mini-Master Plan	120,000	-	-	-	-	120,000
DWP - Sargent Creek Bridge	-	701,911	-	-	-	701,911
Trails - Contingency	331,000	25,000	25,000	300,000	300,000	981,000
Parks and Trails Total	9,015,347	7,999,177	1,223,533	850,000	850,000	19,938,057
Street & Bridge Reconstruction and Preservation Program						
Superior Street	7,826,281	7,694,855	-	-	-	15,521,136
Garfield Ave CPR	238,438	-	-	-	-	238,438
Decker Rd	1,526,710	-	-	-	-	1,526,710
Kayak Bay Dr	247,000	-	-	-	-	247,000
Aerial Lift Bridge Paint & Structural Repairs	10,000,000	-	-	-	-	10,000,000
Waseca Industrial Blvd Extension	1,550,000	-	-	-	-	1,550,000
East 3rd Street	-	1,356,250	-	-	-	1,356,250
Rice Lake Rd / Arlington / Arrowhead Intersections	-	310,000	-	-	-	310,000
ADA Upgrades at Lake & 5th Ave W Bridges	-	194,219	194,219	-	-	388,438
Railroad Street	-	-	1,717,150	-	-	1,717,150
Signal Replacement	-	-	-	187,500	-	187,500
Glenwood & Snively	-	-	-	750,000	-	750,000
Arrowhead Rd	-	-	-	737,500	-	737,500
Misc Annual Infrastructure	260,000	260,000	260,000	260,000	260,000	1,300,000
Sidewalks	120,000	120,000	120,000	120,000	120,000	600,000
Street Preservation	890,000	1,000,000	2,600,000	2,700,000	2,500,000	9,690,000
Street, Bridge and Preservation Total	22,658,429	10,935,324	4,891,369	4,755,000	2,880,000	46,120,122

2019-2023 CAPITAL IMPROVEMENTS PROGRAM PROJECT SUMMARY

	2019	2020	2021	2022	2023	Total
Capital Utility Projects						
24th Ave W - 3rd to 7th Street	450,000	-	-	-	-	450,000
40th Ave W (County)	-	-	-	600,000	-	600,000
Arlington Pump Station 20" main (MNDOT)	-	-	-	-	1,800,000	1,800,000
Arrowhead and Rice Lake Road (County)	200,000	350,000	-	-	-	550,000
Cathodic Protection System on 42" steel	80,000	80,000	80,000	80,000	-	320,000
Central Entrance feed pipe (MNDOT)	-	-	-	-	1,640,000	1,640,000
Decker Road - Piedmont to Mall Drive	1,450,000	750,000	-	-	-	2,200,000
Duluth Heights Phase 1 and 2	-	-	907,500	-	-	907,500
Duluth Heights Phase 3	-	-	-	1,100,000	-	1,100,000
Electrical upgrades at Water Treatment Plant	-	-	-	-	150,000	150,000
Far East Superior St. services off 42"	-	-	600,000	700,000	-	1,300,000
Fascia repairs at main pump building	-	100,000	-	-	-	100,000
Gogebic Creek (MNDOT)	-	-	200,000	-	-	200,000
Hidden Valley Phase 2 water main replacement	-	1,250,000	-	-	-	1,250,000
Lakewood roof replacement	850,000	-	-	-	-	850,000
McCuen Street (MNDOT)	550,000	-	-	-	-	550,000
Middle Pump Station	-	2,400,000	-	-	-	2,400,000
Middle Pump Station design	200,000	-	-	-	-	200,000
Middle transmission main	-	-	2,500,000	-	-	2,500,000
Morris Thomas water main (County)	-	-	1,100,000	-	-	1,100,000
Paint pipe at Lester Creek bridge (County)	100,000	-	-	-	-	100,000
Pump station service entrance	-	-	-	-	75,000	75,000
Upper Lakeside Phase 1 connection on Glenwood	-	-	-	900,000	-	900,000
Upper Lakeside Phase 2 connection at golf course	-	-	-	787,500	-	787,500
US Steel Creek (MNDOT)	-	-	120,000	-	-	120,000
Water main project TBD	-	-	-	400,000	400,000	800,000
Woodland Ave. and East Calvary main (County)	1,540,000	600,000	-	-	-	2,140,000
Woodland Pump Station	-	-	-	2,400,000	-	2,400,000
Woodland Pump Station design	-	-	600,000	-	-	600,000
3rd St, Vernon, 2nd Street Alley	-	-	-	200,000	-	200,000
20th & 23rd Ave. W, 10th Street	-	-	-	-	500,000	500,000
58th Avenue West	-	200,000	-	-	-	200,000
Gas main extensions & services	1,350,000	1,500,000	1,500,000	1,500,000	1,500,000	7,350,000
Great Lakes Interconnect gas heater	150,000	-	-	-	-	150,000
Gogebic culverts (MNDOT)	-	-	100,000	-	-	100,000
Meter relocations/bollards	250,000	250,000	250,000	250,000	250,000	1,250,000
Michigan Street gas project	-	-	-	120,000	-	120,000
Misc. steel replacement	-	500,000	250,000	500,000	500,000	1,750,000
Morris Thomas 12" gas main	-	-	500,000	-	-	500,000
Stora Enso building shell	-	-	140,000	-	-	140,000
Stora Enso flow meter	-	150,000	-	-	-	150,000
Superior Street reconstruction	1,205,000	605,000	-	-	-	1,810,000
Woodland Avenue 6" steel	700,000	-	-	-	-	700,000
Citywide sanitary sewer rehab/lining	-	-	2,000,000	2,000,000	2,000,000	6,000,000
Lift station rehabilitation	450,000	450,000	450,000	450,000	450,000	2,250,000
Park Point lining	700,000	1,300,000	-	-	-	2,000,000
Annual Stormwater street projects	100,000	100,000	100,000	100,000	100,000	500,000
Block-long culvert & ditch system	-	-	-	-	250,000	250,000
Brewery Creek tuckpointing	-	-	190,000	-	-	190,000
Chester Creek box culvert fish passage	-	-	-	40,000	300,000	340,000
Citywide catch basing & storm sewer improvements	125,000	560,000	100,000	-	250,000	1,035,000
Citywide pipe repairs & down drains	-	-	350,000	310,000	250,000	910,000
Clarkhouse Creek	-	50,000	100,000	-	-	150,000
East Chester Creek (Norton & Thurber)	-	45,000	15,000	500,000	-	560,000
Greys Creek	-	50,000	100,000	-	-	150,000
Lower Coffee Creek	-	50,000	100,000	100,000	-	250,000

2019-2023 CAPITAL IMPROVEMENTS PROGRAM PROJECT SUMMARY

	2019	2020	2021	2022	2023	Total
Superior Street culvert extensions	-	-	-	100,000	-	100,000
Signal & lighting communication upgrades	75,000	-	-	-	-	75,000
Traffic signal upgrades	-	350,000	700,000	700,000	700,000	2,450,000
Warwick signal system	110,500	-	-	-	-	110,500
Emergency Vehicle Pre-emption	150,000	-	-	-	-	150,000
Capital Utility Projects Total	10,785,500	11,690,000	13,052,500	13,837,500	11,115,000	60,480,500
GRAND TOTAL	43,859,276	32,424,501	20,967,402	21,242,500	16,645,000	135,138,679

5 YEAR CAPITAL IMPROVEMENTS PROGRAM BY FUNDING SOURCE

	2019	2020	2021	2022	2023	Total
Bond	1,400,000	1,800,000	1,800,000	1,800,000	1,800,000	8,600,000
Parks Fund	1,133,145	1,280,960	529,000	-	-	2,943,105
1/2 & 1/2 Tax	2,723,519	3,386,525	694,533	850,000	850,000	8,504,577
Permanent Improvement Fund	280,000	340,000	280,000	280,000	280,000	1,460,000
Street System Maintenance Levy	1,516,281	1,494,855	1,500,000	1,500,000	1,500,000	7,511,136
Miscellaneous Parks Improvements	3,807,836	2,013,619	1,404,219	1,340,000	-	8,565,674
State Funding						
-State Bridge Bond	8,700,000	-	-	-	-	8,700,000
Miscellaneous Trails Improvements	9,355,342	7,871,250	1,707,150	1,635,000	1,100,000	21,668,742
-DNR	838,000	150,000	-	-	-	988,000
-Grants	247,000	250,000	-	-	-	497,000
	19,140,342	8,271,250	1,707,150	1,635,000	1,100,000	31,853,742
Other Funding Sources	3,072,653	2,147,292	-	-	-	5,219,945
Utilities - Bond	200,000	2,400,000	3,100,000	2,400,000	-	8,100,000
Utilities: Current Year Revenue						
-Water	3,180,000	2,980,000	3,007,500	4,567,500	4,065,000	17,800,000
-Gas	3,180,000	2,630,000	2,740,000	2,570,000	2,750,000	13,870,000
-Sewer	1,800,000	1,950,000	2,450,000	2,450,000	2,450,000	11,100,000
-Stormwater	1,265,000	1,155,000	1,055,000	1,150,000	1,150,000	5,775,000
-Street Lighting	1,160,500	575,000	700,000	700,000	700,000	3,835,500
	10,585,500	9,290,000	9,952,500	11,437,500	11,115,000	52,380,500
TOTAL ALL FUNDING SOURCES	43,859,276	32,424,501	20,967,402	21,242,500	16,645,000	135,138,679

Facilities Capital Improvement Plan

Capital Improvement Program Summary

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.

Projects	2019	2020	2021	2022	2023	Total
CIP Eligible VFA Building	175,000	100,000	10,000	490,000	1,000,000	1,775,000
Maintenance Buildings						
Improvements	325,000	350,000	290,000	-	450,000	1,415,000
Civic Buildings (CCW/City						
Hall/Library)	490,000	750,000	575,000	500,000	-	2,315,000
Public Safety Buildings						
(Fire/Police)	410,000	600,000	925,000	810,000	350,000	3,095,000
Total	1,400,000	1,800,000	1,800,000	1,800,000	1,800,000	8,600,000

Funding	2019	2020	2021	2022	2023	Total
Capital Improvement Bond	1,400,000	1,800,000	1,800,000	1,800,000	1,800,000	8,600,000

CIP Eligible VFA Building Improvements

Description:

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

Project	2019	2020	2021	2022	2023	Total
CIP Eligible VFA Building Improvements	175,000	100,000	10,000	490,000	1,000,000	1,775,000
Total	175,000	100,000	10,000	490,000	1,000,000	1,775,000

Funding	2019	2020	2021	2022	2023	Total
Capital Improvement Bond	175,000	100,000	10,000	490,000	1,000,000	1,775,000

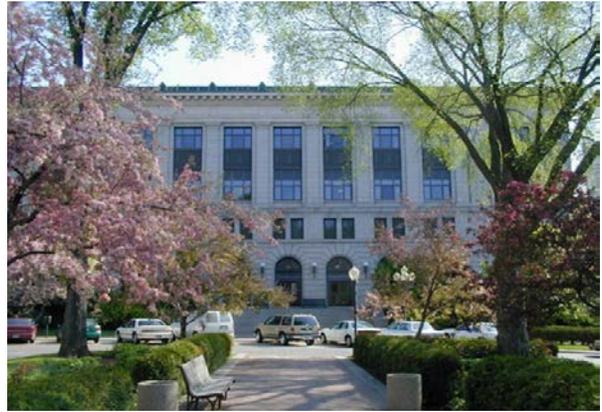
CIP Eligible VFA Building Improvements

Project Title:

CIP Eligible VFA Building Improvements

Description:

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



Funding Source:

FY 2019-2023

Capital Improvement Bond

1,775,000

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 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 constricted facility come to fruition, the focus of this part of the capital plan is on – primarily – maintaining the status quo in a manner that sufficiently meets the operational needs and protects the assets from significant deterioration over the next 5 years.

Project	2019	2020	2021	2022	2023	Total
Fleet building Improvements	-	-	-	-	450,000	450,000
42nd Tool House Improvements	-	-	250,000	-	-	250,000
40th Tool House Improvements	325,000	-	-	-	-	325,000
Lund Tool House Improvements Tree Farm/Riley Road	-	-	40,000	-	-	40,000
Improvements	-	350,000	-	-	-	350,000
Total	325,000	350,000	290,000	-	450,000	1,415,000

Funding	2019	2020	2021	2022	2023	Total
Capital Improvement Bond	325,000	350,000	290,000	-	450,000	1,415,000

Maintenance

Project Title:

Fleet Building Improvements

Description:

Interior upgrades to office and workspaces and roof replacement.



Funding Source:

FY 2023

Capital Improvement Bond 450,000

Project Title:

42nd Tool House Improvements

Description:

Structural study and repair of building envelope.



Funding Source:

FY 2021

Capital Improvement Bond 250,000

Project Title:

40th Tool House Improvements

Description:

Improvements to salt shed.



Funding Source:

FY 2019

Capital Improvement Bond 325,000

Project Title:

Lund Tool House Improvements

Description:

Lighting upgrades for energy efficiency



Funding Source:

FY 2021

Capital Improvement Bond 40,000

Maintenance

Project Title:

Tree Farm/Riley Road Improvements

Description:

Addition of new salt shed.

Funding Source:

FY 2020

Capital Improvement Bond

350,000



Civic (City Center West/City Hall/Library)

Description:

These are the public facing facilities that are owned and operated by the City. Much of the activity in these facilities support the operation of City business by housing staff and serving and points of direct engagement with the public seeking City services such as Construction Services, Planning, Engineering, City Clerk, Elections, Public Library, City Council, Public Commissions and the like. These investments constitute renewal and improvement of core facility infrastructure systems such as lighting, HVAC, emergency systems, and building envelope improvements.

Project	2019	2020	2021	2022	2023	Total
City Center West Improvements	200,000	750,000	175,000	-	-	1,125,000
City Hall	40,000	-	-	500,000	-	540,000
Library Improvements	250,000	-	400,000	-	-	650,000
Total	490,000	750,000	575,000	500,000	-	2,315,000

Funding	2019	2020	2021	2022	2023	Total
Capital Improvement Bond	490,000	750,000	575,000	500,000	-	2,315,000

Civic (City Center West/City Hall/Library)

Project Title:

City Center West Improvements

Description:

HVAC Upgrades, EOC Driveway/Parking lot, Flooring and paint in office areas.

Funding Source:

FY 2019-2021

Capital Improvement Bond 1,125,000



Project Title:

City Hall

Description:

4th & Ground floor redesign study & remodel

Funding Source:

FY 2019, 2022

Capital Improvement Bond 540,000



Project Title:

Library Improvements

Description:

First floor public bathrooms & upgrade elevator.

