

CITY OF DULUTH, MINNESOTA

2025 Adopted Annual Budget



CITY OF DULUTH

2025 Adopted Annual Budget

MAYOR

Roger Reinert

City Councilors

Wendy Durrwachter

Mike Mayou

Roz Randorf

Tara Swenson

Janet Kennedy

Azrin Awal

Arik Forsman

Lynn Marie Nephew

Terese Tomanek

City Administrator's Office
Matthew Staehling



City of Duluth Minnesota - 2025 Budget

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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 – Roger Reinert **January 2024** **to** **January 2028**

Councilors at Large

Azrin Awal	January 2022	to	January 2026
Arik Forsman	January 2024	to	January 2028
Lynn Marie Nephew	January 2024	to	January 2028
Terese Tomanek	January 2022	to	January 2026

District Councilors

1	Wendy Durrwachter	January 2024	to	January 2028
2	Mike Mayou	January 2022	to	January 2026
3	Roz Randorf	January 2024	to	January 2028
4	Tara Swenson	January 2024	to	January 2028
5	Janet Kennedy	January 2024	to	January 2028

APPOINTED OFFICIALS

City Administrator

Matthew Staehling

City Attorney

Terri Lehr

Authorities Directors

Airport	Tom Werner
DECC	Dan Hartman
DTA	Rod Fournier
Spirit Mountain	Ann Glumac (Interim)


City Department Heads

Finance Director	Jen Carlson
Property, Parks & Libraries	Jim Filby Williams
Administrative Services	Karla Culhane (Interim)
Planning & Econ Development	Ben VanTassel
Workforce Development	Elena Foshay
Fire Chief	Shawn Krizaj
Police Chief	Mike Ceynowa
Public Works & Utilities	Jim Benning



Finance Department

Room 120
411 West First Street
Duluth, Minnesota 55802

 218-730-5350

Dear Reader:

The City of Duluth's budget process exemplifies a disciplined and strategic approach to municipal financial management. Leveraging the expertise of our dedicated leadership team, the process is designed to set clear priorities for the City while identifying innovative financial solutions and opportunities to realize these goals. The 2025 budget was meticulously developed in full compliance with the City's budget policies, the City Charter, and the State of Minnesota's truth in taxation laws.

One of the main issues the Mayor heard from the community was the need for more affordable taxes. With inflationary growth over the past few years and many residents on a fixed income, the mayor took this seriously and promised a "new growth" only budget, capturing 1.85% of the new growth generated from the City's commercial and residential tax base. Importantly, this approach did not increase the Duluth portion of the property tax levy. While working within this framework, the City still made significant investments in key areas including the Attorney's Office, Fire Department, Economic Development, and the Library. Additionally, long overdue investments have been allocated for the essential care and maintenance of City and parks facilities. These initiatives underscore the City's commitment to the five priorities: expanding housing across all levels, stimulating commercial tax base growth, revitalizing streets and the downtown area—all while maintaining affordable property taxes. The 2025 budget reflects a slight focus shift in priorities between Mayoral administrations to include: stimulating the commercial tax base, expanding housing across all levels and affordable taxes.

The process commenced with Mayor Roger Reinert presenting the proposed general fund budget and tax levy to the City Council on September 9, 2024. On September 13, 2024, the City hosted its inaugural full-day budget retreat for the Finance Committee, during which all departments presented their budget proposals. Shortly thereafter, on September 23, 2024, the City Council approved the proposed maximum tax levy.

On December 9, 2024, the City held public hearings in the Duluth City Council Chambers at 7:00 PM for truth in taxation, the capital improvement plan, and the proposed issuance of general obligation capital improvement bonds. This hearing provided citizens with an opportunity to offer comments and pose questions. The final 2025 budgets, including all appropriations and tax levies, received Council approval on December 16, 2024.

The 2025 budget approvals were endorsed by the City Council, led by Council President Randorf. Mayor Reinert's 2025 proposed levy and budget presentation can be seen by clicking [HERE](#). Thank you for your interest in Duluth's fiscal planning and for your continued support as we work to build a stronger, more vibrant community.

Sincerely,

Jessica Kasper, Budget Manager

Jennifer Carlson, Finance Director

Duluth, Minnesota: A Comprehensive Profile



Located on the picturesque shores of Lake Superior, Duluth, Minnesota, is a dynamic city that combines natural beauty, industrial heritage, and a vibrant cultural scene. Duluth has carved out a distinct identity as a hub for tourism, education, and commerce in the Upper Midwest.

Geography and Climate

Duluth's geography is one of its most defining features. The city spans a hilly terrain, offering stunning views of Lake Superior, the largest freshwater lake in the world by surface area. The city's iconic aerial lift bridge, connecting the mainland to Park Point, is a testament to its maritime heritage and a symbol of its connection to the Great Lakes.

History

Duluth's history is deeply rooted in its strategic location and natural resources. The area was originally inhabited by the Ojibwe people, and European settlers arrived in the 17th century, drawn by the fur trade. By the late 19th century, Duluth had become a key port for shipping iron ore from the Mesabi Range to industrial centers around the Great Lakes. This era of industrial growth earned Duluth the nickname "Zenith City," symbolizing its economic and cultural ascendancy.

Economy

Today, Duluth's economy blends traditional industries with modern innovations. The Port of Duluth-Superior remains a vital shipping hub, handling millions of tons of cargo annually. Tourism plays a major role, with visitors flocking to attractions such as Canal Park, the Great Lakes Aquarium, and the North Shore Scenic Drive. The city is also a center for healthcare and education, anchored by institutions like Essentia Health, St. Luke's Hospital, and the University of Minnesota Duluth (UMD).

Culture and Community

Duluth boasts a vibrant arts scene and a strong sense of community. The Duluth Entertainment Convention Center (DECC) hosts concerts, theater productions, and conventions, while local festivals such as the Bayfront Blues Festival and Homegrown Music Festival celebrate the region's musical talent. Art lovers can explore the Tweed Museum of Art or attend performances by the Duluth Superior Symphony Orchestra. The city's food and drink culture are equally impressive, with a burgeoning craft beer scene and locally owned restaurants highlighting fresh, regional ingredients.

Outdoor Recreation

Outdoor recreation is at the heart of Duluth's identity. The city is home to the Lakewalk, a scenic trail along Lake Superior, and numerous parks, including Chester Park and Hartley Nature Center. In winter, residents and visitors enjoy skiing, snowshoeing, and ice fishing, while summer brings opportunities for hiking, kayaking, and sailing. Duluth is also a gateway to the North Shore, a rugged stretch of coastline featuring state parks, waterfalls, and the Superior Hiking Trail. Spirit Mountain offers year-round activities, from skiing and snowboarding in winter to mountain biking in summer.

Bond Rating

Standard & Poor's and Moody's recognized Duluth's prudent approach to budgeting and steady economic growth and growing local revenues as strengths. They renewed the City of Duluth's AA and Aa2 bond ratings with a stable outlook.

STRATEGIC GOALS AND STRATEGIES

In 2023, the Mayor spent much of his time around the community participating in conversations to listen and understand the issues that are most impacting those in our City. During that process he had over 1,000 conversations that led to a focus on community facing goals and the remaining core city services of public safety and well maintained parks. He campaigned on these priorities and won decisively.



Community Conversations

The City uses **Priority Based Budgeting** or **“Budgeting for Results”** to help align our resources with our priorities. Budgeting for Results 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. For the 2025 budget process, all requests were vetted through this lens using higher weights for those priorities that still applied to the new mayor’s priorities. In 2025, the City has updated the priorities in the Budgeting for Results tool and is currently going through the process to re-score all the programs against these new priorities to continue to align our resources and long-term plans to programs that most align with our strategic goals.

Below are the community-facing and internal-facing priorities.

Departments use **performance measures** to measure alignment of operational activities with the priorities of the City. Each department has financial and non-financial performance measures included with the budget. These measures are used in decision making processes. The performance measures describe the definition (objective) of the City priority, the strategy and measurement, and the annual estimated and target amounts. These performance measures will likely be updated as well during 2025.

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BUDGET PRIORITIES AND ISSUES

The 2025 City budget was the first under Mayor Roger Reinert. Mayor Reinert campaigned on the five big issues he heard from the community as he was campaigning:

- Affordable Property Taxes
- Downtown Duluth
- Streets and Utilities
- Housing at All Income Levels
- Growing the Commercial Tax Base

While these were his main priorities, he also communicated some significant budget challenges:

- Aerial Lift Bridge Repairs – put off as long as possible
- Water Plant Upgrades – Environmental Protection Agency mandates
- Ongoing bargaining agreements – signed after finalization of the 2025 budget
- DFD Overtime – \$1.2 million over budget in 2024
- Aging Infrastructure and Equipment

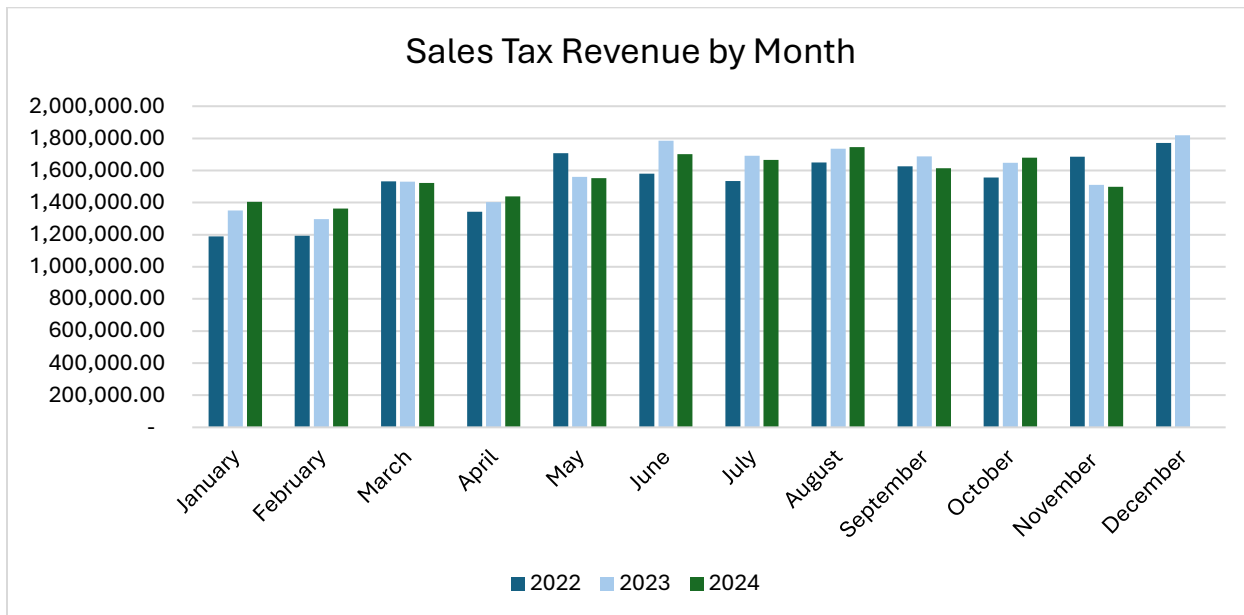
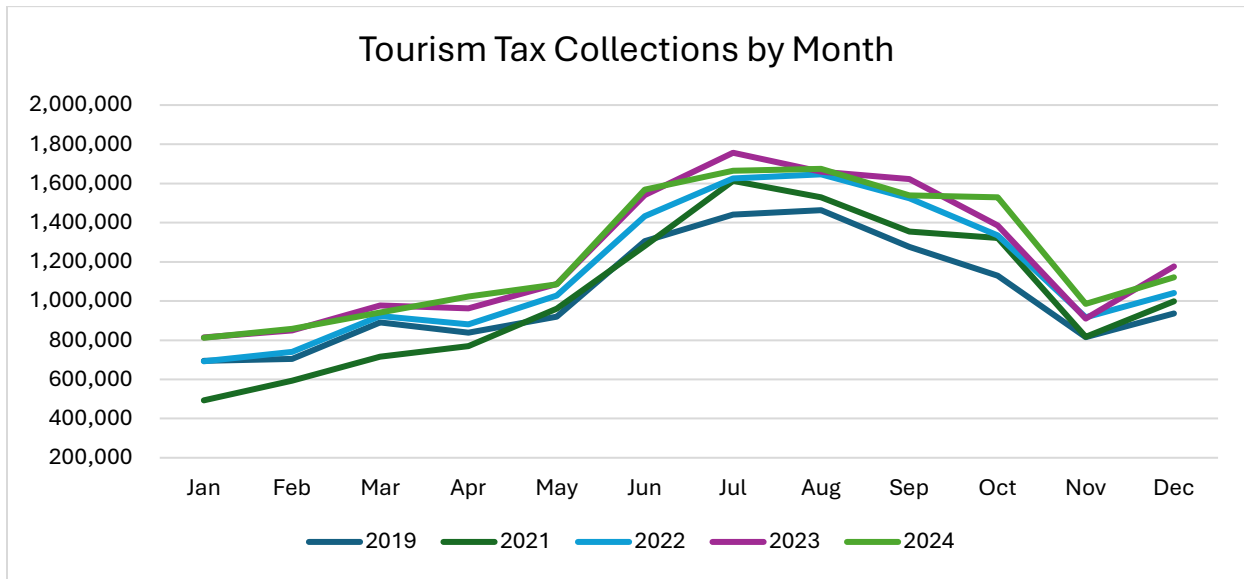
In light of these priorities and challenges, the 2025 budget funded the below items:

- 2.5% in Salary and Benefit increases
- \$255K in existing Software and Licensing Increases
- \$317K In Inflationary increases for supplies and maintenance
- \$38K for Utilities
- \$38K for Officer Uniforms
- \$30K for Elections printing costs (every other year)
- \$137K for an additional Prosecutor – (**Downtown Duluth**)
- \$133K (converting a part-time position for the difference) for an additional real estate Civil Attorney – (**Expanding Commercial Tax Base**)
- \$30K towards a Library Safety Specialist – (**Downtown Duluth**)
- \$150K towards a Fire Inspector to assist with rental licensing – (**Housing Across All Income Levels**)

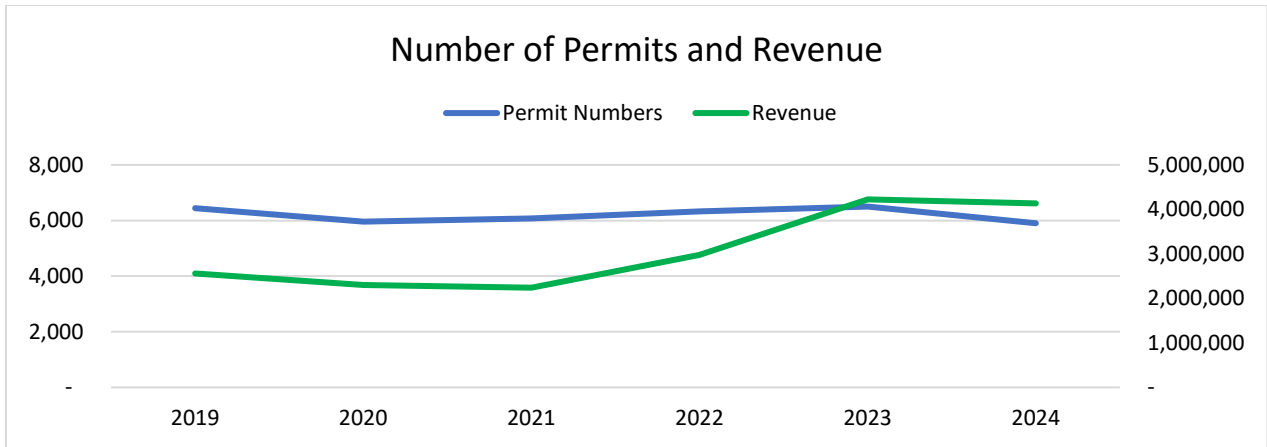
Of other significance, in the middle of 2024, the City hit a major milestone 20 years ahead of schedule. Due to the city's investment strategies along with high market returns, the market value of the OPEB trust fund nearly doubled since 2018. The city worked with the State Board of Investment to formulate an investment strategy to fund the forecasted future OPEB premiums where the SBI can lock in future cash flows that take advantage of high interest rates. Using the OPEB actuarial forecasts along with the SBI's investment strategy, the city is able to reduce the annual appropriated amount for retiree healthcare costs to \$3.5 million saving the general fund approximately \$4.5 million dollars. These funds will go towards the long-awaited Consolidated Maintenance Facility. The consolidated maintenance facility is a critical need that is necessary to maintain our streets, parks, facilities, and equipment. We are excited to get started on this opportunity and what this means for city staff and operations

Budget and Economic Trends

The City of Duluth has begun to see a period of slowing down after high growth post-COVID. This was evident in both tourism and sales tax revenue. Tourism revenue finished above 2023, but mainly due to stronger months at the beginning of the year. Sales tax had several months below 2023's amounts with final numbers not in yet. The main drivers of this are likely attributed to the suspension of student loan payments, savings finally running out, taking on too much consumer debt, and a switch to spending more on services than goods.

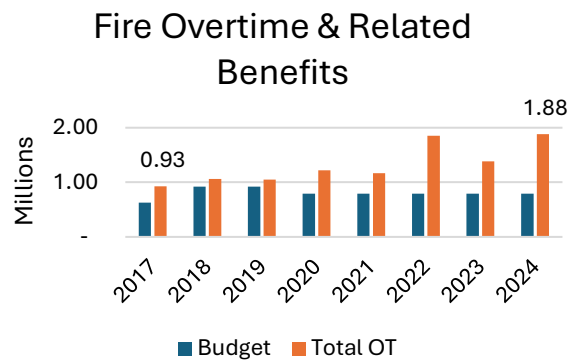
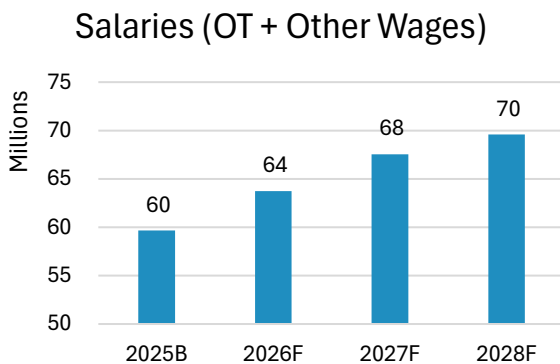


The number of permits has also declined over the past few years with an 8% decrease over 2023. Fortunately, this decrease in permits has not resulted in a decrease in revenue yet. The revenue is maintaining, likely due to the rise in valuations over the past few years. It is difficult to predict if continued high interest rates will resign folks to complete a remodel anyway or pull back even further.



It is these trends that make budgeting into the future very difficult to forecast especially when there is a new tourism marketing firm marketing the City that depends greatly on tourism, and when there is a new federal administration with unknown impacts to tariffs and other potential supply related costs.

The biggest challenge looking forward is the large collective bargaining increases. In 2025, the largest bargaining agreement received 4.5% increases, in 2026, they will receive 6.5% and an additional Step at 4%, and in 2027, they will receive another 6% increase. The other bargaining unit increases are similar, just lesser scale. The city is estimating a \$9.9 million increase over three years. The Fire Union still must reach a settlement as well. Additionally, in 2024 the Fire Department was \$1.2 million over in overtime. These amounts are on top of the very generous medical benefits and sick leave that make our personnel costs very challenging.



BUDGET OVERVIEW

General Fund

Revenue Assumptions - The final approved 2025 General Fund revenue budget of \$109.43 million is \$10.67 million less than the 2024 approved budget. The major difference is not using approximately \$9 million of one-time reserves that were budgeted to use in 2024. The schedule below shows the changes in revenues by major type along with the assumptions used. The first chart shows the variance of the 2024 approved budget and the 2025 approved budget. The second chart shows the variance of the 2025 *proposed* budget and the 2025 *approved* budget.

Bridge Schedule Outlining Variances between 2024 Approved Budget and 2025 Approved Budget			
		\$ Variance in Millions	Narrative
2024 Approved Revenues		120.10	
Property Tax		(3.76)	The City reduced the general fund portion of the property tax levy and increased the City's capital projects levy for the Consolidated Maintenance Facility.
Local Government Aid		0.06	0.16% increase to Local Government Aid allocation approved by state legislature
General Fund Reserves		(8.75)	Using \$450K from the general fund balance resulting from the HRA TIF decertification will be allocated to extend the crisis response team contract for one year. In 2024 we used \$9.2M for one-time investments in streets and equipment.
Gas Payment in Lieu of Taxes		0.55	Projected Natural Gas Revenues based on May forecast of PILOT.
One-Time Incubator Proceeds		(1.42)	Reduced the one-time Incubator Building proceeds.
City Sales and Use Tax		1.75	In reviewing monthly sales tax revenue, adjusting for inflation, and other economic indicators, this increase is a conservative growth factor, and allows for sustainable increases to the general fund.
Minnesota Power Franchise Tax		0.24	Increase due to MN Power rate increases, and historical usage, MN Power franchise tax is based on their operating revenue.
All Other Operating Revenues		0.66	All other changes throughout
Total Revenue Changes		(10.67)	
2025 Approved Revenues		109.43	

Bridge Schedule Outlining Variances between 2025 Proposed Budget and 2025 Approved Budget			
		\$ Variance in Millions	Narrative
2025 Proposed Budget		108.81	
Other Financing Sources		0.17	Tourism tax increase which was not approved until December
General Fund Reserves		0.45	Council-directed use of HRA TIF decertification funds in fund balance for one year Crisis Response Team
Total Revenue Changes		0.62	
2025 Approved Budget		109.43	

Expenditure Assumptions - As with revenues, the final approved 2025 General Fund budget is \$10.67 million less than the 2024 approved budget. With approximately \$9.2 million having gone towards capital in 2024. Additionally, \$4.53 million in retiree medical insurance was realized and repurposed for a Consolidated Maintenance Facility. The remaining increases were due to increased salary and benefits and inflationary impacts.

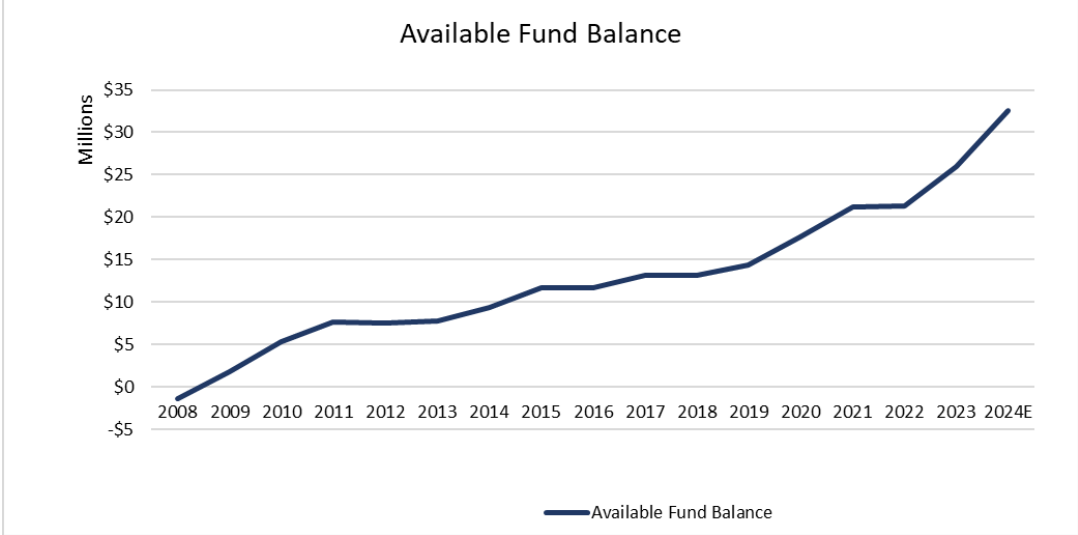
Bridge Schedule Outlining Variances between 2024 Approved Budget and 2025 Approved Budget			
		\$ Variance in Millions	Narrative
2024 Approved Expenditures		120.10	
Salaries and Benefits		2.48	Salary Increases of 2.5% and corresponding benefit increases; medical 1% increase
One-Time Expenditures		(9.20)	In 2024 we used \$9.2M for one-time investments in streets and equipment.
Utilities		0.03	Projected rate increases
Supplies		0.21	Repair and Maintenance Cost Increases in Facilities and Parks Maintenance \$111K, Motor Fuel cost increases \$43K & Police Uniforms \$38K
Fleet		0.20	Cost of parts, fleet rate increase, and sublet labor
Capital Outlay (Library Materials)		(0.27)	In 2024 a portion of the library materials was funded with a one-time allocation of \$200K.
Retiree Medical & Life Insurance		(4.53)	Reduced the General Fund transfer for Retiree Medical insurance & applied savings to Consolidated Maintenance Facility.
All other Operating Expenditures		0.40	All other changes throughout
Total Expense Changes		(10.67)	
2025 Approved Expenditures		109.43	

	\$ Variance in Millions		Narrative
2025 Proposed Budget		108.81	
Salaries and Benefits	(1.05)		Reclassified to Worker's Compensation and Liability fund due to influx of more duty disability cases
Medical Insurance	(0.01)		Rate decreased from budgeted after JPE approval
Other Services and Charges	0.49		Council-directed use of fund balance for one year Crisis Response team and transfer out to parks fund of \$42K
Worker's Compensation Transfer	1.10		Reclassified to Worker's Compensation and Liability fund transfer due to influx of more duty disability cases
Professional Svs/Contracts	0.08		Increase of \$123K to Planning to assist with Visit Duluth/DMO transfer, and a decrease of \$42K in park maintenance due to a transfer to the parks fund
Total Expense Changes		0.62	
2025 Approved Budget		109.43	

The number of general fund positions for 2025 increased by 2.85 FTE's over 2024. The changes by department are as follows:

Position Bridge Schedule	Full Time Equivalent Variance	
2024 FTE's		621.80
Legislative and Executive	2	(2) Assistant City Attorneys
Property, Parks, and Libraries	2.25	(-0.25) Reduced Grant Coordinator, (0.5) Added Library Safety Specialist and removed Library Tech (2) Janitors (offset by rev from PWU)
Finance	-0.75	Removed ARP Accountant II
Planning & Economic Development	-2.65	(-0.65) Reorganization Plan (-2) Electrical Inspectors
Fire	5	(3) Temporary Substitute Firefighters (1) Housing Inspector (1) Fire Inspector
Police	-3	(3) Temporary Transfer of FTEs to Fire
Total Changes in FTE's	2.85	
2025 Fulltime Equivalent (FTE's)		624.65

General Fund Undesignated/Unreserved Fund Balance - The City has a fiscal policy of maintaining a collectible unassigned General Fund balance between sixteen (16) and eighteen (18) percent of the current year’s General Fund operating budget. Based upon the 2025 General Fund ongoing operations budget of \$109.43 million, (the minimum level (16%) would require a minimum fund balance of \$17.5 million. In 2025, the City will be issuing more debt than in typical years, and a higher available fund balance will ensure the City’s bond rating remains stable.



In 2008, the City ended with a negative fund balance of \$1.35 million due to record revenue deficits and a late December cut in Local Government Aid from the state. Since then, much effort has been concentrated on fund balance restoration and growth through various practices and policies. The fund balance growth has accelerated in large part due to the growth of sales tax post COVID. While the City budgets this revenue conservatively, we also put it to good use when it is strategic and sustainable. In 2024, the growth in fund balance allowed the City to use a planned one-time investment of \$9 million on capital projects and equipment. The one-time investment in capital equipment allowed the City to begin adding annual allotments to the City’s asset replacement program while slowly growing the levy to fully fund the City’s fleet program.

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, Home Investments Partnerships Program, Energy Management, DECC Revenue, Community Development, Workforce, Senior Employment, Senior Nutrition and Community Resource Programs, Other Post-Employment Benefits – (OPEB) fund, the Street System Maintenance Utility fund, the Street Improvement Sales Tax fund, and the Street Light fund.

The **OPEB fund** (Other Post-Employment Benefits) was created in 2007 for the purpose of accumulating 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. Due to the city's investment strategies along with high market returns, the market value of the OPEB trust fund nearly doubled since 2018. The city worked with the State Board of Investment to formulate an investment strategy to fund the forecasted future OPEB premiums where the SBI can lock in future cash flows that take advantage of high interest rates. Using the OPEB actuarial forecasts along with the SBI's investment strategy, the city is able to reduce the annual appropriated amount for retiree healthcare costs to \$3.5 million saving the general fund approximately \$4.5 million dollars. At the end of 2024 the trust fund accumulated assets of \$107 million.

The **Tourism Tax Fund** provides the accounting for the revenue generated by tourism taxes received from food and beverage and hotel/motel receipts. In 2015, the 0.5% food and beverage tax and the 0.5% 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). The 2025 budgeted revenue is \$14 million with an additional \$1.1 million coming from the Tourism Tax Fund Balance. In 2025, \$2.012 million is budgeted to make debt payments for the projects along the St. Louis River Corridor. The Great Lakes Aquarium, Spirit Mountain, and the Lake Superior Zoo will receive operating subsidies from tourism taxes in the amounts of \$0.31 million, \$0.40 million, and \$0.51 million respectively. Capital Support and Debt service payments totaling \$5.463 million funded by the tourism tax fund go toward DECC improvements, Spirit Mountain, and the Lake Front Restoration Project. 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. Currently, the Parks property tax levy remains a fixed annual amount of \$2.6 million, with an additional \$280 thousand levied by the city.

The **Street System Maintenance Utility Fund** accounts for the street maintenance property tax levy that was established to finance existing street improvement debt, enhanced maintenance, and street reconstruction activities. The 2025 levy remains at \$2.3 million in dedicated property tax revenue, however the city will use approximately \$2.1 million of fund balance as well. Using both revenue and fund balance, \$1.89 million will be used for enhanced street maintenance, and \$2.55 million will be transferred to the City's street improvement fund using accumulated fund balance.

The **Street Improvement Sales Tax Fund** was created in 2019 to account for the 0.5% sales tax increase dedicated to street improvements. A local sales tax referendum passed with a 77 percent favorable vote for the increased sales tax. The legislature passed the sales tax increase in 2019 and the State began collecting the sales tax in October of 2019. The dedicated fund will account for sales tax collections to be used solely for street improvements. In 2025, the estimated

revenue is \$8.75 million, and the City is budgeting to use \$4.9 million in Street Improvement Sales Tax fund balance as well.

Effective January 1, 2020, the **Street Lighting Fund** moved to a special revenue fund with dedicated property taxes as its main source of revenue. 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. In 2008 the operation moved into 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 were designed to fully cover expenses of the utility. The street light user fees were completely phased-out effective December 31, 2019. The funding source for the street light fund is the property tax levy. The 2025 street light levy amount is \$2.54 million. Because this fund includes salaries and benefits, the city will need to increase the levy for this at some point in the near future.

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 2024 is \$124 million. The property tax levy for debt service in 2025 is \$7.564 million. The property tax supported bond issues approved for 2025 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 2025, a total of \$50.5 million in improvements are planned. The City will bond for \$3.178 million of capital improvement projects including fire hall improvements, civic building improvements, other city building improvements and seawall contingency. Additional capital projects funding will come from intergovernmental contributions from the State of Minnesota and Federal grants.

Included in the 2025 budget are \$3 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 are be paid using the 0.5% food and beverage tax as well as the 0.5% hotel/motel tax included in the tourism tax special revenue fund. In 2023, the State Legislature approved a request from the City of Duluth to renew this tax to fund improvements to parks-based athletic venues that drive regional sports tourism.

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 expenses of the municipal utilities of Water, Gas, Sewer, Clean Water, Stormwater, and Steam; 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 season. Utility rate increases are 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. In 2023, the City began breaking ground on capital improvements at Enger Park Golf Course, leading to the eventual consolidation of public golf in Duluth. The result will be 27 holes and driving range at Enger Park Golf Course and the fund is budgeted with the assumption of the closure of Lester Park Golf Course. In 2024 much of the construction was completed and the full 27 holes should be open for golf in 2025. The fund will also need to start making a bond payment, something that it hasn't had to do in the past.

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. This past year, most of the ramps received security enhancements that should also assist with reducing maintenance and repair costs.

The **Priley Drive Parking Facility** 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 2014-2016. It became operational in May of 2016.

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 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 provide goods and services for a fee or on a cost-reimbursement basis. Within those two types are the classifications as shown below with the name of the budgeted funds within those classifications also noted.

Governmental Fund Types

General Fund

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

Proprietary Fund Types

Enterprise Funds

- Water Fund
- Gas Fund
- Sewer Fund
- Clean Water Surcharge Fund
- Stormwater Fund
- Steam Fund
- Golf Fund
- Parking Fund
- Priley Drive Parking Facility

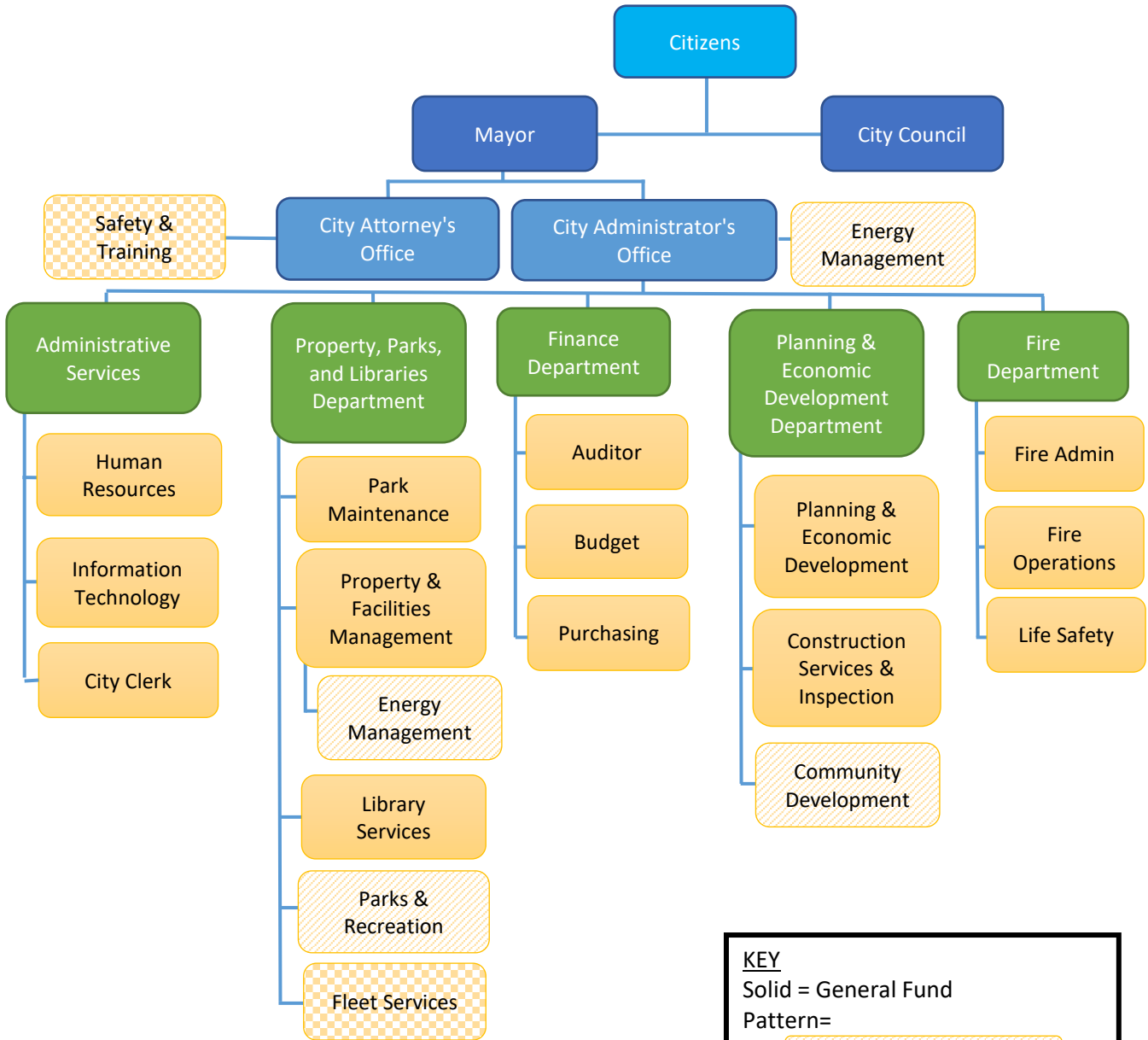
Internal Service Funds

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



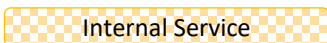
City of Duluth Minnesota - 2025 Budget

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.