Funding Source:

FY 2019, 2021

Capital Improvement Bond 650,000



City of Duluth 2019-2023 Capital Improvement Plan

Public Safety (Fire/Police)

Description:

Over the next five years, the City is proposing to invest \$3.1 million in capital maintenance projects at firehalls and police facilities throughout the City. There are remodeling projects to accommodate staff reorganizations as part of the Fire Department consolidation plan. Energy improvements consist of installing new windows and overhead doors, lighting, building controls and replacing furnaces and roofs. Repair and maintenance projects consist of masonry and brick repair, as well as resolving drainage issues and replacing driveways, apparatus bay doors, heating systems, ventilation systems and deferred maintenance requirements identified by the City asset management system (VFA).

Project	2019	2020	2021	2022	2023	Total
Firehall #1 Improvements	310,000	55,000	-	400,000	-	765,000
Firehall #2 Improvements	-	-	-	410,000	-	410,000
Firehall #4 Improvements	-	-	350,000	-	-	350,000
Firehall #7 Improvements	-	-	295,000	-	-	295,000
Firehall #8 Improvements	75,000	-	-	-	-	75,000
Firehall #10 Improvements	25,000	45,000	280,000	-	125,000	475,000
Public Safety Building (Police)	-	500,000	-	-	225,000	725,000
Total	410,000	600,000	925,000	810,000	350,000	3,095,000

Funding	2019	2020	2021	2022	2023	Total
Capital Improvement Bond	410,000	600,000	925,000	810,000	350,000	3,095,000

Public Safety (Fire/Police)

Project Title:

Firehall #1 Improvements

Description:

Apparatus bay floor structural upgrades, general remodeling in kitchen and living space areas, vehicle exhaust ventilation, and building controls.



Funding Source:

FY 2019-2022

Capital Improvement Bond 765,000

Project Title:

Firehall #2 Improvements

Description:

Interior remodeling and roof replacement.



Funding Source:

FY 2022

Capital Improvement Bond 410,000

Project Title:

Firehall #4 Improvements

Description:

Interior upgrades & kitchen remodel



Funding Source:

FY 2021

Capital Improvement Bond 350,000

Project Title:

Firehall #7 Improvements

Description:

Interior upgrades & kitchen remodel



Funding Source:

FY 2021

Capital Improvement Bond 295,000

Public Safety (Fire/Police)

Project Title:

Firehall #8 Improvements

Description:

Turnout/Hose Tower study



Funding Source:

2019

Capital Improvement Bond 75,000

Project Title:

Firehall #10 Improvements

Description:

HVAC study/system replacement and exterior improvements.



Funding Source:

2019-2023

Capital Improvement Bond 475,000

Project Title:

Public Safety Building (Police) Improvements

Description:

2019- build a new impound lot
2023 -VFA end- of- life- cycle facility improvement requirements.



Funding Source:

FY 2019, 2023

Capital Improvement Bond 725,000

Parks and Trails

Parks and Trails Summary

Description:

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

Projects	2019	2020	2021	2022	2023	Total
Trails	2,504,525	2,379,603	25,000	300,000	300,000	5,509,128
Parks	6,510,822	5,619,574	1,198,533	550,000	550,000	14,428,929
Total	9,015,347	7,999,177	1,223,533	850,000	850,000	19,938,057

Funding	2019	2020	2021	2022	2023	Total
Federal Grant	2,101,030	784,400	-	-	-	2,885,430
State Grant	1,085,000	400,000	-	-	-	1,485,000
Other Grants/ Donations/ Funding	1,712,153	1,900,000	-	-	-	3,612,153
Parks Fund	1,133,145	1,280,960	529,000	-	-	2,943,105
Other City Funding	260,500	247,292	-	-	-	507,792
1/2 and 1/2 Tax	2,723,519	3,386,525	694,533	850,000	850,000	8,504,577
Total	9,015,347	7,999,177	1,223,533	850,000	850,000	19,938,057

City of Duluth 2019-2023 Capital Improvement Plan

Parks Detail

Project	2019	2020	2021	2022	2023	Total
Spirit Landing, Trail & Water Access	3,364,219	-	-	-	-	3,364,219
Lincoln Park Restoration	1,866,575	-	-	-	-	1,866,575
Chambers Grove Park MMP Implementation	58,400	-	-	-	-	58,400
Zoo Exhibit Restoration	-	3,800,000	-	-	-	3,800,000
Keene Park MMP Implementation	147,000	-	-	-	-	147,000
Merritt Park MMP Implementation - Design	100,000	165,000	-	-	-	265,000
Central Hillside MMP Implementation - Design	35,000	300,000	-	-	-	335,000
Lower Chester MMP Implementation - Design	35,000	375,000	-	-	-	410,000
Brighton Beach	-	-	100,000	-	-	100,000
Memorial Park MMP Implementation - Memorial	75,000	30,000	480,103	-	-	585,103
Wade/Wheeler Ball Field Improvements - Design	50,000	619,614	-	-	-	669,614
Environmental Restoration	92,895	89,960	-	-	-	182,855
Parks Strategic Master Plan	-	60,000	60,000	-	-	120,000
Piedmont Park MMP Implementation	136,700	-	-	-	-	136,700
Quarry Park MMP Implementation	83,283	-	-	-	-	83,283
Miscellaneous Park Improvements	466,750	180,000	558,430	550,000	550,000	2,305,180
Total	6,510,822	5,619,574	1,198,533	550,000	550,000	14,428,929

Funding	2019	2020	2021	2022	2023	Total
Federal Grant	949,500	-	-	-	-	949,500
State Grant	797,000	-	-	-	-	797,000
Other Grants/Donations/Funding	1,712,153	1,900,000	-	-	-	3,612,153
Parks Fund	817,145	1,209,960	504,000	-	-	2,531,105
Other City Funding	260,500	-	-	-	-	260,500
1/2 and 1/2 Tax	1,974,524	2,509,614	694,533	550,000	550,000	6,278,671
Total	6,510,822	5,619,574	1,198,533	550,000	550,000	14,428,929

City of Duluth 2019-2023 Capital Improvement Plan

2019 Parks Projects

Spirit Landing, Trail & Water Access

Funding Source:

1/2 and 1/2 Tax	681,141
Other City Funds	260,500
Federal Grants	100,000
State Grants	797,000
Other Grants/Donations	1,525,578
Total	3,364,219



Lincoln Park Restoration

Funding Source:

Parks Fund	37,500
1/2 and 1/2 Tax	850,000
Federal Grants	792,500
Other Grants/Donations	186,575
Total	1,866,575



Chambers Grove Park MMP Implementation

Funding Source:

1/2 and 1/2 Tax	58,400
Total	58,400



City of Duluth 2019-2023 Capital Improvement Plan

2019 Parks Projects

Keene Park MMP Implementation

Funding Source:

1/2 and 1/2 Tax	90,000
Federal Grants	57,000
Total	147,000



Merritt Park MMP Implementation - Design

Funding Source:

Parks Fund	100,000
Total	100,000



Central Hillside MMP Implementation - Design

Funding Source:

Parks Fund	35,000
Total	35,000



City of Duluth 2019-2023 Capital Improvement Plan

2019 Parks Projects

Lower Chester MMP Implementation - Design

Funding Source:

Parks Fund	35,000
Total	35,000



Memorial Park MMP Implementation - Memorial

Funding Source:

1/2 and 1/2 Tax	75,000
Total	75,000



Wade/Wheeler Ball Field Improvements - Design

Funding Source:

Parks Fund	50,000
Total	50,000



City of Duluth 2019-2023 Capital Improvement Plan

2019 Parks Projects

Environmental Restoration

Funding Source:

Parks Fund 92,895

Total 92,895



Piedmont Park MMP Implementation

Funding Source:

1/2 and 1/2 Tax 136,700

Total 136,700



Quarry Park MMP Implementation

Funding Source:

1/2 and 1/2 Tax 83,283

Total 83,283



City of Duluth 2019-2023 Capital Improvement Plan

2019 Parks Projects

Miscellaneous Park Improvements

Funding Source:

Parks Fund 466,750

Total 466,750



City of Duluth 2019-2023 Capital Improvement Plan

Trails Detail

Project	2019	2020	2021	2022	2023	Total
Cross City Trail-River Route & Wayfinding	1,875,369	734,400	-	-	-	2,609,769
Western Waterfront Trail Wayfinding	178,156	-	-	-	-	178,156
Snowmobile Trail	-	325,000	-	-	-	325,000
Brighton Beach Lakewalk Extension	-	593,292	-	-	-	593,292
Lakewalk Mini-Master Plan	120,000	-	-	-	-	120,000
DWP - Sargent Creek Bridge	-	701,911	-	-	-	701,911
Miscellaneous Trail Improvements	331,000	25,000	25,000	300,000	300,000	981,000
Total	2,504,525	2,379,603	25,000	300,000	300,000	5,509,128

Funding	2019	2020	2021	2022	2023	Total
Federal Grant	1,151,530	784,400	-	-	-	1,935,930
State Grant	288,000	400,000	-	-	-	688,000
Parks Fund	316,000	71,000	25,000	-	-	412,000
Other City Funding	-	247,292	-	-	-	247,292
1/2 and 1/2 Tax	748,995	876,911	-	300,000	300,000	2,225,906
Total	2,504,525	2,379,603	25,000	300,000	300,000	5,509,128

City of Duluth 2019-2023 Capital Improvement Plan

2019 Trails Projects

Cross City Trail-River Route & Wayfinding

Funding Source:

1/2 and 1/2 Tax	524,917
Federal Grants	1,062,452
State Grants	288,000

Total 1,875,369

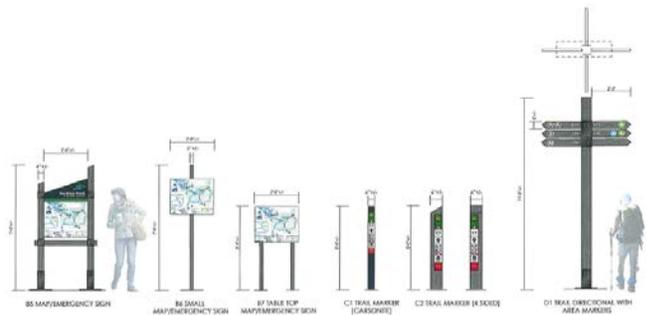


Western Waterfront Trail Wayfinding

Funding Source:

1/2 and 1/2 Tax	89,078
Federal Grants	89,078

Total 178,156



Lakewalk Mini-Master Plan

Funding Source:

Parks Fund	120,000
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Total 120,000



City of Duluth 2019-2023 Capital Improvement Plan

2019 Trails Projects

Miscellaneous Trail Improvements

Funding Source:

Parks Fund	196,000
1/2 and 1/2 Tax	135,000
Total	331,000



Street and Bridge Reconstruction and Preservation Program

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, and developer contributions. Utility Improvements that may occur in conjunction with these projects are included in the Utilities Capital Improvement Plan.

Operating Cost Implications of 2019 Approved Projects:

Typically, operating costs for street maintenance remain fairly constant as the same number of streets are overlaid or reconstructed annually. The Superior Street reconstruction project from 2019-2020 will require significant investment from multiple funding sources for multiple years.

Project	2019	2020	2021	2022	2023	Total
Superior Street	7,826,281	7,694,855	-	-	-	15,521,136
Aerial Lift Bridge Paint & Structural Repairs	10,000,000	-	-	-	-	10,000,000
Garfield Ave	238,438	-	-	-	-	238,438
Decker Rd: Recondition & Utilities (Piedmont Ave to Mall Dr)	1,526,710	-	-	-	-	1,526,710
Kayak Bay Drive and signal at TH 23	247,000	-	-	-	-	247,000
Waseca Industrial Blvd Extension	1,550,000	-	-	-	-	1,550,000
East 3rd Street	-	1,356,250	-	-	-	1,356,250
Rice Lake Rd /Arlington /Arrowhead intersection improvements	-	310,000	-	-	-	310,000
ADA Upgrades at Lake & 5th Ave Bridges	-	194,219	194,219	-	-	388,438
Railroad Street (Lake Ave to 5th Ave W)	-	-	1,717,150	-	-	1,717,150
Glenwood & Snively Intersection Improvements (County)	-	-	-	750,000	-	750,000
Arrowhead Rd Mill & Overlay (w/County)	-	-	-	737,500	-	737,500
Street Preservation (Various Locations)	890,000	1,000,000	2,600,000	2,700,000	2,500,000	9,690,000
Signal Replacement (City share of County Projects)	-	-	-	187,500	-	187,500
Misc Annual Infrastructure Sidewalks (includes 27th Ave W)	260,000	260,000	260,000	260,000	260,000	1,300,000
	120,000	120,000	120,000	120,000	120,000	600,000
Total	22,658,429	10,935,324	4,891,369	4,755,000	2,880,000	46,120,122

Street Improvement & Bridge Projects Summary

Funding	2019	2020	2021	2022	2023	Total
Federal	1,706,806	1,229,219	1,404,219	1,340,000	-	5,680,244
State	18,055,342	7,871,250	1,707,150	1,635,000	1,100,000	30,368,742
Street System Mtce Levy	1,516,281	1,494,855	1,500,000	1,500,000	1,500,000	7,511,136
Permanent Improvement	280,000	340,000	280,000	280,000	280,000	1,460,000
Other (TED Grant)	1,100,000	-	-	-	-	1,100,000
Total	22,658,429	10,935,324	4,891,369	4,755,000	2,880,000	46,120,122

Miscellaneous Annual Infrastructure

Description:

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

Project	2019	2020	2021	2022	2023	Total
Permanent Improvements	200,000	200,000	200,000	200,000	200,000	1,000,000
Patch & Sidewalks	180,000	180,000	180,000	180,000	180,000	900,000
Total	380,000	380,000	380,000	380,000	380,000	1,900,000

Funding	2019	2020	2021	2022	2023	Total
PI Fund	280,000	280,000	280,000	280,000	280,000	1,400,000
Street System Mtce Levy	100,000	100,000	100,000	100,000	100,000	500,000
Total	380,000	380,000	380,000	380,000	380,000	1,900,000