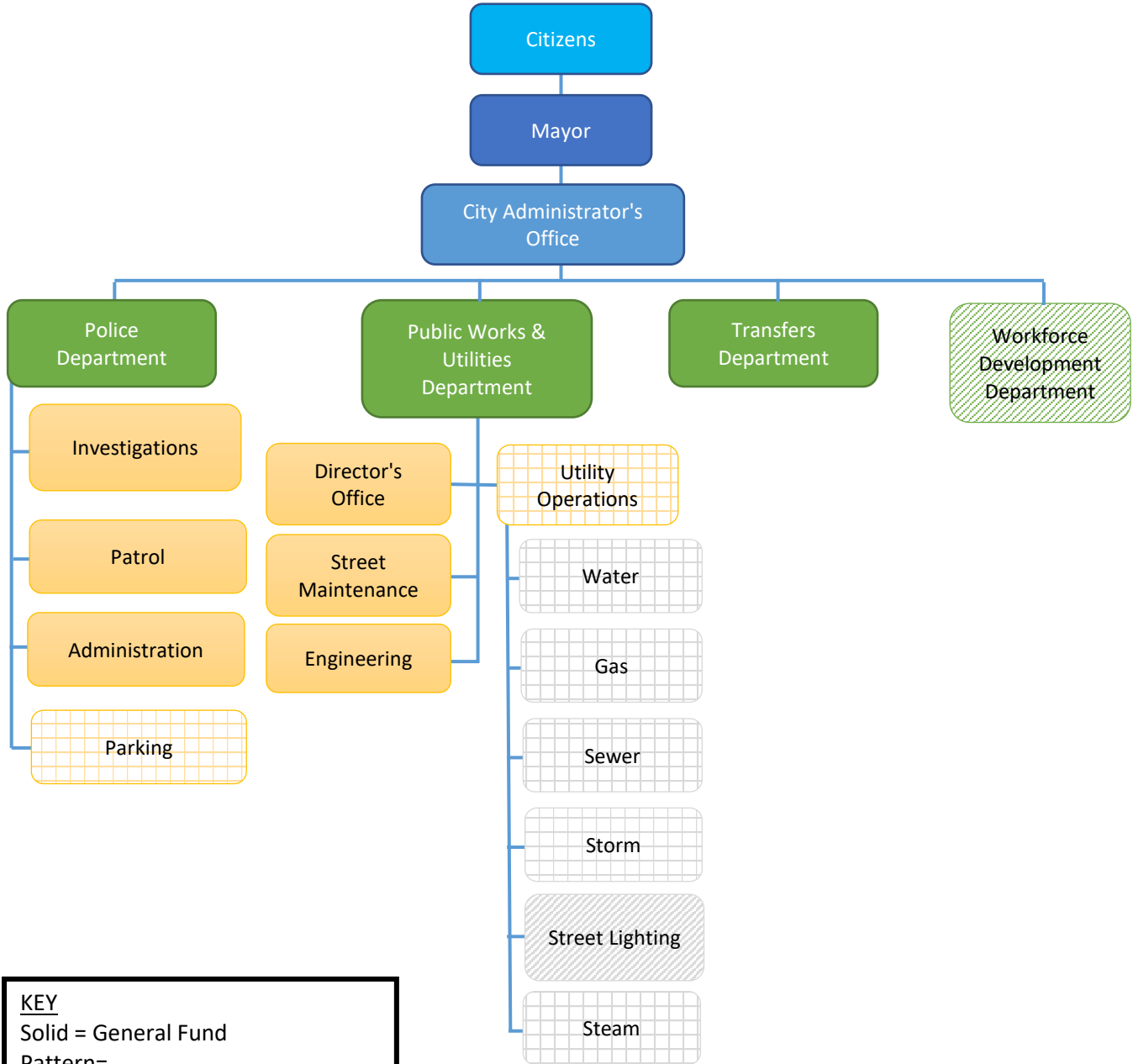


KEY
 Solid = General Fund
 Pattern =

-  Special Revenue
-  Enterprise
-  Internal Service

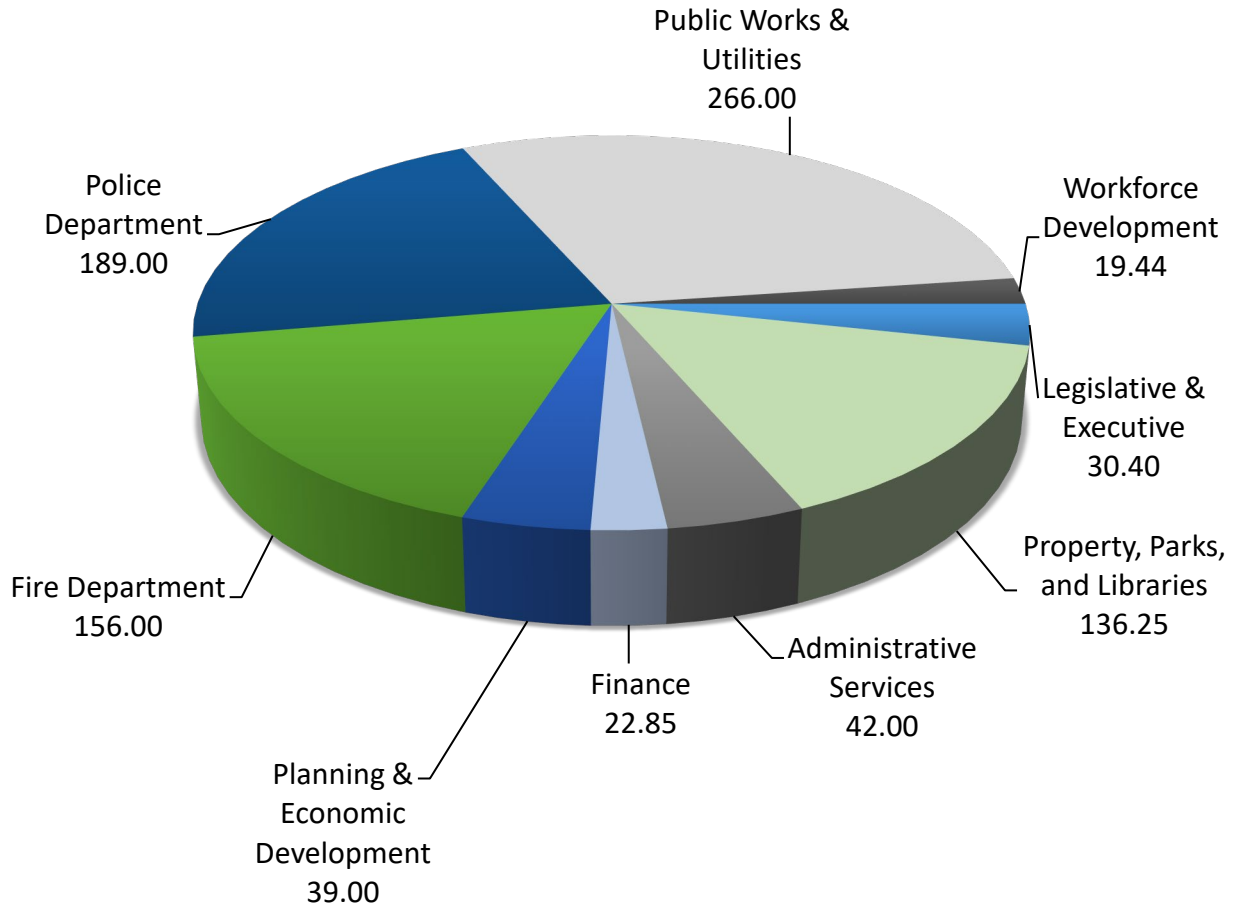
City of Duluth Minnesota - 2025 Budget

City of Duluth Organization Chart - continued



City of Duluth Minnesota - 2025 Budget

Citywide Personnel Summary 2025 Permanent FTE's by Department



Department	2022 Budget	2023 Budget	2024 Budget	2025 Approved	Difference
Legislative & Executive	26.80	27.80	29.55	30.40	0.85
Property, Parks, and Libraries	130.50	132.00	133.00	136.25	3.25
Administrative Services	39.00	40.00	42.00	42.00	0.00
Finance	21.60	22.60	23.60	22.85	-0.75
Planning & Economic Development	40.50	42.00	42.00	39.00	-3.00
Fire Department	148.50	150.00	151.00	156.00	5.00
Police Department	191.50	192.00	192.00	189.00	-3.00
Public Works & Utilities	256.00	256.00	263.00	266.00	3.00
Workforce Development	17.64	18.64	19.28	19.44	0.17
TOTAL	872.04	881.04	895.43	900.94	5.52

City of Duluth Minnesota - 2025 Budget

Citywide Personnel Summary Fulltime, Permanent Positions

Department/Division	2022 Budget	2023 Budget	2024 Budget	2025 Approved
LEGISLATIVE & EXECUTIVE				
City Council	0.00	0.00	0.00	0.00
Mayor Office	6.00	6.00	6.00	6.00
City Administrator's Office	3.00	3.00	3.00	3.00
Attorney's Office	16.80	17.80	17.80	19.80
Safety and Training	1.00	1.00	1.00	1.00
Energy Management	0.00	0.00	1.75	0.60
DEPARTMENT TOTAL	26.80	27.80	29.55	30.40
PROPERTY, PARKS & LIBRARIES				
Park Maintenance	22.80	23.05	23.05	22.80
Library Services	47.50	48.00	48.00	48.50
Parks and Recreation	13.70	14.45	14.45	14.45
Property & Facilities Management	28.30	28.30	29.30	32.30
Fleet Services	17.20	17.20	17.20	17.20
Energy Management	1.00	1.00	1.00	1.00
DEPARTMENT TOTAL	130.50	132.00	133.00	136.25
ADMINISTRATIVE SERVICES				
Human Resources	10.00	10.00	11.00	11.00
Information Technology	23.00	24.00	24.00	24.00
City Clerk	6.00	6.00	7.00	7.00
DEPARTMENT TOTAL	39.00	40.00	42.00	42.00
FINANCE				
Budget Office	7.00	7.00	7.00	7.00
Auditor's Office	8.60	9.60	10.60	9.85
Purchasing	6.00	6.00	6.00	6.00
DEPARTMENT TOTAL	21.60	22.60	23.60	22.85
PLANNING & ECONOMIC DEVELOPMENT				
Planning and Development	12.25	13.25	13.25	12.60
Construction Svs & Insp	20.50	21.00	21.00	19.00
Community Development	7.75	7.75	7.75	7.40
DEPARTMENT TOTAL	40.50	42.00	42.00	39.00

City of Duluth Minnesota - 2025 Budget

Citywide Personnel Summary Fulltime, Permanent Positions

Department/Division	2022 Budget	2023 Budget	2024 Budget	2025 Approved
FIRE DEPARTMENT				
Fire Administration	5.00	6.00	6.00	6.00
Firefighting Operations	132.00	131.00	131.00	134.00
Life Safety	11.50	13.00	14.00	16.00
DEPARTMENT TOTAL	148.50	150.00	151.00	156.00
POLICE DEPARTMENT				
Administration, Investigative, Patrol	183.50	184.00	184.00	181.00
Parking	8.00	8.00	8.00	8.00
DEPARTMENT TOTAL	191.50	192.00	192.00	189.00
PUBLIC WORKS & UTILITIES				
Public Works Operations				
Director's Office	0.60	0.60	0.60	0.60
Street Maintenance	44.00	44.00	44.00	44.00
Engineering	15.45	15.45	15.20	15.20
Public Works Subtotal	60.05	60.05	59.80	59.80
UTILITIES OPERATIONS				
Water	57.65	55.70	59.00	62.65
Gas	74.95	74.80	74.85	75.60
Sewer	33.50	33.60	36.75	35.35
Stormwater	24.75	26.75	27.3	27.3
Street Lighting	5.10	5.10	5.30	5.30
Utilities Subtotal	195.95	195.95	203.20	206.20
DEPARTMENT TOTAL	256.00	256.00	263.00	266.00
WORKFORCE DEVELOPMENT	17.64	18.64	19.28	19.44
TOTAL CITY EMPLOYEES	872.04	881.04	895.43	900.94

FINANCIAL POLICIES

The City of Duluth's Financial Management Policies provide a framework for fiscal management of the City. In addition, policies are created so all parties operate under the same underlying assumptions. The majority of these policies represent long-standing principles and practices that operate independently of changing circumstances and conditions. Even so, all policies are reviewed annually by the Administration and staff to determine their continued appropriateness and completeness. The City of Duluth used these policies in the formulation of the 2025 budget and to the best of our knowledge the budget complies with these 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 Enterprise 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 by increasing applicable revenue streams.
- **Personnel Expenses** – Additional personnel shall be considered only after service needs have been thoroughly documented or if 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 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 is accrued. Interest on special assessments receivable is not accrued or budgeted. Major revenues that are not subject to accrual because they are not available 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. 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 City Administrator or his/her 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 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 Administrator is deemed the budget officer of the City. He or she will administer policies and procedures necessary to ensure consistent application of City policies between departments.

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 provided on a per use basis 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 ensure 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, 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 to provide a positive cash balance 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 circumstances 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 five 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 intergovernmental 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 Finance Director. 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:

- Finance Director
- City Auditor
- City Administrator
- 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. Private placement is when the debt is sold directly to investors and not re-offered to the public.

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. 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, 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 City's financial position is indicative of its ability to adapt to unexpected circumstances, meet existing obligations, and it is a measure of overall flexibility. For these reasons, fund balance and cash balance carry a weight of 30 percent of the City's bond rating scorecard.

Cash Flow and Contingency - In order for the City of Duluth to respond to unforeseen situations, as well as to positively impact the investment credit rating of the City, the City strives to maintain a collectible unassigned General Fund balance between 16% and 18% of the current year's General Fund operating budget.

Additionally, the City's municipal advisors strongly encourage the City to maintain a minimum balance of 40% of budgeted general fund revenues, using the unassigned General Fund balance and the Community Investment Trust (CIT) fund balance to reach the 40%. It is important to note, while the General Fund balance may have opportunity for annual growth, the CIT is dependent on market earnings and therefore does not have the opportunity for annual growth.

For all other funds, appropriate balances shall be maintained to reflect 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. Enterprise funds with salary and benefit costs shall strive to maintain a minimum cash balance in the Enterprise Fund of between 16% and 18% of operating expenses, 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 – Fund balance in excess of 18% may be available for use on one-time expenditures such as capital projects, sustainability initiatives, and other one-time investments and programs that enhance efficiencies or reduce operating costs.

Fund balance above 16% and below 18% may be used to provide a short-term solution to maintaining services until projected revenue growth or necessary expenditure reductions are achieved to balance the budget. It is critical to identify and address the issues causing the budget imbalance. The City must evaluate the length and severity of economic conditions and their impact on future revenue projections to determine the extent of expenditure reductions or revenue increases required to achieve structural balance.

The use of fund balance below 16 percent is restricted to responding to a severe economic or other crisis. This category is only used in the most unusual or unexpected situation and is ideally never used.

Fund balance is the cumulative years' excess or deficit of all revenues and expenses. In the case of proprietary funds, this is termed unrestricted net position. 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 Auditor. The Investment Committee advises the Auditor on investment activities. The Investment Committee meets at least quarterly and includes the following persons:

- Finance Director
- City Auditor
- City Administrator
- 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 Finance Director 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 ensure 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

Proprietary

- Enterprise
- Internal Service

Fiduciary

- Pension Trust and Agency

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

Disclosure and Monitoring - Full disclosure is provided in all financial statements and bond representations. Financial systems are maintained to monitor expenditures and revenues on a daily, monthly, and year end basis. An Annual Comprehensive Financial Report is published by the City within six months of the following year. The Annual Comprehensive Financial Report 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 Annual Comprehensive Financial Report to the Government Finance Officers Association (GFOA) to determine its eligibility for the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

BUDGET PROCESS

In 2024, the City underwent major changes with both a new Mayor and a new City Administrator. The Mayor was elected on a campaign of core City services and affordable taxes. This meant keeping the levy at new growth and aligning resources towards core services and away from services that should be provided by other entities. All departments submitted budget requests through the Priority Based Budgeting system and had departmental meetings with the Mayor and City Administrator to further explain their requests.

The legislative budget process began with Duluth Mayor, Roger Reinert, presenting the proposed general fund budget and tax levy to the City Council on September 9, 2024. The City Council approved the proposed maximum tax levy on September 23, 2024. The process commenced with Mayor Roger Reinert presenting the proposed general fund budget and tax levy to the City Council on September 9, 2024. On September 13, 2024, the City hosted its inaugural full-day budget retreat for the Finance Committee, during which all departments presented their budget proposals. Shortly thereafter, on September 23, 2024, the City Council approved the proposed maximum tax levy.

On December 9, 2024, the City held public hearings in the Duluth City Council Chambers at 7:00 PM for truth in taxation, the capital improvement plan, and the proposed issuance of general obligation capital improvement bonds. This hearing provided citizens with an opportunity to offer comments and pose questions. The final 2025 budgets, including all appropriations and tax levies, received Council approval on December 16, 2024.

Public Education and Engagement

With the change in administration and several new councilors, the budget team updated their messaging with the mayor's new priorities and updated the Priority Based Budget game. This was brought to Sidewalk Days where the team tallied up the top priorities from residents and gained a better understanding of what could be better explained to residents. The Budget team, then used that information and incorporated into the first ever all-day budget retreat.

The Finance Director and Budget Manager prepared a Budget 101 offsite for councilors and the public, explaining the entire budget process, their role in this process and highlighting key concepts in budgeting. Then each Department Head presented their budgets in one day, alleviating the need for several meetings throughout the year, while also providing timely information to councilors. Throughout the day, we ensured as much consistency in budget presentations as possible and allowed ample time for Councilor questions. These efforts paid off, as councilors really appreciated the deep dive into the budget, and there were fewer changes late in the process.

The [Mayor presented his budget at the Duluth Area Chamber of Commerce](#) and completed a long form interview with [Greg Grell - PAC TV Budget Interview](#).

Additionally, the Mayor used his social media platform to do several ninety-second educational videos on the budget process:

[Video 1 - Budget Process Intro](#)

[Video 2 – Property Tax](#)

[Video 3 – Tax Levy & Mill Rate](#)

[Video 4 – City Council’s Role](#)

[Video 5 – Expanding Commercial Tax Base](#)

[Video 6 – General Fund Revenues & Expenditures](#)

[Video 7 – Approved Budget Requests](#)

[Video 8 – Budget Recap](#)

BUDGET CALENDAR

INTERNAL BUDGET DEADLINES:

May	Work collaboratively on budget goals, generate salary and benefit data
June	Fleet revenues, expenses and fuel allocations due in Financial System
June	General fund revenues due in Financial System
July	General fund expenditures due in Financial System
August	PW Utility funds, parks fund, parking fund due in Financial System
September	Special Revenue funds, Internal Service funds, Debt, Capital, Enterprise funds due in Financial System

ADMINISTRATIVE BUDGET REVIEWS

August	General Fund and Fleet, PW Utility Funds, Parks fund, Parking fund
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CAPITAL BUDGETS

June	Instructions and packets sent out to departments
Sept	CEP Rolling Stock and other Equipment Due
Sept	IT CEP projects due
Oct	CIP Projects Submitted
Oct	CIP and CEP administrative review meetings
Nov 25	Capital Improvement presentation to City Council

MAYOR’S BUDGET PRESENTATION to COUNCIL

Sept 9	2025 Proposed General Fund budget and tax levy presentation to Council
Sept 23	City Council sets preliminary budget and maximum property tax levy
Sept 30	2025 proposed budget book published on website

COUNCIL BUDGET REVIEW

- Sept 13** Day Long Budget Retreat – Department Presentations
- Sept-Dec** Authority Budget Presentations Scheduled by Council Finance Chair

TRUTH IN TAXATION MEETINGS

- Dec 9** Truth in Taxation Hearing
- Dec 16** Council approves final budget and levy

PROPERTY TAX REPORTING DEADLINES

- Sept 30** Proposed maximum property tax levies due to St. Louis County
- Dec 23** Final City property tax levies certified to St. Louis County
- Dec 28** Certification of Truth in Taxation Compliance due to MN Department of Revenue
- Dec 30** Property Tax Levy Report due to MN Department of Revenue

PROPERTY TAX LEVY REVENUES

The City’s final property tax levy (not including the Parks referendum levy) certified to the County was \$43,398,572; an increase of 1.85% over the 2024 levy.

The City’s levy breakdown is shown below.

2025 Approved Property Tax Levy			
	2024 Approved Levy	2025 Approved Levy	Change In Levy
General Operations Levy			
General Operations	\$ 29,305,129	\$ 25,547,272	\$ (3,757,857)
Provision for Tax Delinquency	\$ 150,000	\$ 150,000	\$ -
Total General Operations Levy	\$ 29,455,129	\$ 25,697,272	\$ (3,757,857)
Supplemental Parks Levy	\$ 280,000	\$ 280,000	\$ -
Capital Projects Levy			
Capital Funding	\$ -	\$ 4,547,400	\$ 4,547,400
Debt Service	\$ 7,564,200	\$ 7,564,200	\$ -
Infrastructure Permanent Improvements	\$ 280,000	\$ 280,000	\$ -
Total Capital Projects Levy	\$ 7,844,200	\$ 12,391,600	\$ 4,547,400
Street Light Levy	\$ 2,547,200	\$ 2,547,200	\$ -
Street Maintenance Levy	\$ 2,300,000	\$ 2,300,000	\$ -
Duluth Housing Trust Fund Levy	\$ 182,500	\$ 182,500	\$ -
Total City Property Tax Levy	\$ 42,609,029	\$ 43,398,572	\$ 789,543
General Operations Levy Increase			\$ (3,757,857) -8.82%
Capital Projects Levy			\$ 4,547,400 10.67%
2025 City Tax Levy Increase			\$ 789,543 1.85%
New Construction Growth			\$ 789,543 1.85%
Net Property Tax Impact After Growth			\$ - 0.00%

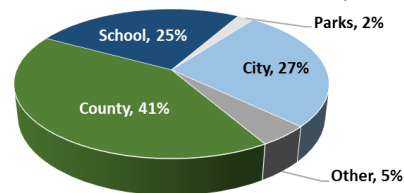
*Total General Operations Levy amount may differ on other pages in budget book due to rounding.

In addition, the City, on behalf of city authorities and voter approved referendum, approved levy requests as follows: The **Duluth Transit Authority** (DTA) in the amount of \$2,322,280; the **Housing and Redevelopment Authority** (HRA) in the amount of \$1,982,923; and **Parks Fund** in the amount of \$2,600,000. The DTA and HRA levies are separate on the property tax statement and are not included in the City levy.

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

Taxing Entity	2025 Property Taxes	
City of Duluth	\$ 921	27%
Parks	\$ 68	2%
St. Louis County	\$ 1,424	41%
School District 709	\$ 878	25%
Other Entities	\$ 155	5%
Total Average Bill	\$ 3,446	100%

*Based on Market Value of \$272,754



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 comments on the City’s proposed budget and property tax levy for the year 2025 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 2024 tax bill with the proposed tax bill for 2025. 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 29 percent of the City property tax levy goes to fund debt service or capital improvements and equipment. Five percent goes to fund the Street Maintenance Utility Fund for street improvements. Six percent of the levy goes to the Street Light Utility fund. Approximately one percent of the levy supplements parks and the Duluth Housing Trust Fund. The remaining 59 percent goes into the City’s General Fund to pay for services such as police, fire, libraries, planning and zoning, and street maintenance. For 2025, the portion of the City’s general services paid for with property taxes is \$25.7 million or 23% of the general fund budget. To put the

amount into perspective, this does not even cover the Police Department's 2025 funding requirements totaling \$29.3 million.

If property taxes only cover 23 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 (LGA) from the State of Minnesota at \$35.2 million or 32 percent of total general fund revenue. City Sales and Use tax contributes \$17.6 million or 16 percent of total general fund revenue.

LONG RANGE OPERATING FINANCIAL PLANS

CITY LONG RANGE 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 newer to the City. The goal of our planning is to provide citizens, elected officials, managers and staff with the tools and information needed to plan, and assess the effectiveness and value of services provided by the City. These processes are also used to understand future structural funding problems as early as possible. Outlined below is a brief description of each of the planning processes currently used by the City of Duluth.

Long-Range Planning

Throughout the year, the Budget team and Finance Director review current and historical economic trends, analyze various state and federal agency reporting, and then look at what is happening on a national, regional and local level in the City in terms of economic activity. This data is then used to forecast both revenues and expenditures for the next five years.

This information is presented to the City Administrator and the Mayor with the purpose of providing the economic landscape in the short and long-term as the budget process begins for the year. In this presentation, major changes are explained and projections are tied to an economic indicator, or it is noted as to why they are not tied to an indicator. In general, five-year forecasts are conservative in that revenues are projected at low growth assumptions and expenditures are typically between 2-3% growth. For those expenditures that are projected higher, there is typically more information provided, such as state law changes that impact the expense, or the rising cost of contractual bargained salaries and benefits. Finally, economic indicators that were used are presented along with their long and short-term trends and major unknowns that could impact the City. Below is the General Fund Five-Year Forecast.

Key Assumptions in General Fund Long-Range Model

Revenues

Property Taxes

Property Taxes are the second largest source of revenue in the general fund, and the only revenue the City can directly control. An annual property tax increase is modeled in future years, with 1.85 percent general fund operational increases in 2025 and then, higher increases in future years due to collective bargaining salary increases. Future years may be reduced as budgets are refined through appropriation reductions or revenue increases.

Sales Tax

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. In 2024, the state changed how they charge cities to collect sales tax revenues, moving from a fee to a percentage-based model. The city has chosen to net this new percent against the sales tax revenue going forward. Sales tax was increased to \$17.6M in 2025, as post-COVID spending has maintained. Sales Tax has begun to

flatten out, but not necessarily decrease. In future years, it is reasonable to continue to increase the budget to a sustainable amount and then grow by gross domestic product.

Minnesota Power Franchise Fee

These fees represent three percent (3%) of Minnesota Power's gross electric sales for service within the city and are applied to customers' bills for electric service. In 2025, rates increased by 4.4 percent. The company is looking to continue to fund a plan that includes adding a significant amount of renewable energy and going coal-free by 2035. It is reasonable to increase this revenue source by 6.7% looking at historical trends in usage and the Energy Information Administration's regional electricity price and sales forecasts for future years.

Multiple Dwelling License

Multiple Dwelling Licenses are rental licenses to ensure safe occupancy of rental homes. These license renewals are on a three-year cycle. The forecasts are calculated by the cost of the license fee multiplied by the number of licenses each year. These fees were recently right-sized to reflect the actual cost of the work, but are typically increased by the Consumer Price Index (CPI) each year, so moderate increases are reasonable.

Other Financing Sources

Other Financing Sources are transfers in from other funds (Grants, Tourism, Enterprise etc.) that typically support personnel costs. These are relatively stable transfers with only contractual salary and benefit increases to cover personnel costs. Any transfers that support personnel costs have been increased by the forecasted cost of future salary and benefit increases. In 2024 there was a one-time \$1.6M budgeted transfer of proceeds from a sale of a building that has been reduced in the 2025 budget.

Local Government Aid

Local Government Aid (LGA) is the largest source of revenues for the General Fund. In 2024, the State Legislature increased LGA to the City by approximately \$4.3 million or fourteen per cent. Historically, increases have been less than 1% each year. The State is projecting a \$2.31 billion state budget deficit in the 2026-2027 biennium, leading to a projection of no growth in future years, and hopes of no cuts. In 2025, the City is budgeted the certified amount of 0.16% increase.

Inspection Fees

Inspection fees are construction permit fees. These have been higher in recent years due to the Essentia construction project. In 2024, the City turned over Electrical Inspections to the state which will result in less revenue but also lower salary and benefit costs. The number of permits, when normalized for Electrical Inspections, is up 3.8%. When City-initiated lead line permits are removed from the total, permits are down 9% from 2019. However, even when removing electrical and Essentia permits, the valuation of permits issued has increased by 60% since 2019, so permit revenue remains stable. The forecast is growing the revenue by GDP projections for the next four years.

Gas Utility In Lieu of Taxes

According to the Energy Information Agency, natural gas prices in this region will decrease for both residential and commercial. Based on current volumes, the projected purchase price of natural gas, and historical averages, the City is forecasting a decrease in Gas Utility in Lieu of Taxes continuing into 2029. The City uses the prior year's percent actuals for the next year's revenue, in 2024, revenues came in lower than expected at \$2.58 million, so 2025 will be a deficit of approximately \$600,000.

Expenditures

Salaries and Benefits

At the time of budget formulation, salaries and applicable benefits were projected to increase by 2.5%, however, in late 2024 all but one of the collective bargaining agreements (CBAs) were settled at much higher rates. Future years include expected percentage increases closer to 6% in 2026 and 2027. In 2028 and forward lower rates are projected and will depend on negotiations with the collective bargaining units.

Medical

The projected premiums Medica provided remained relatively stable, and the City had a larger than expected fund balance to buy down the rate increasing medical by 1.5%. This lower projection is mainly due to changes in benefit elections, or the make up of who is on the City's plan. The projections in this forecast assume 2% in 2026, then 5% increases in 2027 and 2028 and then 7.5% in future years if the plan is not restructured.

Worker's Compensation & Liability

A major change to worker's comp at the state legislature in the last few years requires treatment of psychological conditions before a peace officer or firefighter may apply for duty disability benefits. It also fully reimburses employers for the cost of continuing to pay the injured employees. The funding allocation at the state was only one-time funds, and the City is required to fund full wages and benefits while the employee is out and the final settlement. The City has seen a large increase in PTSD Duty Disability claims in the past year in addition to some significant settlement payouts in the liability fund.

Increasing this transfer significantly for one year as a catch up will help to balance these funds again. The long-term goal is to be able to budget all self insurance transfers at a flat level and allocate within the transfers differently each year as needed. In 2025, a small transfer to the Disaster Fund was added as a more pro-active approach to fund FEMA grant matches for natural disasters resulting from climate change.

Fleet Services

This is the General Fund portion of the Fleet costs. This accounts for salary and benefits increases for Fleet staff and small percentage increases to parts and sublet labor resulting in an overall long-term increase of about 4% annual growth each year.

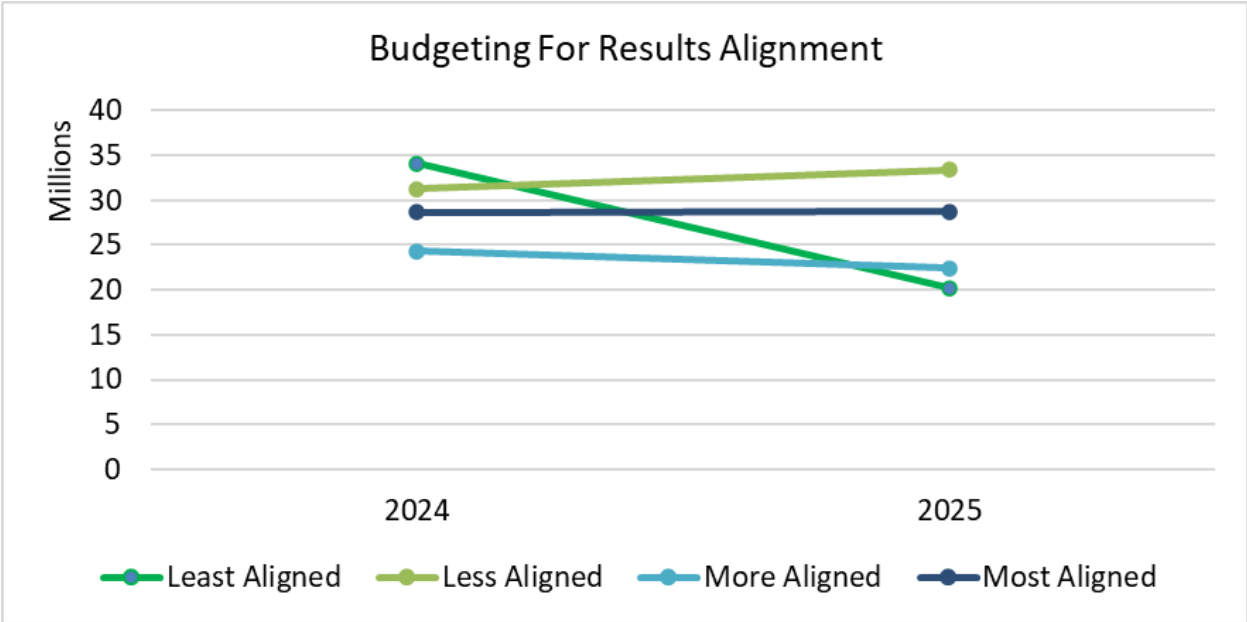
Motor Fuels

The actual cost of motor fuels for 2025 is forecasted less than 2024, but a 3% markup is added to manage the gas card program at Fleet and 10% per gallon is added to account for potential variations throughout the year resulting in a 4% increase in 2025. For future years, the modeling uses U.S. Energy Information Administration’s regional motor gasoline and diesel fuel price projections showing decreases in future years, along with the assumption that more of the City’s vehicles will be hybrid vehicles and thus using less gas.

	2025	2026	2027	2028	2029	2030
<u>Property Taxes</u>	25,697,342	27,867,227	30,145,650	32,537,995	35,049,957	37,687,517
<u>City Sales Tax</u>	17,617,300	18,486,500	18,819,257	19,176,823	19,522,006	19,873,402
<u>Minnesota Power Franchise Tax</u>	3,852,000	4,010,000	4,178,019	4,353,078	4,535,472	4,725,508
<u>Multiple Dwelling License</u>	1,250,000	1,155,000	1,178,100	1,201,662	1,225,695	1,250,209
<u>Other Financing Sources</u>	6,877,500	6,914,144	7,156,139	7,406,604	7,628,802	7,857,666
<u>Local Government Aid</u>	35,231,196	35,509,600	35,598,374	35,687,370	35,776,588	35,866,030
<u>Inspection Fees</u>	3,000,000	3,072,000	3,127,296	3,186,715	3,244,075	3,302,469
<u>Gas Utility In Lieu of Taxes</u>	3,250,000	2,587,000	2,457,650	2,383,921	2,336,242	2,336,242
<u>All Other Revenue Sources</u>	12,203,762	12,276,100	12,281,735	12,282,739	12,283,797	12,285,359
<u>Cash Reserves</u>	450,000					
	109,429,100	111,877,571	114,942,221	118,216,906	121,602,635	125,184,402
<u>Salaries (OT + Other Wages)</u>	59,661,500	63,728,612	67,552,329	69,578,899	71,666,266	73,816,254
<u>Medical</u>	13,344,000	13,561,573	14,239,652	14,951,634	16,073,007	17,278,482
<u>PERA</u>	7,439,400	7,798,309	8,266,208	8,514,194	8,769,620	9,032,708
<u>Retiree Medical</u>	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000
<u>All other Benefits</u>	5,044,900	5,457,395	5,760,378	5,928,994	6,102,904	6,282,284
<u>Insurance (worker's comp + liability)</u>	3,759,900	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000
<u>Fleet Services</u>	3,354,300	3,461,336	3,599,789	3,743,781	3,874,813	4,010,432
<u>Motor Fuels</u>	1,094,100	1,074,688	1,052,442	1,034,340	1,041,891	1,045,850
<u>All Other Expenditures</u>	12,631,000	10,602,058	8,277,823	8,271,464	7,880,534	7,524,792
<u>NEW - MN Paid Time Leave</u>	-	293,600	293,600	293,600	293,600	293,600
	109,429,100	111,877,571	114,942,221	118,216,906	121,602,634	125,184,401

Long Range Operating Financial Plan and Relation to Achieving Strategic Goals

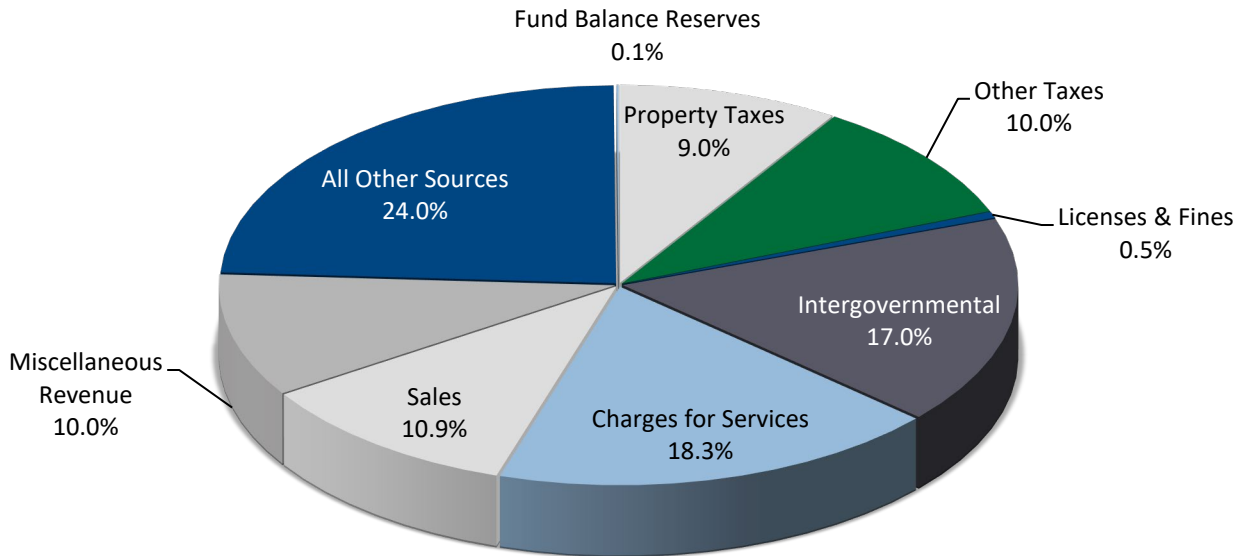
When putting together the long range operating financial plan, upcoming challenges are visible long before they arrive. Because the City uses Budgeting for Results (Priority Based Budgeting), the City can make tough decisions on realigning resources away from programs that do not point to the strategic goals and towards those programs that do. The Budgeting for Results tool also shows us an annual snapshot of resource alignment towards the strategic goals, with the goal being to continue to shift more resources to the programs aligned with the strategic goals.



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. In 2024, the Budget Office worked collaboratively with the Fleet, Facilities, Engineering, Parks, and IT divisions to put this plan together (see Capital Book portion).

City of Duluth Minnesota - 2025 Budget

Total Approved Revenues



*Graph may not add to 100% due to rounding

REVENUES	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Property Taxes	40,332,260	43,239,682	45,026,600	41,268,700
Other Taxes	48,345,548	49,279,972	43,006,300	45,766,800
Licenses & Fines	2,495,684	2,458,936	2,337,700	2,384,700
Intergovernmental	54,666,523	55,489,915	80,544,620	77,702,442
Charges for Services	74,811,016	77,389,561	77,902,060	83,801,409
Sales	57,717,174	44,143,745	51,339,700	50,041,600
Miscellaneous Revenue	17,971,526	68,525,270	40,649,589	45,894,730
All Other Sources	82,778,218	81,496,950	93,524,826	109,812,850
Fund Balance Reserves	-	-	9,200,000	450,000
TOTAL REVENUES	379,117,949	422,024,031	443,531,395	457,123,231

City of Duluth Minnesota - 2025 Budget

Comparison of Total Approved Revenue

	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Current Property Taxes					
General Fund	25,215,895	28,007,626	29,455,200	25,697,300	(3,757,900)
Special Revenue Funds	7,585,171	7,666,814	7,727,200	7,727,200	-
Debt Service Funds	7,252,870	7,287,732	7,564,200	7,564,200	-
Capital Project Funds	278,324	277,510	280,000	280,000	-
Total Current Property Taxes	40,332,260	43,239,682	45,026,600	41,268,700	(3,757,900)
Other Taxes					
General Fund	24,211,249	23,834,980	20,452,500	22,505,700	2,053,200
Special Revenue Funds	23,571,356	24,891,190	22,000,000	22,750,000	750,000
Debt Service Funds	562,943	553,802	553,800	511,100	(42,700)
Total Other Taxes	48,345,548	49,279,972	43,006,300	45,766,800	2,760,500
Licenses and Fines					
General Fund	2,495,684	2,458,936	2,337,700	2,384,700	47,000
Total Licenses and Fines	2,495,684	2,458,936	2,337,700	2,384,700	47,000
Intergovernmental					
General Fund	36,690,318	35,800,820	39,726,100	39,891,100	165,000
Special Revenue Funds	15,129,736	16,378,986	13,783,920	12,767,022	(1,016,898)
Capital Project Funds	2,846,469	3,310,109	27,034,600	25,044,320	(1,990,280)
Total Intergovernmental	54,666,523	55,489,915	80,544,620	77,702,442	(2,842,178)
Charges for Services					
General Fund	7,262,537	8,527,405	6,941,500	7,293,800	352,300
Enterprise Funds	62,661,293	64,150,633	65,634,760	70,854,009	5,219,249
Internal Service Funds	4,887,186	4,711,523	5,325,800	5,653,600	327,800
Total Charges for Services	74,811,016	77,389,561	77,902,060	83,801,409	5,899,349
Sales					
Enterprise Funds	57,717,174	44,143,745	51,339,700	50,041,600	(1,298,100)
Total Sales	57,717,174	44,143,745	51,339,700	50,041,600	(1,298,100)

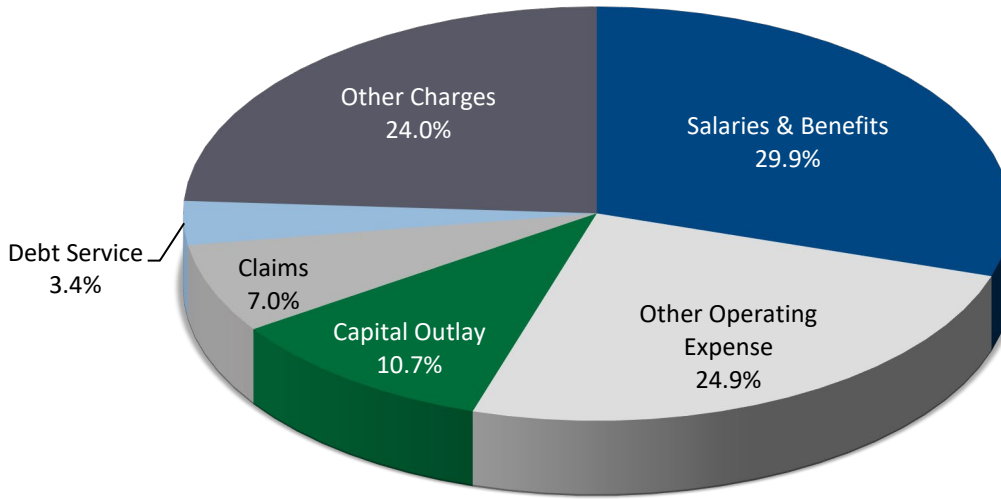
City of Duluth Minnesota - 2025 Budget

Comparison of Total Approved Revenue

	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Miscellaneous Revenue					
General Fund	1,946,606	2,796,557	991,500	1,079,000	87,500
Special Revenue Funds	8,162,101	54,853,441	33,134,138	36,925,888	3,791,750
Debt Service Funds	229,188	499,615	403,300	395,200	(8,100)
Capital Project Funds	2,361,969	5,596,110	2,244,800	3,547,130	1,302,330
Internal Service Funds	5,271,662	4,779,548	3,875,851	3,947,512	71,661
Total Miscellaneous Revenue	17,971,526	68,525,270	40,649,589	45,894,730	5,245,141
All Other Sources					
General Fund	16,605,295	21,849,738	10,999,400	10,127,500	(871,900)
Debt Service Funds	7,968,128	8,277,870	8,811,400	8,951,700	140,300
Capital Project Funds	10,012,438	8,631,550	17,625,000	17,240,000	(385,000)
Enterprise Funds	16,658,418	9,879,696	21,617,300	38,862,300	17,245,000
Internal Service Funds	31,533,938	32,858,095	34,471,726	34,631,350	159,624
Total All Other Sources	82,778,218	81,496,950	93,524,826	109,812,850	16,288,024
Fund Balance Reserves	-	-	9,200,000	450,000	(8,750,000)
Total Revenue	379,117,949	422,024,031	443,531,395	457,123,231	13,591,836

City of Duluth Minnesota - 2025 Budget

Total Approved Expenses



*Graph may not add to 100% due to rounding

EXPENSES	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Salaries & Benefits	113,067,226	114,271,715	130,932,763	141,721,354
Other Operating Expense	129,907,234	114,849,097	121,555,866	118,220,052
Capital Outlay	13,190,880	25,198,823	61,915,420	50,826,095
Claims	29,754,477	28,554,126	33,862,610	33,069,967
Debt Service	14,977,909	16,048,558	16,112,200	16,202,100
Other Charges	67,386,315	67,890,548	85,175,012	113,923,275
TOTAL EXPENSES	368,284,040	366,812,867	449,553,871	473,962,843

City of Duluth Minnesota - 2025 Budget

Comparison of Total Approved Expenditures

	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Salaries & Employee Benefits					
General Fund	74,609,797	75,714,546	83,098,500	85,384,800	2,286,300
Special Revenue Funds	16,802,091	15,124,911	18,302,954	26,160,742	7,857,788
Enterprise Funds	18,291,709	20,165,918	25,579,500	26,410,100	830,600
Internal Service Funds	3,363,628	3,266,340	3,951,809	3,765,712	(186,097)
Total Salaries & Employee Benefits	113,067,226	114,271,715	130,932,763	141,721,354	10,788,591
Other Operating Expense					
General Fund	36,180,696	36,142,839	27,384,400	23,698,300	(3,686,100)
Special Revenue Funds	12,509,519	9,825,471	11,955,375	10,432,597	(1,522,778)
Enterprise Funds	75,807,441	63,647,079	76,648,479	77,972,511	1,324,032
Internal Service Funds	5,409,578	5,233,708	5,567,612	6,116,644	549,032
Total Other Operating Expense	129,907,234	114,849,097	121,555,866	118,220,052	(3,335,814)
Capital Outlay					
General Fund	385,337	1,065,622	9,621,000	346,000	(9,275,000)
Capital Project Funds	12,805,543	24,133,201	52,294,420	50,480,095	(1,814,325)
Total Capital Outlay	13,190,880	25,198,823	61,915,420	50,826,095	(11,089,325)
Claims					
Internal Service Funds	29,754,477	28,554,126	33,862,610	33,069,967	(792,643)
Total Claims	29,754,477	28,554,126	33,862,610	33,069,967	(792,643)
Debt Service					
Debt Service Funds	14,977,909	16,048,558	16,112,200	16,202,100	89,900
Total Debt Service	14,977,909	16,048,558	16,112,200	16,202,100	89,900
Other Charges					
Special Revenue Funds	40,978,955	40,184,652	41,509,412	47,712,075	6,202,663
Enterprise Funds	26,407,360	27,705,896	43,665,600	66,211,200	22,545,600
Total Other Charges	67,386,315	67,890,548	85,175,012	113,923,275	28,748,263
Total Expenditures	368,284,040	366,812,867	449,553,871	473,962,843	24,408,972

City of Duluth Minnesota - 2025 Budget

Detail by Fund

	Estimated				% Change
	Beg. Balance	Revenues	Expenses	Balance	Fund Balance
General Fund	34,842,912	109,429,100	109,429,100	34,842,912	0%
Special Revenue Funds					
Lake Superior Zoological Gardens	(25,812)	2,783,300	2,775,900	(18,412)	29%
Parks	1,979,670	3,182,400	3,182,400	1,979,670	0%
Special Projects	6,476,242	1,928,700	1,928,700	6,476,242	0%
Police Grant Programs	71,935	1,045,000	1,045,000	71,935	0%
Capital Equipment	3,871,392	3,811,100	4,442,500	3,239,992	-16%
Economic Development	2,143,892	230,557	222,616	2,151,833	0%
Community Investment Trust*	31,634,458	537,500	537,500	31,634,458	0%
Energy Management	466,231	1,343,180	2,303,495	(494,084)	-206%
Special City Excise and Sales Tax Program	2,688,054	14,000,000	15,136,100	1,551,954	-42%
	(322,175)	2,486,390	2,486,390	(322,175)	0%
Community Development Administration	(623,915)	2,567,192	2,567,192	(623,915)	0%
	(4,258)	920,289	920,289	(4,258)	0%
Workforce Development	592,916	3,315,660	3,458,690	449,886	-24%
Senior Employment	(2,553)	319,937	319,937	(2,553)	0%
Other Post Employment Benefits	116,780,406	23,501,205	18,481,205	121,800,406	4%
DECC Revenue	6,284,483	4,554,500	3,255,500	7,583,483	21%
Street System Maintenance Utility	5,833,265	2,300,000	4,441,900	3,691,365	-37%
Street Improvement Sales Tax	8,278,880	8,750,000	13,675,000	3,353,880	-59%
Street Lighting Fund	1,349,471	2,593,200	3,125,100	817,571	-39%
Total Special Revenue Funds	187,472,582	80,170,110	84,305,414	183,337,278	
Debt Service Funds					
General Obligation Debt Service - Tax Levy	8,005,572	7,959,400	7,969,700	7,995,272	0%
General Obligation Debt Service - Other Sources	10,414,312	8,936,700	7,772,400	11,578,612	11%
Special Assessment Debt Service	57,396	11,000	-	68,396	19%
Street Improvement Debt Service	(41,112)	4,000	-	(37,112)	10%
Tax Increment Debt Service	333,313	511,100	460,000	384,413	15%
Total Debt Service Funds	18,769,481	17,422,200	16,202,100	19,989,581	

City of Duluth Minnesota - 2025 Budget

Detail by Fund

	Estimated				% Change
	Beg. Balance	Revenues	Expenses	Balance	Fund Balance
Capital Projects Funds					
Special Assessment Capital Project	60,684	18,100	-	78,784	30%
Permanent Improvements	6,293	21,831,400	21,831,400	6,293	0%
Street Improvement Program	2,411,475	14,535,500	16,946,975	-	-100%
Capital Improvement	(3,014,202)	8,491,500	8,632,800	(3,155,502)	5%
Tourism & Recreational Projects	816,132	1,234,950	3,068,920	(1,017,838)	-225%
Total Capital Projects Funds	280,382	46,111,450	50,480,095	(4,088,263)	
Enterprise Funds Estimated Revenue and Expense					
				INCOME/(LOSS)	
Golf Fund		3,311,809	3,245,011	66,798	
Parking Fund		6,280,300	5,706,100	574,200	
Priley Drive Parking Facility*		1,014,600	1,450,900	(436,300)	
Water Fund		55,399,000	57,231,800	(1,832,800)	
Gas Fund		51,862,100	52,974,400	(1,112,300)	
Sewer Fund		21,460,400	22,620,900	(1,160,500)	
Clean Water Surcharge Fund		-	824,000	(824,000)	
Stormwater Fund		9,429,800	11,832,800	(2,403,000)	
Steam Fund		10,999,900	14,707,900	(3,708,000)	
Total Enterprise Funds		159,757,909	170,593,811	(10,835,902)	
Internal Service Funds					
Self-Insurance - Workers' Comp	703,892	2,606,700	2,346,700	963,892	
Self-Insurance - Liabilities	628,886	736,240	905,980	459,146	
Medical Health Fund	17,126,275	34,041,058	32,788,216	18,379,117	
Dental Health Fund	510,489	1,194,864	1,299,027	406,326	
Fleet Services	(588,029)	5,653,600	5,612,400	(546,829)	
Total Internal Service Funds	18,381,513	44,232,462	42,952,323	19,661,652	
Total All Funds	259,746,870	457,123,231	473,962,843	242,907,258	

City of Duluth Minnesota - 2025 Budget

% Changes for Governmental Funds Greater than 10% are explained below

Lake Superior Zoological Gardens Fund - Fund balance has increased due to implementing revenue-generating strategies, including adjustments to various program fees & the expansion of on-site experiences.

Capital Equipment: The Capital Equipment Plan for 2025 includes using fund balance to spend down more of the non-bonded portion of the Capital Equipment Fund replacing aged equipment.

Energy Management - This appears as a negative fund balance because it's not looking at actual 2024 expenditures, but comparing 2024 budgeted expenditures. In 2024, approximately \$545,000 was not spent, and thus included "again" in 2025's budget. It will still be a significant reduction due to planned contractual expenditures, but not a negative balance.

Special City Excise and Sales Tax - The City Council approved spending down \$1.1 million of previously accumulated tourism tax on resolution 24-0918R.

Workforce Development - These funds are all grants, and are dependent on grant funding and requirements. Fund balance changes are highly dependent on grant requirements and timeframes.

DECC Revenue - This is looking at 2024 budgeted expenditures the City transfers any difference in revenue to the DECC.

Street System Maintenance Utility - Planned spending of previously accumulated property tax revenue on street maintenance.

Street Improvement Sales Tax - Planned spending of previously accumulated sales tax revenue on street improvements.

Street Lighting Fund - Planned spending of previously accumulated property tax revenue on utilities and salaries and benefits.

General Obligation Debt Service - Other Sources This is the result of collecting more 1/2 & 1/2 taxes than current debt payments, this will continue to grow until the City has collected enough to make all future debt payments and then bond payments will begin to deplete the fund balance.

Special Assessment Debt Service - This fund is simply capturing remaining assessments associated with debt service, and will continue to increase fund balance in future years.

Street Improvement Debt Service - This fund is simply capturing remaining assessments associated with debt service, and will continue to increase fund balance in future years.

Tax Increment Debt Service - The City captures 10% of tax increment financing proceeds, this will continue to grow.

Special Assessment Capital Project - Capturing the remaining assessments associated with improvements financed by Special Assessments will transfer out funds to in future years.

Street Improvement Program - This is the planned expenditures of several miles of street improvements.

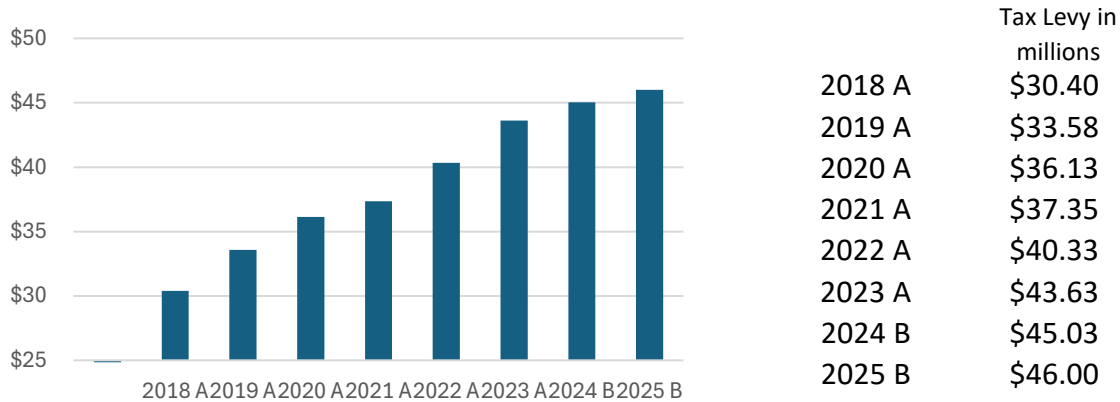
Tourism & Recreational Projects - This represents the city beginning to spend on the Athletic Venue Reinvestment Initiative before bonding for it.

City of Duluth Minnesota - 2025 Budget

MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

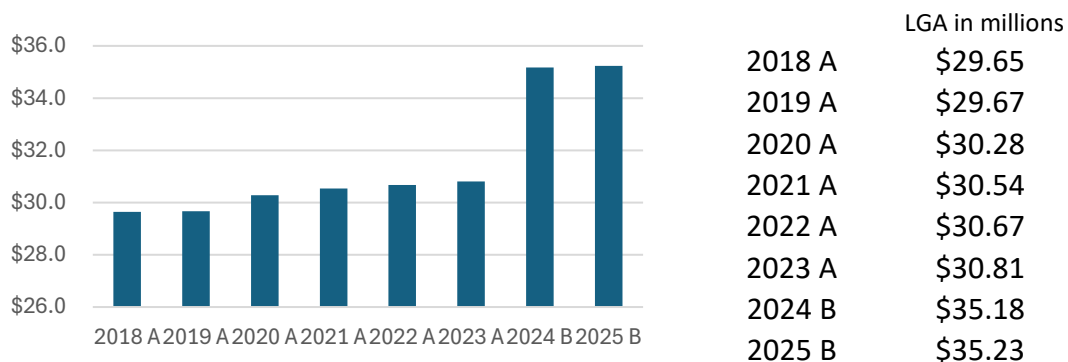
Property Tax Levy (in millions)



Description and 2025 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 by 2.16% compared to last year's budget (when including the Parks RMV levy); the 2025 property tax levy includes a \$3.76 million general operations decrease and no change to debt service. Capital funding has increased \$4.55 million for the consolidated maintenance facility.

Local Government Aid (in millions)



Description and 2025 Budget

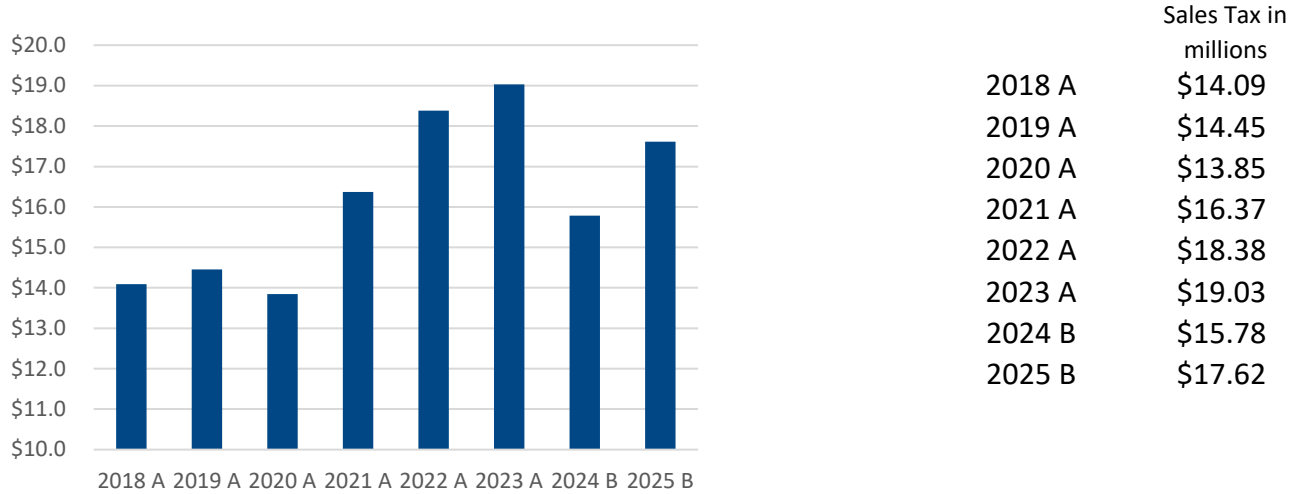
Since its inception in 1971, state aid known as Local Government Aid (LGA) has undergone many changes. These changes include modifications to the formula, legislative cuts, and governor unallotments in times of state budget deficits. From 2010 through 2014, local government aid to the City was reduced below the 2009 level. LGA remained relatively flat from 2014 through 2019. In 2020, the City saw an increase of \$578 thousand and in 2025 the City's certified LGA amount is \$35.23 million. The City continues to lobby the State Legislature to grow LGA by inflation in future years.

City of Duluth Minnesota - 2025 Budget

MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

General Sales and Use Tax



Description and 2025 Budget

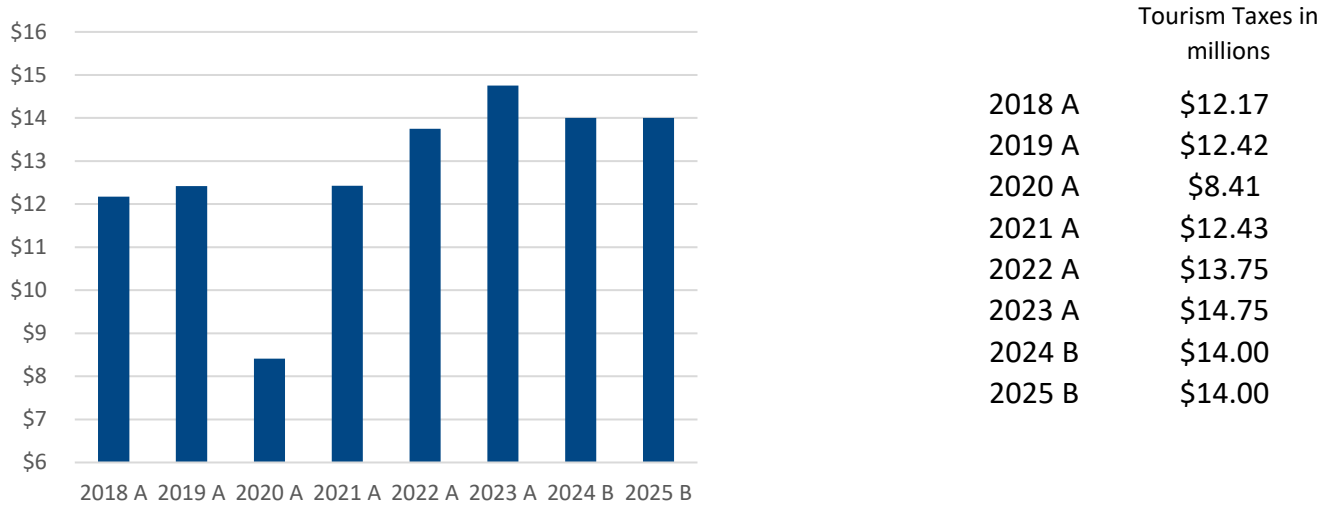
General Sales and Use Tax is a one percent excise tax on gross receipts from retail sales or materials purchased for use in the City of Duluth. The tax collections do not have restrictions on use other than to fund general city services in the General Fund. Many factors have impacted this revenue stream including the state law eliminating the City's ability to charge sales tax on vehicles and authorizing states to impose sales tax collection on out-of-state sellers. We continue to increase the sales tax revenue budget by a sustainable amount. In 2024, the state changed how they charge cities to collect sales tax revenues, moving from a fee to a percentage based model. The city has chosen to net this new percent against the sales tax revenue going forward. These are unprecedented times, so we are monitoring regional and national economic indicators closely to determine if consumer spending is rising to a sustainable increase, or if this is a temporary increase.

City of Duluth Minnesota - 2025 Budget

MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

Tourism Taxes (in millions)



Description and 2025 Budget

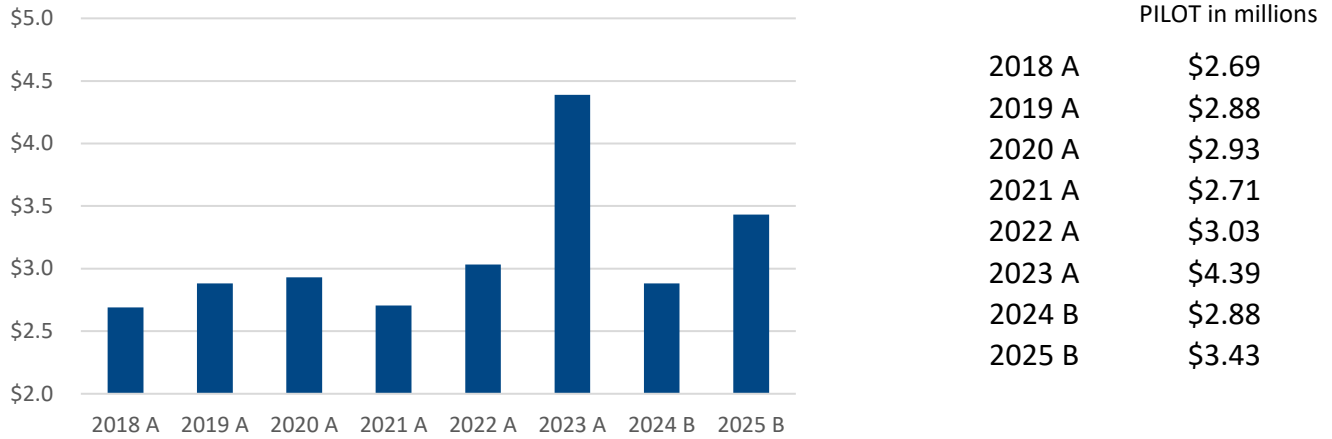
Tourism taxes are applied to food and beverage and hotel/motel establishments. Revenues are recognized in a special revenue fund and distributed by Council action. Approximately 50% of tourism tax revenue go to fund existing debt on the Amsoil Arena and the St. Louis River Corridor projects. In 2015, the 0.5% hotel/motel tax and the 0.5% food and beverage tax were reinstated to be used for tourist-related capital improvement bond projects along the St. Louis River Corridor. Based on monthly economic indicator we expect to see a slow down in tourism tax revenues. Hotel/motel has decreased since the prior year and food/beverage is growing at a smaller rate than previously. The addition of a change in marketing firms could also take some extra time to see the benefits.

City of Duluth Minnesota - 2025 Budget

MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

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



Description and 2025 Budget

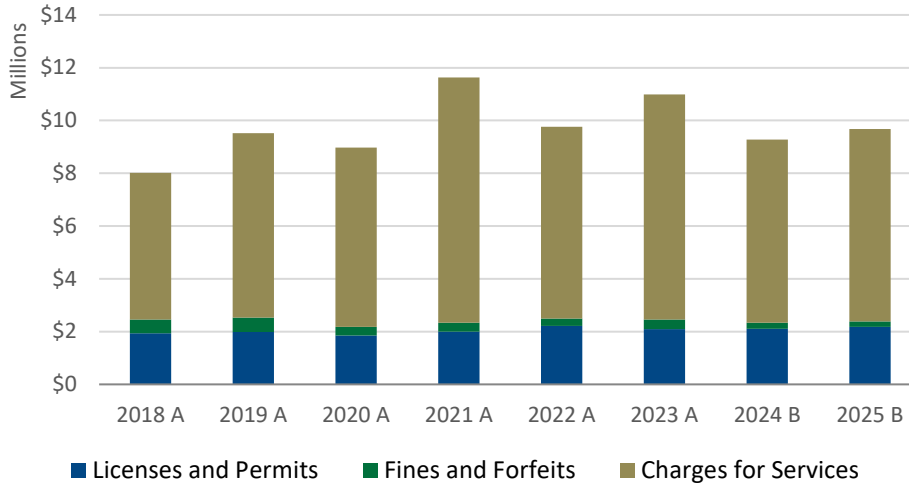
Payment in Lieu of Taxes (PILOT) revenue is derived from payments for municipal services provided in lieu of property taxes. The largest source of PILOT revenues is from the municipal gas utility, with a minimal amount from the steam utility. Payments are based on each utility's prior year annual gross receipts. Per City ordinance, effective January 1, 2015, gas PILOT funds are reallocated to the General Fund and the street system utility fund with the base amount of \$3.6 million increased annually to reflect the consumer price index for all consumers. The base amount goes to the general fund and the incremental gas PILOT goes to the street system utility fund. Fluctuations in pricing and customer usage related to the prior heating season affect payments in lieu of taxes for both the gas utility and steam. The 2025 PILOT budgeted revenues increased by 19% from 2024 based on the increasing sales and price of natural gas according to the Energy Information Agency.

City of Duluth Minnesota - 2025 Budget

MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

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



	Licenses and Permits	Fines and Forfeits	Charges for Services	Total
2018 A	\$1.93	\$0.52	\$5.56	\$8.02
2019 A	\$1.99	\$0.54	\$6.99	\$9.52
2020 A	\$1.85	\$0.33	\$6.80	\$8.97
2021 A	\$2.00	\$0.34	\$9.29	\$11.63
2022 A	\$2.22	\$0.28	\$7.26	\$9.76
2023 A	\$2.10	\$0.36	\$8.53	\$10.99
2024 B	\$2.11	\$0.23	\$6.94	\$9.28
2025 B	\$2.18	\$0.20	\$7.29	\$9.68

Description and 2025 Budget

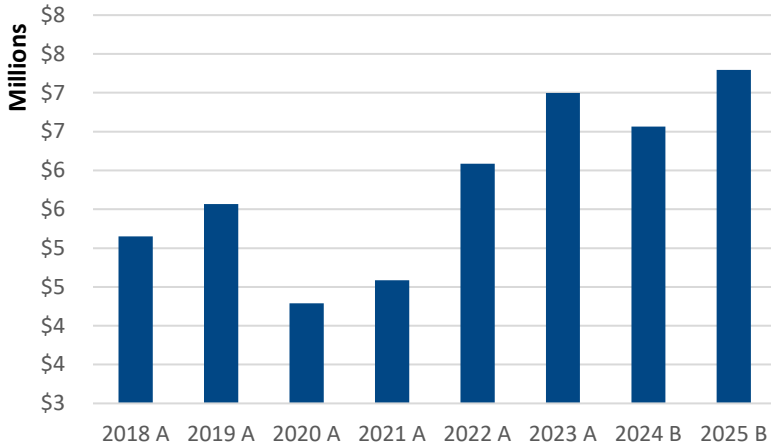
These revenues for the City's General Fund represent a wide variety of sources such as licenses, permits, fines, forfeits, and charges for services -including fees. Fees are annually reviewed/modified by the administration, updated for inflation (0.88% for 2025), and then submitted as a complete package to the City Council for action. This process has resulted in fees that are current and more accurately reflect the cost of providing the service. The 2025 fines and forfeits are budgeted lower than 2024, refelecting what is actually happening in the court system.

City of Duluth Minnesota - 2025 Budget

MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

Parking Funds Operating Revenue



	Earnings in millions
2018 A	\$5.15
2019 A	\$5.57
2020 A	\$4.29
2021 A	\$4.59
2022 A	\$6.09
2023 A	\$7.00
2024 B	\$6.56
2025 B	\$7.29

Description and 2025 Budget

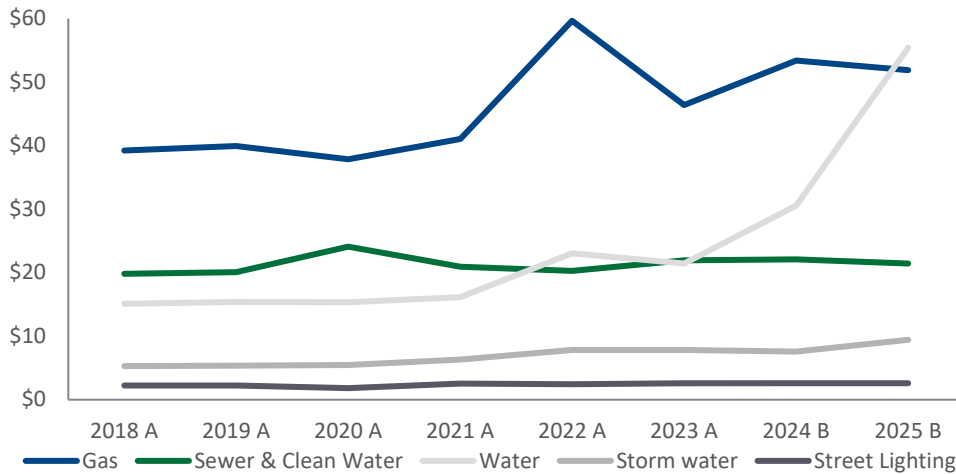
The City of Duluth parking funds account for all revenue and expenses related to the operation and maintenance of City owned parking ramps, lots, and meters, both on and off-street. The City has two parking funds; one fund to account for the financial activity of the Priley Drive Parking Facility, and one fund to account for the financial activity of all other parking ramps, lots, and meters. The Parking Division is continuing to explore options to continue to draw people to use its parking ramps, including better securing facilities.

City of Duluth Minnesota - 2025 Budget

MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

Public Utility Revenues (in millions)



in millions	Gas	Sewer & Clean Water	Water	Storm water	Street Lighting	Total
2018 A	\$39.24	\$19.82	\$15.10	\$5.29	\$2.21	\$81.65
2019 A	\$39.95	\$20.07	\$15.38	\$5.35	\$2.22	\$82.97
2020 A	\$37.85	\$24.09	\$15.33	\$5.48	\$1.82	\$84.57
2021 A	\$41.02	\$20.93	\$16.15	\$6.34	\$2.55	\$86.98
2022 A	\$59.66	\$20.30	\$23.06	\$7.83	\$2.45	\$113.29
2023 A	\$46.40	\$21.93	\$21.43	\$7.84	\$2.59	\$100.18
2024 B	\$53.39	\$22.10	\$30.53	\$7.58	\$2.59	\$116.19
2025 B	\$51.86	\$21.46	\$55.40	\$9.43	\$2.59	\$140.74

Description and 2025 Budget

The City owns and operates five public utilities and established a public utilities commission in 2010 charged with establishing rates, and recommending budgets for annual review and approval by the City Council. Water rates were approved to increase for five consecutive years ending December 31, 2023. There will likely be another five year rate increase starting in 2025 if the Utility Commission's proposal is accepted. Water utilities have a few major projects that are being funded by these increases; this includes the Woodland pump station, lead line replacement, and other water infrastructure projects.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Duluth
Minnesota**

For the Fiscal Year Beginning

January 01, 2024

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, 2024.

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.