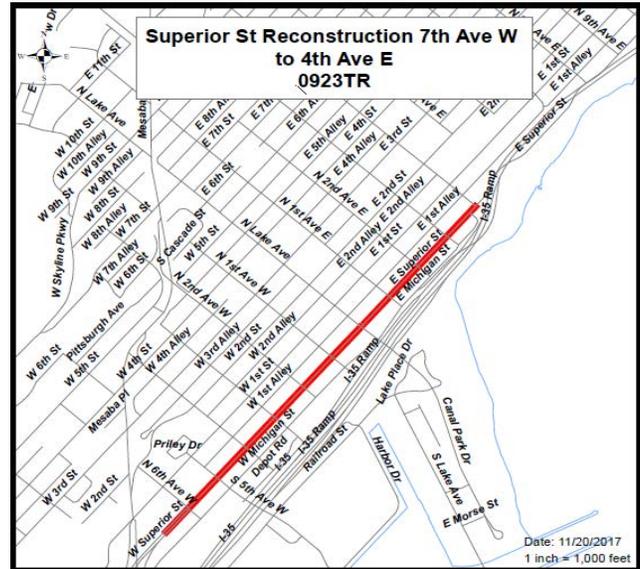
Street Improvement & Bridge Projects

Project Title:

Superior Street Reconstruction:
 Construction Timeline & Detailed Plans at:
www.superiorstreet.org

Funding Source:

	2019-2020
MSA	14,600,000
Street System Mtce Levy	921,136
Street Improvement Subtotal	15,521,136
PROJECT TOTAL:	\$15,521,136

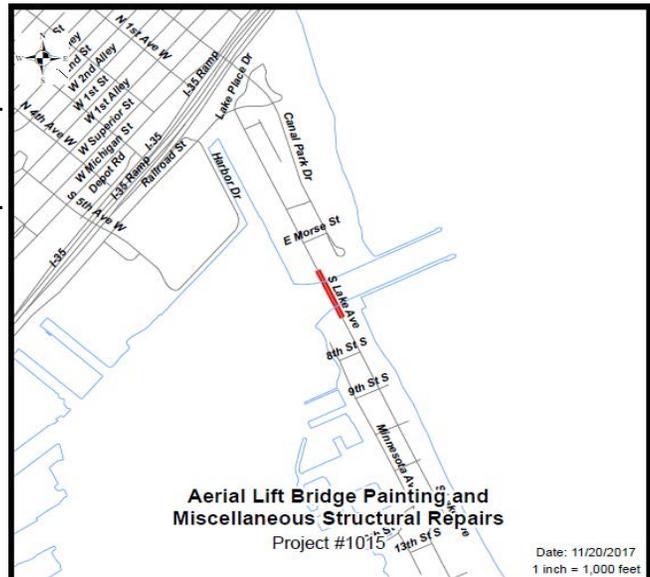


Project Title:

#1015 Aerial Lift Bridge
 Painting and Misc. Structural Repairs

Funding Source:

	2019
MSA	1,300,000
State Bridge Bond	8,700,000
Street Improvement Subtotal	10,000,000
PROJECT TOTAL:	\$10,000,000



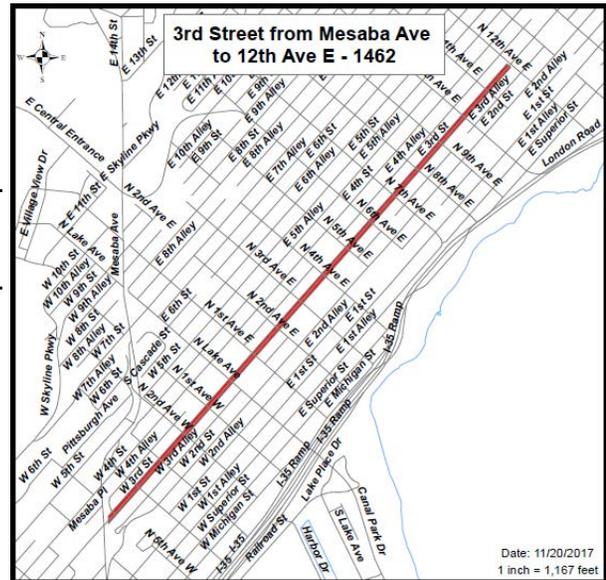
Street Improvement & Bridge Projects

Project Title:

#1462: E 3rd Street Recondition
 Mesaba to 12th Avenue E

Funding Source:

	2020
Federal	1,110,000
MSA	246,250
Street Improvement Subtotal	1,356,250
PROJECT TOTAL:	\$1,356,250



Project Title:

#1758: Rice Lake/Arlington/Arrowhead Intersection
 -includes sidewalk on Arrowhead Rd
 (City Share of County Project)

Funding Source:

	2020
MSA	250,000
Permanent Improvement Fund	60,000
Street Improvement Subtotal	310,000
PROJECT TOTAL:	\$310,000



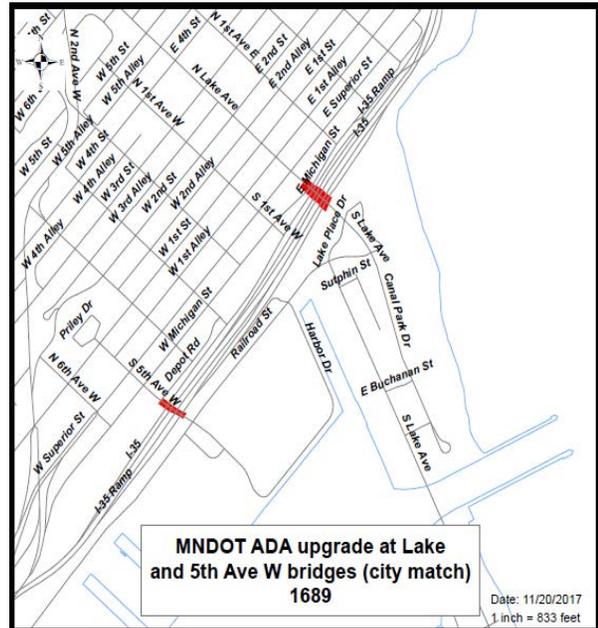
Street Improvement & Bridge Projects

Project Title:

1689: ADA Upgrades at Lake & 5th Ave Bridges
(City Match to MNDOT)

Funding Source:

	2020 & 2021
Federal	238,438
MSA	150,000
Street Improvement Subtotal	388,438
PROJECT TOTAL:	\$388,438



Project Title:

#1463: Railroad Street
Lake Avenue to 5th Ave W

Funding Source:

	2021
Federal	1,285,000
MSA	432,150
Street Improvement Subtotal	1,717,150
PROJECT TOTAL:	\$1,717,150



Street Improvement & Bridge Projects

Project Title:

#1712: Glenwood and Snively Intersection Improvements
(With County)

Funding Source:

	<u>2022</u>	
Federal	600,000	
MSA	150,000	
Street Improvement Subtotal	<u>750,000</u>	
PROJECT TOTAL:		\$750,000

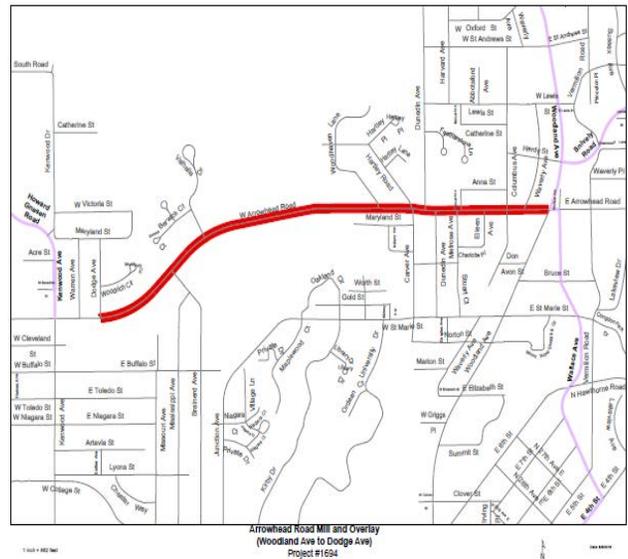


Project Title:

#1696: Arrowhead Rd, Mill & Overlay: Dodge to Woodland Ave
(With County)

Funding Source:

	<u>2022</u>	
Federal	590,000	
MSA	147,500	
Street Improvement Subtotal	<u>737,500</u>	
PROJECT TOTAL:		\$737,500



Street Improvement & Bridge Projects

Project Title:

Street Preservation Projects
 Various Locations

Annual Preservation Projects are determined based on criteria outlined in the City's Street Improvement Program.

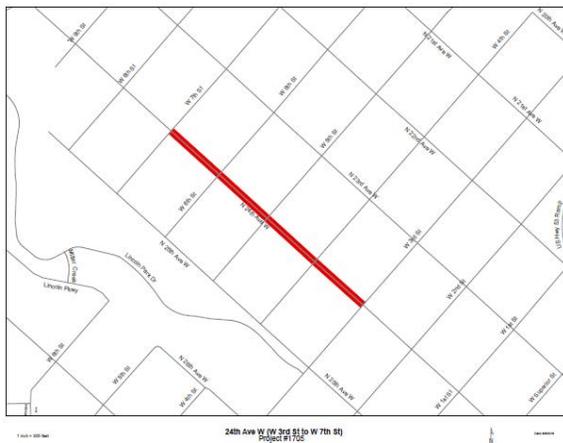
Funding Source:

	<u>2019-2023</u>
MSA	3,600,000
Street System Mtce Levy	<u>6,090,000</u>
Street Improvement Subtotal	9,690,000

2019 Projects include:

- * 24th Ave W Restoration for Water Main Replacement
- * Concrete Pavement Repairs (CPR) to 24th & 26th Ave E
- * Chip Sealing of various streets in conjunction with St. Louis County.

PROJECT TOTAL: **\$9,690,000**



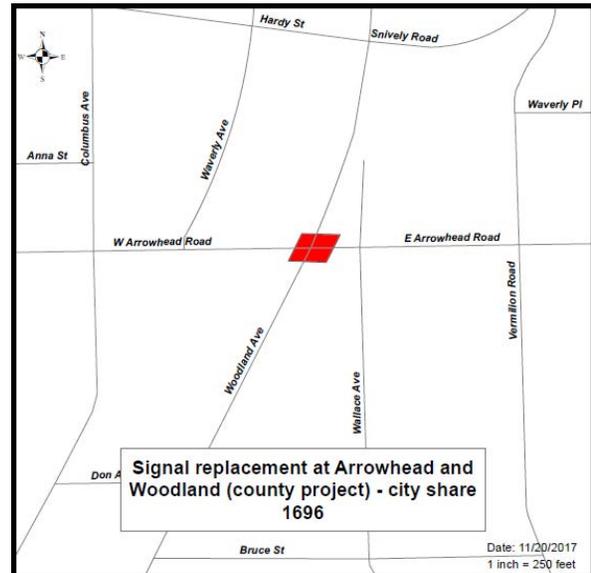
Street Improvement & Bridge Projects

Project Title:

#1696: Arrowhead & Woodland Signal replacement
(County Project -City Share)

Funding Source:

	<u>2022</u>
Federal	150,000
MSA	37,500
<u>Street Improvement Subtotal</u>	<u>187,500</u>
PROJECT TOTAL:	\$187,500



Capital Utility Projects

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 2019 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 signal system replacements provides cost avoidance of maintenance on temporary fixtures.

Projects	2019	2020	2021	2022	2023	Total
Water	3,382,019	5,382,020	6,109,521	6,969,522	4,067,023	25,910,105
Gas	3,180,000	2,630,000	2,740,000	2,570,000	2,750,000	13,870,000
Sewer	1,800,000	1,950,000	2,450,000	2,450,000	2,450,000	11,100,000
Stormwater	1,265,000	1,155,000	1,055,000	1,150,000	1,150,000	5,775,000
Street Lighting	1,160,500	575,000	700,000	700,000	700,000	3,835,500
Total	10,787,519	11,692,020	13,054,521	13,839,522	11,117,023	60,490,605

Funding	2019	2020	2021	2022	2023	Total
Water Improvement						
Bonds/Loans	200,000	2,400,000	3,100,000	2,400,000	-	8,100,000
Water - Current Revenue	3,182,019	2,982,020	3,009,521	4,569,522	4,067,023	17,810,105
Gas - Current Revenue	3,180,000	2,630,000	2,740,000	2,570,000	2,750,000	13,870,000
Sewer - Current Revenue	1,800,000	1,950,000	2,450,000	2,450,000	2,450,000	11,100,000
Stormwater - Current Revenue	1,265,000	1,155,000	1,055,000	1,150,000	1,150,000	5,775,000
Street Lighting - Current Revenue	1,160,500	575,000	700,000	700,000	700,000	3,835,500
Total	10,787,519	11,692,020	13,054,521	13,839,522	11,117,023	60,490,605

City of Duluth 2019-2023 Capital Improvement Plan

Capital Utility Projects

Description: Water Capital Projects

The proposed water projects over the next five years include updating aging infrastructure by replacing those distribution mains with a high number of recurring leaks. Rehabilitation of primary transmission lines and pump station upgrades will increase system reliability to meet water demand. Significant 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. Bonding of \$4.2 Million in 2018 will continue to fund the 2019-2020 Downtown Superior Street reconstruction of water mains.