City of Duluth Minnesota - 2025 Budget

General Fund

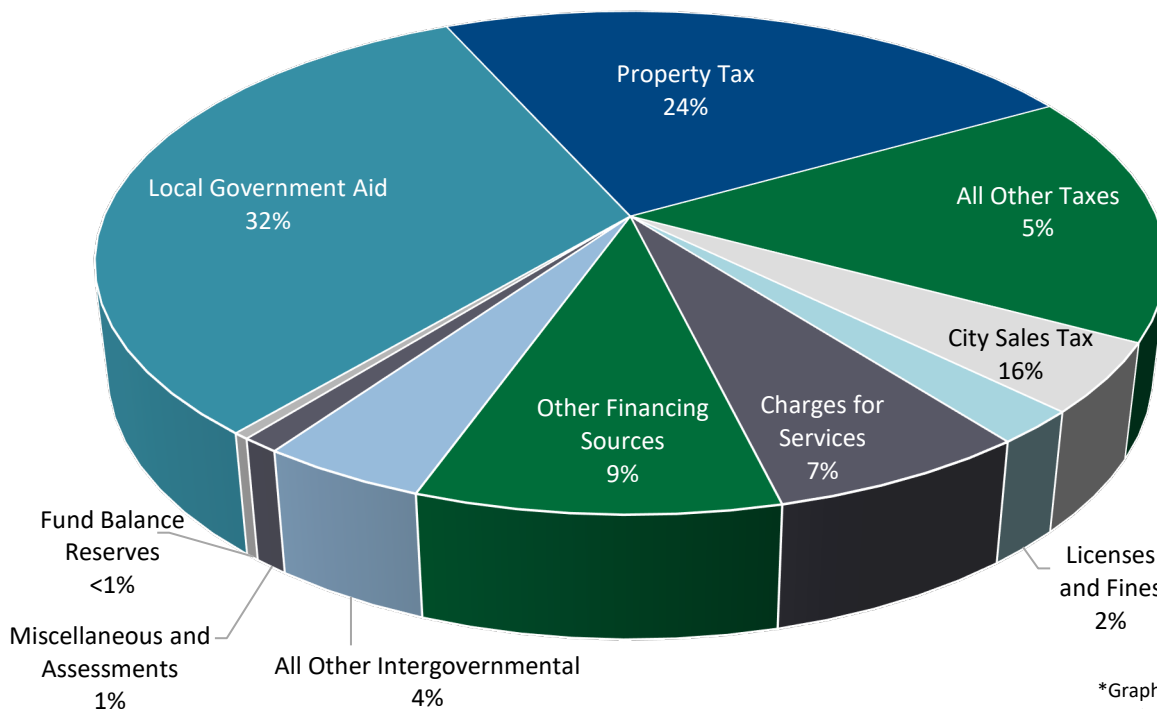
The General Fund provides general purpose government to the citizens of Duluth and accounts for all financial transactions not accounted for in another fund. This fund is used to finance activities such as general government, public safety, public works, libraries, recreation, planning, and economic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

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
REVENUES				
Property Tax				
General Operations Levy	25,068,316	27,872,606	29,305,200	25,547,300
Delinquent Property Taxes	147,579	135,019	150,000	150,000
City Sales Tax	18,383,455	19,032,817	15,784,000	17,617,300
All Other Taxes	5,827,794	4,802,163	4,668,500	4,888,400
Local Government Aid	30,671,679	30,807,820	35,175,100	35,231,100
All Other Intergovernmental	6,018,639	4,993,000	4,551,000	4,660,000
Licenses and Fines	2,495,684	2,458,936	2,337,700	2,384,700
Charges for Services	7,262,537	8,527,405	6,941,500	7,293,800
Other Financing Sources	16,605,295	21,849,739	10,999,400	10,127,500
Miscellaneous and Assessments	1,946,606	2,796,557	991,500	1,079,000
Fund Balance Reserves	-	-	9,200,000	450,000
Total Revenues	114,427,584	123,276,062	120,103,900	109,429,100
EXPENDITURES				
Permanent Salaries	46,873,326	48,584,989	54,021,400	57,232,200
Permanent Salaries - One Time Payment	-	-	1,863,700	-
Premium Pay	3,685,623	3,005,358	1,625,300	1,646,400
Other Wages	855,159	853,617	832,700	782,900
Employee Benefits	23,195,689	23,270,582	24,755,400	25,723,300
Supplies	3,481,131	3,366,969	3,540,000	3,747,200
Other Services & Charges	22,446,055	22,206,776	14,114,600	14,716,000
Utilities	1,676,645	1,496,121	1,998,400	2,030,100
Retiree Medical and Life Insurance	8,576,865	9,072,973	7,731,400	3,205,000
Capital Outlay	385,337	1,065,622	621,000	346,000
Cash Reserves - Capital	-	-	9,000,000	-
Total Expenditures	111,175,830	112,923,007	120,103,900	109,429,100

City of Duluth Minnesota - 2025 Budget

2025 General Fund Approved Revenues



*Graph may not add to 100% due to rounding

Local Government Aid	\$	35,231,100
Property Tax	\$	25,697,300
City Sales Tax	\$	17,617,300
All Other Taxes	\$	4,888,400
Licenses and Fines	\$	2,384,700
Charges for Services	\$	7,293,800
Other Financing Sources	\$	10,127,500
All Other Intergovernmental	\$	4,660,000
Miscellaneous and Assessments	\$	1,079,000
Fund Balance Reserves	\$	450,000
TOTAL 2025 Revenues	\$	109,429,100

This graph shows the major categories of revenues expressed as a percent of total General Fund revenues estimated for budget fiscal year 2025. 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 32% of all General Fund revenues. For this reason, we closely monitor local government aid every session at the State Legislature.

City of Duluth Minnesota - 2025 Budget

General Fund Revenues	2022 Actual	2023 Actual	2024 Budget	2025 Approved
TAXES				
4005 Current Property Tax	25,068,316	27,872,606	29,305,200	25,547,300
4010 Delinquent Property Tax	147,579	135,019	150,000	150,000
4015 Mobile Home Tax	95,139	100,313	80,000	90,000
4040 City Sales and Use Tax	18,383,455	19,032,817	15,784,000	17,617,300
4050 Charitable Gambling Tax	38,355	40,372	30,000	30,000
4070 MN Power Franchise Tax	3,524,544	3,689,802	3,608,400	3,852,000
4071 Northeast Cable Franchise Tax	752,704	704,230	728,000	690,000
4072 Northern MN Utility Franchise Tax	11,823	11,700	6,700	11,000
4080 Forfeit Tax Sale Apportionment	38,094	14,428	10,000	10,000
4090 Other Taxes	1,367,135	241,318	205,400	205,400
TOTAL TAXES	49,427,144	51,842,605	49,907,700	48,203,000
LICENSES AND PERMITS				
4101 Liquor License	442,557	450,927	415,000	425,000
4102 Beer License	12,482	14,202	11,200	11,200
4105 Hotel License	7,781	8,083	7,000	7,000
4106 Garbage Collection	19,380	19,345	18,000	18,000
4107 Horse & Carriage	297	297	400	400
4108 Emergency Wrecker License	3,361	3,060	6,000	6,000
4109 Gas Station License	12,106	11,039	9,250	10,500
4111 Pawnbroker License	440	440	1,100	1,100
4112 Peddler's License	8,823	18,226	8,000	10,000
4113 Precious Metal Dealer	1,760	1,760	1,750	1,800
4114 Pet Shop License	747	914	600	600
4116 Dog Kennels License	810	640	400	400
4117 Massage Parlor	12,894	15,063	12,000	12,000
4118 Cigarette License	14,181	12,424	12,000	12,000
4119 Motor Vehicle	4,736	4,432	5,300	5,300
4120 Taxi Permit	3,323	19,392	9,000	9,000
4121 Coin Operating Device	290	18,880	8,000	8,000
4122 Pool & Bowling	611	611	600	600
4124 Tree Service Contractor License	-	-	1,400	1,400
4125 Transport. Network Comp. License	-	-	7,400	7,400
4126 Shared Active Mobility Systems	21,950	16,000	14,000	14,000
4150 Pet License	9	3	-	-
4160 Fire Protection Systems Permit Fees	84,978	88,043	95,500	95,500
4151 Fill Permits	13,038	7,264	1,200	5,000

City of Duluth Minnesota - 2025 Budget

General Fund Revenues	2022 Actual	2023 Actual	2024 Budget	2025 Approved
LICENSES AND PERMITS continued				
4152 Excavation Permits	25,442	25,961	25,000	25,000
4153 Multiple Dwell License	1,190,442	1,105,074	1,185,100	1,250,000
4154 Commercial Use/Occupancy	151,220	141,580	130,000	130,000
4155 Special Event Permit	4,956	5,736	3,500	3,500
4170 Misc Permits & Licenses	181,892	108,105	117,000	112,000
TOTAL LICENSE AND PERMITS	2,220,505	2,097,500	2,105,700	2,182,700
INTERGOVERNMENTAL				
4209 Misc Federal Grants (Safer Grant)	12,579	40,033	16,000	16,000
4210 Pass-thru Federal Grants	14,328	-	-	-
4220 State of Minnesota	24,234	4,664	4,000	4,000
4221 Local Government Aid	30,671,679	30,807,820	35,175,100	35,231,100
4222 State Property Tax Aid	220	258	-	-
4225 Ski Trail Reimbursement	11,000	16,060	11,000	11,000
4227 Police Training Reimbursement	147,148	133,346	151,800	135,000
4232 State Insurance Premium	2,605,093	2,607,006	2,310,800	2,420,800
4233 State of MN PERA Contribution	1,159,997	103,420	-	-
Municipal State Aid -				
4240 Maintenance	1,525,839	1,533,400	1,496,100	1,496,100
4260 St. Louis County	138,411	146,657	138,400	138,400
4261 ISD 709	303,575	334,044	357,900	366,700
4300 HRA in Lieu of Taxes	76,214	74,113	65,000	72,000
TOTAL INTERGOVERNMENTAL	36,690,318	35,800,820	39,726,100	39,891,100
CHARGES FOR SERVICES				
4303 Use Permit - Flood & Wetlands	364	-	1,000	-
4306 Building Appeals Fee	-	278	-	-
4307 Planning/Zoning Fees	233,092	174,487	87,500	87,500
4310 Assessment Cost Services	8,060	48,967	10,000	10,000
4311 Assessment Certificate Fee	53,377	40,237	160,000	40,000
Cost Allocation				
4315- Stormwater	196,800	196,800	205,200	281,000
4315- Cost Allocation Sewer	238,200	238,200	256,300	333,000
4315- Cost Allocation Steam	53,200	64,500	64,500	80,000
4315- Cost Allocation DECC	13,800	13,800	14,700	47,300
4315- Cost Allocation DTA	10,300	12,500	12,500	23,900

City of Duluth Minnesota - 2025 Budget

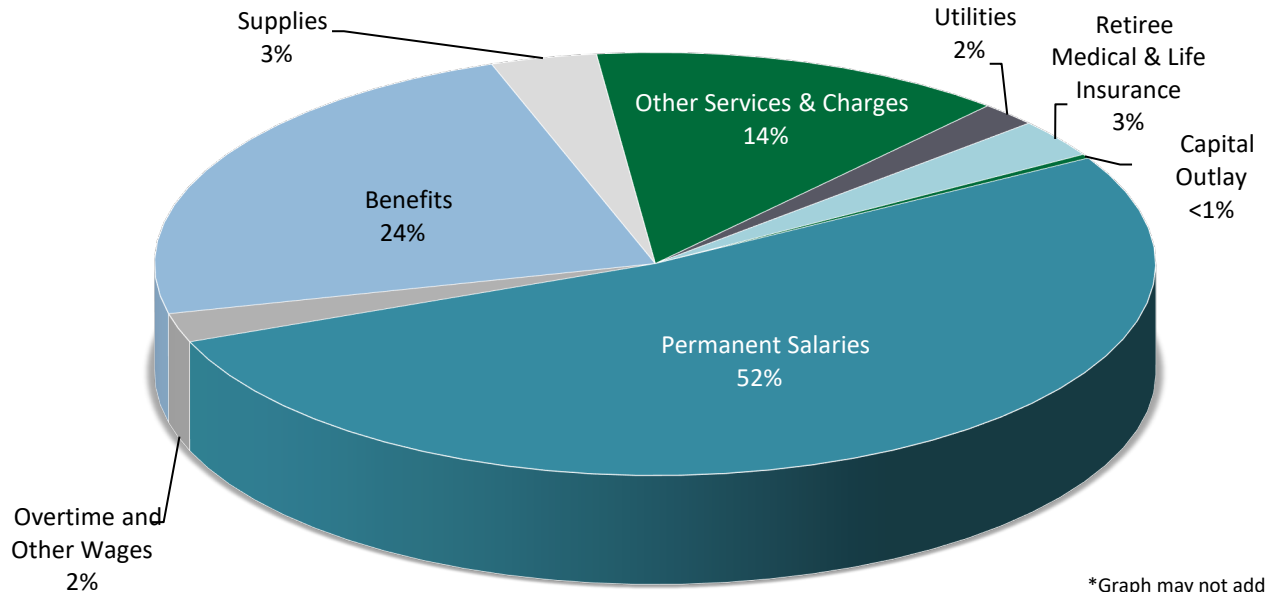
General Fund Revenues	2022 Actual	2023 Actual	2024 Budget	2025 Approved
CHARGES FOR SERVICES continued				
4315- Cost Allocation Grant Administration	83,542	73,662	69,000	73,600
4315- Cost Allocation Airport	45,200	73,200	78,000	133,200
4315- Cost Allocation DEDA	400,000	400,000	400,000	400,000
4315- Cost Allocation Public Utility	876,400	876,400	950,900	945,400
4315- Cost Allocation Fleet	146,200	146,200	182,100	273,600
4315- Cost Allocation Group Health	399,866	409,863	420,100	430,600
4315- Cost Allocation Self Insurance	666,900	734,500	520,400	584,000
4315- Cost Allocation Spirit Mountain	26,200	26,200	29,600	29,600
4315- Cost Allocation Parking	116,300	140,500	140,500	202,300
4315- Cost Allocation 410 W 1st Street Ramp	6,700	8,500	8,500	6,500
4319 Attorney Services	38,978	20,844	-	9,000
4320 MIS Services	93,463	12,162	11,000	11,000
4322 Animal Shelter Fees	17,550	14,335	12,000	12,000
4323 Garnishment Fees	45	15	-	-
4326 Criminal History Checks	160	190	400	-
4328 Pawnbroker Transaction Charge	29,988	33,822	25,000	16,100
4329 False Alarm Fees & Penalties	15,133	22,449	15,000	5,000
4340 Fire Protection Services	4,200	-	4,200	4,200
4341 Hydrant Maintenance Service	30,000	30,000	30,000	30,000
4351 Building Inspection Fees	2,365,882	3,496,575	2,059,600	2,515,000
4352 Plumbing Inspection Fees	258,484	347,058	257,400	260,000
4353 Electric Inspection Fees	292,917	385,557	264,400	-
4354 HVAC-R Inspection Fees	409,458	381,402	220,900	225,000
4355 Signs Inspection Fees	25,232	25,937	12,000	20,000
4356 House Moving Inspection Fees	36,971	24,683	10,300	15,000
4357 Mobile Home Inspection Fees	1,505	644	2,200	2,000
4359 Capacity Availability Fee	16,434	21,470	16,500	18,000
4361 RPZ Registration Fee	32,609	31,470	14,800	20,000
4370 Engineering Services	19,028	-	375,000	150,000
TOTAL CHARGES FOR SERVICES	7,262,537	8,527,405	6,941,500	7,293,800
FINES AND FORFEITS				
4470 License Penalties	85	1,196	1,500	1,500
4472 Administrative Fines	29,863	132,648	500	500
4473 Court Fines	230,416	211,483	230,000	200,000
4474 Police Felony Forfeitures	14,815	16,109	-	-
TOTAL FINES AND FORFEITS	275,179	361,436	232,000	202,000

City of Duluth Minnesota - 2025 Budget

General Fund Revenues	2022 Actual	2023 Actual	2024 Budget	2025 Approved
SPECIAL ASSESSMENTS				
4500 Assessments	470,751	526,780	425,000	521,000
4501 Assessments - Penalty & Interest	15,877	16,173	13,800	13,800
TOTAL SPECIAL ASSESSMENTS	486,628	542,952	438,800	534,800
MISCELLANEOUS				
4601 Earnings on Investments	(328,535)	62,091	-	-
4622 Rent of Buildings	80,568	77,017	86,200	97,700
4623 Rent of Land	10,539	15,167	10,800	15,400
4627 Concessions & Commissions	-	12,501	25,000	25,800
4631 Media Sales	12,983	13,122	9,900	9,500
4635 Auction Proceeds	7,303	16,444	-	-
4636 Sale of Materials	4,487	5,302	5,000	5,000
4639 Sale of Equipment	126,099	115,633	-	-
4640 Sale of Land	5,610	1	-	-
4644 Misc Fees, Sales & Services	127,959	157,576	89,400	89,200
4650 Salary Reimbursement	44,522	48,677	10,000	10,000
4654 Other Reimbursements	1,116,436	1,528,950	164,900	139,600
4655 Drug Task Force Reimbursement	51,943	18,774	-	-
4660 Gifts & Donations	7,500	-	-	-
4700 Other Sources	40,691	30,018	-	-
4701 2% Retention Surtax	1,873	2,332	1,500	2,000
4702 Fond du Luth Proceeds	150,000	150,000	150,000	150,000
TOTAL MISCELLANEOUS	1,459,979	2,253,604	552,700	544,200
OTHER FINANCING SOURCES				
4730- Transfer from Special	10,608,884	13,394,966	2,541,500	2,748,700
4730- Transfer from Police Grant Funds	1,551,548	1,310,433	1,157,500	1,157,500
4730- Grant Funds-OT	254,387	244,260	-	-
4730- Transfer from Tourism Tax Fund	-	-	-	44,700
4730- Transfer from Enterprise Funds	76,200	1,422,900	3,288,600	1,422,900
4730- Transfer from Public Utility Funds	1,080,400	1,088,400	1,129,800	1,321,700
4731 Gas Utility in Lieu of Taxes	2,869,276	4,173,720	2,700,000	3,250,000
4732 Steam Utility in Lieu of Taxes	164,601	214,571	182,000	182,000
4805 Reimbursements	-	490	-	-
TOTAL OTHER FINANCING SOURCES	16,605,295	21,849,739	10,999,400	10,127,500
4999 Fund Balance Reserves	-	-	9,200,000	450,000
GENERAL FUND TOTAL	114,427,584	123,276,062	120,103,900	109,429,100

City of Duluth Minnesota - 2025 Budget

2025 General Fund Approved Expenditures



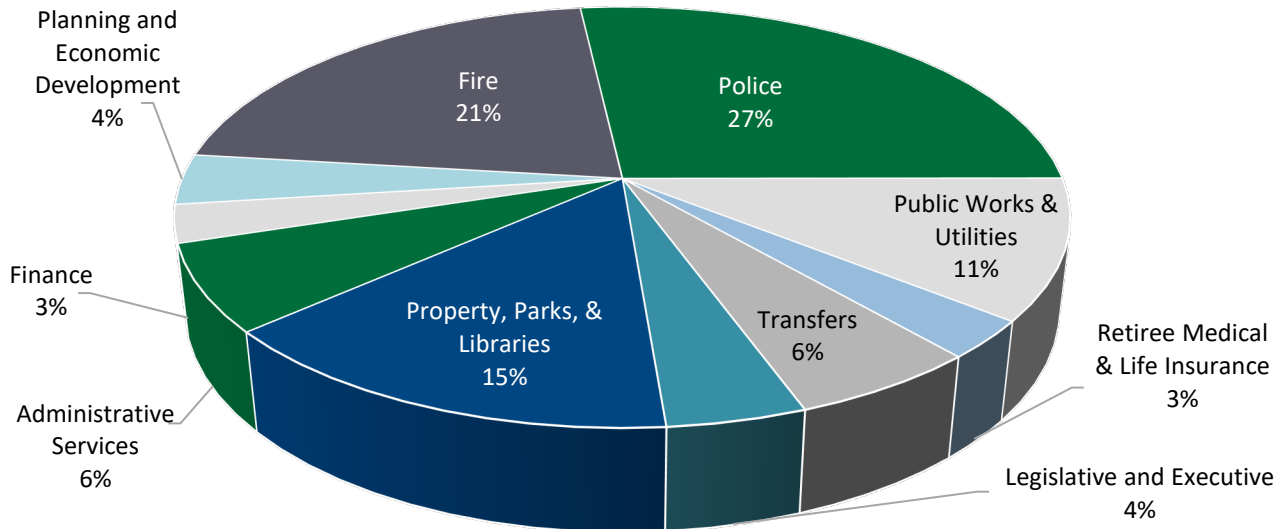
*Graph may not add to 100% due to rounding

Permanent Salaries	\$	57,232,200
Overtime and Other Wages	\$	2,429,300
Benefits	\$	25,723,300
Supplies	\$	3,747,200
Other Services & Charges	\$	14,716,000
Utilities	\$	2,030,100
Retiree Medical & Life Insurance	\$	3,205,000
Capital Outlay	\$	346,000
TOTAL 2025 EXPENDITURES	\$	109,429,100

This graph shows the General Fund budget by expense category. The largest single category of expense is permanent salaries at 52% of all expenditures. When adding salaries to the cost of benefits, overtime, and other wages, the total is 81% of all budgeted expenditures. Other services and charges comprises 13% of the total; followed by supplies, utilities, and capital outlay combined for 5%.

City of Duluth Minnesota - 2025 Budget

2025 General Fund Approved Expenditures



Legislative and Executive	\$	4,661,900
Property, Parks, & Libraries	\$	16,139,500
Administrative Services	\$	7,286,800
Finance	\$	3,170,800
Planning and Economic Development	\$	4,244,400
Fire	\$	23,310,300
Police	\$	29,303,600
Public Works & Utilities	\$	11,734,400
Retiree Medical & Life Insurance	\$	3,205,000
Transfers	\$	6,372,400
TOTAL 2025 EXPENDITURES	\$	109,429,100

This graph shows the General Fund departmental budgets as a percent of the total General Fund expenditures for budget fiscal year 2025. The largest category is public safety with the Police and Fire departments comprising 48% of the total; followed by Property, Parks, & Libraries department at 15%. The General Fund portion of the Public Works department comprises 11% of the total. Retiree Medical and Life Insurance comprises 3%. The remaining five departments totaled together are 24%.

City of Duluth Minnesota - 2025 Budget

2025 General Fund Approved Expenditures

	Permanent		Other		Other	Capital	
	Salaries	Overtime	Wages	Benefits	Expense	Outlay	TOTAL
LEGISLATIVE AND EXECUTIVE							
City Council	-	-	124,200	9,500	82,700	-	216,400
Mayor's Office	546,000	-	10,800	257,800	24,200	-	838,800
City Administrative Officer	372,100	-	-	139,500	20,600	-	532,200
Attorney's Office	2,172,000	-	-	841,400	61,100	-	3,074,500
DEPARTMENT TOTAL	3,090,100	-	135,000	1,248,200	188,600	-	4,661,900
PROPERTY, PARKS, & LIBRARIES							
Park Maintenance	1,682,000	75,000	151,000	790,100	1,183,900	-	3,882,000
Library Facilities Management	3,221,800	800	101,800	1,442,800	526,200	346,000	5,639,400
	2,446,200	25,000	13,700	1,032,100	3,101,100	-	6,618,100
DEPARTMENT TOTAL	7,350,000	100,800	266,500	3,265,000	4,811,200	346,000	16,139,500
ADMINISTRATIVE SERVICES							
Human Resources Information Technology	999,400	-	10,000	430,100	108,000	-	1,547,500
City Clerk	2,251,400	10,000	-	947,100	1,418,300	-	4,626,800
	642,900	1,400	85,000	295,800	87,400	-	1,112,500
DEPARTMENT TOTAL	3,893,700	11,400	95,000	1,673,000	1,613,700	-	7,286,800
FINANCE							
Budget Office	718,900	6,400	-	260,600	37,100	-	1,023,000
Auditor's Office	843,200	7,600	-	325,900	304,100	-	1,480,800
Purchasing	456,000	-	-	196,800	14,200	-	667,000
DEPARTMENT TOTAL	2,018,100	14,000	-	783,300	355,400	-	3,170,800
PLANNING AND ECONOMIC DEVELOPMENT							
Planning & Development	1,118,700	-	-	473,100	189,900	-	1,781,700
Construction Services & Inspection	1,613,200	9,000	-	696,500	144,000	-	2,462,700
DEPARTMENT TOTAL	2,731,900	9,000	-	1,169,600	333,900	-	4,244,400

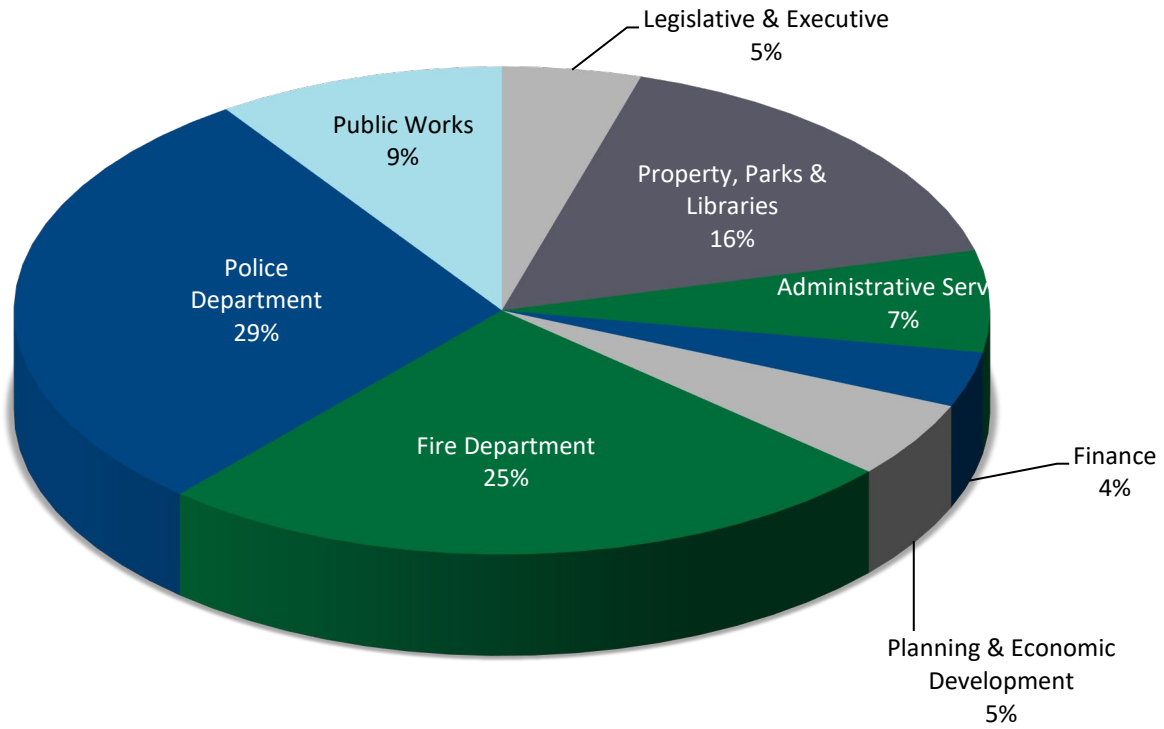
City of Duluth Minnesota - 2025 Budget

2025 General Fund Approved Expenditures

	Permanent		Other		Other	Capital	TOTAL
	Salaries	Overtime	Wages	Benefits	Expense	Outlay	
FIRE DEPARTMENT							
Fire Administration	800,700	-	-	282,200	54,900	-	1,137,800
Fire Operations	12,535,700	767,200	-	5,950,800	929,000	-	20,182,700
Life Safety	1,315,700	11,300	-	555,200	107,600	-	1,989,800
DEPARTMENT TOTAL	14,652,100	778,500	-	6,788,200	1,091,500	-	23,310,300
POLICE DEPARTMENT	18,415,000	489,700	256,400	8,527,100	1,615,400	-	29,303,600
PUBLIC WORKS							
Director's Office	69,500	-	-	29,500	1,000	-	100,000
Street Maintenance	3,110,900	187,000	-	1,582,000	4,481,800	-	9,361,700
Engineering	1,400,900	56,000	30,000	611,400	174,400	-	2,272,700
DEPARTMENT TOTAL	4,581,300	243,000	30,000	2,222,900	4,657,200	-	11,734,400
TRANSFERS	500,000	-	-	46,000	9,031,400	-	9,577,400
GENERAL FUND	57,232,200	1,646,400	782,900	25,723,300	23,698,300	346,000	109,429,100

City of Duluth Minnesota - 2025 Budget

2025 General Fund Personnel Summary



Department	2024 Budget	2025 Approved
Legislative & Executive	26.80	28.80
Property, Parks & Libraries	100.35	102.60
Administrative Services	42.00	42.00
Finance	23.60	22.85
Planning & Economic Development	34.25	31.60
Fire Department	151.00	156.00
Police Department	184.00	181.00
Public Works	59.80	59.80
TOTAL	621.80	624.65

City of Duluth Minnesota - 2025 Budget

2025 General Fund Personnel Summary

	2024 Budget	2025 Approved	Difference	Narrative
LEGISLATIVE/EXECUTIVE				
Mayor	6.00	6.00	0.00	
City Administrative Officer	3.00	3.00	0.00	
City Attorney	17.80	19.80	2.00	Removed 1 Deputy City Attorney and added 3 Assistant Attorneys
DEPARTMENT TOTAL	26.80	28.80	2.00	
PROPERTY, PARKS & LIBRARIES				
Park Maintenance	23.05	22.80	-0.25	Removed Grant Coordinator Added Library Safety Specialist
Library	48.00	48.50	0.50	and removed Library Tech
Facilities Management	29.30	31.30	2.00	Added 2 Janitor I's
DEPARTMENT TOTAL	100.35	102.60	2.25	
ADMINISTRATIVE SERVICES				
Human Resources	11.00	11.00	0.00	
Information Technology	24.00	24.00	0.00	
City Clerk	7.00	7.00	0.00	
DEPARTMENT TOTAL	42.00	42.00	0.00	
FINANCE				
Budget	7.00	7.00	0.00	
Auditor	10.60	9.85	-0.75	Removed Accountant I
Purchasing	6.00	6.00	0.00	
DEPARTMENT TOTAL	23.60	22.85	-0.75	
PLANNING & ECONOMIC DEVELOPMENT				
Planning & Development	13.25	12.60	-0.65	Reorganization plan
Construction Srvcs & Inspection	21.00	19.00	-2.00	Removed 2 Electrical Inspectors
DEPARTMENT TOTAL	34.25	31.60	-2.65	
FIRE				
Fire Administration	6.00	6.00	0.00	
Firefighting Operations	131.00	134.00	3.00	Temporarily added 3 Fire Fighters from Police
Life Safety	14.00	16.00	2.00	Added Fire Inspector and Housing Inspector
DEPARTMENT TOTAL	151.00	156.00	5.00	

City of Duluth Minnesota - 2025 Budget

2025 General Fund Personnel Summary

	2024 Budget	2025 Approved	Difference	Narrative
POLICE				
Administration, Investigative, Patrol	184.00	181.00	-3.00	Temporarily moved 3 Police Officers FTEs to Fire
DEPARTMENT TOTAL	184.00	181.00	-3.00	
PUBLIC WORKS				
Director's Office	0.60	0.60	0.00	
Street Maintenance	44.00	44.00	0.00	
Engineering	15.20	15.20	0.00	
DEPARTMENT TOTAL	59.80	59.80	0.00	
TOTAL GENERAL FUND FTE'S	621.80	624.65	2.85	

City of Duluth Minnesota - 2025 Budget

Legislative and Executive Department

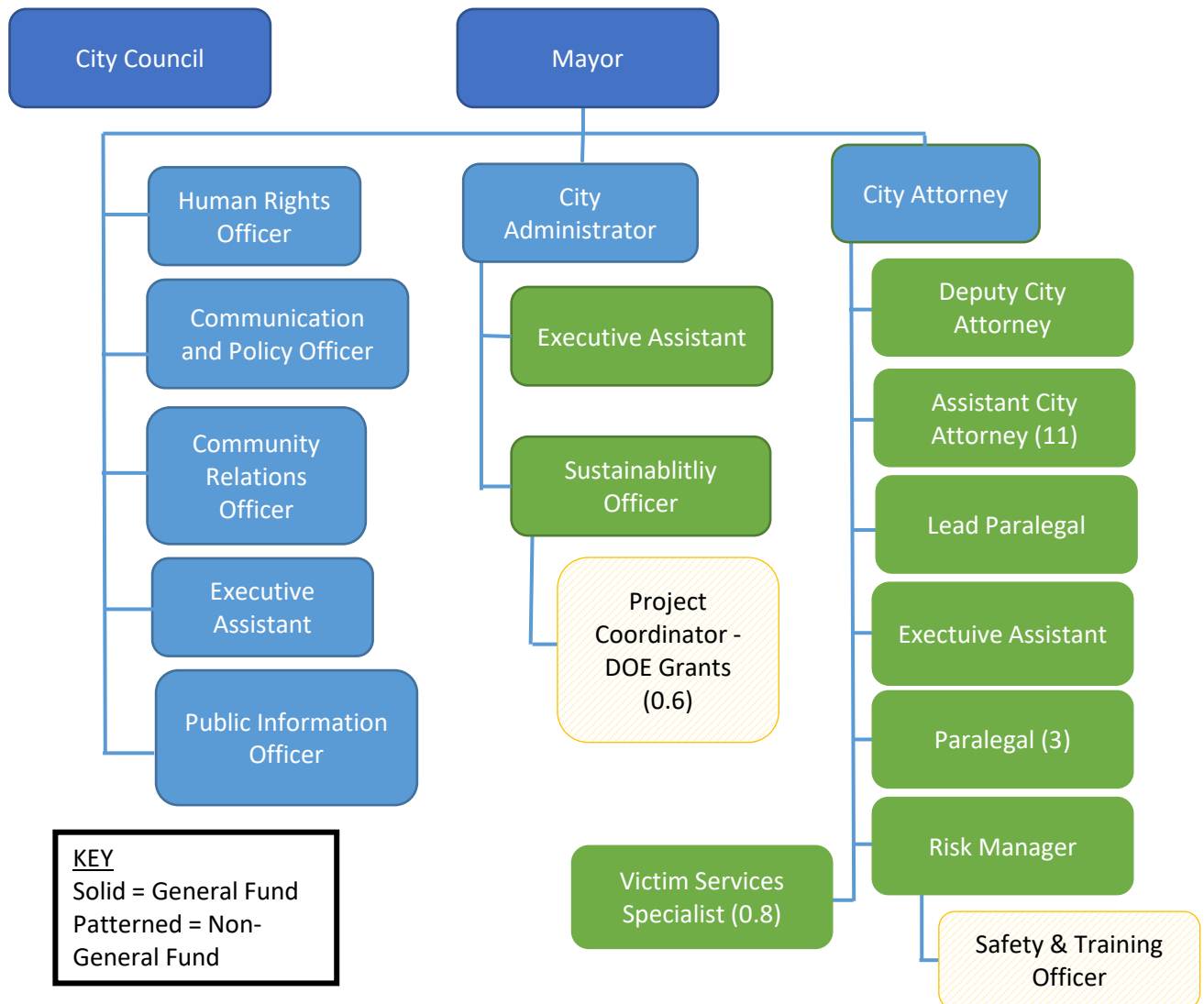
Mission and Vision

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 - 2025 Budget

City Attorney's Office - Performance Measures

<u>Description For Goal/Task:</u>	<u>Measure/Indicator:</u>	2022 Actual	2023 Actual	2024 Actual	2025 Target
Provide assurance of regulatory and policy compliance to build trust, accountability and foster transparency	Number of ordinances	32	88	72	80
	Number of resolutions	159	218	205	215
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Number of claim and claim inquiries	253	629	410	350
	Number claims filed	51	23	62	40
	Amount collected on city claims	\$130,169	\$67,359	\$86,402	\$75,000
	Number of grants reviewed	60	75	70	75
Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals.	Number of lawsuits defended, conciliation court matters, and regulatory appeals	78	66	98	80
Supports decision-making with timely and accurate analysis, focusing on innovative, long-term solutions that benefit the community.	Transaction Matters: agreements, MOUs, and development agreements	228	264	345	300
Develops sustainable fiscal and operational policies which foster trust and transparency by ensuring accountability, efficiency, integrity, innovation and best practices in all operations.	Number of city policies reviewed	85	65	15	20

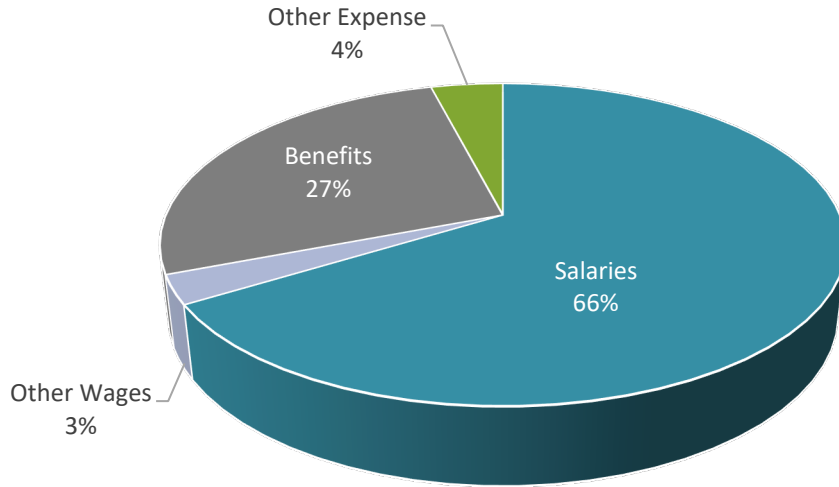
City of Duluth Minnesota - 2025 Budget

City Attorney's Office - Performance Measures Continued

<u>Description For Goal/Task:</u>	<u>Measure/Indicator:</u>	2022 Actual	2023 Actual	2024 Actual	2025 Target
Attract, develop, equip, motivate, and retain a high-quality, diverse, engaged and productive workforce focused on creative service excellence.	Number of employees taking defensive driving class	250	212	166	200
	Number of CBA's negotiated, arbitration hearings, grievances, worker's comp. claims, and unemployment claims	95	98	85	90
Offer community programming which affords safe spaces for youth and adults to play, learn, and engage.	Number of new victims contacted	701	767	947	950
	Number of bail memos	92	86	85	90
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Number of criminal cases assigned to the City of Duluth	7,088	7,466	8,949	8,500
	Number of forfeitures	50	20	18	20

City of Duluth Minnesota - 2025 Budget

Legislative & Executive Department 2025 Approved Budget by Expenditure Category



Expenditures by Category	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Permanent Salaries	2,571,906	2,972,030	2,842,300	3,090,100	247,800
Overtime	3,521	2,354	-	-	-
Other Wages	167,409	165,463	165,000	135,000	(30,000)
Total Personal Services	2,742,835	3,139,846	3,007,300	3,225,100	217,800
Benefits	1,020,461	1,145,233	1,168,200	1,248,200	80,000
Other Expense	147,036	191,887	176,600	188,600	12,000
Department Total	3,910,333	4,476,967	4,352,100	4,661,900	309,800

Expenditures by Division	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
City Council	187,959	216,183	204,400	216,400	12,000
Mayor's Office	769,707	897,419	839,700	838,800	(900)
City Administrator's Office	478,509	638,548	524,800	532,200	7,400
Attorney's Office	2,474,159	2,724,817	2,783,200	3,074,500	291,300
Department Total	3,910,333	4,476,967	4,352,100	4,661,900	309,800

Budgeted FTE's	2022	2023	2024	2025	Difference
	25.80	26.80	26.80	28.80	2.00

City of Duluth Minnesota - 2025 Budget

City Council

www.duluthmn.gov/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.

Expenditures	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Personal Services					
Other Wages	120,750	124,200	124,200	124,200	-
Benefits	9,237	9,501	9,500	9,500	-
Other Expense					
Materials & Supplies	1,447	6,754	1,300	1,300	-
Services	3,464	18,696	12,000	12,000	-
Utilities & Mtc	50,186	53,037	52,200	64,200	12,000
Other	2,875	3,995	5,200	5,200	-
Total Other Expense	57,972	82,482	70,700	82,700	12,000
Division Total	187,959	216,183	204,400	216,400	12,000

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5103 Other Wages	120,750	124,200	124,200	124,200
TOTAL	120,750	124,200	124,200	124,200
EMPLOYEE BENEFITS				
5122 FICA - Social Security	7,487	7,700	7,700	7,700
5123 FICA - Medicare	1,751	1,801	1,800	1,800
TOTAL	9,237	9,501	9,500	9,500
OTHER EXPENDITURES				
5200 Office Supplies	1,322	2,162	-	-
5201 Computer Supplies/Software	-	-	1,000	1,000
5219 Other Miscellaneous Supplies	125	4,592	300	300
5319 Other Professional Services	-	16,760	4,000	4,000
5331 Travel/Training	3,295	550	7,000	7,000
5355 Printing & Copying	169	1,386	1,000	1,000
5404 Equipment/Machinery Repair & Mtc	123	75	3,700	3,700
5414 Software Licenses & Mtce Agreements	50,063	52,962	48,500	60,500
5433 Dues & Subscription	750	550	1,000	1,000
5441 Other Services & Charges	142	1,998	2,000	2,000
5443 Board & Meeting Expenses	1,983	1,447	2,200	2,200
TOTAL	57,972	82,482	70,700	82,700
DIVISION TOTAL	187,959	216,183	204,400	216,400

City of Duluth Minnesota - 2025 Budget

Mayor's Office

www.duluthmn.gov/mayor/

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 alongside 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	2022	2023	2024	2025	Difference
Mayor	1.0	1.0	1.0	1.0	-
131 Executive Assistant	1.0	1.0	1.0	1.0	-
30 Human Rights Officer	1.0	1.0	1.0	1.0	-
Community Relations					
30 Officer	1.0	1.0	1.0	1.0	-
Public Information					
30 Officer	1.0	1.0	1.0	1.0	-
Communications &					
30 Policy Officer	1.0	1.0	1.0	1.0	-
Division Total	6.0	6.0	6.0	6.0	0.0

Expenditures	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Personal Services					
Permanent Salaries	505,042	628,151	561,500	546,000	(15,500)
Overtime	-	137	-	-	-
Other Wages	11,556	11,372	10,800	10,800	-
Total Salaries	516,598	639,660	572,300	556,800	(15,500)
Benefits	233,477	234,839	243,200	257,800	14,600
Other Expense					
Materials & Supplies	529	2,296	3,000	3,000	-
Services	9,275	11,417	10,800	10,800	-
Other	9,828	9,207	10,400	10,400	-
Total Other Expense	19,632	22,920	24,200	24,200	-
Division Total	769,707	897,419	839,700	838,800	(900)

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Mayor's Office - 110-110-1102				
PERSONAL SERVICES				
5100 Permanent Salaries	505,042	628,151	561,500	546,000
5101 Premium Pay	-	137	-	-
5103 Other Wages	11,556	11,372	10,800	10,800
TOTAL	516,598	639,660	572,300	556,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	35,527	37,863	42,000	40,500
5122 FICA - Social Security	24,580	27,449	35,500	34,500
5123 FICA - Medicare	7,177	7,839	8,300	8,100
5125 Dental Insurance	2,277	2,376	2,500	2,600
5126 Life Insurance	1,553	1,620	1,100	2,100
5127 Health Care Savings Plan (HCSP)	27,463	16,295	11,900	23,900
5130 Cafeteria Plan Benefits	134,901	141,398	141,900	146,100
TOTAL	233,477	234,839	243,200	257,800
OTHER EXPENDITURES				
5200 Office Supplies	404	1,394	2,000	2,000
5219 Other Miscellaneous Supplies	125	483	500	500
5241 Small Equip-Office/Operating	-	418	500	500
5321 Phone Service Cellular Phone	1,346	1,730	2,200	2,200
5322 Postage	-	-	100	100
5331 Travel/Training	7,223	9,087	6,500	6,500
5355 Printing & Copying	706	600	2,000	2,000
5433 Dues & Subscription	475	475	400	400
5441 Other Services & Charges	2,511	2,883	3,000	3,000
5443 Board & Meeting Expenses	2,604	1,850	2,000	2,000
5444 Mayor's Contingent Account	4,238	4,000	5,000	5,000
TOTAL	19,632	22,920	24,200	24,200
DIVISION TOTAL	769,707	897,419	839,700	838,800
REVENUE SOURCE				
4654 Other Reimbursements	1,019	5,160	-	-
DIVISION TOTAL	1,019	5,160	-	-

City of Duluth Minnesota - 2025 Budget

City Administrator's Office

www.duluthmn.gov/city-administrator/

The City Administrator is responsible for the activities of all offices, departments and boards; investigations and studies of the internal organization; and procedure of any office or department within the City. The City Administrator makes information available to the Mayor, the City Council, and the public concerning the current status of the financial affairs of the City and all offices, departments, and boards receiving appropriations from the City; attends meetings of the Council and makes available such information as it may require.

Budgeted FTE's	2022	2023	2024	2025	Difference
City Administrator	1.0	1.0	1.0	1.0	-
9 Executive Assistant	1.0	1.0	1.0	1.0	-
60 Sustainability Officer	1.0	1.0	1.0	1.0	-
Division Total	3.0	3.0	3.0	3.0	0.0

Expenditures	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Personal Services					
Permanent Salaries	327,946	476,344	356,800	372,100	15,300
Overtime	-	-	-	-	-
Other Wages	2,295	-	-	-	-
Total Salaries	330,241	476,344	356,800	372,100	15,300
Benefits	123,600	146,137	147,400	139,500	(7,900)
Other Expense					
Materials & Supplies	1,331	1,488	1,500	1,600	100
Services	10,080	6,590	5,000	7,500	2,500
Utilities & Mtc	-	-	-	1,500	1,500
Other	13,256	7,989	14,100	10,000	(4,100)
Total Other Expense	24,667	16,067	20,600	20,600	-
Division Total	478,509	638,548	524,800	532,200	7,400

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022	2023	2024	2025
	Actual	Actual	Budget	Approved
City Administrator's Office - 110-110-1103				
PERSONAL SERVICES				
5100 Permanent Salaries	327,946	476,344	356,800	372,100
5101 Premium Pay	-	-	-	-
5103 Other Wages	2,295	-	-	-
TOTAL	330,241	476,344	356,800	372,100
EMPLOYEE BENEFITS				
5121 PERA Retirement	23,984	25,053	26,700	27,600
5122 FICA - Social Security	18,763	19,918	22,100	23,100
5123 FICA - Medicare	4,585	4,719	5,200	5,400
5125 Dental Insurance	1,188	1,188	1,200	1,300
5126 Life Insurance	810	810	500	1,100
5127 Health Care Savings Plan (HCSP)	9,992	21,579	20,500	8,800
5130 Cafeteria Plan Benefits	63,720	72,099	71,100	72,100
5133 Health or Fitness Program	558	771	100	100
TOTAL	123,600	146,137	147,400	139,500
OTHER EXPENDITURES				
5200 Office Supplies	553	113	500	500
5201 Computer Supplies/Software	13	399	-	100
5219 Other Miscellaneous Supplies	765	975	1,000	1,000
5321 Phone Service Cellular Phone	525	476	-	500
5331 Travel/Training	9,555	6,114	5,000	7,000
5404 Equipment/Machinery Repair & Mtc	-	-	-	-
5418 Vehicle/Equip Lease (Long-term)	-	-	-	-
5433 Dues & Subscription	3,112	1,397	1,600	1,500
5435 Books & Pamphlets	-	-	-	-
5441 Other Services & Charges	1,619	-	3,000	1,000
5443 Board & Meeting Expenses	-	70	500	-
5461 Energy Efficiency Projects	8,526	6,521	9,000	9,000
TOTAL	24,667	16,067	20,600	20,600
DIVISION TOTAL	478,509	638,548	524,800	532,200
REVENUE SOURCE				
4650 Salaries Reimbursement	2,000	-	-	-
4654 Other Reimbursements	2,295	-	-	-
DIVISION TOTAL	4,295	-	-	-

City of Duluth Minnesota - 2025 Budget

City Attorney's Office

www.duluthmn.gov/attorney/

The City Attorney's Office serves as the City's legal advisor and representative. Attorneys in our office provide legal counsel and civil litigation services to the Mayor, City Council, departments, boards and commissions, and public authorities. In addition, our office provides effective and efficient prosecution of violations of city ordinances and state misdemeanor statutes, including domestic violence, driving while intoxicated, trespassing, and traffic offenses.

Budgeted FTE's	2022	2023	2024	2025	Difference
100 City Attorney	1.0	1.0	1.0	1.0	-
90 Deputy City Attorney	2.0	2.0	2.0	1.0	(1.0)
Assistant Attorney	7.0	8.0	8.0	11.0	3.0
50 Risk Manager	-	1.0	1.0	1.0	-
10 Lead Paralegal City Investigator &	1.0	1.0	1.0	1.0	-
10 Claims Agent	1.0	-	-	-	-
9 Executive Assistant Victim Services	1.0	1.0	1.0	1.0	-
131 Specialist	0.8	0.8	0.8	0.8	-
133 Paralegal	3.0	3.0	3.0	3.0	-
Division Total	16.8	17.8	17.8	19.8	2.0

Expenditures	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Personal Services					
Permanent Salaries	1,738,917	1,867,535	1,924,000	2,172,000	248,000
Overtime	3,521	2,216	-	-	-
Other Wages	32,808	29,891	30,000	-	(30,000)
Total Salaries	1,775,246	1,899,643	1,954,000	2,172,000	218,000
Benefits	654,147	754,756	768,100	841,400	73,300
Other Expense					
Materials & Supplies	2,611	1,675	3,300	3,300	-
Services	11,800	19,974	12,400	12,400	-
Other	30,355	48,770	45,400	45,400	-
Total Other Expense	44,766	70,419	61,100	61,100	-
Division Total	2,474,159	2,724,817	2,783,200	3,074,500	291,300

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022	2023	2024	2025
	Actual	Actual	Budget	Approved
City Attorney's Office - 110-110-1104				
PERSONAL SERVICES				
5100 Permanent Salaries	1,738,917	1,867,535	1,924,000	2,172,000
5101 Premium Pay	3,521	2,216	-	-
5103 Other Wages	32,808	29,891	30,000	-
5105 Retirement Incentive	-	-	-	-
TOTAL	1,775,246	1,899,643	1,954,000	2,172,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	125,809	135,104	145,800	160,600
5122 FICA - Social Security	106,101	110,942	121,100	134,800
5123 FICA - Medicare	24,849	25,754	28,300	31,500
5125 Dental Insurance	6,798	7,128	7,400	8,600
5126 Life Insurance	4,635	4,860	3,200	7,000
5127 Health Care Savings Plan (HCSP)	58,501	88,327	63,900	81,600
5130 Cafeteria Plan Benefits	325,747	380,301	397,100	416,000
5133 Health or Fitness Program	1,707	2,339	1,300	1,300
TOTAL	654,147	754,756	768,100	841,400
OTHER EXPENDITURES				
5200 Office Supplies	2,611	1,675	3,300	3,300
5304 Legal Services	2,906	10,882	2,000	2,000
5321 Phone Service Cellular Phone	1,831	920	2,200	2,200
5331 Travel/Training	5,718	7,376	6,000	6,000
5335 Local Mileage Reimbursement	1,203	418	1,000	1,000
5355 Printing & Copying	-	-	100	100
5356 Copier, Printer Lease & Supplies	142	378	1,100	1,100
5414 Software Licenses & Maintenance	1,319	20,549	21,400	21,400
5433 Dues & Subscription	21,221	24,172	17,000	17,000
5441 Other Services & Charges	7,816	2,699	7,000	7,000
5700 Transfer to Special Revenue Fund	-	1,350	-	-
TOTAL	44,766	70,419	61,100	61,100
DIVISION TOTAL	2,474,159	2,724,817	2,783,200	3,074,500
REVENUE SOURCE				
4319 Attorney Fees	38,978	20,844	-	9,000
4644 Miscellaneous Fees, Sales, Services	4,828	7,000	1,000	5,000
4654 Other Reimbursements	88	72,490	-	300
4730 Transfer from Special Revenue Fund	81,463	57,268	70,000	96,000
DIVISION TOTAL	125,357	157,602	71,000	110,300

City of Duluth Minnesota - 2025 Budget

Property, Parks, and Libraries Department

The Property, Parks, and Libraries Department exists to cost-effectively provide two categories of public services:

Internal services, such as those provided by Fleet Services and Property and Facilities Management, whose role is to increase the capacity of other City departments to serve the public well.

Community services, such as those provided by Parks and Recreation, Park Maintenance, and Library, that enrich community life through direct delivery of services to citizens.

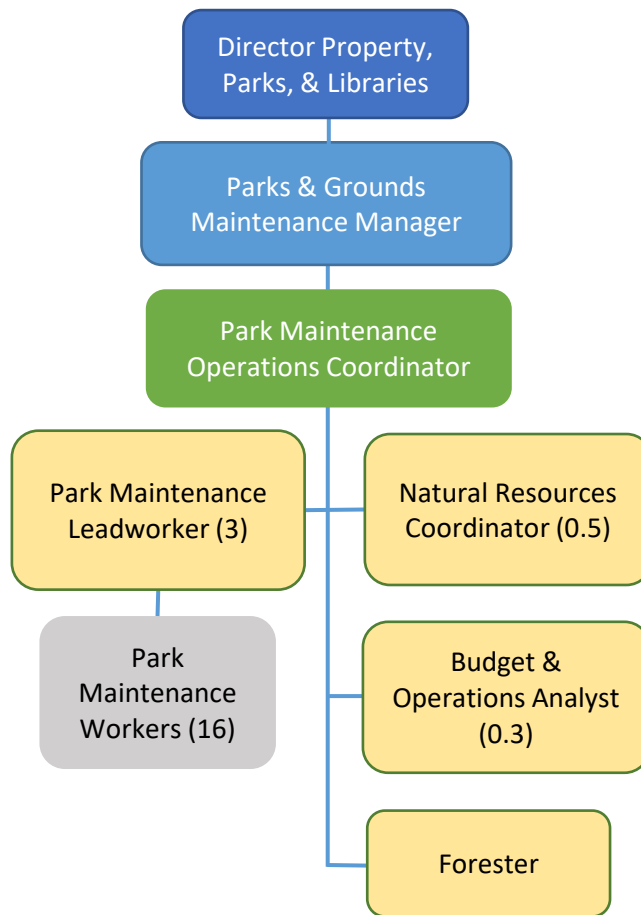
Structure

The Property, Parks, and Libraries Department brings together and coordinates five interrelated divisions: Library, Property and Facilities Management, Parks and Recreation, Park Maintenance, and Fleet Services. Parks and Recreation and portions of Park Maintenance are funded by the Parks Fund. Fleet Services is managed within a separate internal service fund with revenues paid from the General Fund and Enterprise Funds. All other divisions operate primarily from the General Fund.

City of Duluth Minnesota - 2025 Budget

Property, Parks, and Libraries Department

Organization Chart

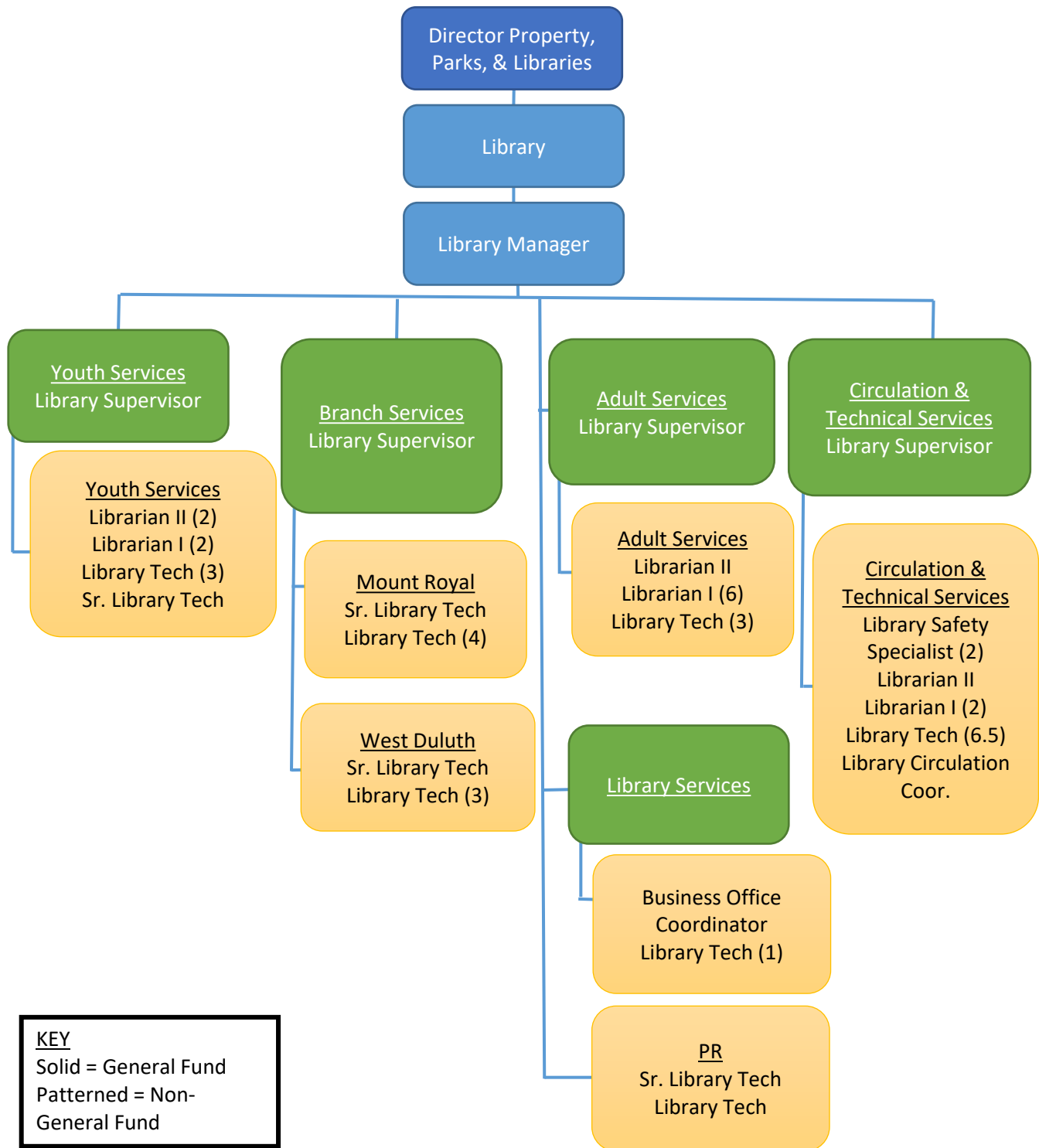


KEY
Solid = General Fund
Patterned = Non-General Fund

City of Duluth Minnesota - 2025 Budget

Property, Parks, and Libraries Department

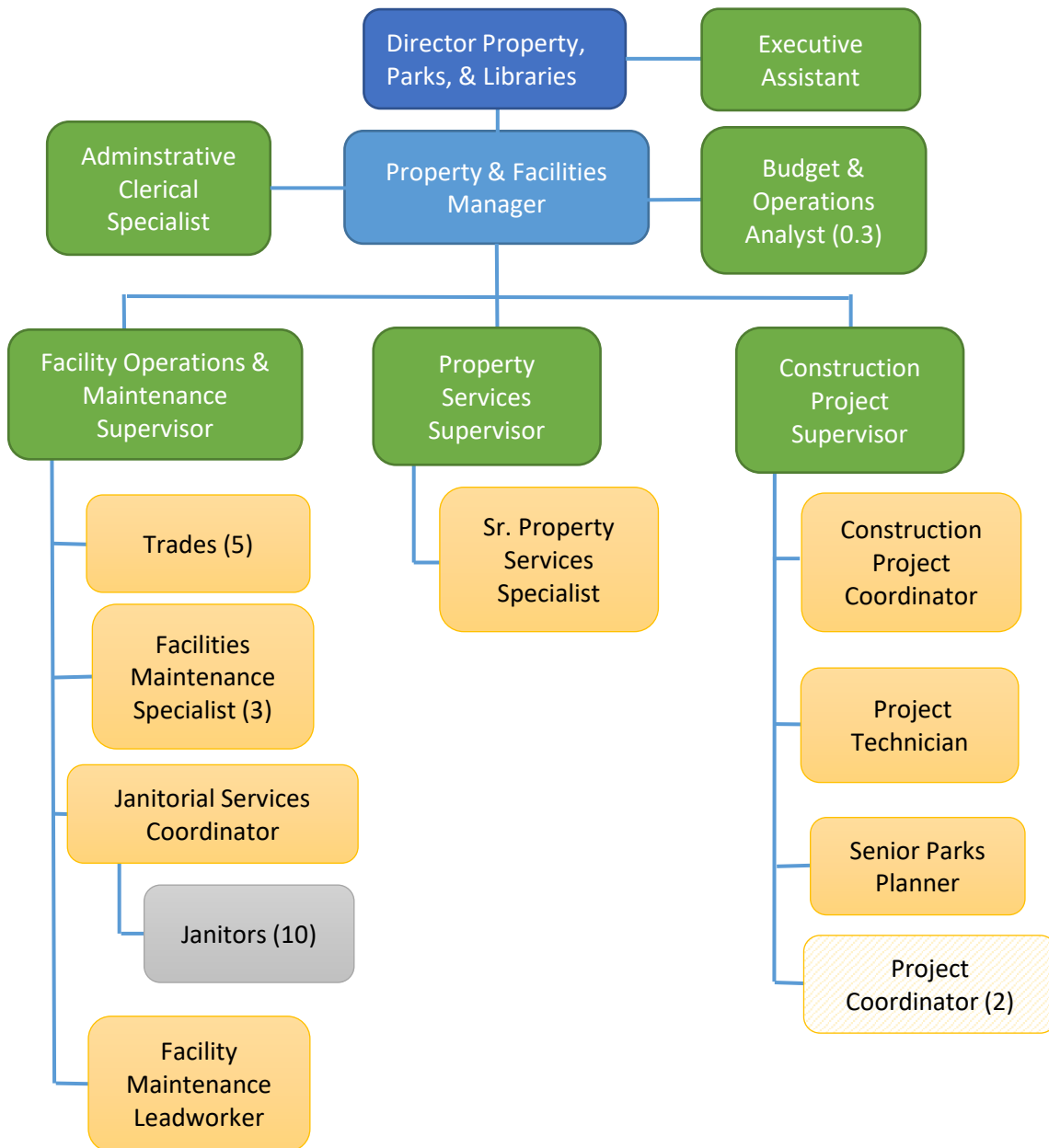
Organization Chart - Continued



City of Duluth Minnesota - 2025 Budget

Property, Parks, and Libraries Department

Organization Chart - Continued

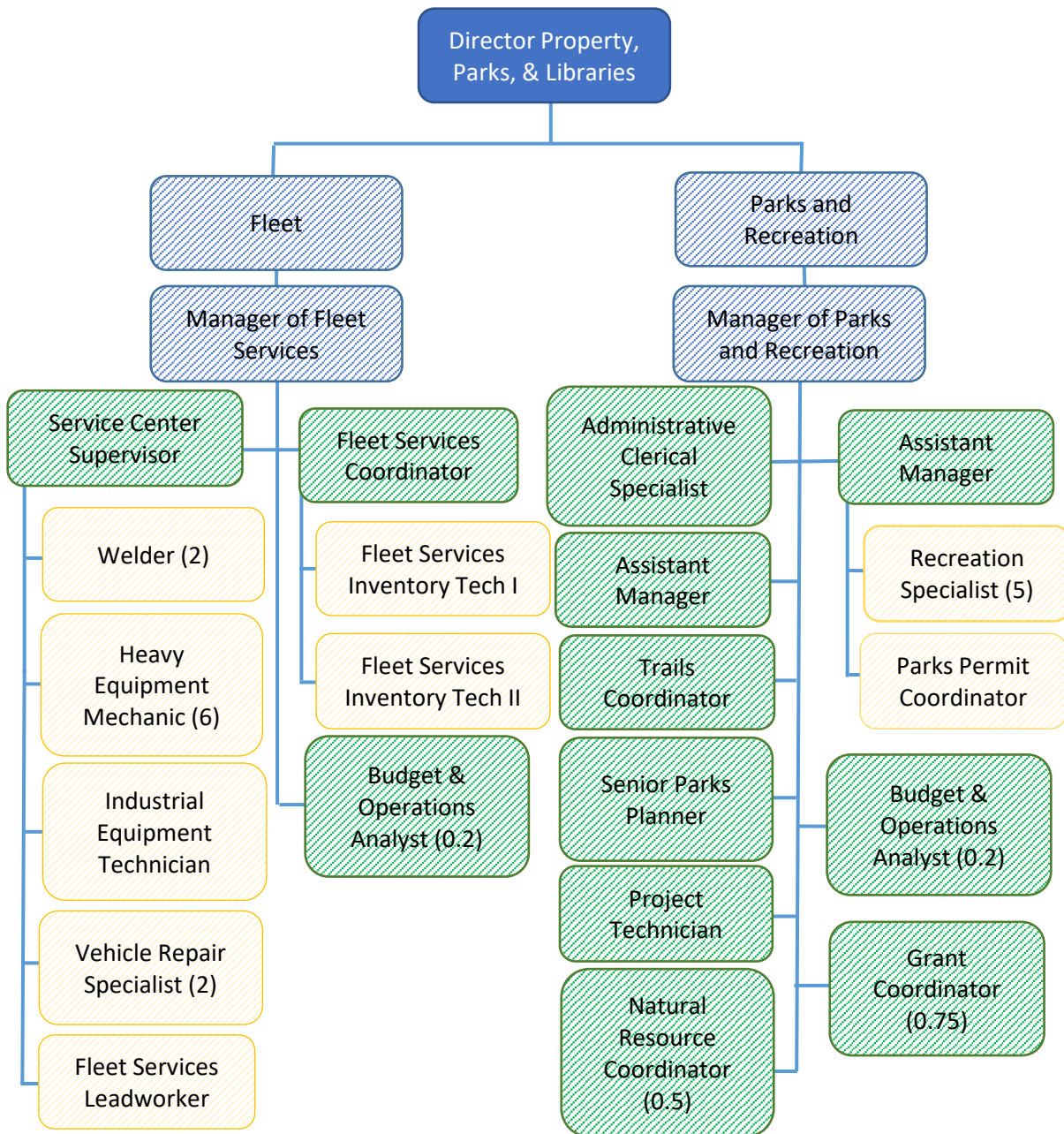


KEY
 Solid = General Fund
 Patterned = Non-General Fund

City of Duluth Minnesota - 2025 Budget

Property, Parks, and Libraries Department

Organization Chart - Continued



KEY
 Solid = General Fund
 Patterned = Non-General Fund

City of Duluth Minnesota - 2025 Budget

Park Maintenance - Performance Measures

<u>Description For Goal/Task:</u>	<u>Measure/Indicator:</u>	2022 Actual	2023 Actual	2024 Actual	2025 Target
Ensures parks, open spaces and public areas are designed with safety in mind, well-lit, well maintained and actively monitored.	Interdepartmental collaboration on homeless, public space blight, and other impacts to City parks.	75%	80%	85%	100%
Promote, support, and sustain well-maintained, safe, clean, visually appealing, free of blight neighborhoods, commercial areas and public spaces.	Efficient and effective sidewalk snow removal to improve opportunities for mobility on sidewalks adjacent to City-owned property.	50%	70%	90%	100%
	Update mapping and snow removal priorities.	100%	100%	100%	100%
	Deferred maintenance plan development and annual implementation.	50%	75%	80%	100%
Develop, preserve, enhance and invest in community parks, neighborhood parks, open spaces, green spaces, lakes and waterways, ensuring they are safe, clean, attractive and accessible to all.	Quantify and define Park Maintenance activities and service levels by park location, activity, staff hours and cost.	50%	75%	75%	100%
	Develop comprehensive maintenance and operations standards manual.	25%	75%	80%	100%
Refine and enhance volunteer efforts in our parks to help engage the community through volunteer clean-up initiatives and invasive species removal	Quantify, compare volunteer numbers/hours contributed year over year	Not Tracked			100%
	Support and promote the Duluth Invaders program with ongoing education and host group events	Supported, but not promoted			100%

City of Duluth Minnesota - 2025 Budget

Library - Performance Measures

<u>Description For Goal/Task:</u>	<u>Measure/Indicator:</u>	2022 Actual	2023 Actual	2024 Actual	2025 Target
Ensure access to public libraries, museums, theater and performance groups, information resources, literacy enhancement and life-long learning opportunities for all ages.	Annual number of checkouts	402,342	762,086	785,236	800,000
	Annual number of library visits	260,099	301,229	328,635	350,000
	Annual number of reference transactions	29,042	40,560	40,872	41,000
	Annual number of program participants, including outreach visits	23,854	37,064	47,499	50,000
	Total physical materials in collection	291,174	286,068	272,246	270,000
	Annual number of public computer sessions	28,494	28,982	34,108	35,000
	Annual number of website visits	383,285	297,568	301,526	305,000
	Annual number of cardholders	39,967	51,109	52,894	55,000
	Number of children and caregivers attending early literacy outreach activities	4,574	8,473	11,724	15,000

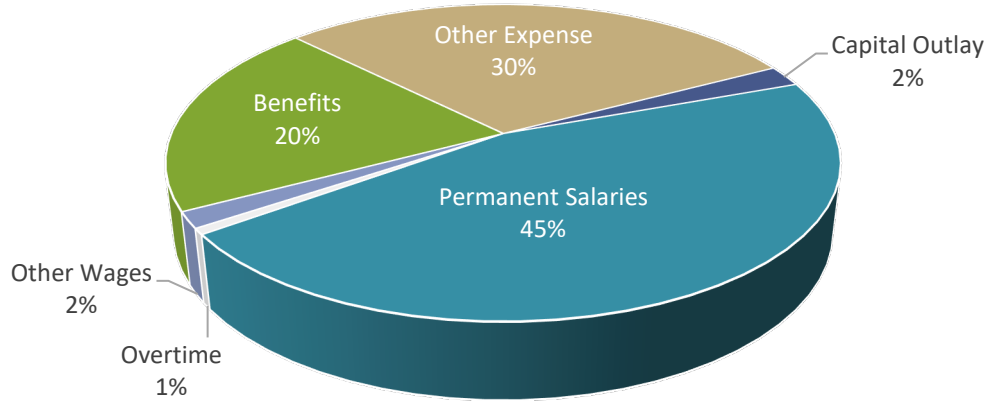
City of Duluth Minnesota - 2025 Budget

Property & Facilities Management - Performance Measures

<u>Description For Goal/Task:</u>	<u>Measure/Indicator:</u>	2022 Actual	2023 Actual	2024 Actual	2025 Target
Supports decision-making with timely and accurate analysis, focusing on innovative, long-term solutions that benefit the community.	Develop the internal data and resources to engage in strategic planning to adequately fund a financially sustainable, comprehensive long-range facility plan. 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.	20%	30%	40%	50%
Develops sustainable fiscal and operational policies which foster trust and transparency by ensuring accountability, efficiency, integrity, innovation and best practices in all operations.	Work with City team and vendor to improve energy tracking data inputs and modeling of greenhouse gas emission reduction targets.	60%	70%	80%	90%

City of Duluth Minnesota - 2025 Budget

Property, Parks, & Libraries Department 2025 Approved Budget by Expenditure Category



Expenditures by Category	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Permanent Salaries	5,852,836	6,358,753	6,940,900	7,350,000	409,100
Overtime	65,455	64,818	100,800	100,800	-
Other Wages	236,250	201,409	241,300	266,500	25,200
Total Personal Services	6,154,540	6,624,981	7,283,000	7,717,300	434,300
Benefits	2,524,646	2,764,530	3,072,000	3,265,000	193,000
Other Expense	4,314,966	4,928,762	4,549,200	4,811,200	262,000
Capital Outlay	301,071	302,646	621,000	346,000	(275,000)
Department Total	13,295,222	14,620,919	15,525,200	16,139,500	614,300

Expenditures by Division	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Park Maintenance	3,184,584	3,380,286	3,710,200	3,882,000	171,800
Library Services	4,589,457	5,308,231	5,630,100	5,639,400	9,300
Property and Fac. Mgmt	5,521,182	5,932,402	6,184,900	6,618,100	433,200
Department Total	13,295,222	14,620,919	15,525,200	16,139,500	614,300

Budgeted FTE's	2022	2023	2024	2025	Difference
	98.60	99.35	100.35	102.60	2.25

City of Duluth Minnesota - 2025 Budget

Park Maintenance

www.duluthmn.gov/property-facilities-management/park-maintenance/

Park Maintenance provides year-round maintenance services for the City's entire park system; which comprises over 10,000 acres of public green space, athletic facilities, fields, neighborhood parks, destination parks, multiuse trails, and an urban forest. In addition to parks and trail maintenance, Park Maintenance provides snow removal support throughout the City.