Project	2019	2020	2021	2022	2023	Total
24th Ave W - 3rd to 7th Street	450,000	-	-	-	-	450,000
40th Ave W (County)	-	-	-	600,000	-	600,000
Arlington Pump Station 20" main (MNDOT)	-	-	-	-	1,800,000	1,800,000
Arrowhead and Rice Lake Road (County)	-	200,000	-	-	-	200,000
Cathodic Protection System on 42" steel	80,000	80,000	80,000	80,000	-	320,000
Central Entrance feed pipe (MNDOT)	-	-	-	-	1,640,000	1,640,000
Decker Road - Piedmont to Mall Drive	750,000	750,000	-	-	-	1,500,000
Duluth Heights Phase 1 and 2	-	-	907,500	-	-	907,500
Duluth Heights Phase 3	-	-	-	1,100,000	-	1,100,000
Electrical upgrades at Water Treatment Plant	-	-	-	-	150,000	150,000
Far East Superior St. services off 42"	-	-	600,000	700,000	-	1,300,000
Fascia repairs at main pump building	-	100,000	-	-	-	100,000
Gogebic Creek (MNDOT)	-	-	200,000	-	-	200,000
Hidden Valley Phase 2 water main replacement	-	1,250,000	-	-	-	1,250,000
Lakewood roof replacement	850,000	-	-	-	-	850,000
McCuen Street (MNDOT)	350,000	-	-	-	-	350,000
Middle Pump Station	-	2,400,000	-	-	-	2,400,000
Middle Pump Station design	200,000	-	-	-	-	200,000
Middle transmission main	-	-	2,500,000	-	-	2,500,000

Continued on next page

City of Duluth 2019-2023 Capital Improvement Plan

Capital Utility Projects

Project	2019	2020	2021	2022	2023	Total
Morris Thomas water main (County)	-	-	1,100,000	-	-	1,100,000
Paint pipe at Lester Creek bridge (County)	100,000	-	-	-	-	100,000
Pump station service entrance	-	-	-	-	75,000	75,000
Upper Lakeside Phase 1 connection on Glenwood	-	-	-	900,000	-	900,000
Upper Lakeside Phase 2 connection at golf course	-	-	-	787,500	-	787,500
US Steel Creek (MNDOT)	-	-	120,000	-	-	120,000
Water main project TBD	-	-	-	400,000	400,000	800,000
Woodland Ave. and East Calvary main (County)	600,000	600,000	-	-	-	1,200,000
Woodland Pump Station	-	-	-	2,400,000	-	2,400,000
Woodland Pump Station design	-	-	600,000	-	-	600,000
Total	3,382,019	5,382,020	6,109,521	6,969,522	4,067,023	25,900,000

Funding	2019	2020	2021	2022	2023	Total
Water Improvement Bonds	200,000	2,400,000	3,100,000	2,400,000	-	8,100,000
Water - Current Revenue	3,182,019	2,982,020	3,009,521	4,569,522	4,067,023	17,810,105
Total	3,382,019	5,382,020	6,109,521	6,969,522	4,067,023	25,910,105

City of Duluth 2019-2023 Capital Improvement Plan

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	2019	2020	2021	2022	2023	Total
3rd St, Vernon, 2nd Street Alley	-	-	-	200,000	-	200,000
20th & 23rd Ave. W, 10th Street	-	-	-	-	500,000	500,000
58th Avenue West	-	200,000	-	-	-	200,000
Decker Road - Piedmont to Mall Drive	500,000	-	-	-	-	500,000
Gas main extensions & services	1,350,000	1,500,000	1,500,000	1,500,000	1,500,000	7,350,000
Great Lakes Interconnect gas heater	150,000	-	-	-	-	150,000
Gogebic culverts (MNDOT)	-	-	100,000	-	-	100,000
Meter relocations/bollards	250,000	250,000	250,000	250,000	250,000	1,250,000
Michigan Street gas project	-	-	-	120,000	-	120,000
Misc. steel replacement	-	500,000	250,000	500,000	500,000	1,750,000
Morris Thomas 12" gas main	-	-	500,000	-	-	500,000
Rice Lake and Arrowhead (County)	200,000	-	-	-	-	200,000
Stora Enso building shell	-	-	140,000	-	-	140,000
Stora Enso flow meter	-	150,000	-	-	-	150,000
Superior Street reconstruction	30,000	30,000	-	-	-	60,000
Woodland Avenue 6" steel	700,000	-	-	-	-	700,000
Total	3,180,000	2,630,000	2,740,000	2,570,000	2,750,000	13,870,000

Funding	2019	2020	2021	2022	2023	Total
Gas - Current Revenue	3,180,000	2,630,000	2,740,000	2,570,000	2,750,000	13,870,000

City of Duluth 2019-2023 Capital Improvement Plan

Capital Utility Projects

Description: Sanitary Sewer Capital Projects

The proposed sanitary sewer projects over the next five years focus on the continued lining or rehabilitation of leaking pipes and the reconstruction of five of 48 sanitary sewer lift stations located throughout the city. A significant project to reline sanitary sewer pipes in Park Point begins in 2019.

Project	2019	2020	2021	2022	2023	Total
Arrowhead and Rice Lake Road (County)	-	150,000	-	-	-	150,000
Citywide sanitary sewer rehab/lining	-	-	2,000,000	2,000,000	2,000,000	6,000,000
Decker Road - Piedmont to Mall Drive	200,000	-	-	-	-	200,000
Lift station rehabilitation	450,000	450,000	450,000	450,000	450,000	2,250,000
Park Point lining	700,000	1,300,000	-	-	-	2,000,000
Superior Street laterals	50,000	50,000	-	-	-	100,000
Woodland Avenue and East Calvary (County)	400,000	-	-	-	-	400,000
Total	1,800,000	1,950,000	2,450,000	2,450,000	2,450,000	11,100,000

Funding	2019	2020	2021	2022	2023	Total
Sewer - Current Revenue	1,800,000	1,950,000	2,450,000	2,450,000	2,450,000	11,100,000

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, Chester, Clarkhouse, Greys and Lower Coffee Creeks 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 continues during 2019-2020.

Project	2019	2020	2021	2022	2023	Total
Annual street projects	100,000	100,000	100,000	100,000	100,000	500,000
Block-long culvert & ditch system	-	-	-	-	250,000	250,000
Brewery Creek tuckpointing	-	-	190,000	-	-	190,000
Chester Creek box culvert fish passage	-	-	-	40,000	300,000	340,000
Citywide catch basing & storm sewer improvements	125,000	560,000	100,000	-	250,000	1,035,000
Citywide pipe repairs & down drains	-	-	350,000	310,000	250,000	910,000
Clarkhouse Creek	-	50,000	100,000	-	-	150,000
East Chester Creek (Norton & Thurber)	-	45,000	15,000	500,000	-	560,000
Greys Creek	-	50,000	100,000	-	-	150,000
Lower Coffee Creek	-	50,000	100,000	100,000	-	250,000
Superior Street culvert extensions	-	-	-	100,000	-	100,000
Superior Street reconstruction	300,000	300,000	-	-	-	600,000
TH39 McCuen Street in Gary (MNDOT)	200,000	-	-	-	-	200,000
Woodland/Calvary reconstruction (County)	540,000	-	-	-	-	540,000
Total	1,265,000	1,155,000	1,055,000	1,150,000	1,150,000	5,775,000

Funding	2019	2020	2021	2022	2023	Total
Stormwater - Current Revenue	1,265,000	1,155,000	1,055,000	1,150,000	1,150,000	5,775,000

Capital Utility Projects

Description: **Street Lighting Capital Projects**

The proposed street lighting capital plan over the next five years will utilize most resources on the replacement of traffic signal systems located throughout the city. Signal and lighting replacements for the Downtown Superior Street project continues in 2019-2020.

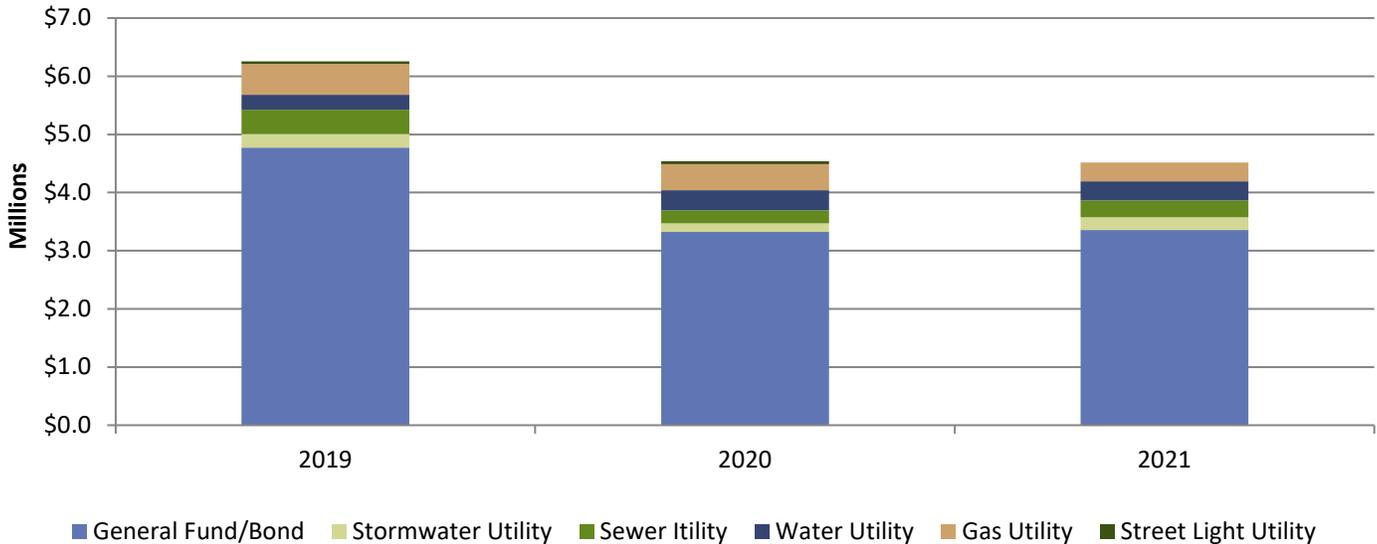
Project	2019	2020	2021	2022	2023	Total
Superior Street reconstruction	825,000	225,000	-	-	-	1,050,000
Signal & lighting communication upgrades	75,000	-	-	-	-	75,000
Traffic signal upgrades	-	350,000	700,000	700,000	700,000	2,450,000
Warwick signal system	110,500	-	-	-	-	110,500
Emergency Vehicle Pre-emption	150,000	-	-	-	-	150,000
Total	1,160,500	575,000	700,000	700,000	700,000	3,835,500

Funding	2019	2020	2021	2022	2023	Total
Street Lighting - Current Revenue and Property Taxes	1,160,500	575,000	700,000	700,000	700,000	3,835,500

CAPITAL EQUIPMENT 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. \$15.3 million is proposed in this plan for the period of 2019 through 2021. Of that total, equipment for the General Fund is \$11.4 million to be financed with bonds. The balance of \$3.9 million is proposed for the combined enterprise funds of Water, Gas, Sewer, Stormwater, and Street Lighting. Shown in the chart below are the various funding sources by year for the plan.



	2019	2020	2021	Total
General Fund/Bond	4,772,471	3,321,445	3,354,350	11,448,266
Water Fund	257,150	344,800	326,450	928,400
Gas Fund	528,150	444,600	322,250	1,295,000
Sewer Fund	414,750	227,350	290,875	932,975
Stormwater Fund	237,350	148,250	220,925	606,525
Street Lighting	47,000	49,000	0	96,000
Total Plan	6,256,871	4,535,445	4,514,850	15,307,166

2019 Proposed Equipment

The City is proposing a total of \$6.3 million in capital equipment expenditures for 2019. This includes equipment for General Fund operating departments and the utility funds named above. The General Fund portion is \$4.8 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 \$3.14 million in rolling stock vehicles comprised of Park Maintenance vehicles totaling \$.39 million; Fire vehicles totaling \$1.43 million; Police vehicles totaling \$.61 million; Construction Services vehicles totaling \$.05 million; Street Maintenance vehicles totaling \$.52 million; Fleet vehicles totaling \$.03 million; Facilities equipment totaling \$.10; and Transportation Engineering vehicles totaling \$.03 million. The non-rolling stock equipment plan of \$1.63 million proposed by the City for 2019 is for technology improvements and replacements, police and fire equipment, voting equipment for clerk's office and engineering equipment.

The breakdown of equipment for the utility funds in 2019 includes \$.29 million for non-rolling stock equipment and \$1.20 million for rolling stock vehicles for a total of \$1.49 million in 2019.

City of Duluth 2019 - 2021 Capital Equipment Program
General Fund Rolling Stock Vehicles

	2019	2020	2021	Total
Fire Department				
Fire Trucks/Apparatus	1,375,000	-	-	1,375,000
Vehicle Replacements	50,000	45,000	165,000	260,000
Subtotal Fire Department	1,425,000	45,000	165,000	1,635,000
Construction Services				
Inspector Vehicles	50,000	-	-	50,000
Subtotal Constructive Services	50,000	-	-	50,000
Police Department				
Police Vehicles	610,000	615,000	620,000	1,845,000
Subtotal Police Department	610,000	615,000	620,000	1,845,000
Facilities Management				
Truck with Lift & Service Body	52,000	150,000	-	202,000
Service Van	35,000	-	-	35,000
Genie Lift	10,000	-	-	10,000
JLG Lift	-	-	90,000	90,000
Subtotal Facilities Management	97,000	150,000	90,000	337,000
Park Maintenance				
Tool Cat	37,500	-	-	37,500
Wide Area Mower	-	-	73,000	73,000
SnoQuip Blowers	56,000	-	-	56,000
Turfco Top Dresser	-	22,000	-	22,000
John Deere Gator	-	21,000	-	21,000
Sidewalk Cleaner	165,000	-	-	165,000
5 Yard Dump/Chipper Truck	90,000	-	-	90,000
4x4 Crewcab Pickup	37,000	-	-	37,000
1-Ton Dump Pickup with Plow	-	72,000	-	72,000
Stump Grinder	-	40,000	-	40,000
Toro Workman	-	36,000	-	36,000
CanyCom Wheelbarrow	-	-	12,000	12,000
Chipper	-	-	58,000	58,000
Toro Sand Pro	-	-	32,000	32,000
Subtotal Park Maintenance	385,500	191,000	175,000	751,500
Fleet				
Crew Cab w/Service Body	30,000	-	-	30,000
Service Body and Outfitting	-	27,000	-	27,000
Subtotal Fleet	30,000	27,000	-	57,000

Continued on next page

City of Duluth 2019 - 2021 Capital Equipment Program
General Fund Rolling Stock Vehicles

	2019	2020	2021	Total
Street Maintenance				
New Plow Truck	-	-	235,000	235,000
Backhoe	-	-	75,000	75,000
Asphalt Trailer	33,000	-	60,000	93,000
Retro Fit Plow Trucks	370,000	190,000	-	560,000
3/4 Ton Pickups	37,334	-	-	37,334
Sweeper	-	265,000	-	265,000
3/4 Ton Pickup w/Plow	37,333	-	120,000	157,333
3/4 Ton Crew	37,333	-	-	37,333
1 Ton Dump Truck w/Plow	-	75,000	60,000	135,000
Subtotal Street Maintenance	515,000	530,000	550,000	1,595,000
Parks Department				
Small SUV for Transport	-	30,000	-	30,000
Subtotal Parks Department	-	30,000	-	30,000
Transportation Engineering				
Engineering Vehicles	30,000	17,000	50,000	97,000
Subtotal Transportation Engineering	30,000	17,000	50,000	97,000
Rolling Stock Bond Total	3,142,500	1,605,000	1,650,000	6,397,500