Budgeted FTE's	2022	2023	2024	2025	Difference
Parks & Grounds Maint					
50 Manager	1.00	1.00	1.00	1.00	-
127 Admin Clerical Specialist Park Maintenance	-	-	1.00	-	(1.00)
28 Worker Park Maint Operations	16.00	17.00	16.00	16.00	-
31 Coordinator Park Maintenance	1.00	1.00	-	1.00	1.00
32 Leadworker	3.00	2.00	3.00	3.00	-
34 Forester Natural Resource	1.00	1.00	1.00	1.00	-
34 Coordinator	0.50	0.50	0.50	0.50	-
131 Grant Coordinator Budget & Operations	-	0.25	0.25	-	(0.25)
133 Analyst	0.30	0.30	0.30	0.30	-
Division Total	22.80	23.05	23.05	22.80	(0.25)

Expenditures	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Personal Services					
Permanent Salaries	1,483,900	1,481,126	1,624,000	1,682,000	58,000
Overtime	37,846	45,421	75,000	75,000	-
Other Wages	107,466	83,772	125,800	151,000	25,200
Total Salaries	1,629,212	1,610,320	1,824,800	1,908,000	83,200
Benefits	654,472	664,184	749,600	790,100	40,500
Other Expense					
Materials & Supplies	235,559	239,479	231,800	297,200	65,400
Services	84,544	101,359	255,100	191,900	(63,200)
Utilities & Maintenance	475,273	475,425	525,000	564,400	39,400
Other	105,524	289,519	123,900	130,400	6,500
Total Other Expense	900,899	1,105,782	1,135,800	1,183,900	48,100
Division Total	3,184,584	3,380,286	3,710,200	3,882,000	171,800

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Park Maintenance 110-121-1217-2145				
PERSONAL SERVICES				
5100 Permanent Salaries	1,483,900	1,481,126	1,624,000	1,682,000
5101 Premium Pay	37,846	45,421	75,000	75,000
5103 Other Wages	107,466	83,772	125,800	151,000
TOTAL	1,629,212	1,610,320	1,824,800	1,908,000
EMPLOYEE BENEFITS				
5118 Meal Allowance	255	90	-	-
5121 PERA Retirement	111,329	110,729	124,900	129,600
5122 FICA - Social Security	98,792	97,573	113,100	118,300
5123 FICA - Medicare	23,105	22,819	26,500	27,700
5125 Dental Insurance	8,758	8,619	9,500	9,900
5126 Life Insurance	5,978	5,877	4,100	8,000
5127 Health Care Savings Plan (HCSP)	28,601	30,090	44,200	31,800
5130 Cafeteria Plan Benefits	376,909	386,854	427,300	464,800
5133 Health or Fitness Program	746	1,533	-	-
TOTAL	654,472	664,184	749,600	790,100
OTHER EXPENDITURES				
5200 Office Supplies	3,386	5,180	4,000	4,000
5201 Computer Supplies/Software	-	2,663	3,000	3,000
5205 Safety & Training Materials	10,277	11,639	10,000	12,000
5211 Cleaning/Janitorial Supplies	19,117	25,682	25,000	35,000
5212 Motor Fuels	108,431	92,773	100,800	107,700
5218 Uniforms	8,294	12,579	9,000	9,000
5219 Other Miscellaneous Supplies	800	-	-	-
5220 Repair & Maintenance Supplies	69,910	46,448	45,000	71,500
5225 Park/Landscape Materials	-	17,982	15,000	35,000
5226 Sign & Signal Materials	-	5,959	5,000	5,000
5228 Painting Supplies	5,921	9,852	8,000	8,000
5240 Small Tools	6,554	8,721	7,000	7,000
5241 Small Equip-Office/Operating	2,869	-	-	-
5305 Medical Svcs/Testing Fees	-	-	-	-
5310 Contract Services	71,132	73,588	228,100	166,400
5320 Data Services	(1)	214	-	-
5321 Phone Service	7,595	7,555	8,000	8,000
5331 Travel/Training	5,285	12,023	15,000	15,000
5335 Local Mileage Reimbursement	533	1,847	4,000	2,500

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Park Maintenance 110-121-1217-2145				
OTHER EXPENDITURES continued				
5356 Copier, Printer Lease & Supplies	-	6,133	-	-
5384 Refuse Disposal	48,577	57,022	63,000	60,000
5404 Equipment/Machinery	3,812	10,303	10,000	10,000
5409 Fleet Services Charges	422,884	408,099	452,000	494,400
5414 Software Licenses & Mtc Agreements	10,014	10,380	23,500	10,000
5415 Vehicle/Equip Rent (Short-term)	1,411	2,383	15,000	10,000
5419 Other Rentals	49,118	67,098	55,000	75,000
5433 Dues & Subscription	240	1,116	500	500
5438 Licenses	-	-	900	900
5441 Other Services & Charges	2,089	3,247	4,000	4,000
5454 Contract Tree Services	26,816	25,496	25,000	30,000
5700 Interfund Transfers Out	15,835	179,800	-	-
TOTAL	900,899	1,105,782	1,135,800	1,183,900
DIVISION TOTAL	3,184,584	3,380,286	3,710,200	3,882,000
REVENUE SOURCE				
4225 Ski Trails Grant	11,000	16,060	11,000	11,000
4654 Other Reimbursements	12,612	12,444	-	-
4730 Transfer from Special Revenue	220,600	224,100	236,700	236,700
DIVISION TOTAL	244,212	252,604	247,700	247,700

City of Duluth Minnesota - 2025 Budget

Library Services

www.duluthlibrary.org/

The Library division provides a safe and welcoming environment for people of all ages and backgrounds. The Library helps enrich the lives of community members by providing print and digital collections, assistance in finding information, access to local resources, and educational programs and events.

Budgeted FTE's	2022	2023	2024	2025	Difference
Manager Library					
60 Services	1.00	1.00	1.00	1.00	-
20 Library Supervisor	3.00	4.00	4.00	4.00	-
124 Library Safety Spec	-	1.00	1.00	2.00	1.00
124 Library Technician	22.50	22.00	22.00	21.50	(0.50)
128 Senior Library Tech	4.00	4.00	4.00	4.00	-
Library Business Office					
131 Coordinator	1.00	1.00	1.00	1.00	-
Library Circulation					
131 Coordinator	1.00	1.00	1.00	1.00	-
131 Librarian I	11.00	11.00	10.00	10.00	-
133 Librarian II	4.00	3.00	4.00	4.00	-
Division Total	47.50	48.00	48.00	48.50	0.50

Expenditures	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Personal Services					
Permanent Salaries	2,510,497	2,815,772	3,067,300	3,221,800	154,500
Overtime	6,279	782	800	800	-
Other Wages	108,197	105,382	101,800	101,800	-
Total Salaries	2,624,973	2,921,937	3,169,900	3,324,400	154,500
Benefits	1,098,013	1,233,936	1,394,000	1,442,800	48,800
Other Expense					
Materials & Supplies	46,145	48,605	45,900	51,000	5,100
Services	154,080	92,257	48,800	107,800	59,000
Utilities & Mtc	61,240	60,969	64,600	84,500	19,900
Other	303,934	647,881	285,900	282,900	(3,000)
Total Other Expense	565,400	849,713	445,200	526,200	81,000
Capital Outlay	301,071	302,646	621,000	346,000	(275,000)
Division Total	4,589,457	5,308,231	5,630,100	5,639,400	9,300

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Library 110-121-1218				
PERSONAL SERVICES				
5100 Permanent Salaries	2,510,497	2,815,772	3,067,300	3,221,800
5101 Premium Pay	6,279	782	800	800
5103 Other Wages	108,197	105,382	101,800	101,800
TOTAL	2,624,973	2,921,937	3,169,900	3,324,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	183,663	209,726	231,200	242,500
5122 FICA - Social Security	159,098	176,717	196,500	206,100
5123 FICA - Medicare	37,208	41,329	46,000	48,200
5125 Dental Insurance	16,500	17,820	21,000	22,000
5126 Life Insurance	11,441	12,420	9,200	17,900
5127 Health Care Savings Plan (HCSP)	77,974	53,465	93,300	84,400
5130 Cafeteria Plan Benefits	611,049	720,419	796,800	821,700
5133 Health or Fitness Program	1,080	2,040	-	-
TOTAL	1,098,013	1,233,936	1,394,000	1,442,800
OTHER EXPENDITURES				
5200 Office Supplies	6,321	4,948	6,000	6,000
5201 Computer Supplies/Software	785	1,652	500	500
5212 Motor Fuels	1,208	1,042	1,100	1,200
5219 Other Miscellaneous Supplies	34,838	40,259	35,000	40,000
5220 Repair & Maintenance Supplies	-	324	300	300
5241 Small Equip-Office/Operating	2,993	379	3,000	3,000
5319 Other Professional Services	130,344	76,931	34,000	93,000
5321 Phone Service	-	356	600	600
5322 Postage	5,606	5,642	4,000	4,000
5331 Travel/Training	14,346	4,608	4,700	4,700
5335 Local Mileage Reimbursement	151	377	1,000	1,000
5355 Printing & Copying	-	-	-	-
5356 Copier, Printer Lease & Supplies	-	-	-	-
5384 Refuse Disposal	3,632	4,342	4,500	4,500
5404 Equipment/Machinery Repair & Mtc	3,328	2,390	2,600	2,600
5409 Fleet Services Charges	6,632	5,962	9,000	9,900
5412 Building Rental	214,571	75,453	226,000	226,000
5413 Library Materials/Svcs Rental	56,553	49,285	58,000	55,000
5414 Software Licenses & Mtc Agreement	51,280	52,618	53,000	72,000
5427 Credit Card Commissions	617	1,173	1,000	1,000
5433 Dues & Subscription	-	-	100	100
5441 Other Services & Charges	2,804	3,108	800	800

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Library 110-121-1218				
OTHER EXPENDITURES continued				
5604 Lease Principal	-	86,087	-	-
5614 Lease Interest	-	48,675	-	-
5700 Interfund Transfers Out	29,389	384,100	-	-
TOTAL	565,400	849,713	445,200	526,200
CAPITAL OUTLAY				
5590 Library Materials	301,071	302,646	621,000	346,000
TOTAL	301,071	302,646	621,000	346,000
DIVISION TOTAL	4,589,457	5,308,231	5,630,100	5,639,400
REVENUE SOURCE				
4220 State of Minnesota Operating	4,096	4,664	4,000	4,000
4622 Rent of Buildings	1,260	1,560	900	900
4631 Media Sales	12,568	12,216	9,000	9,000
4644 Miscellaneous Sales	1,007	1,594	800	800
4654 Other Reimbursements	45,463	44,035	42,700	47,700
4730 Transfer from Special Revenue	10,000	-	-	-
TOTAL	74,394	64,068	57,400	62,400
DIVISION TOTAL	74,394	64,068	57,400	62,400

City of Duluth Minnesota - 2025 Budget

Property and Facilities Management

www.duluthmn.gov/property-facilities-management/

The Property and Facilities Management Division provides for the maintenance, repair, and improvement of all City facilities; oversees all City construction projects (except for street and utility projects); and manages the City's real estate assets.

Budgeted FTE's	2022	2023	2024	2025	Difference
Director Property Parks					
90 & Library Property Services	1.00	1.00	1.00	1.00	-
20 Supervisor Facility Ops & Mtc	1.00	1.00	1.00	1.00	-
30 Supervisor Construction Project	1.00	1.00	1.00	1.00	-
40 Supervisor Property & Facilities	1.00	1.00	1.00	1.00	-
60 Manager	1.00	1.00	1.00	1.00	-
21 Janitor I Sr Property Services	8.00	8.00	8.00	10.00	2.00
138 Specialist	-	-	1.00	1.00	-
131 Executive Assistant	-	-	1.00	1.00	-
27 Project Technician Janitorial Services	1.00	1.00	1.00	1.00	-
33 Coordinator	1.00	1.00	1.00	1.00	-
28 Building Mtc Prs I & II	2.00	-	-	-	-
28 Facilities Mtc Specialist	1.00	3.00	3.00	3.00	-
32 Trades Positions Facility Maintenance	3.00	3.00	3.00	4.00	1.00
32 Leadworker Construction Project	1.00	1.00	1.00	1.00	-
33 Coordinator	1.00	1.00	1.00	1.00	-
34 Master Plumber/Electrici	2.00	2.00	2.00	1.00	(1.00)
34 Senior Parks Planner	1.00	1.00	1.00	1.00	-
127 Admin Clerical Specialist Budget & Operations	1.00	1.00	1.00	1.00	-
133 Analyst Property Service	0.30	0.30	0.30	0.30	-
133 Specialist	1.00	1.00	-	-	-
Division Total	28.30	28.30	29.30	31.30	2.00

City of Duluth Minnesota - 2025 Budget

Property and Facilities Management

www.duluthmn.gov/property-facilities-management/

Expenditures	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Personal Services					
Permanent Salaries	1,858,438	2,061,855	2,249,600	2,446,200	196,600
Overtime	21,330	18,615	25,000	25,000	-
Other Wages	20,587	12,255	13,700	13,700	-
Total Salaries	1,900,355	2,092,725	2,288,300	2,484,900	196,600
Benefits	772,160	866,410	928,400	1,032,100	103,700
Other Expense					
Materials & Supplies	340,216	400,949	389,300	445,900	56,600
Services	609,309	461,677	392,000	435,500	43,500
Utilities & Mtc	1,705,712	1,528,367	2,034,900	2,068,400	33,500
Other	193,430	582,274	152,000	151,300	(700)
Total Other Expense	2,848,667	2,973,267	2,968,200	3,101,100	132,900
Division Total	5,521,182	5,932,402	6,184,900	6,618,100	433,200

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Property and Facilities Management - 110-121-1222				
PERSONAL SERVICES				
5100 Permanent Salaries	1,858,438	2,061,855	2,249,600	2,446,200
5101 Premium Pay	21,330	18,615	25,000	25,000
5103 Other Wages	20,587	12,255	13,700	13,700
TOTAL	1,900,355	2,092,725	2,288,300	2,484,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	136,778	152,367	167,400	181,600
5122 FICA - Social Security	113,697	125,396	141,900	154,100
5123 FICA - Medicare	26,682	29,364	33,200	36,000
5125 Dental Insurance	10,375	10,992	12,100	13,500
5126 Life Insurance	7,069	7,506	5,300	11,000
5127 Health Care Savings Plan (HCSP)	53,394	59,524	41,500	58,600
5130 Cafeteria Plan Benefits	424,164	481,130	527,000	577,300
5133 Health or Fitness Program	-	130	-	-
TOTAL	772,160	866,410	928,400	1,032,100
OTHER EXPENDITURES				
5200 Office Supplies	5,683	4,737	6,000	6,000
5201 Computer Supplies/Software	6,076	9,801	6,800	6,800
5205 Safety & Training Materials	2,640	3,218	5,000	5,000
5211 Cleaning/Janitorial Supplies	53,591	60,945	62,000	74,400
5212 Motor Fuels	18,190	18,661	17,500	19,100
5218 Uniforms	11,452	11,049	8,000	8,000
5220 Repair & Maintenance Supplies	234,824	292,539	284,000	326,600
5241 Small Equip-Office/Operating	7,759	-	-	-
5310 Contract Services	510,755	361,071	290,000	333,500
5320 Data Services	-	7,581	-	-
5321 Phone Service	72,447	69,343	76,500	76,500
5331 Travel/Training	19,639	13,472	15,000	15,000
5335 Local Mileage Reimbursement	6,081	9,731	10,000	10,000
5356 Copier, Printer Lease & Supplies	387	481	500	500
5381 Electricity	648,523	592,083	707,300	778,000
5382 Water, Gas & Sewer	716,724	661,714	866,200	866,200
5384 Refuse Disposal	29,067	32,246	36,500	38,300
5385 Oil	23,465	15,013	25,900	25,900
5386 Steam	287,933	227,310	399,000	360,000
5399 Skywalk Expenses	19,160	32,782	30,000	30,000
5401 Bldg/Structure Repair & Mtc	25,812	1,922	-	-

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Property and Facilities Management - 110-121-1222				
OTHER EXPENDITURES continued				
5404 Equipment/Machinery Repair & Mtc	26,233	37,781	13,000	16,300
5409 Fleet Services Charges	28,107	35,095	42,500	38,500
5411 Land Rental/Easements	6,745	4,145	5,000	5,000
5414 Software Licenses & Mtc Agreements	44,744	40,205	40,000	40,000
5415 Vehicle/Equip Rent (Short-term)	9,543	8,073	10,000	10,000
5433 Dues & Subscription	364	729	-	-
5438 Licenses	1,894	567	1,500	1,500
5441 Other Services & Charges	4,173	2,184	5,500	5,500
5450 Laundry	3,756	3,791	4,500	4,500
5700 Interfund Transfers Out	22,900	415,000	-	-
TOTAL	2,848,667	2,973,267	2,968,200	3,101,100
DIVISION TOTAL	5,521,182	5,932,402	6,184,900	6,618,100
REVENUE SOURCE				
4622 Rent of Buildings	79,308	75,457	85,300	96,800
4623 Rent of Land	10,539	15,167	10,800	15,400
4627 Concessions & Commissions	-	12,501	25,000	25,800
4640 Sale of Land	-	1	-	-
4654 Other Reimbursements	53,209	7,759	59,000	36,400
4700 Other Sources	12,115	-	-	-
4730 Transfer from Special Revenue	65,200	66,000	66,800	66,800
4730 Transfer from Public Utilities	-	-	-	163,300
DIVISION TOTAL	220,371	176,885	246,900	404,500

City of Duluth Minnesota - 2025 Budget

Administrative Services Department

Mission and Vision

The Administrative Services Department provides a network of internal services that create a platform for innovative, efficient, and effective City operations. We seek to ensure trust and engagement for employees and the public by increasing regulatory compliance, identifying and mitigating operational risks, increasing communication and coordination between departments and improving interactions with community stakeholders. We develop originality, create efficiency, drive improvement, and lead collaboration.

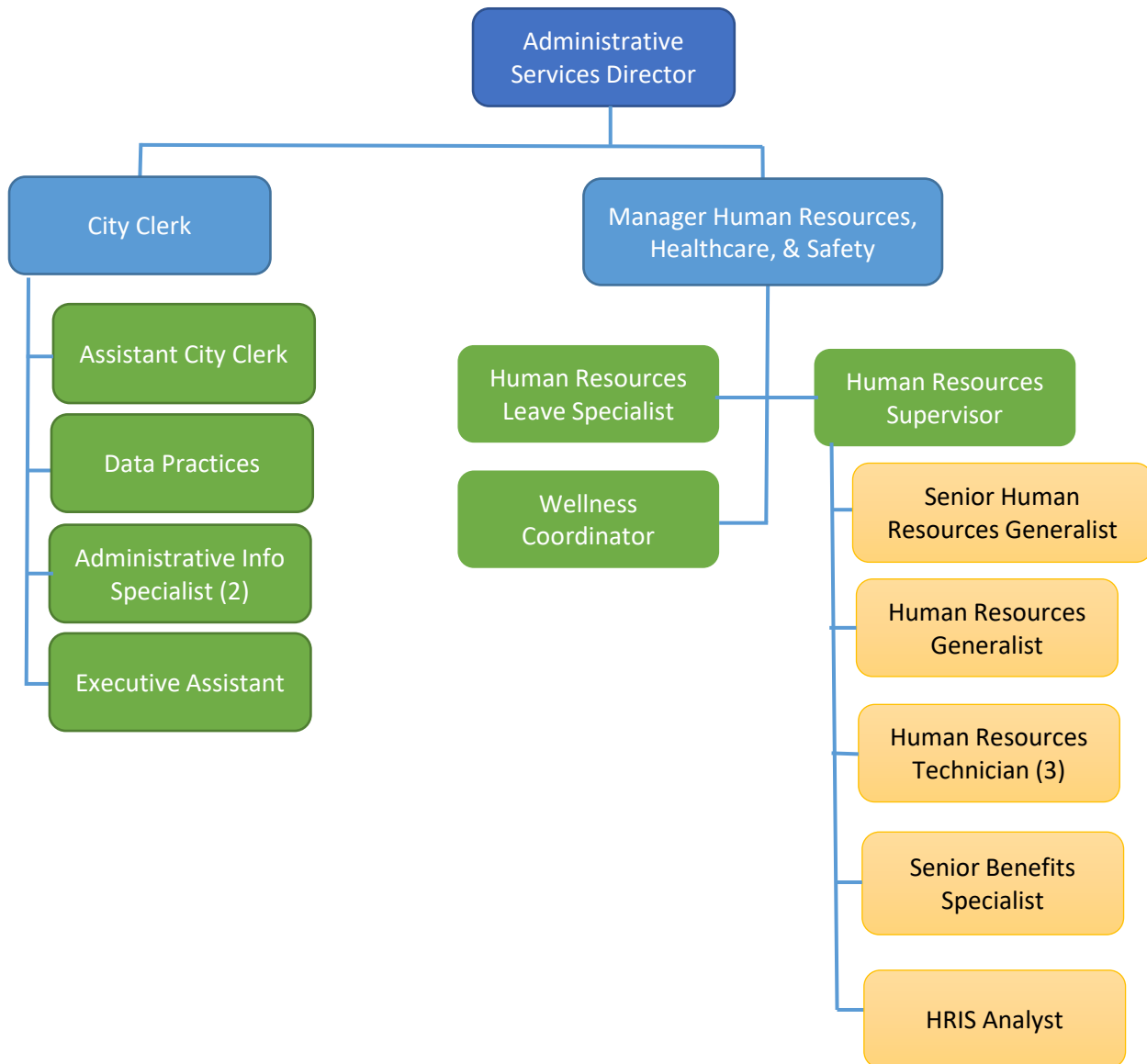
Structure

The Administrative Services Department consists of the Information Technology, City Clerk and Human Resources Divisions. The Department administers and directs core internal services and support in addition to providing external public regulatory services.

City of Duluth Minnesota - 2025 Budget

Administrative Services

Organization Chart

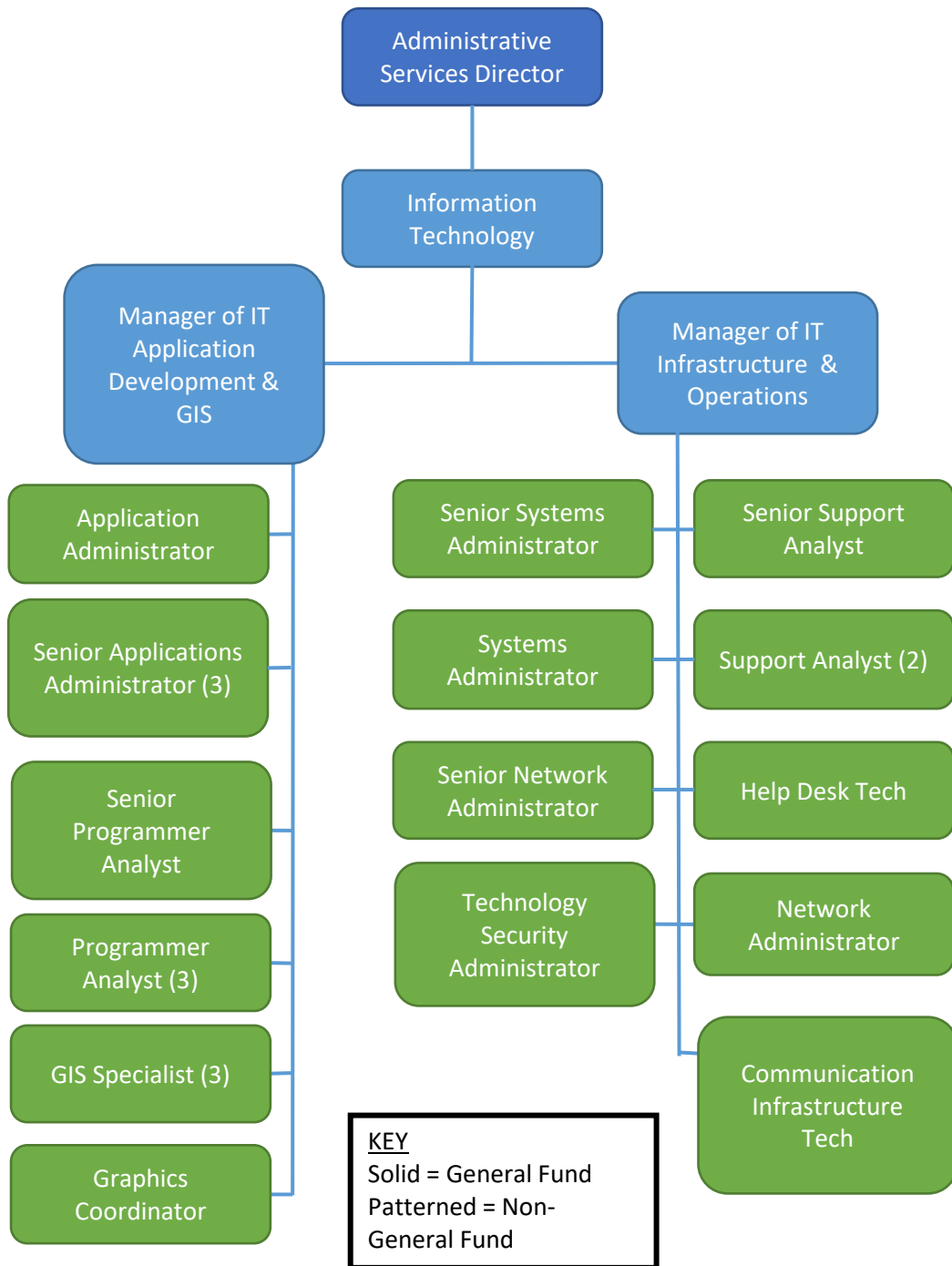


KEY
Solid = General Fund
Patterned = Non-General Fund

City of Duluth Minnesota - 2025 Budget

Administrative Services

Organization Chart - Continued



City of Duluth Minnesota - 2025 Budget

Human Resources - Performance Measures

Description For Goal/Task:	Measure/Indicator:	2024 Actual	2025 Estimated	2026 Target	2027 Target
Create a supportive workplace by creating a positive work environment and supporting an engaged workforce.	% of participation in Diversity, Equity, and Inclusion training		50%	TBD	TBD
Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals.	% of employees attending a human resources provided training or annual policy review		50%	TBD	TBD
	% of supervisory staff participation in at least two leadership competency opportunities or trainings		50%	TBD	TBD
Create a "Safety Culture" mindset by providing a work environment free from hazards that can cause harm to employees.	% of employees that were enrolled and attended safety related training	100%	100%	100%	100%
Support the health and wellbeing of all City employees and family by actively encouraging healthy behaviors.	% of participation enrolled in Wellness Program		50%	TBD	TBD

City of Duluth Minnesota - 2025 Budget

Information Technology - Performance Measures

Description For Goal/Task:	Measure/Indicator:	2024 Actual	2025 Target	2026 Estimate	2027 Estimate
Ensures timely and effective two-way communication with internal customers, residents, and businesses providing equal access to information encouraging input from all areas of the organization and the community at large.	Expansion of online customer offerings	Added ePlace (permitting, licensing and code enforcement)	Expanded customer payment portal and 311 citizen incident reporting	TBD	TBD
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Consolidate duplicative timekeeping applications	70% Time and Attendance Consolidated	100% Time and Attendance Consolidated	Asset Management Systems	TBD
Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals.	Expand GIS mapping services and offerings to include GIS Map Galleries, Story Maps, Real-Time Mapping, and Improved Asset Management	Crime Mapping Internal Public Safety Dashboards	Begin public facing GIS gallery	TBD	TBD

City of Duluth Minnesota - 2025 Budget

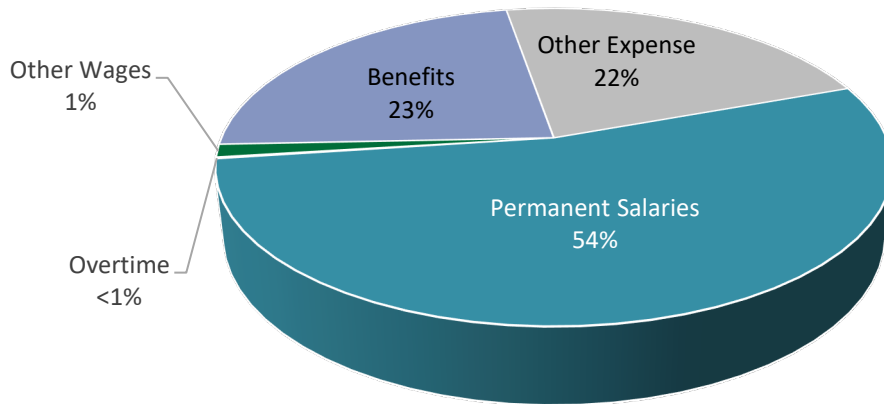
Clerks - Performance Measures

Description For Goal/Task:	Measure/Indicator:	2024 Actual	2025 Actual	2026 Estimate	2027 Target
Ensures timely and effective two-way communication with internal customers, residents, and businesses providing equal access to information encouraging input from all areas of the organization and the community at large.	Expansion of online services by transitioning licensing and permitting to the new EPL system.	60%	100%	TBD	TBD
Develops sustainable operational policies which foster trust and transparency by ensuring accountability, efficiency, integrity, innovation and best practices in all operations.	Conduct a comprehensive audit of internal processes and programs.	0%	50%	100%	TBD
Provide record retention and data practices support to City Departments to ensure that records are handled in a responsible manner consistent with the Minnesota Government Data Practices Act.	Identify and implement enhancements to improve upon current data request processes. Conduct regular record retention trainings with all City departments.	0%	50%	100%	TBD
		0%	100%	TBD	TBD

City of Duluth Minnesota - 2025 Budget

Administrative Services Department

2025 Approved Budget by Expenditure Category



Expenditures by Category	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Permanent Salaries	3,180,175	3,313,465	3,619,800	3,893,700	306,335
Overtime	19,438	19,501	11,400	11,400	(8,101)
Other Wages	120,108	102,671	140,000	95,000	37,329
Total Personal Services	3,319,721	3,435,637	3,771,200	4,000,100	335,563
Benefits	1,361,303	1,479,257	1,592,700	1,673,000	113,443
Other Expenditures	1,082,665	1,504,877	1,348,300	1,613,700	(156,577)
Department Total	5,763,688	6,419,771	6,712,200	7,286,800	292,429

Expenditures by Division	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Human Resources	1,195,818	1,314,827	1,407,200	1,547,500	92,373
Information Technology	3,735,585	4,059,350	4,236,500	4,626,800	177,150
City Clerk	832,285	1,045,594	1,068,500	1,112,500	22,906
Department Total	5,763,688	6,419,771	6,712,200	7,286,800	292,429

Budgeted FTE's	2022	2023	2024	2025	Difference
	39.00	41.00	42.00	42.00	-

City of Duluth Minnesota - 2025 Budget

Human Resources

www.duluthmn.gov/human-resources/

Provides human resources management, employee onboarding and offboarding, labor relations, worker's compensation and leave management support to City employees. The division also provides benefit administration and health and wellness programs and services for eligible employees and retirees within the Joint Powers Enterprise.

Budgeted FTE's	2022	2023	2024	2025	Difference
Manager HR, Healthcare					
60 & Safety	1.00	1.00	1.00	1.00	-
Human Resources					
40 Supervisor	1.00	1.00	1.00	1.00	-
Human Resources					
9 Technician	2.00	2.00	3.00	3.00	-
Senior Benefits					
11 Specialist	1.00	1.00	1.00	1.00	-
Human Resources					
10 Generalist	2.00	2.00	2.00	1.00	(1.00)
10 HRIS Analyst	1.00	1.00	1.00	1.00	-
Human Resources					
127 Assistant	1.00	1.00	1.00	-	(1.00)
Human Resources Leave					
10 Specialist	-	-	-	1.00	1.00
Sr Human Resources					
11 Generalist	-	-	-	1.00	1.00
128 Wellness Coordinator	1.00	1.00	1.00	1.00	-
Division Total	10.00	10.00	11.00	11.00	-

City of Duluth Minnesota - 2025 Budget

Expenditures	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Personal Services					
Permanent Salaries	771,055	850,659	912,600	999,400	61,941
Overtime	6,521	5,057	-	-	(5,057)
Other Wages	3,580	-	10,000	10,000	10,000
Total Salaries	781,156	855,716	922,600	1,009,400	66,884
Benefits	316,690	376,437	394,100	430,100	17,663
Other Expenditures					
Materials & Supplies	24,544	28,564	7,500	7,500	(21,064)
Services	36,835	32,170	40,500	50,500	8,330
Utilities & Mtc	22,784	13,981	35,000	42,500	21,019
Other	13,808	7,958	7,500	7,500	(458)
Total Other Expenditures	97,972	82,673	90,500	108,000	7,827
Division Total	1,195,818	1,314,827	1,407,200	1,547,500	92,373

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Human Resources - 110-122-1106				
PERSONAL SERVICES				
5100 Permanent Salaries	771,055	850,659	912,600	999,400
5101 Premium Pay	6,521	5,057	-	-
5103 Other Wages	3,580	-	10,000	10,000
TOTAL	781,156	855,716	922,600	1,009,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	56,050	62,048	67,800	73,700
5122 FICA - Social Security	47,005	51,035	57,200	62,800
5123 FICA - Medicare	10,993	11,935	13,400	14,700
5125 Dental Insurance	3,795	4,125	4,500	4,800
5126 Life Insurance	2,588	2,813	2,000	3,900
5127 Health Care Savings Plan (HCSP)	22,670	41,579	19,200	21,300
5130 Cafeteria Plan Benefits	172,168	200,178	227,000	245,900
5133 Health or Fitness Program	1,422	2,726	3,000	3,000
TOTAL	316,690	376,437	394,100	430,100

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Human Resources - 110-122-1106				
OTHER EXPENDITURES				
5200 Office Supplies	2,009	3,878	3,500	3,500
5201 Computer Supplies/Software	22,373	23,767	500	500
5219 Other Miscellaneous Supplies	163	919	3,500	3,500
5319 Other Professional Services	14,472	14,537	13,000	23,000
5321 Phone Service	1,320	1,440	2,000	2,000
5331 Travel/Training	20,983	15,968	18,000	18,000
5355 Printing & Copying	60	225	6,000	6,000
5356 Copier, Printer Lease & Supplies	-	-	1,500	1,500
5404 Equipment/Machinery Repair & Mtc	-	89	1,000	1,000
5414 Software Licenses & Mtc Agreements	22,784	13,892	34,000	41,500
5433 Dues & Subscription	1,337	562	1,500	1,500
5435 Books & Pamphlets	-	1,271	1,000	1,000
5441 Other Services & Charges	12,471	6,125	5,000	5,000
TOTAL	97,972	82,673	90,500	108,000
DIVISION TOTAL	1,195,818	1,314,827	1,407,200	1,547,500
REVENUE SOURCE				
4730 Interfund Trsf from Special Rev	-	-	79,000	-
DIVISION TOTAL	-	-	79,000	-

City of Duluth Minnesota - 2025 Budget

Information Technology

www.duluthmn.gov/IT/

The Information Technology division provides a customer-focused environment that integrates people, processes, and technology to increase the efficiency and effectiveness of City services and technology solutions. We strive to align technology investments throughout the City’s departments by building standards, developing clear benefits, and maintaining a technology infrastructure capable of providing a resilient, scalable, and secure environment that ensures a stable architecture for future growth. We provide the management, maintenance and support of all City-wide technology assets which are utilized to make City government increasingly transparent, accessible, efficient, and secure.

Budgeted FTE's	2022	2023	2024	2025	Difference
	Actual	Actual	Budget	Approved	
70 Manager Information Communications	2.00	2.00	2.00	2.00	-
31 Infrastructure Tech Communications	1.00	1.00	1.00	1.00	-
33 Infrastructure Specialist	1.00	1.00	-	-	-
129 Help Desk Technician	1.00	1.00	1.00	1.00	-
131 Graphics Coordinator	1.00	1.00	1.00	1.00	-
131 Support Analyst	2.00	2.00	2.00	2.00	-
135,6 Programmer Analyst	2.00	2.00	3.00	3.00	-
134 Senior Support Analyst	1.00	1.00	1.00	1.00	-
134,6 GIS Specialist Applications	3.00	3.00	3.00	3.00	-
137 Administrator	3.00	4.00	4.00	1.00	(3.00)
137 Network Administrator	1.00	-	1.00	1.00	-
137 Systems Administrator Senior Applications	1.00	1.00	1.00	1.00	-
140 Administrator Senior Systems	-	-	-	3.00	3.00
140 Administrator Senior Network	1.00	1.00	1.00	1.00	-
140 Administrator Senior Programmer	1.00	1.00	1.00	1.00	-
140 Analyst Technology Security	2.00	2.00	1.00	1.00	-
141 Admin	-	1.00	1.00	1.00	-
Division Total	23.00	24.00	24.00	24.00	-

City of Duluth Minnesota - 2025 Budget

Expenditures	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Personal Services					
Permanent Salaries	1,942,221	1,966,592	2,113,300	2,251,400	138,100
Overtime	10,621	14,377	10,000	10,000	-
Other Wages	-	-	-	-	-
Total Salaries	1,952,841	1,980,968	2,123,300	2,261,400	138,100
Benefits	817,335	865,454	911,100	947,100	36,000
Other Expenditures					
Materials & Supplies	29,196	43,030	32,900	33,000	100
Services	263,822	270,914	233,000	233,000	-
Utilities & Mtc	672,223	898,929	936,100	1,152,200	216,100
Other	168	55	100	100	-
Total Other Expenditures	965,409	1,212,928	1,202,100	1,418,300	216,200
Division Total	3,735,585	4,059,350	4,236,500	4,626,800	390,300

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Information Technology - 110-122-1107				
PERSONAL SERVICES				
5100 Permanent Salaries	1,942,221	1,966,592	2,113,300	2,251,400
5101 Premium Pay	10,621	14,377	10,000	10,000
5103 Other Wages	-	-	-	-
TOTAL	1,952,841	1,980,968	2,123,300	2,261,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	143,255	144,771	157,700	167,900
5122 FICA - Social Security	115,792	117,306	131,600	140,200
5123 FICA - Medicare	27,080	27,435	30,800	32,800
5125 Dental Insurance	9,146	8,976	9,900	10,400
5126 Life Insurance	6,251	6,120	4,300	8,400
5127 Health Care Savings Plan (HCSP)	48,953	55,776	35,900	39,100
5130 Cafeteria Plan Benefits	465,628	503,899	540,900	548,300
5133 Health or Fitness Program	1,230	1,172	-	-
TOTAL	817,335	865,454	911,100	947,100

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Information Technology - 110-122-1107				
OTHER EXPENDITURES				
5200 Office Supplies	2,573	4,426	2,500	2,500
5201 Computer Supplies/Software	14,829	30,886	26,500	26,500
5212 Motor Fuels	391	588	400	500
5218 Uniforms	502	692	1,000	1,000
5241 Small Equip-Office/Operating	10,901	6,437	2,500	2,500
5309 MIS Services	17,556	22,757	18,300	18,300
5319 Other Professional Services	88,129	125,551	40,500	40,500
5320 Data Services	107,830	104,254	128,500	128,500
5321 Phone Service	6,722	7,470	7,000	7,000
5331 Travel/Training	41,698	10,292	30,000	30,000
5335 Local Mileage Reimbursement	205	-	500	500
5355 Printing & Copying	1,571	590	7,000	7,000
5356 Copier, Printer Lease, & Supplies	111	-	1,200	1,200
5404 Equipment/Machinery Repair & Mtc	98,616	81,075	137,500	137,500
5409 Fleet Service Charges	836	670	1,400	2,200
5414 Software Licenses & Mtce Agreements	572,771	817,184	797,200	1,012,500
5433 Dues & Subscription	168	55	100	100
TOTAL	965,409	1,212,928	1,202,100	1,418,300
DIVISION TOTAL	3,735,585	4,059,350	4,236,500	4,626,800
REVENUE SOURCE				
4320 IT Services	93,463	12,162	11,000	11,000
4654 Other Reimbursements	94	-	-	-
4730 Transfer in from Special Revenue	-	115,800	115,800	153,800
4730 Transfer in from Public Utility	215,400	223,400	229,800	258,400
DIVISION TOTAL	308,957	351,362	356,600	423,200

City of Duluth Minnesota - 2025 Budget

City Clerk

www.duluthmn.gov/city-clerk/

Secretary to the City Council, Charter Commission, and Alcohol, Gambling and Tobacco Commission. 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.

	2022	2023	2024	2025	
Budgeted FTE's	Actual	Actual	Budget	Approved	Difference
90 Director Admin Services	1.00	1.00	1.00	1.00	-
50 City Clerk	-	1.00	1.00	1.00	-
10 Assistant City Clerk	1.00	1.00	1.00	1.00	-
Code Compliance					
1055 Officer	1.00	-	-	-	-
Executive Assistant-					
9 Confidential	1.00	1.00	1.00	1.00	-
126 Information Tech	-	1.00	1.00	-	(1.00)
129 Data Practices	-	-	1.00	1.00	-
129 Admin Info Specialist	2.00	1.00	1.00	2.00	1.00
Division Total	6.00	6.00	7.00	7.00	-

	2022	2023	2024	2025	
Expenditures	Actual	Actual	Budget	Approved	Difference
Personal Services					
Permanent Salaries	466,899	496,214	593,900	642,900	49,000
Overtime	2,297	68	1,400	1,400	-
Other Wages	116,528	102,671	130,000	85,000	(45,000)
Total Salaries	585,723	598,953	725,300	729,300	4,000
Benefits	227,277	237,365	287,500	295,800	8,300
Other Expenditures					
Materials & Supplies	3,853	4,749	2,600	2,600	-
Services	7,917	47,894	23,800	23,800	-
Utilities & Mtc	-	16,441	13,000	44,700	31,700
Other	7,513	140,191	16,300	16,300	-
Total Other Expenditures	19,284	209,275	55,700	87,400	31,700
Division Total	832,285	1,045,594	1,068,500	1,112,500	44,000

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
City Clerk - 110-122-1211				
PERSONAL SERVICES				
5100 Permanent Salaries	466,899	496,214	593,900	642,900
5101 Premium Pay	2,297	68	1,400	1,400
5103 Other Wages	116,528	102,671	130,000	85,000
TOTAL	585,723	598,953	725,300	729,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	33,259	37,241	44,400	47,800
5122 FICA - Social Security	30,355	30,904	45,000	45,200
5123 FICA - Medicare	7,099	7,228	10,600	10,600
5125 Dental Insurance	2,266	2,376	2,900	3,000
5126 Life Insurance	1,553	1,620	1,300	2,500
5127 Health Care Savings Plan (HCSP)	27,688	18,590	12,400	13,500
5130 Cafeteria Plan Benefits	124,248	138,854	170,900	173,200
5133 Health or Fitness Program	810	552	-	-
TOTAL	227,277	237,365	287,500	295,800
OTHER EXPENDITURES				
5200 Office Supplies	1,584	2,166	1,100	1,100
5201 Computer Supplies/Software	514	515	500	500
5219 Other Miscellaneous Supplies	1,756	2,068	1,000	1,000
5321 Phone Service Cellular Phone	801	840	600	600
5331 Travel/Training	-	2,502	7,500	7,500
5335 Local Mileage Reimbursement	808	749	1,000	1,000
5355 Printing & Copying	6,307	43,803	14,700	14,700
5404 Equipment/Machinery Repair & Mtc	-	16,441	13,000	44,700
5412 Building Rental	1,020	1,140	1,000	1,000
5414 Software Licenses & Mtc Agreements	-	9,248	10,000	10,000
5427 Credit Card Commissions	328	344	-	-
5433 Dues & Subscription	-	-	400	400
5441 Other Services & Charges	6,166	2,355	4,900	4,900
5700 Interfund Transfers Out	-	127,105	-	-
TOTAL	19,284	209,275	55,700	87,400
DIVISION TOTAL	832,285	1,045,594	1,068,500	1,112,500

City of Duluth Minnesota - 2025 Budget

General Fund Revenue Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
City Clerk - 110-122-1211				
REVENUE SOURCE				
4101 Liquor License	442,557	450,927	415,000	425,000
4102 Beer License	12,482	14,202	11,200	11,200
4105 Hotel License	7,781	8,083	7,000	7,000
4106 Garbage Collection	19,380	19,345	18,000	18,000
4107 Horse & Carriage	297	297	400	400
4108 Emergency Wrecker License	3,361	3,060	6,000	6,000
4109 Gas Station License	12,106	11,039	9,250	10,500
4111 Pawnbroker License	440	440	1,100	1,100
4112 Peddler's License	8,823	18,226	8,000	10,000
4113 Precious Metal Dealer	1,760	1,760	1,750	1,800
4114 Pet Shop License	747	914	600	600
4116 Dog Kennels License	810	640	400	400
4117 Massage Establishment & Therapist	12,894	15,063	12,000	12,000
4118 Cigarette License	14,181	12,424	12,000	12,000
4119 Motor Vehicle - Dealer	3,520	3,520	3,500	3,500
4119 Motor Vehicle - Rental	1,216	912	1,800	1,800
4120 Taxi Permit	3,323	19,392	9,000	9,000
4121 Coin Operating Device	290	18,880	8,000	8,000
4122 Pool & Bowling	611	611	600	600
4124 Tree Service Contractor License	-	-	1,400	1,400
4125 Transportation Network Comp License	-	-	7,400	7,400
4126 Shared Active Mobility Systems	21,950	16,000	14,000	14,000
4150 Pet License	9	3	-	-
4155 Special Event Permit	4,956	5,736	3,500	3,500
4170 Misc Permits & Licenses	2,372	2,529	2,000	2,000
4260 St Louis County	-	8,246	-	-
4470 License Penalties	85	1,196	1,500	1,500
4472 Administrative Fines	-	75	-	-
4644 Miscellaneous Sales	42,465	72,907	35,000	35,000
4700 Other Sources	-	-	-	-
4730 Transfers in from Special Revenue	25,000	25,000	25,000	25,000
DIVISION TOTAL	643,416	731,427	615,400	628,700

City of Duluth Minnesota - 2025 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 fostering 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.

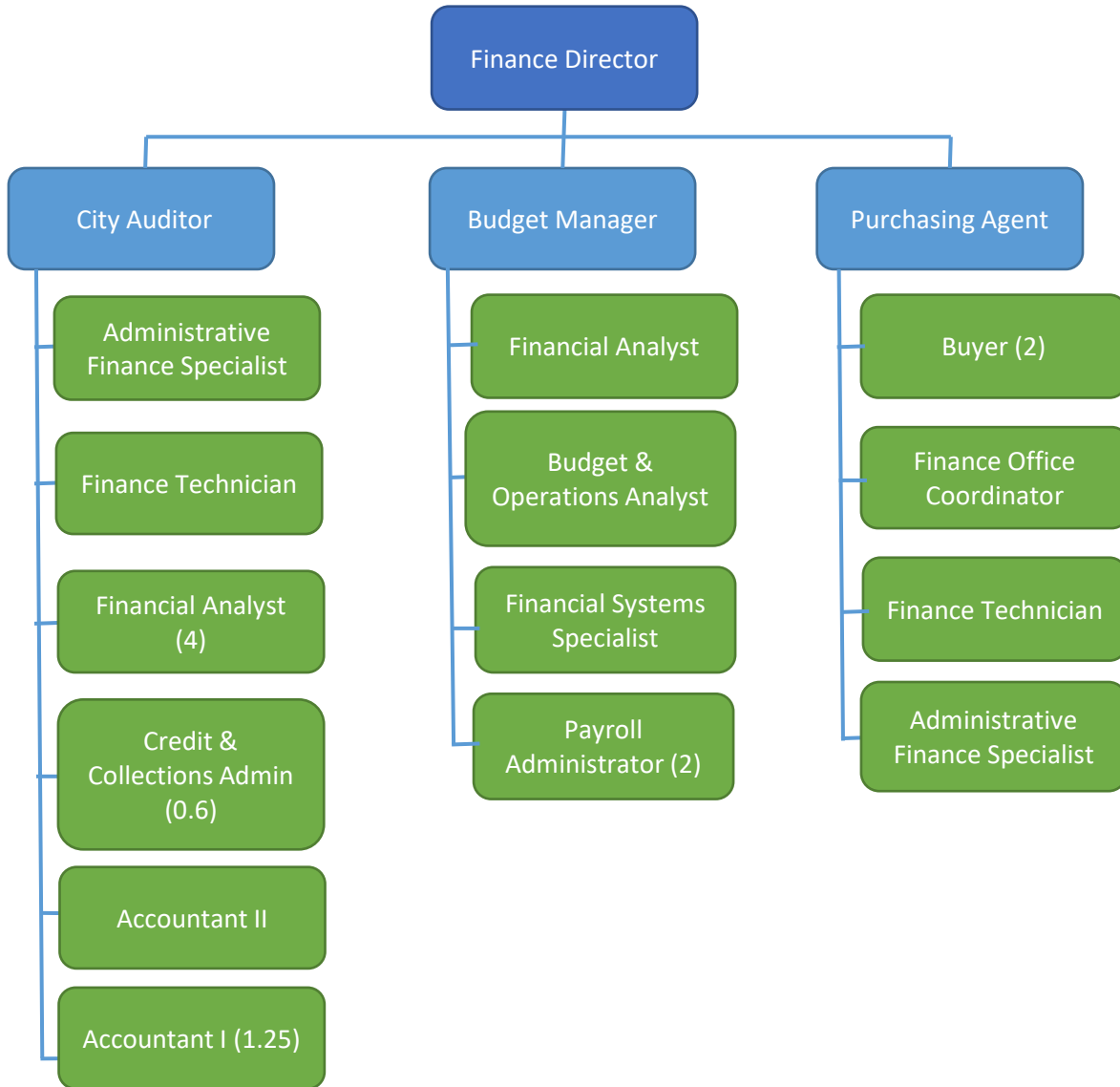
Structure

The department is comprised of three budgeted divisions. A manager leads each area, supported by several staff members. The Finance Department receives its funding from the General Fund.

City of Duluth Minnesota - 2025 Budget

Finance Department

Organization Chart



City of Duluth Minnesota - 2025 Budget

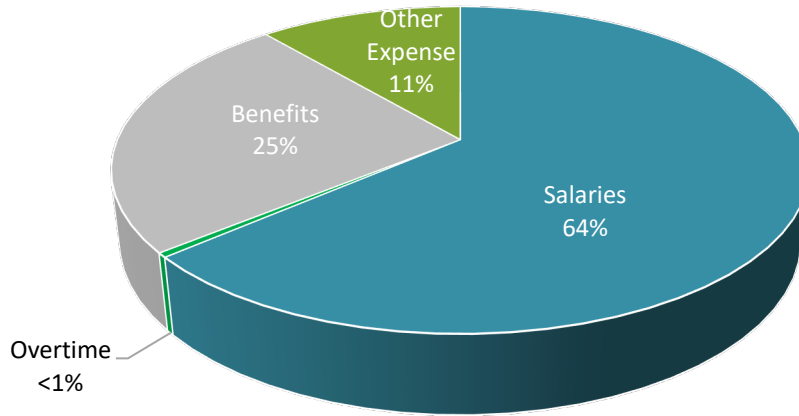
Finance - Performance Measures

Description For Goal/Task:	Measure/Indicator:	2022 Actual	2023 Actual	2024 Actual	2025 Target
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Percent of departments meeting their expenditure appropriation	78%	89%	89%	100%
	Collectible Unassigned General Fund Balance (*policy is between 16-18%)	20.1%	23.9%	17.3%	18.0%
	Combined General Fund and CIT fund balance (*policy is minimum 40%)	45.1%	53.1%	45.3%	40.0%
	General fund and Public Utility funds achieved end of year target of balanced or surplus budget	yes	yes	yes	yes
	Property tax collection rate	98.7%	98.6%	98.4%	99.0%
	Total bonded amount for CIP and CEP	\$5.3M	\$5.2M	\$5.6M	\$5.8M
Supports decision-making with timely and accurate analysis, focusing on innovative, long-term solutions that benefit the community.	To obtain GFOA's Certificate of Excellence in Financial Reporting	Yes	Yes	Yes	Yes
	To obtain GFOA's Distinguished Budget Presentation Award	Yes	Yes	Yes	Yes
	Other Post-Employment Benefits Trust Account balance	\$82.9M	\$106.6M	\$107.2M	\$105.4M
	Bond rating	AA	AA	AA	AA
Attract, develop, equip, motivate, and retain a high-quality, diverse, engaged and productive workforce focused on creative service excellence.	Number of paychecks processed	25,907	25,819	27,311	26,000

City of Duluth Minnesota - 2025 Budget

Finance Department

2025 Approved Budget by Expenditure Category



Expenditures by Category	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Permanent Salaries	1,715,990	1,825,783	1,976,800	2,018,100	41,300
Overtime	17,792	16,322	14,000	14,000	-
Other Wages	5,616	-	-	-	-
Total Personal Services	1,739,398	1,842,105	1,990,800	2,032,100	41,300
Benefits	713,594	817,082	883,900	783,300	(100,600)
Other Expense	378,267	409,701	355,400	355,400	-
Department Total	2,831,259	3,068,889	3,230,100	3,170,800	(59,300)

Expenditures by Division	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Budget Office	996,486	982,962	1,039,600	1,023,000	(16,600)
Auditor's Office	1,269,329	1,461,287	1,538,100	1,480,800	(57,300)
Purchasing	565,444	624,639	652,400	667,000	14,600
Department Total	2,831,259	3,068,889	3,230,100	3,170,800	(59,300)

Budgeted FTE's	2022	2023	2024	2025	Difference
	21.60	22.60	23.60	22.85	(0.75)

City of Duluth Minnesota - 2025 Budget

Budget Office

www.duluthmn.gov/finance/budget/

Under the leadership of the Finance Director, the Budget office provides direction to the City in all financial matters. The Budget office is responsible for strategically aligning the City's resources with the priorities of the City. This division's responsibilities also include forecasting, planning, payroll, and financial systems. Payroll processes payments for City staff as well as the Airport Authority. Financial systems support the enterprise resource planning software, creating department efficiency tools as well as timekeeping systems.

	2022	2023	2024	2025	
Budgeted FTE's	Actual	Actual	Budget	Approved	Difference
100 Finance Director	1.0	1.0	1.0	1.0	-
50 Budget Manager	1.0	1.0	1.0	1.0	-
1085 Administrator	1.0	-	-	-	-
Financial System					
10 Specialist	-	1.0	1.0	1.0	-
10A Payroll Administrator	2.0	2.0	2.0	2.0	-
Budget & Operations					
133 Analyst	1.0	1.0	1.0	1.0	-
136 Financial Analyst	1.0	1.0	1.0	1.0	-
Division Total	7.0	7.0	7.0	7.0	0.0

	2022	2023	2024	2025	
Expenditures	Actual	Actual	Budget	Approved	Difference
Personal Services					
Permanent Salaries	650,565	650,131	713,300	718,900	5,600
Overtime	6,179	7,554	6,400	6,400	-
Other Wages	-	-	-	-	-
Total Salaries	656,745	657,685	719,700	725,300	5,600
Benefits	260,581	285,017	282,800	260,600	(22,200)
Other Expense					
Materials & Supplies	576	1,178	2,000	2,000	-
Services	15,326	18,266	13,600	13,600	-
Other	63,259	20,817	21,500	21,500	-
Total Other Expense	79,161	40,261	37,100	37,100	-
Division Total	996,486	982,962	1,039,600	1,023,000	(16,600)

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Budget Office - 110-125-1212				
PERSONAL SERVICES				
5100 Permanent Salaries	650,565	650,131	713,300	718,900
5101 Premium Pay	6,179	7,554	6,400	6,400
5103 Other Wages	-	-	-	-
TOTAL	656,745	657,685	719,700	725,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	47,456	48,285	53,600	53,400
5122 FICA - Social Security	39,240	39,039	44,600	45,000
5123 FICA - Medicare	9,177	9,130	10,400	10,500
5125 Dental Insurance	2,772	2,673	2,900	3,000
5126 Life Insurance	1,890	1,823	1,300	2,500
5127 Health Care Savings Plan (HCSP)	20,527	38,745	14,700	15,700
5130 Cafeteria Plan Benefits	138,960	145,322	155,300	130,500
5133 Health or Fitness Program	559	-	-	-
TOTAL	260,581	285,017	282,800	260,600
OTHER EXPENDITURES				
5200 Office Supplies	14	410	1,500	1,500
5201 Computer Supplies/Software	563	769	500	500
5321 Phone Service	360	360	-	-
5331 Travel/Training	14,622	17,776	13,000	13,000
5355 Printing & Copying	344	130	600	600
5433 Dues & Subscription	1,317	677	500	500
5434 Grants & Awards	-	-	600	600
5435 Books & Pamphlets	-	-	200	200
5441 Other Services & Charges	61,942	20,034	20,200	20,200
5443 Board & Meeting Expenses	-	105	-	-
TOTAL	79,161	40,261	37,100	37,100
DIVISION TOTAL	996,486	982,962	1,039,600	1,023,000

City of Duluth Minnesota - 2025 Budget

City Auditor

www.duluthmn.gov/finance/auditor/

The City Auditor properly accounts for financial transactions in accordance with the City charter, City code and Governmental Accounting and Financial Reporting standards. Additional responsibilities include grant reporting and monitoring internal controls over city assets, contracts and records. The office annually prepares the Annual Comprehensive Financial Report which is audited by the Minnesota Office of the State Auditor. The City Auditor is also responsible for overseeing the City's banking relationships and investment portfolio.

	2022	2023	2024	2025	
Budgeted FTE's	Actual	Actual	Budget	Approved	Difference
80 City Auditor	1.0	1.0	1.0	1.00	-
126 Finance Technician	1.0	1.0	1.0	1.00	-
Admin Finance					
129 Specialist	1.0	1.0	1.0	1.00	-
130 Accountant I	1.0	2.0	2.0	1.25	(0.75)
133 Accountant II	-	-	1.0	1.00	-
Credit & Collections					
135 Admin	0.6	0.6	0.6	0.60	-
136 Financial Analyst	4.0	4.0	4.0	4.00	-
Division Total	8.6	9.6	10.6	9.85	-0.75

	2022	2023	2024	2025	
Expenditures	Actual	Actual	Budget	Approved	Difference
Personal Services					
Permanent Salaries	699,498	781,317	841,400	843,200	1,800
Overtime	10,515	8,768	7,600	7,600	-
Other Wages	-	-	-	-	-
Total Salaries	710,013	790,086	849,000	850,800	1,800
Benefits	264,068	335,683	385,000	325,900	(59,100)
Other Expense					
Materials & Supplies	3,973	4,694	6,000	6,000	-
Services	287,269	323,839	295,000	295,000	-
Utility & Mtc	588	935	800	800	-
Other	3,419	6,050	2,300	2,300	-
Total Other Expense	295,249	335,518	304,100	304,100	-
Division Total	1,269,329	1,461,287	1,538,100	1,480,800	(57,300)

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
City Auditor's Office - 110-125-1214				
PERSONAL SERVICES				
5100 Permanent Salaries	699,498	781,317	841,400	843,200
5101 Premium Pay	10,515	8,768	7,600	7,600
5103 Other Wages	-	-	-	-
TOTAL	710,013	790,086	849,000	850,800
EMPLOYEE BENEFITS				
5121 PERA Retirement	51,468	57,967	62,800	62,400
5122 FICA - Social Security	42,455	46,774	52,600	52,700
5123 FICA - Medicare	9,929	10,939	12,300	12,300
5125 Dental Insurance	3,333	3,729	4,500	4,400
5126 Life Insurance	2,475	2,745	2,000	3,600
5127 Health Care Savings Plan (HCSP)	16,136	17,991	22,400	25,900
5130 Cafeteria Plan Benefits	137,841	195,058	228,400	164,600
5133 Health or Fitness Program	430	480	-	-
TOTAL	264,068	335,683	385,000	325,900
OTHER EXPENDITURES				
5200 Office Supplies	2,665	2,435	3,000	3,000
5203 Paper/Stationery/Forms	460	1,085	2,000	2,000
5241 Small Equip-Office/Operating	848	1,174	1,000	1,000
5301 Auditing Services	109,274	135,964	116,800	116,800
5306 Collection Services	2,968	3,066	5,000	5,000
5309 IT Services	168,289	164,619	167,500	167,500
5319 Other Professional Services	-	17,255	-	-
5331 Travel/Training	3,260	-	3,200	3,200
5355 Printing & Copying	1,170	1,034	1,000	1,000
5356 Copier, Printer Lease & Supplies	2,309	1,902	1,500	1,500
5404 Equipment/Machinery Repair & Mtc	-	-	800	800
5414 Software Licenses & Mtc Agreements	588	935	-	-
5433 Dues & Subscription	637	1,277	1,300	1,300
5435 Books & Pamphlets	-	-	500	500
5441 Other Services & Charges	2,782	4,773	500	500
TOTAL	295,249	335,518	304,100	304,100
DIVISION TOTAL	1,269,329	1,461,287	1,538,100	1,480,800

City of Duluth Minnesota - 2025 Budget

General Fund Revenue Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
City Auditor's Office - 110-125-1214				
REVENUE SOURCE				
4005 Current Property Tax	25,068,316	27,872,606	29,305,200	25,547,300
4010 Delinquent Property Tax	147,579	135,019	150,000	150,000
4015 Mobile Home Tax	95,139	100,313	80,000	90,000
4040 City Sales Tax	18,383,455	19,032,817	15,784,000	17,617,300
4050 Charitable Gambling 3% Tax	38,355	40,372	30,000	30,000
4070 MN Power Franchise Fee	3,524,544	3,689,802	3,608,400	3,852,000
4071 Cable Franchise Fee	752,704	704,230	728,000	690,000
4072 No. MN Utility Franchise Fee	11,823	11,700	6,700	11,000
4080 Forfeit Tax Sale	38,094	14,428	10,000	10,000
4090 Other Taxes	430,738	241,318	205,400	205,400
4221 Local Government Aid	30,671,679	30,807,820	35,175,100	35,231,100
4222 State Property Tax Aid	220	258	-	-
4300 HRA in Lieu of Taxes	76,214	74,113	65,000	72,000
4310 Assessment Cost Services	8,060	48,967	10,000	10,000
4311 Assessment Certificate Fee	53,377	40,237	160,000	40,000
4315 Stormwater Administrative Service	196,800	196,800	205,200	281,000
4315 Sewer Administrative Service	238,200	238,200	256,300	333,000
4315 Steam Administrative Service	53,200	64,500	64,500	80,000
4315 DECC Administrative Service	13,800	13,800	14,700	47,300
4315 DTA Administrative Service	10,300	12,500	12,500	23,900
4315 Grant Administration Services	83,542	73,662	69,000	73,600
4315 Airport Administrative Service	45,200	73,200	78,000	133,200
4315 DEDA Administrative Service	400,000	400,000	400,000	400,000
4315 Public Utility Admin Service	876,400	876,400	950,900	945,400
4315 Fleet Administrative Service	146,200	146,200	182,100	273,600
4315 Group Health Admin Service	399,866	409,863	420,100	430,600
4315 Self Insurance Admin Service	666,900	734,500	520,400	584,000
4315 Spirit Mountain Admin Service	26,200	26,200	29,600	29,600
4315 Parking Administrative Service	116,300	140,500	140,500	202,300
4315 410 West 1st Street Ramp	6,700	8,500	8,500	6,500
4323 Garnishment Fees	45	15	-	-
4473 Court Fines	230,416	211,483	230,000	200,000
4500 Assessments	55,989	96,003	55,000	151,000
4501 Assessments - Penalty & Interest	15,877	16,173	13,800	13,800
4601 Earnings on Investments Chg in Value	(328,535)	62,091	-	-
4644 Misc Fees, Sales & Services	4,895	555	3,200	500
4654 Other Reimbursements	35,691	500	-	-

City of Duluth Minnesota - 2025 Budget

General Fund Revenue Detail	2022	2023	2024	2025
	Actual	Actual	Budget	Approved
City Auditor's Office - 110-125-1214				
4700 Other Sources	28,576	30,018	-	-
4702 Fond du Luth Proceeds	150,000	150,000	150,000	150,000
4730 Transfer from Special Rev Fund	225,872	257,821	325,100	227,800
4730 Transfer from Police Grant Fund- OT	4,254	6,945	-	-
4730 Transfer from Enterprise Fund	-	1,346,700	1,346,700	1,346,700
4731 Gas Utility in Lieu of Taxes	2,869,276	4,173,720	2,700,000	3,250,000
4732 Steam Utility in Lieu of Taxes	164,601	214,571	182,000	182,000
4805 Reimbursements	-	490	-	-
DIVISION TOTAL	86,036,863	92,795,909	93,675,900	92,921,900

City of Duluth Minnesota - 2025 Budget

City Purchasing

www.duluthmn.gov/purchasing/

The Purchasing division performs the materials requisition, procurement, and accounts payable 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, as well as timely and accurate payments. The division is also responsible for the disposal of excess or obsolete materials.

	2022	2023	2024	2025	
Budgeted FTE's	Actual	Actual	Budget	Approved	Difference
40 Purchasing Agent	1.0	1.0	1.0	1.0	-
126 Finance Technician Admin Finance	2.0	1.0	1.0	1.0	-
129 Specialist Finance Office	1.0	2.0	1.0	1.0	-
133 Coordinator	1.0	1.0	1.0	1.0	-
133 Senior Buyer	1.0	1.0	-	-	-
130 Buyer	-	-	2.0	2.0	-
Division Total	6.0	6.0	6.0	6.0	0.0

	2022	2023	2024	2025	
Expenditures	Actual	Actual	Budget	Approved	Difference
Personal Services					
Permanent Salaries	365,927	394,335	422,100	456,000	33,900
Overtime	1,098	-	-	-	-
Other Wages	5,616	-	-	-	-
Total Salaries	372,640	394,335	422,100	456,000	33,900
Benefits	188,945	196,382	216,100	196,800	(19,300)
Other Expense					
Materials & Supplies	1,723	2,535	3,800	3,800	-
Services	1,236	5,264	7,400	7,400	-
Other	899	26,123	3,000	3,000	-
Total Other Expense	3,858	33,923	14,200	14,200	-
Division Total	565,444	624,639	652,400	667,000	14,600

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022	2023	2024	2025
	Actual	Actual	Budget	Approved
City Purchasing Office - 110-125-1215				
PERSONAL SERVICES				
5100 Permanent Salaries	365,927	394,335	422,100	456,000
5101 Premium Pay	1,098	-	-	-
5103 Other Wages	5,616	-	-	-
TOTAL	372,640	394,335	422,100	456,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	26,491	28,658	31,200	33,500
5122 FICA - Social Security	21,860	23,202	26,200	28,300
5123 FICA - Medicare	5,112	5,426	6,100	6,600
5125 Dental Insurance	2,178	2,277	2,500	2,600
5126 Life Insurance	1,485	1,553	1,100	2,100
5127 Health Care Savings Plan (HCSP)	9,106	9,060	20,400	9,100
5130 Cafeteria Plan Benefits	122,353	125,726	128,600	114,600
5133 Health or Fitness Program	360	480	-	-
TOTAL	188,945	196,382	216,100	196,800
OTHER EXPENDITURES				
5200 Office Supplies	1,299	1,783	2,500	2,500
5201 Computer Supplies/Software	424	752	1,300	1,300
5331 Travel/Training	497	4,192	5,500	5,500
5340 Advertising & Promotion	374	465	900	900
5355 Printing & Copying	365	608	1,000	1,000
5433 Dues & Subscription	565	705	1,500	1,500
5441 Other Services & Charges	334	1,583	1,500	1,500
5700 Transfers Out To Special Revenue Funds	-	23,835	-	-
TOTAL	3,858	33,923	14,200	14,200
DIVISION TOTAL	565,444	624,639	652,400	667,000

City of Duluth Minnesota - 2025 Budget

Planning & Economic Development Department

Mission and Vision

The Planning and Economic Development Department consists of two divisions: the Planning and Development Division and the Construction Services Division. These two work groups collaborate 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 provides services to businesses and developers for economic and community development projects. The Planning and Economic Development Department, together with the Engineering Division, serve as the customer gateway to the City of Duluth for permits and review of proposed development activities. This portal is also the private sector's navigation system for accomplishing new 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 vitality in development and redevelopment throughout Duluth. Staff seek to ensure development is sustainable and compatible with surrounding neighborhoods and the natural landscape, and develops thoughtful plans with targeted implementation strategies to further the goals and principles established in the Imagine Duluth 2035 Comprehensive Plan and the City's Consolidated Plan for federal department of Housing & Urban Development Resources.

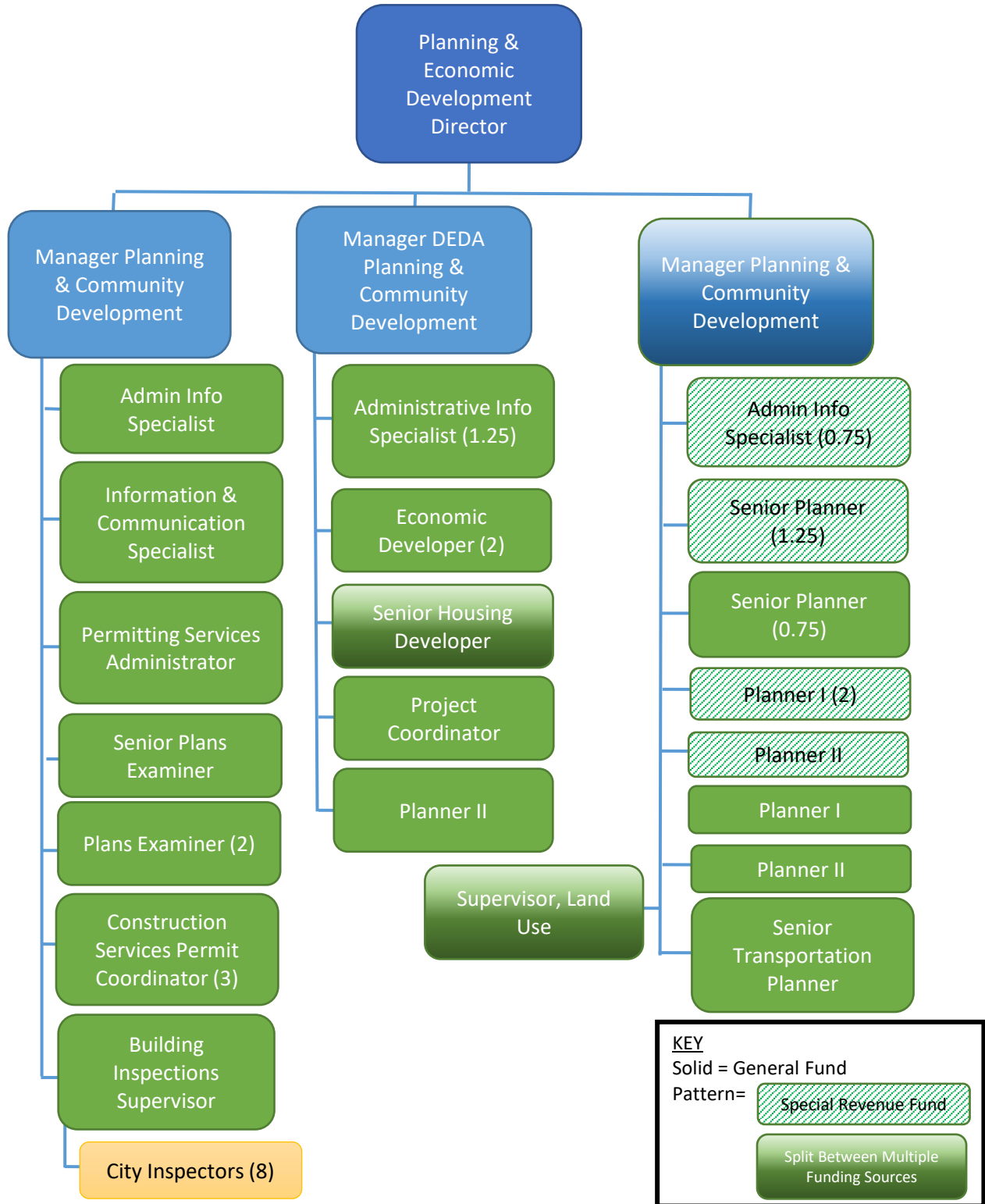
Structure

The Department of Planning and Economic Development's two divisions rely on a team structure seeking to provide a high level of service to the community. Within the Construction Services and Inspections division, staff at city hall complete permit intake, coordination, and plan review, while building inspection services are coordinated for continuous inspections throughout the community. The Planning and Development division includes teams addressing tourism and economic development, business support and development, long range planning, grants, compliance, and community development programs, housing development, and transportation planning. The departmental structure provides for responsive planning and zoning, construction permitting, economic development services, and the enforcement of land and building regulations. Staff in the department work on a continuous basis with many of the City's boards and commissions and between city departments to ensure alignment with the goals of the community, and seek to implement the community's goals from the comprehensive plan and the adopted Consolidated Plan for community revitalization.