City of Duluth Minnesota - 2019 Budget

Operating Costs for Rolling Stock Vehicles

Item Description	2019	2020	2021	2022	2023	2024	2025	7-year total
New Engine	8,228	14,132	41,154	20,698	35,911	27,241	24,561	171,925
Half-ton Crew Cab Pick-up for Training Officer	1,044	1,595	1,342	4,216	3,758	3,378	2,556	17,889
Construction Services Vehicles	1,644	1,271	1,296	2,065	1,569	1,569	1,569	10,983
Police Vehicles	3,254	7,340	4,733	4,558	5,839	3,582	4,884	34,191
Skidsteer & Trailer	1,442	1,880	4,711	5,244	3,321	4,161	8,003	28,762
Crafco Trailer	1,094	3,405	7,381	3,831	4,588	4,621	4,153	29,074
2- Retro Fit Plow Trucks	10,732	13,827	17,447	20,671	15,711	19,025	16,235	113,647
Loader	3,744	6,717	5,633	6,373	5,557	11,455	6,580	46,058
3/4 Ton Pickup - Traffic	1,044	1,595	1,342	4,216	3,758	3,378	2,556	17,889
4WD Mowers	1,479	2,522	4,820	2,837	5,631	3,458	3,458	24,204
Skidsteer	1,442	1,880	4,711	5,244	3,321	4,161	8,003	28,762
Trailers	669	650	1,389	2,132	879	1,700	5,233	12,651
Wide Area Mower	1,479	2,522	4,820	2,837	5,631	3,458	3,458	24,204
John Deere Gator	452	837	496	268	671	1,609	2,096	6,430
Tower Replacement	8,228	14,132	41,154	20,698	35,911	27,241	24,561	171,925
Vehicle Replacements	1,044	1,595	1,342	4,216	3,758	3,378	2,556	17,889
Construction Services Vehicles	1,644	1,271	1,296	2,065	1,569	1,569	1,569	10,983
Police Vehicles	3,254	7,340	4,733	4,558	5,839	3,582	4,884	34,191
Truck with Lift & Service Body	1,265	2,369	2,218	9,017	3,126	4,298	5,206	27,499
Service Van	3,780	269	2,823	1,552	2,320	3,083	2,691	16,517
Genie Lift	1,266	295	916	521	750	750	750	5,247
Tool Cat	1,796	2,492	3,172	2,486	3,677	5,191	2,511	21,325
SnoQuip Blowers	2,292	4,354	7,290	7,888	5,480	5,136	6,554	38,994
Sidewalk Cleaner	162	4,435	3,890	5,917	11,370	13,402	7,853	47,028
5 Yard Dump/Chipper Truck	10,732	13,827	17,447	20,671	15,711	19,025	16,235	113,647
4x4 Crewcab Pickup	1,044	1,595	1,342	4,216	3,758	3,378	2,556	17,889
Crew Cab w/service body	1,044	1,595	1,342	4,216	3,758	3,378	2,556	17,889
Asphalt Trailer	1,094	3,405	7,381	3,831	4,588	4,621	4,153	29,074
Retro Fit Plow Trucks	10,732	13,827	17,447	20,671	15,711	19,025	16,235	113,647
3/4 Ton Pickups	1,044	1,595	1,342	4,216	3,758	3,378	2,556	17,889
3/4 Ton Pickup w/Plow	1,044	1,595	1,342	4,216	3,758	3,378	2,556	17,889
3/4 Ton Crew	1,044	1,595	1,342	4,216	3,758	3,378	2,556	17,889
Engineering Vehicle	3,308	974	1,078	1,546	875	1,001	1,463	10,244

City of Duluth 2019 - 2021 Capital Equipment Program

General Fund Rolling Stock Vehicles

Fire Department - Equipment Title:
Fire Trucks/Apparatus

Description:
This fire truck is equipped with a ladder.

Funding Source:

	<u>FY 2019</u>
General Fund Reserves	1,375,000



Fun Fact: During the lifecycle of the tower (1998-2018) it went on 18,166 runs.

Fire Department - Equipment Title:
Vehicle Replacement

Description:
Station 10 responds to emergencies at Mont du Lac per contract with the Town of Superior. In the winter, the steep incline of the road to the upper chalet makes it extremely difficult for a fire apparatus to respond.

Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	50,000



Construction Services - Equipment Title:
Inspector Vehicles

Description:
Vehicle were used to transport staff to construction sites for inspections.

Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	50,000



Fun Fact: We put on 80-90 miles per day

City of Duluth 2019 - 2021 Capital Equipment Program

General Fund Rolling Stock Vehicles

Police Department - Equipment Title:

Police Vehicles

Description:

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



Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	610,000

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

Facilities Management - Equipment Title

Truck with Lift & Service Body

Description:

The trucks are mobile maintenance shops that transport people and tools to on-site locations throughout the City to provide maintenance services.



Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	52,000

Facilities Management - Equipment Title

Service Van

Description:

These vans are traveling maintenance shops that carry the people, tools, and supplies needed to perform on-site maintenance throughout the City.



Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	35,000

City of Duluth 2019 - 2021 Capital Equipment Program

General Fund Rolling Stock Vehicles

Facilities Management - Equipment Title

Genie Lift

Description:

This is a small personnel lift that is replacing a unit that is 14 years old and beyond its useful life.



Funding Source:

FY 2019

Capital Equipment Bond

10,000

Park Maintenance - Equipment Title:

Tool Cat

Description:

This unit is equipped to handle 13 different attachments such as mowers, sweepers, brush cutter, stump grinders, snow blowers, etc



Funding Source:

FY 2019

Capital Equipment Bond

37,500

Park Maintenance - Equipment Title:

SnoQuip Blowers

Description:

With this equipment, you can clear the width of a sidewalk in one pass, in snow up to 3 feet deep.



Funding Source:

FY 2019

Capital Equipment Bond

56,000

City of Duluth 2019 - 2021 Capital Equipment Program

General Fund Rolling Stock Vehicles

Park Maintenance - Equipment Title:

Sidewalk Cleaner

Description:

This is used primarily for snow blowing and sweeping City sidewalks.



Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	165,000

Park Maintenance - Equipment Title:

5 Yard Dump/Chipper Truck

Description:

This is used in conjunction with a chipper and carries 3-5 yards of chips to a dump site, which allows a larger volume of tree debris to be hauled



Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	90,000

Fun Fact: Trees up to 10-12 inches in diameter can be removed and hauled away with this equipment.

Park Maintenance - Equipment Title:

4x4 Crewcab Pickup

Description:

This is used to transport personnel, supplies and equipment from job site to job site.



Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	37,000

Fun Fact: We add 40 to 50 temporary employees during the summer season. We need large capacity vehicles to transport this staff.

City of Duluth 2019 - 2021 Capital Equipment Program

General Fund Rolling Stock Vehicles

Fleet - Equipment Title:

Crew Cab with Service Body

Description:

With the expanded capabilities of an updated service vehicle we give ourselves a better chance of repairing breakdowns in the field instead of paying to tow them to the Fleet garage.



Fun Fact: The unit being replaced is 22 years old. It has been the Fleet Front line service vehicle for over 12 years. That is after serving a full lifecycle in the Fire Department as a Rescue Squad.

Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	30,000

Street Maintenance - Equipment Title:

Asphalt Trailer

Description:

Hauls and heats asphalt for street patching.



Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	33,000

Street Maintenance - Equipment Title:

Retro Fit Plow Trucks

Description:

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



Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	370,000

Fun Fact: In addition to hauling materials; our trucks will plow approximately 20,000,000 cu.ft. of snow each year!

City of Duluth 2019 - 2021 Capital Equipment Program

General Fund Rolling Stock Vehicles

Street Maintenance - Equipment Title:
3/4 Ton Pickup

Description:
Pickups are used primarily for hauling personnel, equipment, traffic control devices and trailored equipment.

Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	37,334



Fun Fact: These two units have been used to provide traffic, special event, and street maintenance support for the past 22 years

Street Maintenance - Equipment Title:
3/4 Ton Pickup with Plow

Description:
Pickups are used primarily for hauling personnel, equipment, traffic control devices and trailored equipment.

Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	37,333



Street Maintenance - Equipment Title:
3/4 Ton Crew

Description:
Used for Traffic Maintenance functions, carrying signs & barriers, diverting traffic, assisting in street line painting etc.

Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	37,333



Fun Fact: This vehicle served our fleet service department for 18 years prior to its service to the Street division.

City of Duluth 2019 - 2021 Capital Equipment Program

General Fund Rolling Stock Vehicles

Transportation Engineering - Equipment Title:
Engineering Vehicle

Description:
Used for engineering services, including inspections and construction project supervision at locations throughout the city.

Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	30,000



City of Duluth 2019 - 2021 Capital Equipment Program
General Fund Non-Rolling Stock Equipment

	2019	2020	2021	Total
IT				
Police RMS System	400,000	-	-	400,000
ARMER Radio Replacements	200,000	200,000	400,000	800,000
Enterprise Wide PC/Laptop Replacements	250,000	200,000	250,000	700,000
Network Equipment Replacements	200,000	200,000	200,000	600,000
PC / Peripheral Adds	5,000	5,000	5,000	15,000
Document Mgt	100,000	-	100,000	200,000
TRAKiT Replacement	-	500,000	125,000	625,000
Fire Video Conferencing	25,000	-	-	25,000
Conference Room Technology Needs	-	50,000	-	50,000
Security Regulations	25,000	-	50,000	75,000
Pictometry/Lidar Imagery	45,000	-	-	45,000
Duluth Tax & Special Assessments				
Online Trxs	-	25,000	-	25,000
ITSC Project Planning	-	100,000	200,000	300,000
Knox Box Key Security Upgrade	40,000	-	-	40,000
Camera System Hardware Replacements	-	20,000	20,000	40,000
Library System	-	50,000	-	50,000
Subtotal IT	1,290,000	1,350,000	1,350,000	3,990,000
Library				
Replacement furniture at main library	-	-	20,000	20,000
Subtotal Library	-	-	20,000	20,000
City Clerk				
Election Equipment	11,200	11,200	-	22,400
Subtotal Clerk	11,200	11,200	-	22,400
Fire				
Personal Protection Equipment	150,000	215,850	50,000	415,850
Water rescue equipment	25,000	25,000	25,000	75,000
EOC Upgrade	-	50,000	-	50,000
Extractors	7,000	-	15,000	22,000

Continued on Next Page

City of Duluth 2019 - 2021 Capital Equipment Program
General Fund Non-Rolling Stock Equipment

	2019	2020	2021	Total
Rope rescue equipment	-	-	20,000	20,000
Thermal image cameras	12,000	-	-	12,000
Subtotal Fire	194,000	290,850	110,000	594,850
Police				
Taser	-	-	30,000	30,000
Firearms	47,980	-	25,150	73,130
Respirators	17,887	-	-	17,887
DPD Robot	15,145	-	-	15,145
Digital Recorder	10,009	9,400	90,000	109,409
Optics	9,750	-	-	9,750
Upgrade/Replace Display	5,000	-	-	5,000
Spex Forensic Reflective UV Imaging Camera	-	35,000	-	35,000
Panoscan PointGun Scanner	-	19,995	-	19,995
Subtotal Police	105,771	64,395	145,150	315,316
Street Maintenance				
Air Compressor	-	-	18,000	18,000
Subtotal Street Maintenance	-	-	18,000	18,000
Engineering				
GPS Unit Replacement	29,000	-	61,200	90,200
Subtotal Engineering	29,000	-	61,200	90,200
Non-Rolling Stock Bond Total	1,629,971	1,716,445	1,704,350	5,050,766

City of Duluth Minnesota - 2019 Budget

Operating Costs for IT Capital

Item Description	2019	2020	2021	2022	2023	2024	2025	7-year total
Police Video Consolidation	23,100	23,100	23,100	23,100	25,000	25,000	25,000	167,400
Printer	-	-	-	-	-	-	-	-
PC / Peripheral Adds	-	-	-	-	-	-	-	-
Enterprise Wide PC/Laptop Replacements	-	-	-	-	-	-	-	-
Network Equipment Replacements	20,000	10,000	20,000	30,000	20,000	30,000	20,000	150,000
Police RMS System	-	-	(90,000)	100,000	100,000	100,000	100,000	310,000
ARMER Radio Replacements	10,000	10,000	10,000	10,000	10,000	10,000	10,000	70,000
Document Mgt	-	100,000	100,000	100,000	100,000	100,000	100,000	600,000
Fire Video Conferencing	-	-	-	-	-	-	-	-
Security Regulations	-	-	5,000	5,000	5,000	5,000	5,000	25,000
Pictometry/Lidar Imagery	-	-	-	-	-	-	-	-
Knox Box Replacements	-	-	-	-	-	-	-	-
Conference Room Technology Needs	-	-	-	-	-	-	-	-
Duluth Tax & Special Assessments Online Trxs	-	-	-	-	-	-	-	-
Library System	-	-	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(200,000)
TRAKiT Replacement	-	-	(40,000)	(40,000)	(40,000)	75,000	75,000	30,000
ITSC Project Planning	-	-	-	-	-	-	-	-
Camera System Hardware Replacements	-	-	-	-	-	-	-	-

City of Duluth 2019 - 2021 Capital Equipment Program

General Fund Non-Rolling Stock Equipment

IT - Equipment Title:

Police RMS System

Description:

This new Records Management System will result in operational efficiencies and latest technology for the Police. It will also serve to consolidate disparate systems (Property & Evidence Management, Internal Affairs Complaint Tracking, etc.) into a fully integrated system and offer field based reporting. The RMS is the records & information foundation for the Police dept. and is critical to operational efficiency, safety and security.



Funding Source:

FY 2019

Capital Equipment Bond 400,000

IT - Equipment Title:

ARMER Radio Replacements

Description:

Current models being used citywide will no longer be supported in 2019 making our models obsolete upon failure. All radios will need to move to more current industry supported standard.



Funding Source:

FY 2019

Capital Equipment Bond 200,000

IT - Equipment Title:

Enterprise Wide PC/Laptop Replacements

Description:

This is for the replacement of approximately 250 PCs and laptops to maintain optimum performance and reliability as well as keep up with application and security payloads. The City Council adopted a resolution to maintain a 4 year life-cycle of computer equipment.



Funding Source:

FY 2019

Capital Equipment Bond 250,000

City of Duluth 2019 - 2021 Capital Equipment Program

General Fund Non-Rolling Stock Equipment

IT - Equipment Title:

Network Equipment Replacements

Description:

Annual lifecycle replacement of network technology infrastructure.

Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	200,000



Fun Fact: The City monitors and manages over 6,000 network connections.

IT - Equipment Title:

PC / Peripheral Adds

Description:

Desktop computing environments for added staff or new work functions.

Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	5,000



IT - Equipment Title:

Document Management

Description:

Streamline routing, retrieval, retention and destruction of documents.

Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	100,000



IT - Equipment Title:

Fire Video Conferencing

Description:

Allows personnel to participate in training while remaining at their assigned station.

Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	25,000



Fun Fact: Verbal communication only accounts for 35 percent of all communication. In order to fully understand and relate to one another, we must be able to see facial expressions.

City of Duluth 2019 - 2021 Capital Equipment Program

General Fund Non-Rolling Stock Equipment

IT - Equipment Title:

Security Regulations

Description:

Funding for regulatory technology requirement changes from Purchasing Card Industry (PCI), Criminal Justice Information System (CJIS) Security Policy, and Health Insurance Portability and Accountability Act (HIPAA).



Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	25,000

Fun Fact: 51% of internet traffic is “non-human”. 31% is made up from hacking programs,

IT - Equipment Title:

Pictometry/Lidar Imagery

Description:

Aerial photography for use across the organization and partner agencies.



Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	45,000

Fun Fact: In the early 1900’s, aerial photography was taken using balloons,

IT - Equipment Title:

Knox Box Key Security Upgrade

Description:

The Know Box retains the master key and only releases it to authorized users with PIN codes.



Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	40,000

Clerks - Equipment Title:

Election Equipment

Description:

To add a new secondary early voting location in 2019, we need to add two machines to process ballots



Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	11,200

City of Duluth 2019 - 2021 Capital Equipment Program

General Fund Non-Rolling Stock Equipment

Fire Department - Equipment Title:
Personal Protective Equipment

Description:
Following replacement schedule and compliant with industry standards for cancer reduction and prevention.

Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	150,000



Fun Fact: The jacket can weigh up to 15 lbs and the pants weigh up to 30 lbs. That's why firefighters always wear suspenders. The knees have special material for all the crawling they do.

Fire Department - Equipment Title:
Water rescue equipment

Description:
Replace out of service rescue suits and upgrade to beach and swift water suits and equipment.

Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	25,000



Fire Department - Equipment Title:
Extractor

Description:
Commercial wash machine which is used to clean turnout gear after it has been worn on a fire scene or hazmat call.

Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	7,000

Fun Fact: Dirty gear carries less insulation, is more likely to conduct heat and electricity, lacks liquid shedding properties and can become potentially flammable.



Fire Department - Equipment Title:
Thermal image cameras

Description:
Replace out of warranty equipment.

Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	12,000



Fun Fact: These cameras can point around corners and take a picture. This image can then be used to assess the safety of the situation before

City of Duluth 2019 - 2021 Capital Equipment Program

General Fund Non-Rolling Stock Equipment

Police Department - Equipment Title:

Firearms

Description:

Many of the firearms have surpassed their life expectancy. This includes firearms that have been in service for over two decades, and the cost of maintaining them outweighs the costs of replacing.

Fun Fact: A portion of our Department Shotguns have been in service since the early 1990s.

Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	47,980

Police Department - Equipment Title:

Respirators

Description:

Respirators are used in situations when it is necessary to enter areas where there is a potential of noxious chemicals being present.

Fun Fact: Current masks are 14 years

Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	17,887

Police Department - Equipment Title:

DPD Robot

Description:

This tool offers an alternative way to gather information where the safety of bystanders, victims, and/or officers is potentially at risk.



Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	15,145

Police Department - Equipment Title:

Digital Recorder

Description:

These are used to digitally dictate reports.

Funding Source:

	<u>FY 2019</u>
Capital Equipment Bond	10,009



Fun Fact: The Police Department processes over 12,000 Case Narrative Transcriptions per year. It is estimated that a 1/3 of these transcriptions are over 20 minutes in length.

City of Duluth 2019 - 2021 Capital Equipment Program

General Fund Non-Rolling Stock Equipment

Police Department - Equipment Title:

Optics

Description:

These Optics make night vision possible, which allows officers to see and identify people during operations that occur under the cover of darkness.



Funding Source:

FY 2019

Capital Equipment Bond 9,750

Police Department - Equipment Title:

Upgrade/Replace Display

Description:

The current display was purchased over 9 years ago, and is unfortunately falling apart. The display is used often, and in many various situations including, but not limited to- press releases, recruitment events, and ceremonies.



Funding Source:

FY 2019

Capital Equipment Bond 5,000

Our current ceremony display is falling apart, it was purchased 9 years ago and gets a lot of use.

Engineering - Equipment Title:

GPS Unit Replacement

Description:

Locating above ground and below ground infrastructure; GPS coordinates for traffic signals, street lights and associated fiber optics and cabling; data mapping of ADA curb ramps and sidewalks.



Funding Source:

FY 2019

Capital Equipment Bond 29,000

City of Duluth 2019 - 2021 Capital Equipment Program

Utility Funds Equipment

	2019	2020	2021	Total
Water Fund				
Cars/Pick-ups	16,350	36,950	36,000	89,300
Trucks/Vans	136,200	55,350	145,900	337,450
Dump Trucks	-	155,000	-	155,000
Excavator/Vactor	-	61,700	131,250	192,950
Other Rolling Stock	78,000	12,800	5,300	96,100
Non-Rolling Capital Equipment	26,600	23,000	8,000	57,600
Subtotal Water Fund	257,150	344,800	326,450	928,400
Gas Fund				
Cars/Pick-ups	71,750	22,450	18,000	112,200
Trucks/Vans	166,800	155,850	193,900	516,550
Dump Trucks	-	155,000	-	155,000
Excavator/Vactor	-	74,300	93,750	168,050
Other Rolling Stock	58,000	19,000	8,600	85,600
Non-Rolling Capital Equipment	231,600	18,000	8,000	257,600
Subtotal Gas Fund	528,150	444,600	322,250	1,295,000
Sewer Fund				
Cars/Pick-ups	73,150	24,600	6,000	103,750
Trucks/Vans	130,000	114,250	7,200	251,450
Dump Trucks	155,000	-	-	155,000
Excavator/Vactor	-	37,500	243,750	281,250
Other Rolling Stock	50,000	33,000	25,925	108,925
Non-Rolling Capital Equipment	6,600	18,000	8,000	32,600
Subtotal Sewer Fund	414,750	227,350	290,875	932,975
Stormwater Fund				
Cars/Pick-ups	45,750	-	6,000	51,750
Trucks/Vans	-	108,550	130,000	238,550
Dump Trucks	155,000	-	-	155,000
Excavator/Vactor	-	22,500	56,250	78,750
Other Rolling Stock	30,000	4,200	20,675	54,875
Non-Rolling Capital Equipment	6,600	13,000	8,000	27,600
Subtotal Stormwater Fund	237,350	148,250	220,925	606,525
Street Lighting				
Cars/Pick-ups	29,000	31,000	-	60,000
Non-Rolling Capital Equipment	18,000	18,000	-	36,000
Subtotal Street Lighting Fund	47,000	49,000	-	96,000
Utility Funds Grand Total	1,484,400	1,214,000	1,160,500	3,858,900

APPENDIX

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 \$2,850,800 from the gas and steam public utility funds to the general fund for administrative services; comprised of \$2,698,000 or seven percent of the gross revenues of the gas utility fund to the general fund; and \$152,800 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, 268 in the workforce development fund, and 290 in the street system maintenance utility fund, the accounts numbered 510 and 511 in the water fund, 520 in the gas fund, 530 and 532 in the sewer fund, 535 in the stormwater fund, 540 in the steam fund, 550 in the street light fund, 503 in the golf fund, 505 and 506 in the parking funds.

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 2019.

General Fund

110	Legislative and Executive	3,548,300
121	Public Administration	18,109,100
125	Finance	2,850,700
132	Planning and Economic Development	3,660,700
150	Fire	17,992,500
160	Police	22,749,600
500	Public Works	9,547,400
700	Transfers and Other Functions	10,687,300
	Total General Fund	89,145,600

Special Revenue

205	Parks Fund	3,231,013
268	Workforce Development Fund	2,532,213

Public Enterprise

503	Golf Fund	1,934,200
505	Parking Fund	5,384,277

506	Priley Drive Parking Facility	1,469,206
Public Utilities		
510 & 511	Water Fund	17,496,100
520	Gas Fund	41,756,800
530 & 532	Sewer and Clean Water Fund	22,572,900
535	Stormwater Fund	6,284,800
540	Steam Fund	8,803,871
550	Street Lighting Fund	3,362,900
290	Street System Maintenance Utility	3,000,000

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, 2019.

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 2019 budget for the city's general fund; the parks fund, the workforce development fund; the eight utility funds of water, gas, sewer, stormwater, steam, street lighting, and street system maintenance utility; and the three public enterprise funds of parking, Priley Drive parking facility, and golf.



Legislation Details (With Text)

File #: 18-059-O Name:

Type: Ordinance Status: Passed

File created: 11/8/2018 In control: Finance

On agenda: 11/19/2018 Final action: 12/17/2018

Title: AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR GENERAL PURPOSES FOR THE YEAR 2019.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Tax Levy, 2. Motion To Amend: Sipress.Filipovich - Passed 5-4 (Forsman, Fosle, Van Nett & Hobbs)

Date	Ver.	Action By	Action	Result
12/17/2018	1	City Council	adopted	
12/10/2018	1	City Council	amended	
11/19/2018	1	City Council	read for the first time	

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR GENERAL PURPOSES FOR THE YEAR 2019.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2019 is hereby determined to be the sum of \$31,195,800 which sum is levied against the taxable property of the City of Duluth and appropriated to the various accounts of the city, as set forth in the following sections.

Section 2. That there will be levied for the support of the general fund the sum of \$19,345,600.

Section 3. That there will be levied for support of the parks fund the amount of \$280,000

Section 4. That there will be levied for the support of the street lighting fund the sum of \$1,307,600.

Section 5. That there will be levied for the support of the street maintenance utility fund the amount of \$3,000,000.

Section 6. That for the payment of debt, there will be levied for the general obligation debt fund the sum of \$6,982,600.

Section 7. 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 8. That this ordinance shall take effect January 1, 2019.

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2019. The 2019 levy reflects a total increase of 9.29%. Because Duluth has experienced an expanded tax base of 5.33% for 2019, the overall tax impact to property owners in Duluth is approximately 3.96%.



Legislation Details (With Text)

File #: 18-058-O Name:
Type: Ordinance Status: Passed
File created: 11/7/2018 In control: Finance
On agenda: 11/19/2018 Final action: 12/10/2018
Title: AN ORDINANCE DETERMING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL PARKS FUND LEVY FOR THE YEAR 2019.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
12/10/2018	1	City Council	adopted	Pass
11/19/2018	1	City Council	read for the first time	

AN ORDINANCE DETERMING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL PARKS FUND LEVY FOR THE YEAR 2019.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2019 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, 2019.

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2019 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.



Legislation Details (With Text)

File #: 18-057-O Name:
 Type: Ordinance Status: Passed
 File created: 11/7/2018 In control: Finance
 On agenda: 11/19/2018 Final action: 12/10/2018
 Title: AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL TAXING DISTRICT, DULUTH TRANSIT AUTHORITY, FOR THE YEAR 2019.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
12/10/2018	1	City Council	adopted	
11/19/2018	1	City Council	read for the first time	

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL TAXING DISTRICT, DULUTH TRANSIT AUTHORITY, FOR THE YEAR 2019.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2019 for Duluth Transit Authority taxing district's operations is hereby determined to be the sum of \$1,491,900 which sum is levied against the taxable property of the city of Duluth and appropriated to the various accounts as set forth in the following sections:

Section 2. That pursuant to Minnesota Statutes, Section 458A.31, Subd.1, there will be levied for transit operations the sum of \$1,491,900.

Section 3. That this ordinance shall take effect January 1, 2019.

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2019 for the special taxing district, Duluth Transit Authority (DTA). Although the transit authority is a special taxing district per Minnesota Statute 275.066, the city is obligated through council action to levy on their behalf.

The DTA, in reviewing their needs for 2019 is opting not to request the full levy available by Minnesota Statute 458A.31. Instead, the DTA is requesting \$1,491,900, the same as the previous year.



Legislation Details (With Text)

File #: 18-0810R Name:

Type: Resolution Status: Passed

File created: 11/30/2018 In control: Finance

On agenda: 12/10/2018 Final action: 12/10/2018

Title: RESOLUTION ESTABLISHING ANNUAL BONDING PLAN FOR 2019.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/10/2018	1	City Council	adopted	

RESOLUTION ESTABLISHING ANNUAL BONDING PLAN FOR 2019.

CITY PROPOSAL:

RESOLVED, that, pursuant to Section 20-33 of the Duluth City Code, 1959, as amended, the following is hereby established as the annual, ordinary course general obligation bonding plan for the city of Duluth for the year 2019.

General obligation bonds and notes to be issued in 2019	\$4,975,000
General obligation bonds and notes scheduled to be retired in 2019	\$16,830,000
Net anticipated decrease in general obligation bonding for 2019	(\$11,855,000)

STATEMENT OF PURPOSE: This resolution sets forth the city's estimated bond and note issuances and repayments for the year 2019 as required by Section 20-33 of the city code. The city estimates its bonding activity in 2019 will result in a net decrease of \$11,855,000 in the amount of the city's general obligation outstanding debt during 2019; see Exhibit A for estimated debt issuance.

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



Legislation Details (With Text)

File #: 18-0794R Name:
 Type: Resolution Status: Passed
 File created: 11/27/2018 In control: Finance
 On agenda: 12/10/2018 Final action: 12/10/2018
 Title: RESOLUTION APPROVING CAPITAL IMPROVEMENT PLAN AND STATING INTENT TO ISSUE GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS UNDER MINNESOTA STATUTES, SECTION 475.521.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
12/10/2018	1	City Council	adopted	

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

CITY PROPOSAL:

Replace with Body Text

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

Section 1. Capital improvement plan.

1.01 (a) Under and pursuant to Minnesota Statutes, Section 475.521 (the "Act"), the Council has authorized preparation of a capital improvement plan for the years 2019 through 2023 which has been presented to the Council in the section entitled "Capital Improvement Program Summary" in the document entitled "2019-2023 Capital Improvement Budget and Five-Year Plan" (the "Plan");

(b) A notice of public hearings has been published in accordance with the Act, and the Council has held on December 10, 2018, a public hearing as required by the Act, to provide an opportunity for residents to express their views on the Plan;

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

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

(2) The likely demand for the improvement;

- (3) The estimated cost of the improvement;
- (4) The available public resources;
- (5) The level of overlapping debt in the City;
- (6) The relative benefits and costs of alternative uses of the funds;
- (7) Operating costs of the proposed improvements; and
- (8) Alternatives for providing services more efficiently through shared facilities with other cities or local government units.

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

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

1.03 The Plan is approved.

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

(b) The Council also held a public hearing on December 10, 2018, after notice of public hearing required by the Act, on the City's intention to issue general obligation capital improvement bonds, in an amount not to exceed \$1,475,000 for the purposes set forth in the notice of public hearing. All persons who desired to speak at the public hearing were heard and written comments were considered.

(c) The Council hereby finds and determines that it is necessary, expedient and in the best interests of the City's residents that the City issue, sell and deliver general obligation capital improvement bonds in the maximum amount of \$1,475,000 (the "Bonds"), for the purpose of providing funds for the following capital improvements under the Plan: improvements to eligible facilities (City Hall, libraries, public safety facilities and public works facilities) under the Act throughout the City, including improvements to the 40th tool house, City Center West, City Hall, library and Firehalls #1, 8 and 10, and for the payment of costs of issuance of the Bonds.

(d) If, within 30 days after December 10, 2018, 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 2019-2023 capital improvement plan and declares the City's intent to issue general obligation capital improvement bonds in 2019 in an amount not to exceed \$1,475,000 for certain capital improvements as listed in the resolution. The estimated costs of the capital improvements to be financed by the 2019 bonds are \$1,400,000 plus underwriter discount and costs of issuance.



Legislation Details (With Text)

File #: 18-0795R Name:

Type: Resolution Status: Passed

File created: 11/27/2018 In control: Finance

On agenda: 12/10/2018 Final action: 12/10/2018

Title: RESOLUTION OF THE CITY OF DULUTH, MINNESOTA, STATING THE INTENT TO ISSUE GENERAL OBLIGATION CAPITAL EQUIPMENT NOTES, SERIES 2019 IN THE APPROXIMATE AMOUNT OF \$3,500,000, AND APPROVING THE CAPITAL EQUIPMENT LIST ASSOCIATED WITH THE NOTES.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/10/2018	1	City Council	adopted	

RESOLUTION OF THE CITY OF DULUTH, MINNESOTA, STATING THE INTENT TO ISSUE GENERAL OBLIGATION CAPITAL EQUIPMENT NOTES, SERIES 2019 IN THE APPROXIMATE AMOUNT OF \$3,500,000, AND APPROVING THE CAPITAL EQUIPMENT LIST ASSOCIATED WITH THE NOTES.

CITY PROPOSAL:

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

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

Section 2. The Council declares the intent of the City to issue capital equipment notes in 2019 in an amount up to \$3,500,000 to finance the purchase of capital equipment authorized by the Act and to pay costs of issuance of the capital equipment notes and discount.

Section 3. The capital equipment to be financed includes those items of equipment as set forth on the list attached hereto as Exhibit A, which list of equipment is hereby approved for purchase in 2019.

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

Section 5. This resolution constitutes a declaration of official intent under Treasury Regulations Section 1.150-2. The City reasonably expects to acquire all or a portion of the capital

equipment prior to the issuance of the capital equipment notes and to reimburse expenditures incurred with respect to such capital equipment purchase program with the proceeds of the capital equipment notes.

STATEMENT OF PURPOSE: This resolution states the City's intent to issue general obligation capital equipment notes in 2019 to finance the purchase of capital equipment. It further approves the capital equipment list as items to be financed in 2019 in an amount of \$3,397,471 plus an additional amount for costs of issuance and discount.



Legislation Details (With Text)

File #: 18-0807R Name:
 Type: Resolution Status: Passed
 File created: 11/30/2018 In control: Finance
 On agenda: 12/10/2018 Final action: 12/10/2018
 Title: RESOLUTION DISTRIBUTING THE ESTIMATED 2019 HOTEL-MOTEL AND FOOD AND BEVERAGE TOURISM TAXES.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/10/2018	1	City Council	adopted	Pass

RESOLUTION DISTRIBUTING THE ESTIMATED 2019 HOTEL-MOTEL AND FOOD AND BEVERAGE TOURISM TAXES.

CITY PROPOSAL:

WHEREAS, tourism taxes are collected on specific purchases and are used to fund legislatively allowable expenses mandated by Minnesota Laws and City Ordinance.

WHEREAS, it is expected that the tourism tax collections will exceed \$11.9 million for 2019. A significant amount of these collections - more than 60% - are set aside through specific authorizing legislation that tied bonding projects to tourism or through previously stated and mandated commitments. These are:

- DECC Improvement Refunding Bonds (AMSOIL Arena) - \$33,440,000
- Tourism Tax Revenue Bonds (St Louis River Corridor) - \$18,000,000
- Spirit Mountain Tax Abatement Bonds (Grand Avenue Chalet & Improvements) - \$7,055,000
- Minnesota Slip Bridge Interfund Loan - \$2,200,000
- Promotion and Publicity 3% Hotel/Motel Tax Mandate

WHEREAS, the allocations for City funding to the General Fund and Parks are focused on the costs of providing services for events and tourist-focused activities which include but are not limited to: Lakewalk, Enger Tower, Rose Garden, Public Safety staffing and road closures for special events.

WHEREAS, the remainder can be spent in ways that align with legislative intent in support of our tourism economy. These funds cannot be unilaterally applied to other non-tourism organizational needs of the City.

RESOLVED, that the estimated 2019 hotel-motel and food and beverage tourism taxes be distributed in the following manner:

	Total	Promotional &	Capital Support
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		Operational Support	& Debt Service
3% Hotel/Motel Tax:	\$2,901,000	\$1,109,600	\$1,791,400
1% Hotel/Motel Tax:	\$963,800	\$672,500	\$291,300
1% Food & Beverage:	\$2,605,700	\$2,605,700	\$0
Additional 2% Hotel/Motel:	\$1,808,800	\$904,400	\$904,400
Additional .75% Food & Beverage:	\$1,954,300	\$0	\$1,954,300
Additional .5% Food&Bev & .5% Hotel/Motel	\$1,753,100	\$0	\$1,753,100
Total:	\$11,986,700	\$5,292,200	\$6,694,500
DECC- Amsoil Arena Debt Service	\$3,745,700	\$0	\$3,745,700
Spirit Mountain Bond - Chalet	\$500,000	\$0	\$500,000
Spirit Mountain Adventure Park Lease	\$145,700	\$0	\$145,700
Visit Duluth	\$2,000,000	\$2,000,000	\$0
Other Advertising and Publicity	\$25,000	\$25,000	\$0
Tourism Events Support General Fund	\$895,000	\$895,000	\$0
Tourist-Related Park Maintenance	\$200,000	\$200,000	\$0
Lake Superior Zoo	\$510,000	\$510,000	\$0
Great Lakes Aquarium	\$360,000	\$360,000	\$0
Business Improve District	\$200,000	\$200,000	\$0
Heritage & Arts Center/Depot	\$220,000	\$220,000	\$0
Public Arts	\$15,000	\$15,000	\$0
Sister Cities	\$40,000	\$40,000	\$0
Lake Superior & Mississippi Railroad	\$20,000	\$20,000	\$0
Rail Alliance	\$15,000	\$15,000	\$0
DECC - Bayfront Park Management	\$60,000	\$60,000	\$0
DECC - Blue Bridge Operations	\$40,000	\$40,000	\$0
Glensheen Matching Funds	\$50,000	\$50,000	\$0
St Louis River Corridor Debt Service	\$1,753,100	\$0	\$1,753,100
Spirit Mountain Operations	\$275,000	\$275,000	\$0
Fourth Fest Fireworks	\$57,000	\$57,000	\$0
Minnesota Slip Bridge	\$550,000	\$0	\$550,000
Hawk Ridge Bird Observatory	\$20,000	\$20,000	\$0
Duluth Children's Museum	\$20,000	\$20,000	\$0
Canal Park Trolley	\$55,000	\$55,000	\$0
Undesignated Fund Balance	\$215,200	\$215,200	\$0

Total	\$11,986,700	\$5,292,200	\$6,694,500
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STATEMENT OF PURPOSE: This resolution distributes the 2019 estimated tourism taxes as required by Minnesota State Statutes, City ordinance, or City policy. While growth in tax collections is expected, allocation is based on 2018 collections so as to prevent the risk of overpromising and under-delivering to organizations who have to build firm financial numbers into their budgets. This allows an undesignated amount to be available for unexpected events or emergencies and provides a modest financial cushion. A comparison of 2018 approved allocations to 2019 proposed allocations is attached as Exhibit A.

This is the second year in which the City instituted an application process for tourism tax allocations. All applicants were asked to apply for funds, submit budgets, and answer a series of questions and report on previous tourism tax funding levels and uses. This process was implemented with the intent to provide greater accountability, transparency, and process to a significant source of public funding. There are three specific items to report out from 2018:

1. As part of 2018 tourism tax allocations, all funded entities were required to commit to Community Day Events, to allow the local Duluth community, who also invests into tourism tax through food and beverage funding, to have the opportunity to benefit from that investment through free or low cost access to funded attractions and programs. During 2018, more than 15,000 Duluth residents participated in these Community Day Events. Community Day is a requirement for tourism tax allocation for 2019.
2. Visit Duluth was asked to coordinate a "City Pass" for attractions as part of their 2018 tourism tax allocation. In October of this year, the Duluth Discount Pass became a reality, providing three and five day options that can save up to 50% on the price of admissions. We will track its success and report out next year.
3. The City of Duluth requested that Visit Duluth also work on an attractions map - both paper and electronic - that can be made available at different lodging outlets and via electronic device. This continues to be a work in progress, with our IT department supporting this process in partnership with the detailed trail maps available via our DFD and emergency rescue teams.



Legislation Details (With Text)

File #: 18-0771R Name:
Type: Resolution Status: Passed
File created: 11/7/2018 In control: Finance
On agenda: 11/19/2018 Final action: 11/19/2018
Title: RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2019 TO DECEMBER 31, 2019, OPERATION BUDGET OF THE DULUTH AIRPORT AUTHORITY.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
11/19/2018	1	City Council	adopted	

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2019 TO DECEMBER 31, 2019, OPERATION BUDGET OF THE DULUTH AIRPORT AUTHORITY.

CITY PROPOSAL:

RESOLVED, that the operations budget for the fiscal year January 1, 2019 to December 31, 2019, in the amount of \$14,284,926 for the Duluth Airport Authority is hereby approved.

STATEMENT OF PURPOSE: This resolution adopts the 2019 operating budget for the Duluth Airport Authority, a detailed budget is attached as Exhibit A.

The 2019 operating budget represents an increase of \$117,985, or .84% over the 2018 budget.



Legislation Details (With Text)

File #: 18-0773R Name:
Type: Resolution Status: Passed
File created: 11/7/2018 In control: Finance
On agenda: 11/19/2018 Final action: 11/19/2018
Title: RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2019 TO DECEMBER 31, 2019, OPERATION BUDGET OF THE DULUTH TRANSIT AUTHORITY.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
11/19/2018	1	City Council	adopted	

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2019 TO DECEMBER 31, 2019, OPERATION BUDGET OF THE DULUTH TRANSIT AUTHORITY.

CITY PROPOSAL:

RESOLVED, that the operation budget for the fiscal year January 1, 2019 to December 31, 2019, in the amount of \$18,846,534 for the Duluth Transit Authority is hereby approved.

STATEMENT OF PURPOSE: This resolution adopts the 2019 operating budget for the Duluth Transit Authority, a detailed budget is attached as Exhibit A.

The budget includes an increase of \$867,421 or 4.8% over the 2018 budget. This resolution adopts the budget as presented for the current year.



Legislation Details (With Text)

File #: 18-0772R Name:
Type: Resolution Status: Passed
File created: 11/7/2018 In control: Finance
On agenda: 11/19/2018 Final action: 11/19/2018
Title: RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2019 TO DECEMBER 31, 2019 BUDGETS OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
11/19/2018	1	City Council	adopted	

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2019 TO DECEMBER 31, 2019 BUDGETS OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY.

CITY PROPOSAL:

RESOLVED, that the DEDA operating fund, debt service fund, capital projects fund, MRO maintenance fund, attached in Exhibit A are hereby approved.

STATEMENT OF PURPOSE: STATEMENT OF PURPOSE: This resolution adopts the various DEDA budgets for fiscal year 2019. The DEDA adopted the DEDA budgets at its September 26, 2018 meeting.

City of Duluth Minnesota - 2019 Budget

DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year	Population	Total Personal Income	Per Capita Personal Income	Per Capita School Enrollment	Unemployment Rate
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	7.1%
2012	86,200	2,368,110,337	27,472	8,686	6.0%
2013	86,128	2,510,223,601	29,145	8,517	5.4%
2014	86,238	2,605,207,475	30,210	8,517	4.8%
2015	86,110	2,761,947,379	32,075	8,353	3.4%
2016	86,293	2,709,373,102	31,397	8,115	4.1%
2017	86,066	2,770,534,310	32,191	8,067	3.8%
2018	86,066*	2,854,793,339*	33,170		2.9%

Data sources:

The population figures are estimates of the US Census Bureau. Total personal income is from the MN Department of Employment and Economic Development's website. The school enrollment figures were provided by the Duluth School District.

* Estimates

MINNESOTA CITIES HOUSING STOCK COMPARISON

Age of Housing Stock	Duluth		Rochester		St. Cloud		Mankato	
Total Housing Units	38,461		47,656		27,382		17,249	
1980 or newer	6,810	17.7%	25,420	53.3%	12,877	47.0%	7,802	45.2%
1960 to 1979	6,917	18.0%	12,074	25.3%	7,167	26.2%	3,762	21.8%
1940 to 1959	8,012	20.8%	6,324	13.3%	3,899	14.2%	2,299	13.3%
1939 or earlier	16,722	43.5%	3,838	8.1%	3,439	12.6%	3,386	19.6%

Data source: American Community Survey

City of Duluth Minnesota - 2019 Budget

PRINCIPAL EMPLOYERS

Employer	Type of Business	Employees	Rank	% of Total City Employment
Essentia Health (SMDC)	Healthcare/hospital	6,569	1	11.11%
St. Luke's Hospital	Healthcare/hospital	2,051	2	3.47%
St. Louis County	Government	1,956	3	3.31%
University of Minnesota - Duluth	Education	1,635	4	2.77%
Independent School District No.709	Education	1,426	5	2.41%
Allete (Minnesota Power)	Electric utility	1,314	6	2.22%
Duluth Air National Guard Base	Military	1,068	7	1.81%
Cirrus Design	Aviation	1,000	8	1.69%
United Health Care	Insurance	999	9	1.69%
City of Duluth	Government	854	10	1.44%
		<u>18,872</u>		<u>31.92%</u>

Source: Northland Connection's website. Total city employment is from the MN Department of Employment & Economic Development's website.

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

Function	2014	2015	2016	2017	2018
General government	127.65	131.65	132.40	133.00	126.50
Public Safety					
Police	178.50	178.50	180.50	184.14	182.14
Fire	142.00	143.00	144.50	146.50	146.50
Public Works	85.90	85.05	86.25	86.50	82.95
Culture and recreation					
Parks and recreation	10.00	9.75	11.75	11.95	11.70
Library	49.00	46.50	46.50	46.70	46.70
Urban & Economic Development	59.53	55.50	54.05	54.05	50.64
Water & Gas	132.60	128.65	129.15	134.75	134.75
Sewer	39.33	36.93	35.80	33.15	34.65
Stormwater	25.52	26.87	27.30	25.85	23.15
Parking	8.00	8.00	9.00	9.00	9.00
Street Lighting	5.10	5.10	5.10	5.10	5.10
Total	<u>863.13</u>	<u>855.50</u>	<u>862.30</u>	<u>870.69</u>	<u>853.78</u>

City of Duluth Minnesota - 2019 Budget

TOTAL ESTIMATED MARKET VALUES

Fiscal Year End	Total Estimated Market Value	Tax Capacity	% Capacity to Market Value	Tax Rate
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
2016	5,903,691,700	66,776,729	1.13%	0.33378
2017	6,124,643,600	70,164,860	1.15%	0.34568
2018	6,224,187,356	73,636,389	1.18%	1.39625

PRINCIPAL PROPERTY TAXPAYERS

Taxpayer	Type of Business	Estimated Market Value	Rank	% of Market Value
Minnesota Power	Electric utility	145,648,500	1	2.34%
Essentia Health	Healthcare & hospital	110,949,500	2	1.78%
Simon Property, Inc.	Shopping mall	52,790,900	3	0.85%
D M & I R Railroad	Railroad	37,484,100	4	0.60%
Ascena Retail Group	Lease administration	34,758,500	5	0.56%
Burlington Northern	Railroad	21,116,500	6	0.34%
Hall Equities Group	Real estate development	18,855,700	7	0.30%
St. Luke's Hospital	Healthcare & hospital	18,139,100	8	0.29%
NewPage (StoraEnso)	Paper mill	18,099,100	9	0.29%
Tech Village	Office & tech building	17,738,800	10	0.28%
		475,580,700		7.63%

City of Duluth Minnesota - 2019 Budget

OPERATING INDICATORS BY FUNCTION

	2013	2014	2015	2016	2017
Police					
Criminal offences	10,828	9,472	10,262	10,447	10,561
Cleared by arrest	4,473	4,070	4,081	4,062	3,802
Traffic violations	11,152	9,307	8,525	6,819	5,196
Parking violations	51,361	55,097	50,647	55,226	34,437
Fire					
Number of calls answered	10,816	11,114	12,231	12,799	13,239
Number of inspections	1,200	1,200	1,200	1,200	7,490
Public works					
Construction permits: Permits issued	2,054	2,030	1,896	2,085	2,071
Estimated cost of construction during year in dollars	137,097,967	182,409,369	160,884,495	108,815,274	92,039,794
Culture and recreation					
Parks and recreation department					
Participation in special events	40,045	30,749	23,122	49,125	67,300
Participation in recreation	27,393	28,304	22,586	31,555	25,210
Zoo regular customers	58,306	65,270	64,071	76,316	81,538
Library					
Registered borrowers	50,491	48,147	47,086	45,424	42,674
Items in collection	467,050	456,753	444,790	435,385	424,304
Items loaned	959,432	923,063	927,389	848,293	871,704
Library visits	484,917	492,106	474,982	461,403	475,363
Internet uses	106,662	118,825	109,965	92,656	90,489
Reference/ research questions answered	84,838	89,232	77,896	59,321	71,253

City of Duluth Minnesota - 2019 Budget

OPERATING INDICATORS BY FUNCTION continued

	2013	2014	2015	2016	2017
Water					
Meters in service	28,051	28,131	28,134	28,134	28,243
Average number of gallons treated per month	433,795,000	433,676,667	431,616,667	415,642,500	408,434,167
Water pumped - million cubic feet	695.9	695.7	692.4	666.8	655.2
Water sold - million cubic feet	606.0	591.0	589.8	565.6	568.4
Daily average consumption in gallons	12,418,716	14,257,863	14,190,136	11,590,274	11,648,560
Gas					
Meters in service	27,452	26,585	26,896	28,540	28,712
MMBTU sold	5,355,988	5,679,683	4,885,371	4,770,804	5,218,978
Sewer					
Number of service connections	27,956	27,956	27,963	27,985	27,993
Daily average treatment in gallons	12,843,000	14,257,000	13,000,530	13,729,690	14,355,390
Stormwater					
Cleaning storm sewer pipe (in feet)	31,658	2,700	3,330	20,017	107,965
Steam District #1					
Steam sold (in 1,000 lbs)	394,762	300,669	332,830	313,408	305,465
Golf					
Season passes	695	644	795	731	436
Daily tickets	31,401	28,860	46,700	38,894	34,358
Carts	14,019	15,056	42,606	39,846	28,555
Rounds played	63,196	60,172	81,082	75,544	67,657

City of Duluth Minnesota - 2019 Budget

CAPITAL ASSETS BY FUNCTION

	2013	2014	2015	2016	2017
Police					
Patrol units	93	93	93	97	102
Fire					
Fire stations	8	8	8	8	8
Public works					
Miles of streets and alleys:					
Miles of streets: paved	470.49	472.51	473.80	475.77	175.74
Miles of streets: unpaved	47.96	47.96	47.96	47.96	47.96
Miles of sidewalk	410.98	410.98	410.98	411.08	352.00
Number of street lights:					
Ornamental lamps (no. of bulbs)	3,930	3,930	3,930	3,940	3,930
Overhead street lamps	3,665	3,665	3,665	3,665	3,665
Culture and recreation					
Parks and recreation					
Number of parks	128	128	128	129	129
Park acreage	12,000	12,000	12,000	12,000	12,000
Number of ski hills	2	2	2	2	2
Number of municipal tennis courts	17	19	19	17	17
Community clubs/field houses operated	21	19	19	19	19
Number of athletic fields	57	57	57	48	48
Number of hiking trails	14	14	14	14	14
Library					
Libraries/branches	3	3	3	3	3
Water					
Miles of water mains	428.30	429.50	433.40	428.30	428.40
Number of hydrants	2,671	2,677	2,688	2,699	2,708
Max daily capacity of plant in gallons	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000
Gas					
Miles of gas mains	527.00	534.70	534.70	538.20	544.40
Sewer					
Miles of sanitary sewers	398.00	402.00	395.30	397.60	398.80
Stormwater					
Miles of storm sewers	443.00	435.00	398.07	404.56	412.00
Steam District #1					
Miles of line	11.00	11.00	11.00	11.00	11.00
Golf					
Number of municipal golf courses	2	2	2	2	2

GLOSSARY OF TERMS

Accrual Basis of Accounting

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

Appropriation

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

ARRA- American Recovery and Reinvestment Act

A federal economic stimulus package

Assessed Valuation

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

Bond

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

Budget

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

Budget Basis

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

Budgetary Control

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

Comprehensive Annual Financial Report (CAFR)

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

Capital Budget

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

Capital Improvements

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

Capital Outlay

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

Capital Projects Fund

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

Charges for Services

Revenues collected as reimbursement for services provided to the public or to some other program/fund in the City.

City Authority

An organizational unit created by the Legislature of the State of Minnesota to administer and maintain the operations of the Duluth Airport, Duluth Entertainment and Convention Center, Transit Authority, and Spirit Mountain Recreation Area. Each is considered a component unit of the City of Duluth reporting entity, and is accounted for as an enterprise fund.

Collective Bargaining Agreement

A legal contract between the employer and a verified representative of a recognized bargaining unit for specific terms and conditions of employment (e.g. hours, working conditions, salary, fringe benefits, and matters affecting health and safety of employees).

Component Unit

A legally separate organization for which the elected officials of a primary government are financially accountable. For Duluth, the component units are the authorities.

Contractual Services

Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include maintenance agreements and professional consulting services.

Cured in Place Pipe (CIPP)

Trenchless rehabilitation method to repair existing pipelines.

Debt Service

Payment of principal and interest on specific obligations which result from the issuance of bonds.

Debt Service Fund

A governmental fund type used to account for the accumulation of resources for, and the payment of, general long term debt principal and interest.

Deficit

An excess of expenditures or expenses over revenues (resources) during an accounting period.

Department

Major unit of organization comprised of subunits named divisions. Organizational elements responsible for administration and supervision of various service delivery activities.

Depreciation

The portion of the cost of a fixed asset which is charged as an expense during a particular period. In accounting for and recognizing depreciation, the cost of a fixed asset is prorated over the estimated useful life of such an asset, and each period is charged with a share of such cost.

Distinguished Budget Presentation Awards Program

A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Division

Organizational subunits of a department which are responsible for the administration and supervision of various service delivery activities.

Employee Benefits

Those costs incurred by the employer for pension contributions and the provision of health, dental and term insurance for all covered personnel.

Encumbrance

The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

Enterprise Fund

Funds which account for operations that are financed and managed in a manner similar to private business enterprises-- where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges.

Expenditure

The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Expense

Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

Financial Policy

The City's policies with respect to revenues, spending, and debt management as these related to government services, programs, and capital investments. Financial policies provide an agreed-upon set of principles for the planning and programming of the budget and its funding.

Fiscal Year

Twelve-month period to which the operating budget applies; January 1 to December 31 in the case of the City.

Fixed Assets

Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

Franchise Tax

A fee charged by a governmental unit to a private business for the privileges of using a public right-of-way to generate revenue through its operations.

Full Faith and Credit

A pledge of a government's taxing power to repay debt obligations.

Full Time Equivalent (FTE)

A job classification created by Civil Service, authorized through the budgetary process, and filled in accordance with Civil Service rules and Chapter 13 of the Duluth City Code.

Function

Description of a division's operation relative to routine activities performed to accomplish established objectives and goals.

Fund

A fiscal and accounting entity, which is created and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The major funds are the General Operating; Water; Gas; Steam; Sewer; Golf/Zoo funds; Debt Service funds; Special Revenue funds; Capital Projects funds; and Internal Service funds.

Fund Balance

The excess of the assets of a fund over its liabilities, which may include reserves and designations.

Generally Accepted Accounting Principles (GAAP)

Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

General Fund

A governmental fund type which serves as the chief operating fund of the City to account for all financial resources except those required to be accounted for in another fund type.

General Obligation Bond (G.O.)

This bond is backed by the full faith, credit, and taxing power of the government.

Goal

A statement of broad direction, purpose or intent based on the needs of the community. A goal is a general and timeless.

Governmental Accounting Standards Board (GASB)

The organization that establishes generally accepted accounting principles (GAAP) for states and local governments.

Governmental Funds

Fund type which includes general fund, special revenue funds, permanent improvement funds, debt service funds and special assessment funds.

Government Finance Officers Association (GFOA)

The professional association of Finance professionals in the public sector.

Grants

A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

HUD

U.S. Department of Housing and Development, a federal government agency.

Infrastructure

The physical assets of a government (e.g. streets, water, sewer, public buildings, and parks).

Intergovernmental Revenue

Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Internal Service Funds

Proprietary fund type used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government or component unit, or to other governments on a cost reimbursement basis.

Internal Service Charges

The charges to user departments for internal services provided by another government agency, such as fleet and insurance.

Interfund Transfer

Flows of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for repayment.

Levy

To impose taxes for the support of government activities.

Local Government Aid – LGA

A general purpose aid that can be used for any lawful expenditure. It is also intended to be used for property tax relief. The Department of Revenue certifies LGA for cities based on current LGA statutes, including any changes enacted during the most recent legislative session.

Long-Term Debt

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

Materials and Supplies

Expendable materials and operating supplies necessary to conduct departmental operations.

Modified Accrual Basis of Accounting

Recognizes expenses in the accounting period in which they are incurred and measurable. Recognizes revenues in the accounting period in which they are measurable and available.

Municipal State Aid (MSA)

Refers to gas tax dollars distributed by the State to local governments for use on State designated Municipal State Aid streets - usually major thoroughfares.

Object of Expenditure

An expenditure classification, referring to the lowest and most detailed level of classification, such as permanent employee wages, over-time, electricity, office supplies, and paving materials.

Objective

Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

Obligations

Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Expenses

The cost for materials, services, and supplies required for a department to operate.

Operating Revenue

Funds that the City receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Ordinance

A formal legislative enactment by the City Council. It has the full force and effect of law within City boundaries unless pre-empted by a higher form of law. An Ordinance has a higher legal standing than a Resolution.

Other Post-Employment Benefits (OPEB)

Post-employment benefits other than pension benefits that include post-employment healthcare benefits, regardless of the type of plan that provides them.

Payment In Lieu of Taxes (PILOT)

Payment that a property owner not subject to taxation makes to a government to compensate it for services that the property owner receives that normally are financed through property taxes.

Performance Measure

Quantitative and/or qualitative measures of work performed related to specific departmental or program objectives.

Personal Services

Those costs associated with the salaries and wages of permanent and temporary employees.

Proprietary Funds

Fund type which includes the enterprise funds of Public Service, Public Utility and City Authorities.

Public Employees Retirement Association (PERA)

State-wide pension plan, to which a majority of the City's employees belong.

Public Service Fund

A fund established to account for the operation and maintenance of the City of Duluth's sanitary and storm sewer collection system.

Public Utility Fund

A fund established to account for the operations of the Department of Water and Gas, Street Light Utility and the Duluth Steam Cooperative Association which provide water, gas, street lighting, traffic signals and steam utility services, respectively, to the citizens of Duluth.

Purpose

A broad statement of the goals, in terms of meeting public service needs, that a department is organized to meet.

Resolution

A special order of the City council which has a lower legal standing than an ordinance.

Revenue

Sources of income financing the operations of government.

Revenue Bond

Revenues from a specific enterprise or project back this type of bond. An example would be a utility improvement or project.

Revenue Source

A revenue classification that designates the origination or type of funds received.

Special Assessment

Compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Special Revenue Fund

Funds which account for specific financial resources that is restricted to expenditures for specified purposes.

Tax Capacity

A valuation placed upon the market value of the real and personal property in the City in a manner prescribed by state law as the basis for levying property taxes. The tax capacity reflects a percentage of the property's assessed value. The market value of a property is multiplied by the appropriate tax capacity classification rate to arrive at its "tax capacity".

Tax Capacity Classification Rate

The tax rates applied to tax capacities within the City. The tax capacity rate will vary depending on the property classification (homestead, seasonal-recreation, rental, non-homestead, commercial/industrial, vacant). The lowest rate is for homestead property, with significantly higher rates for seasonal-recreation, vacant, and commercial/industrial property.

Tax Levy

The sum to be raised by general taxation, for specific purposes, as delineated in the Tax Levy Ordinance upon the taxable properties within the jurisdiction and corporate limits of the City.

Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. Taxes for this city include property, sales, tourism, and charitable gambling.

Truth in Taxation (TNT)

A set of procedures adopted by the 1989 Minnesota Legislature intended to improve local accountability in the adoption of the budget and property tax levy of local government.

Unassigned Fund Balance

The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Charges

The payment of a fee for direct receipt of a public service by the party who benefits from the service.