City of Duluth Minnesota - 2025 Budget

Planning & Economic Development

Organization Chart



City of Duluth Minnesota - 2025 Budget

Planning & Development - Performance Measures

<u>Description For Goal/Task:</u>	<u>Measure/Indicator:</u>	2022 Actual	2023 Actual	2024 Actual	2025 Target
Increase the number of housing units in the City, focusing on all housing types and income levels	# housing C of Os	N/A	N/A	604	500
	# housing units through HUD funding	51	63	101 (+ 70 rehab)	102 (plus 70 rehab)
	# housing units through Housing Team projects	N/A	N/A	244	400
Support investment in downtown as the key commercial, social, and housing hub of the City	# of business incentives and projects downtown	N/A	N/A	26	29
Increase the number of employment opportunities by supporting new and existing businesses and industry growth	# jobs created through economic development work	N/A	N/A	43	50
	# people helped through business and job training programs funded by HUD	332	246	270	330
Ensure regulatory compliance to provide clean and well maintained neighborhoods	Number of formal compliance actions	51	66	55	75

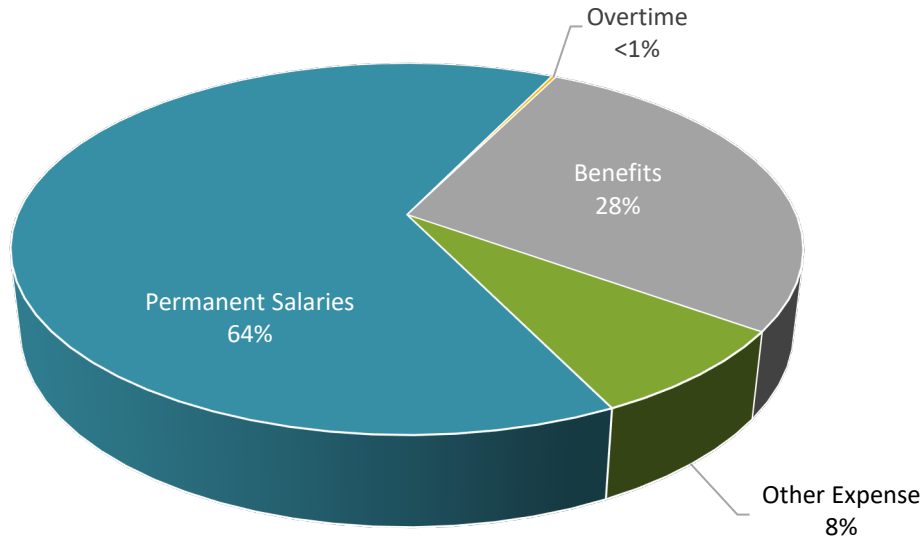
City of Duluth Minnesota - 2025 Budget

Construction Services & Inspections - Performance Measures

<u>Description For Goal/Task:</u>	<u>Measure/Indicator:</u>	2022 Actual	2023 Actual	2024 Actual	2025 Target
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Valuation of construction permits issued	\$323 M	\$379 M	\$375 M	\$380 M
	Number of construction inspections performed	9,418	10,361	7,561	8,000
Ensures timely and effective two-way communication with internal customers, residents, and businesses providing equal access to information encouraging input from all areas of the organization and the community at large.	Percentage of permits issued online	90%	97%	98%	100%
	Number of pre-submittal plan review meetings	63	43	46	50
Ensure buildings and properties throughout the community are well-kept, safe, and compliant with community standards.	Number of plan reviews for compliance with building, energy, accessibility, and other standards	1,494	1,867	1,069	1,100

City of Duluth Minnesota - 2025 Budget

Planning & Economic Development Department 2025 Approved Budget by Expenditure Category



Expenditures by Category	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Permanent Salaries	2,500,256	2,544,433	2,841,600	2,731,900	(109,700)
Overtime	4,217	20,314	9,000	9,000	-
Other Wages	1,572	1,532	-	-	-
Total Personal Services	2,506,045	2,566,279	2,850,600	2,740,900	(109,700)
Benefits	1,056,709	1,161,004	1,289,600	1,169,600	(120,000)
Other Expense	329,446	337,455	223,000	333,900	110,900
Department Total	3,892,200	4,064,738	4,363,200	4,244,400	(118,800)

Expenditures by Division	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Planning & Development	1,601,406	1,618,252	1,777,200	1,781,700	4,500
Construction Srv & Inspect	2,290,794	2,446,486	2,586,000	2,462,700	(123,300)
Department Total	3,892,200	4,064,738	4,363,200	4,244,400	(118,800)

Budgeted FTE's	2022	2023	2024	2025	Difference
	32.75	34.25	34.25	31.60	(2.65)

City of Duluth Minnesota - 2025 Budget

Planning & Development

www.duluthmn.gov/planning-development/

Planning and Development works to support development, planning initiatives, projects, and other changes that are consistent with the City's adopted plans and policies. Seeks to encourage development that creates a city with vibrant, people-centered neighborhoods; a safe, welcoming place to live and headquarter business; a go-to destination for entertainment, culture, and access to nature; with a thriving, resilient economy and close connections to both the built and natural environment.

Budgeted FTE's	2022	2023	2024	2025	Difference
Director Planning & 90 Economic Development	1.00	1.00	1.00	1.00	-
Deputy Director, Plan & 1150 Econ Dev	1.00	1.00	1.00	-	(1.00)
Manager Planning & 50 Community Dev	0.50	0.50	0.50	0.50	-
129 Admin Info Specialist	1.25	1.25	1.25	1.25	-
129 Planner I	-	-	-	1.00	1.00
133 Planner II	3.00	3.00	3.00	2.00	(1.00)
135 Economic Developer	2.25	2.25	2.25	2.00	(0.25)
138 Senior Planner Senior Economic	1.75	1.75	1.75	0.75	(1.00)
138 Developer	-	1.00	1.00	-	(1.00)
138 Sr Housing Developer Senior Transportation	0.50	0.50	0.50	0.50	-
138 Planner	1.00	1.00	1.00	1.00	-
32 Project Coordinator Manager DEDA & Planning & Community	-	-	-	1.00	1.00
1115 Dev	-	-	-	1.00	1.00
1105 Supervisor, Land Use	-	-	-	0.60	0.60
Division Total	12.25	13.25	13.25	12.60	(0.65)

City of Duluth Minnesota - 2025 Budget

Expenditures	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Personal Services					
Permanent Salaries	1,065,555	1,014,339	1,191,300	1,118,700	(72,600)
Overtime	1,758	5,359	-	-	-
Other Wages	1,572	1,532	-	-	-
Total Salaries	1,068,885	1,021,230	1,191,300	1,118,700	(72,600)
Benefits	436,897	473,393	519,000	473,100	(45,900)
Other Expense					
Materials & Supplies	6,083	8,662	3,300	3,300	-
Services	49,387	98,513	39,900	162,900	123,000
Other	40,154	16,453	23,700	23,700	-
Total Other Expense	95,624	123,628	66,900	189,900	123,000
Division Total	1,601,406	1,618,252	1,777,200	1,781,700	4,500

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Planning & Development - 110-132-1301				
PERSONAL SERVICES				
5100 Permanent Salaries	1,065,555	1,014,339	1,191,300	1,118,700
5101 Premium Pay	1,758	5,359	-	-
5103 Other Wages	1,572	1,532	-	-
TOTAL	1,068,885	1,021,230	1,191,300	1,118,700
EMPLOYEE BENEFITS				
5121 PERA Retirement	78,140	73,398	88,600	82,600
5122 FICA - Social Security	64,325	61,736	73,900	69,400
5123 FICA - Medicare	15,073	14,302	17,300	16,200
5125 Dental Insurance	5,415	5,405	5,500	5,400
5126 Life Insurance	3,702	3,680	2,400	4,400
5127 Health Care Savings Plan (HCSP)	37,107	36,804	23,200	40,000
5130 Cafeteria Plan Benefits	232,415	277,588	308,100	255,100
5133 Health or Fitness Program	720	480	-	-
TOTAL	436,897	473,393	519,000	473,100
OTHER EXPENDITURES				
5200 Office Supplies	2,811	2,066	2,000	2,000
5201 Computer Supplies/Software	2,921	6,596	1,000	1,000
5241 Small Equip-Office/Operating	351	-	300	300
5310 Contract Services	10,000	64,161	-	-

City of Duluth Minnesota - 2025 Budget

General Fund Revenue Detail	2022	2023	2024	2025
	Actual	Actual	Budget	Approved
Planning & Development - 110-132-1301				
OTHER EXPENDITURES CONTINUED				
5319 Other Professional Services	7,999	3,590	20,000	143,000
5321 Phone Service	4,845	3,877	2,800	2,800
5322 Postage	11	39	500	500
5331 Travel/Training	22,657	25,821	10,000	10,000
5335 Local Mileage Reimbursement	-	-	600	600
5355 Printing & Copying	1,454	1,025	5,500	5,500
5356 Copier, Printer Lease & Supplies	2,421	-	500	500
5414 Software Licenses & Mtce Agreements	15,005	4,666	12,000	12,000
5433 Dues & Subscription	4,664	4,487	4,300	4,300
5441 Other Services & Charges	19,734	6,736	4,400	4,400
5443 Board & Meeting Expenses	751	563	3,000	3,000
TOTAL	95,624	123,628	66,900	189,900
DIVISION TOTAL	1,601,406	1,618,252	1,777,200	1,781,700
REVENUE SOURCE				
4210 Pass-Thru Federal Grants	14,328	-	-	-
4220 State of Minnesota	20,138	-	-	-
4307 Planning/Zoning Fees	233,092	174,487	87,500	87,500
4472 Administrative Fines	3,957	11,581	-	-
4644 Misc Fees, Sales & Services	41,358	42,084	40,900	40,900
4654 Other Reimbursements	512	49,557	-	-
4730 Transfers In Special Revenue	113,078	111,700	123,000	123,000
DIVISION TOTAL	426,463	389,409	251,400	251,400

City of Duluth Minnesota - 2025 Budget

Construction Services & Inspection

<https://duluthmn.gov/csi/>

Construction Services and Inspections administers construction permitting, plan review, construction inspections, condemnations for demolition, and is the central point of service for residential and commercial development in the City. The division enforces the Minnesota State Building Code, which establishes minimum construction standards and uniform performance standards to ensure reasonable safeguards for the health and safety of citizens.

Budgeted FTE's	2022	2023	2024	2025	Difference
Building Inspections					
40 Supervisor	1.00	1.00	1.00	1.00	-
Manager Planning &					
50 Community Dev	-	-	1.00	1.00	-
Construction Svcs					
30 Permit Coord	3.00	2.00	3.00	3.00	-
33 Plans Examiner	3.00	3.00	3.00	2.00	(1.00)
34 Construction Inspector	2.00	3.00	4.00	4.00	-
34 Electrical Inspector	2.00	2.00	2.00	-	(2.00)
HVAC & Refrigeration					
34 Inspector	2.00	2.00	2.00	2.00	-
34 Plumbing Inspector	2.50	2.00	2.00	2.00	-
Combination Services					
32 Inspector	2.00	1.00	-	-	-
Permitting Svcs					
35 Administrator	1.00	1.00	1.00	1.00	-
34 Senior Plans Examiner	-	-	-	1.00	1.00
36 Chief Building Inspector	1.00	1.00	-	-	-
Administrative Info					
129 Specialist	-	2.00	1.00	1.00	-
Information &					
Communication					
132 Specialist	1.00	1.00	1.00	1.00	-
Division Total	20.50	21.00	21.00	19.00	(2.00)

City of Duluth Minnesota - 2025 Budget

Construction Services & Inspection

Expenditures	2022	2023	2024	2025	Difference
	Actual	Actual	Budget	Approved	
Personal Services					
Permanent Salaries	1,434,701	1,530,094	1,650,300	1,613,200	(37,100)
Overtime	2,459	14,955	9,000	9,000	-
Other Wages	-	-	-	-	-
Total Salaries	1,437,160	1,545,049	1,659,300	1,622,200	(37,100)
Benefits	619,812	687,611	770,600	696,500	(74,100)
Other Expense					
Materials & Supplies	22,778	36,799	39,600	42,300	2,700
Services	30,532	35,287	38,700	41,700	3,000
Utility & Maintenance	18,775	30,592	24,700	29,000	4,300
Other	161,737	111,149	53,100	31,000	(22,100)
Total Other Expense	233,822	213,827	156,100	144,000	(12,100)
Division Total	2,290,794	2,446,486	2,586,000	2,462,700	(123,300)

General Fund Expenditure Detail	2022	2023	2024	2025
	Actual	Actual	Budget	Approved

Construction Services & Inspection - 110-132-1304

PERSONAL SERVICES				
5100 Permanent Salaries	1,434,701	1,530,094	1,650,300	1,613,200
5101 Premium Pay	2,459	14,955	9,000	9,000
5103 Other Wages	-	-	-	-
TOTAL	1,437,160	1,545,049	1,659,300	1,622,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	104,640	111,630	122,900	119,900
5122 FICA - Social Security	85,382	91,858	102,900	100,600
5123 FICA - Medicare	19,968	21,483	24,000	23,500
5125 Dental Insurance	8,052	7,969	8,600	8,200
5126 Life Insurance	5,490	5,423	3,800	6,700
5127 Health Care Savings Plan (HCSP)	37,085	45,312	56,300	37,700
5130 Cafeteria Plan Benefits	358,795	403,816	452,100	399,900
5133 Health or Fitness Program	400	120	-	-
TOTAL	619,812	687,611	770,600	696,500

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022	2023	2024	2025
	Actual	Actual	Budget	Approved
Construction Services & Inspection - 110-132-1304				
OTHER EXPENDITURES				
5200 Office Supplies	2,434	1,890	3,700	4,000
5205 Safety & Training Materials	947	2,036	900	1,500
5212 Motor Fuels	18,400	17,354	18,100	19,800
5219 Other Miscellaneous Supplies	212	1,081	5,400	5,500
5241 Small Equip-Office/Operating	785	14,438	11,500	11,500
5309 Technology Services	539	151	-	-
5320 Data Services	-	2,386	4,000	4,000
5321 Phone Service	11,258	8,584	4,500	4,500
5331 Travel/Training	11,374	23,900	22,000	25,000
5335 Local Mileage Reimbursement	-	-	200	200
5355 Printing & Copying	7,185	266	7,000	7,000
5356 Copier, Printer Lease & Supplies	175	-	1,000	1,000
5404 Equipment/Machinery Repair & Mtc	-	-	600	1,000
5409 Fleet Services Charges	18,775	30,592	24,100	28,000
5414 Software Licenses & Mtce Agreements	18,293	10,416	20,000	20,000
5418 Vehicle/Equip Lease (Long-term)	-	436	-	-
5427 Credit Card Commissions	63,966	93,542	17,500	-
5433 Dues & Subscription	1,482	1,558	1,500	1,500
5435 Books & Pamphlets	2,709	649	4,500	4,500
5441 Other Services & Charges	1,537	294	4,600	5,000
5443 Board & Meeting Expenses	62	540	-	-
5453 Building Demolition	73,689	264	5,000	-
5700 Transfers Out to Spec Rev Fund	-	3,450	-	-
TOTAL	233,822	213,827	156,100	144,000
DIVISION TOTAL	2,290,794	2,446,486	2,586,000	2,462,700

City of Duluth Minnesota - 2025 Budget

General Fund Revenue Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Construction Services & Inspection - 110-132-1304				
REVENUE SOURCE				
4151 Fill Permits	13,038	7,264	1,200	5,000
4303 Use Permit - Flood & Wetlands	364	-	1,000	-
4351 Building Inspection Fees	2,365,882	3,496,575	2,059,600	2,515,000
4352 Plumbing Inspection Fees	258,484	347,058	257,400	260,000
4353 Electric Inspection Fees	292,917	385,557	264,400	-
4354 HVAC-R Inspection Fees	409,458	381,402	220,900	225,000
4355 Signs Inspection Fees	25,232	25,937	12,000	20,000
4356 House Moving Inspection Fee	36,971	24,683	10,300	15,000
4357 Mobile Home Inspection Fees	1,505	644	2,200	2,000
4359 CAF Administrative Fee	16,434	21,470	16,500	18,000
4361 RZP Registration Fee	32,609	31,470	14,800	20,000
4472 Administrative Fines	-	200	-	-
4500 Assessments	136	-	-	-
4644 Miscellaneous Sales	672	1,133	-	-
4654 Other Reimbursements	16,299	152	-	-
4701 2% Retention Surtax	1,873	2,332	1,500	2,000
DIVISION TOTAL	3,471,872	4,725,876	2,861,800	3,082,000

City of Duluth Minnesota - 2025 Budget

Fire Department

Mission and Vision

The Duluth Fire Department is 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 150 years, the Duluth Fire Department has been responding to meet the public safety needs of our community. 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.

Structure

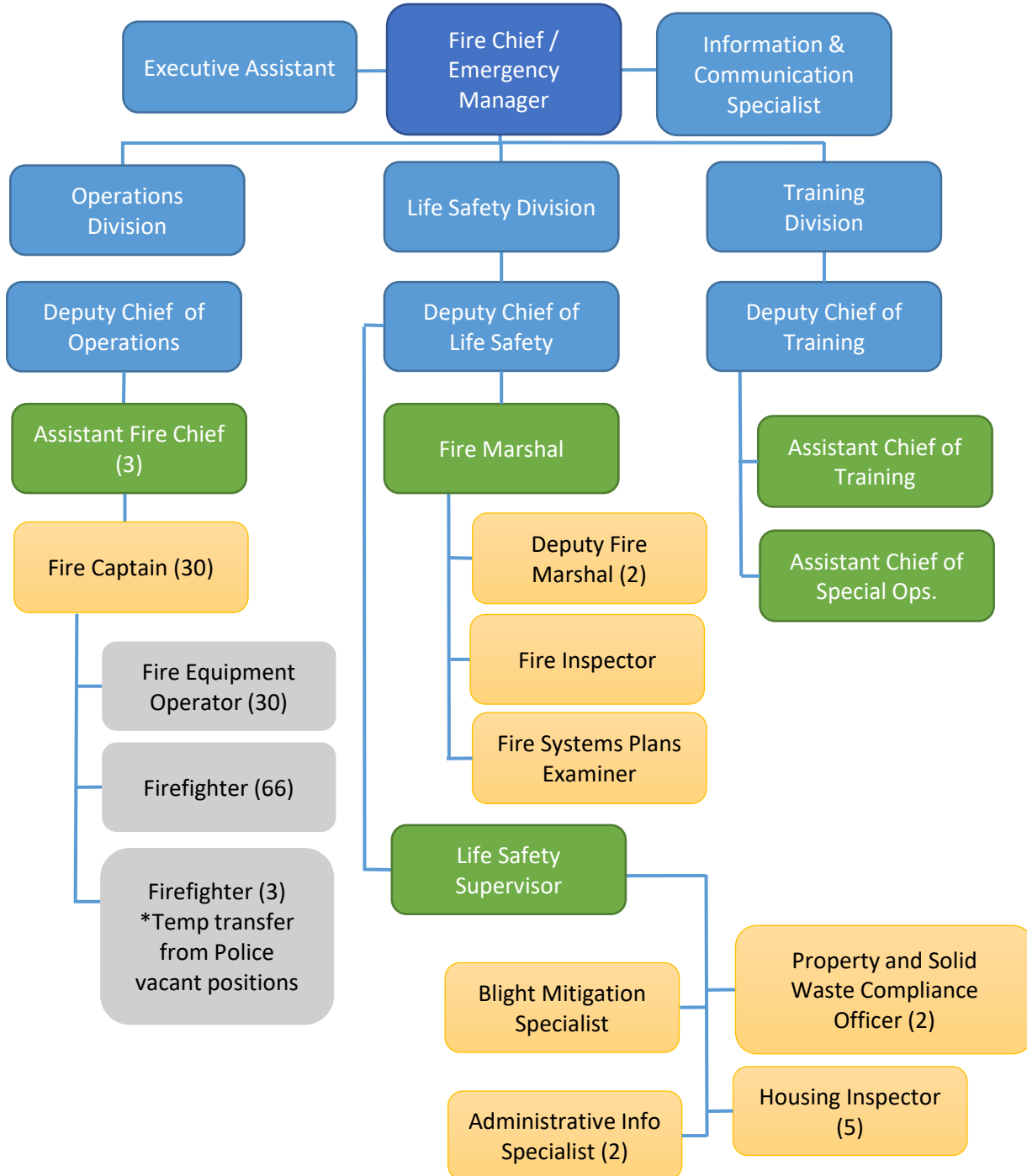
The Fire Department has three main divisions: Administration, Operations, including Training, and Life Safety, which includes fire prevention and housing inspection. The department seeks to further the mission through:

- All-hazard emergency response
- City-wide emergency management and preparedness
- Commercial inspection, permitting, and fire code enforcement
- Rental licensing, housing inspection, and code enforcement
- Supporting a safe and secure community through nuisance & blight abatement
- Community engagement through public safety, fire prevention education, and car seat installation
- Fire investigation
- Fire protection systems permitting and plan review
- Industry-leading training and education.

City of Duluth Minnesota - 2025 Budget

Fire Department

Organization Chart



City of Duluth Minnesota - 2025 Budget

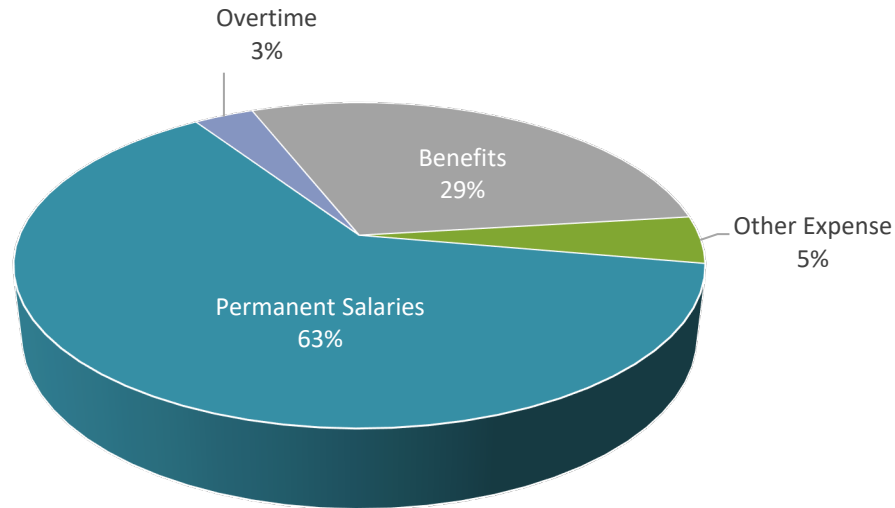
Fire Department - Performance Measures

<u>Description For Goal/Task:</u>	<u>Measure/Indicator:</u>	2022 Actual	2023 Actual	2024 Actual	2025 Target
Provides for a well-planned, effective and prompt response to emergencies of all kinds, including individual calls for service, fires, public safety threats and natural disasters.	Calls for medical and non fire suppression	15,234	15,210	15,495	15,000
	Calls for fire suppression service	258	294	315	300
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Rental licenses	1,686	1,648	1,817	1,720
	Operational Permits	562	471	524	590
	Fire Investigations	44	32	22	25
	Public Education Events	16	2	19	25
	New Construction Projects (plan review)	432	346	314	300
	Number of vacant buildings	*	*	141	130
	Snow cases	208	461	23	35
Solid Waste cases	166	127	79	65	

City of Duluth Minnesota - 2025 Budget

Fire Department

2025 Approved Budget by Expenditure Category



Expenditures by Category	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Permanent Salaries	11,956,868	12,416,985	13,811,800	14,652,100	840,300
Overtime	1,573,718	1,161,221	802,100	778,500	(23,600)
Other Wages	-	-	-	-	-
Total Personal Services	13,530,586	13,578,207	14,613,900	15,430,600	816,700
Benefits	5,883,916	6,351,745	6,415,500	6,788,200	372,700
Other Expense	968,838	985,928	1,051,600	1,091,500	39,900
Capital Outlay	-	-	-	-	-
Department Total	20,383,340	20,915,880	22,081,000	23,310,300	1,229,300

Expenditures by Division	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Fire Administration	858,264	963,884	1,011,000	1,137,800	126,800
Fire Operations	18,186,733	18,485,062	19,327,900	20,182,700	854,800
Life Safety	1,338,342	1,466,934	1,742,100	1,989,800	247,700
Department Total	20,383,340	20,915,880	22,081,000	23,310,300	1,229,300

Budgeted FTE's	2022	2023	2024	2025	Difference
	148.50	150.00	151.00	156.00	5.00

City of Duluth Minnesota - 2025 Budget

Fire Administration

www.duluthmn.gov/fire/

The Fire Chief leads the Administration Division, which includes three Deputy Fire Chiefs, an Executive Assistant, and an Information and Communications Specialist. The Administration Division is tasked with long-term planning and ensuring the department has adequate funding for personnel, equipment, training, and maintenance to carry out its mission. The Fire Chief is the City of Duluth Emergency Manager and is responsible for all emergency functions and preparedness in the city.

Budgeted FTE's	2022	2023	2024	2025	Difference
100 Fire Chief	1.00	1.00	1.00	1.00	-
80 Deputy Fire Chief	2.00	3.00	3.00	3.00	-
131 Executive Assistant	1.00	1.00	1.00	1.00	-
Information & 132 Communication Spec	1.00	1.00	1.00	1.00	-
Division Total	5.00	6.00	6.00	6.00	-

Expenditures	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Personal Services					
Permanent Salaries	566,776	621,315	665,700	800,700	135,000
Overtime	-	-	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	566,776	621,315	665,700	800,700	135,000
Benefits	232,489	269,951	295,400	282,200	(13,200)
Other Expense					
Materials & Supplies	22,651	21,229	19,300	24,300	5,000
Services	8,053	10,328	6,200	6,200	-
Other	28,296	41,061	24,400	24,400	-
Total Other Expense	59,000	72,619	49,900	54,900	5,000
Division Total	858,264	963,884	1,011,000	1,137,800	126,800

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Fire Administration - 110-150-1501				
PERSONAL SERVICES				
5100 Permanent Salaries	566,776	621,315	665,700	800,700
5101 Premium Pay	-	-	-	-
TOTAL	566,776	621,315	665,700	800,700
EMPLOYEE BENEFITS				
5121 PERA Retirement	82,032	95,218	103,300	125,500
5122 FICA - Social Security	6,551	6,846	41,300	9,100
5123 FICA - Medicare	7,924	8,689	9,700	11,600
5125 Dental Insurance	2,062	2,306	2,500	2,600
5126 Life Insurance	1,418	1,572	1,100	2,100
5127 Health Care Savings Plan (HCSP)	23,810	33,484	8,900	16,700
5130 Cafeteria Plan Benefits	108,217	120,875	128,600	114,600
5133 Health or Fitness Program	476	960	-	-
TOTAL	232,489	269,951	295,400	282,200
OTHER EXPENDITURES				
5200 Office Supplies	4,233	2,310	3,000	2,500
5210 Plant/Operating Supplies	3,160	1,278	-	-
5211 Cleaning/Janitorial Supplies	10,002	11,886	10,000	15,500
5212 Motor Fuels	-	325	-	-
5219 Other Miscellaneous Supplies	487	259	-	-
5220 Repair & Maintenance Supplies	2,514	3,706	5,800	5,800
5228 Painting Supplies	458	624	300	300
5229 Ground Mtc Supplies	-	30	200	200
5240 Small Tools	146	-	-	-
5241 Small Equip-Office/Operating	1,652	812	-	-
5321 Phone Service	240	960	-	-
5322 Postage	252	72	-	-
5331 Travel/Training	7,561	6,649	5,000	5,000
5355 Printing & Copying	-	2,647	1,200	1,200
5414 Software Lic & Mtc Agreements	86	-	-	-
5433 Dues & Subscription	3,462	4,465	3,500	3,500
5440 Emergency Management	20,088	36,304	20,000	20,000
5441 Other Services & Charges	615	293	300	300
5443 Board & Meeting Expenses	510	-	600	600
5700 Interfund Transfers Out	3,536	-	-	-
TOTAL	59,000	72,619	49,900	54,900
DIVISION TOTAL	858,264	963,884	1,011,000	1,137,800

City of Duluth Minnesota - 2025 Budget

General Fund Revenue Detail	2022	2023	2024	2025
Fire Administration - 110-150-1501	Actual	Actual	Budget	Approved
REVENUE SOURCE				
4232 State Insurance Premium	1,067,571	1,141,471	890,000	1,000,000
4340 Fire Protection Services	4,200	-	4,200	4,200
4341 Hydrant Maintenance Services	30,000	30,000	30,000	30,000
4654 Other Reimbursements	8,387	4,516	5,200	5,200
4730 Transfer from Special Revenue	14,467	11,200	11,800	96,800
DIVISION TOTAL	1,124,624	1,187,186	941,200	1,136,200

City of Duluth Minnesota - 2025 Budget

Fire Operations

www.duluthmn.gov/fire/

The Deputy Chief of Operations and 3 Assistant Chiefs lead the Operations Division, which has 132 personnel. The Operations Division responds to and manages all emergent and non-emergent responses to incidents including: fires, medical calls, rescues, public assistance service calls, and daily work duties. Duluth has eight fire stations strategically located throughout the city to minimize emergency response time. These eight stations house ten fire companies, including six fire engines, three ladder trucks, and a heavy rescue. These companies also manage three rescue boats and other marine units.

In addition to the duties above, training is also included as a part of the Fire Operations division. The Deputy Chief of Training leads the Training Division, which includes 2 Assistant Chiefs. The Training Division coordinates fire department training, administrates MN Task Force 2 (urban search and rescue team - rope, confined space, wide area search, trench and structural collapse rescue), Hazmat team, emergency management, hiring and promotion processes, grant writing, and collaborating with federal, state and local agencies.

Budgeted FTE's	2022	2023	2024	2025	Difference
233 Assistant Fire Chief	3.00	3.00	3.00	3.00	-
Asst Chief of Special					
231 Operations	-	-	1.00	1.00	-
226 Firefighter	63.00	63.00	66.00	69.00	3.00
Fire Equipment					
227 Operator	33.00	33.00	30.00	30.00	-
228 Fire Captain	30.00	30.00	30.00	30.00	-
231 Training Officer	2.00	1.00	1.00	1.00	-
Technical Service					
231 Coordinator	1.00	1.00	-	-	-
Division Total	132.00	131.00	131.00	134.00	3.00

City of Duluth Minnesota - 2025 Budget

Expenditures	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Personal Services					
Permanent Salaries	10,530,631	10,886,873	12,028,800	12,535,700	506,900
Overtime	1,555,290	1,143,322	790,800	767,200	(23,600)
Other Wages	-	-	-	-	-
Total Salaries	12,085,921	12,030,195	12,819,600	13,302,900	483,300
Benefits	5,282,627	5,660,567	5,610,300	5,950,800	340,500
Other Expense					
Materials & Supplies	315,033	276,044	345,500	348,200	2,700
Services	50,537	71,022	58,900	63,900	5,000
Utilities & Mtc	369,253	353,175	398,900	422,200	23,300
Other	83,362	94,059	94,700	94,700	-
Total Other Expense	818,185	794,300	898,000	929,000	31,000
	18,186,733	18,485,062	19,327,900	20,182,700	854,800

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Fire Operations - 110-150-1502				
PERSONAL SERVICES				
5100 Permanent Salaries	10,530,631	10,886,873	12,028,800	12,535,700
5101 Premium Pay	1,555,290	1,143,322	790,800	767,200
TOTAL	12,085,921	12,030,195	12,819,600	13,302,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	2,071,138	2,076,463	2,213,100	2,316,200
5122 FICA - Social Security	-	-	-	-
5123 FICA - Medicare	170,267	168,418	183,300	192,200
5125 Dental Insurance	49,648	51,347	54,000	57,900
5126 Life Insurance	33,866	35,008	23,600	46,900
5127 Health Care Savings Plan (HCSP)	453,764	567,319	313,000	333,800
5130 Cafeteria Plan Benefits	2,473,379	2,718,240	2,805,900	2,963,800
5133 Health or Fitness Program	30,564	43,773	17,400	40,000
TOTAL	5,282,627	5,660,567	5,610,300	5,950,800

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Fire Operations - 110-150-1502 Continued				
OTHER EXPENDITURES				
5205 Safety & Training Materials	57,174	58,585	100,000	100,000
5210 Plant/Operating Supplies	4,727	548	800	1,800
5212 Motor Fuels	137,753	124,381	126,100	133,800
5218 Uniforms	33,249	12,717	46,000	45,000
5219 Other Miscellaneous Supplies	22,823	27,640	25,600	27,600
5220 Repair & Maintenance Supplies	6,488	17,857	28,000	20,000
5241 Small Equip-Office/Operating	52,820	34,315	19,000	20,000
5319 Other Professional Services	9,324	18,545	10,000	12,000
5320 Data Services	28,314	25,364	22,000	25,000
5321 Phone Service	5,616	4,372	4,600	4,600
5322 Postage	428	413	500	500
5360 Insurance	-	13,394	14,000	14,000
5384 Refuse Disposal	6,856	8,936	7,800	7,800
5409 Fleet Services Charges	369,253	353,175	398,900	422,200
5414 Software Lic & Mtc Agreement	34,528	50,176	43,000	43,000
5441 Other Services & Charges	(2,232)	919	700	700
5446 Tuition Reimbursement	19,132	11,312	20,000	20,000
5450 Laundry	31,934	31,653	31,000	31,000
TOTAL	818,185	794,300	898,000	929,000
DIVISION TOTAL	18,186,733	18,485,062	19,327,900	20,182,700

General Fund Revenue Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Fire Operations - 110-150-1502				
REVENUE SOURCE				
4654 Other Reimbursements	1,084	-	-	-
4660 Gifts and Donations	7,500	-	-	-
4730 Transfer from Special Revenue	358,043	1,016,849	156,500	156,500
DIVISION TOTAL	366,627	1,016,849	156,500	156,500

City of Duluth Minnesota - 2025 Budget

Life Safety

www.duluthmn.gov/fire/

The Deputy Chief of Life Safety, the Fire Marshal, and the Life Safety Supervisor oversee this division, which is comprised of uniformed and civilian staff. The Life Safety Division is responsible for housing and fire code enforcement, fire investigation, public education, fire system plan review, fire inspections, rental licensing, complaints, sidewalk snow enforcement, and solid waste compliance. Our team works collaboratively with other city departments to provide a safe and livable community.

Budgeted FTE's	2022	2023	2024	2025	Difference
0233 Fire Marshal	1.00	1.00	1.00	1.00	-
0230 Deputy Fire Marshal	2.00	2.00	2.00	2.00	-
0228 Fire Inspector	-	-	-	1.00	1.00
Prop & Solid Waste					
30 Compliance Officer	2.00	2.00	2.00	2.00	-
29 Housing Inspector	3.00	3.00	4.00	5.00	1.00
Blight Mitigation					
30 Specialist	-	1.00	1.00	1.00	-
Housing Inspector					
32 Leadworker	1.00	1.00	1.00	1.00	-
Fire Systems Plans					
30 Examiner	-	-	1.00	1.00	-
Sprinkler Permit					
32 Reviewer	1.00	1.00	-	-	-
129 Admin Info Specialist	1.50	2.00	2.00	2.00	-
Division Total	11.50	13.00	14.00	16.00	2.00
Expenditures	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Personal Services					
Permanent Salaries	859,461	908,798	1,117,300	1,315,700	198,400
Overtime	18,428	17,900	11,300	11,300	-
Other Wages	-	-	-	-	-
Total Salaries	877,889	926,697	1,128,600	1,327,000	198,400
Benefits	368,800	421,228	509,800	555,200	45,400
Other Expense					
Materials & Supplies	23,912	34,437	25,200	25,500	300
Services	23,883	37,167	26,600	28,100	1,500
Utilities & Mtc	17,544	22,462	24,600	28,200	3,600
Other	26,315	24,943	27,300	25,800	(1,500)
Total Other Expense	91,653	119,009	103,700	107,600	3,900
Division Total	1,338,342	1,466,934	1,742,100	1,989,800	247,700

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022	2023	2024	2025
	Actual	Actual	Budget	Approved
Life Safety - 110-150-1503				
PERSONAL SERVICES				
5100 Permanent Salaries	859,461	908,798	1,117,300	1,315,700
5101 Premium Pay	18,428	17,900	11,300	11,300
5103 Other Wages	-	-	-	-
TOTAL	877,889	926,697	1,128,600	1,327,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	99,960	99,905	117,300	144,100
5122 FICA - Social Security	36,970	38,654	49,300	53,800
5123 FICA - Medicare	13,417	13,412	16,400	19,200
5125 Dental Insurance	4,868	4,918	5,800	6,900
5126 Life Insurance	3,304	3,354	2,500	5,600
5127 Health Care Savings Plan (HCSP)	24,394	26,843	21,500	26,800
5130 Cafeteria Plan Benefits	185,406	233,581	297,000	298,800
5133 Health or Fitness Program	480	560	-	-
TOTAL	368,800	421,228	509,800	555,200
OTHER EXPENDITURES				
5200 Office Supplies	2,463	1,707	1,900	1,900
5202 Audiovisual & Photography	1,149	75	500	500
5205 Safety & Training Materials	1,066	1,762	1,500	1,500
5212 Motor Fuels	14,511	13,611	14,800	15,100
5218 Uniforms	2,600	3,900	2,900	2,900
5219 Other Miscellaneous Supplies	1,326	640	2,000	2,000
5241 Small Equipment-Office Operating	795	12,742	1,600	1,600
5320 Data Services	-	1,376	-	-
5321 Phone Service	6,853	8,987	2,600	2,600
5331 Travel/Training	15,486	22,582	19,500	21,000
5335 Local Mileage Reimbursement	316	-	1,000	1,000
5355 Printing & Copying	1,227	2,785	3,000	3,000
5356 Copier, Printer Lease & Supplies	-	1,437	500	500
5400 Misc Repair & Mtc Service	474	105	300	300
5409 Fleet Services Charges	15,769	20,912	21,300	24,900
5414 Software Lic & Mtc Agreements	220	-	-	-
5427 Credit Card Commissions	1,080	1,445	3,000	3,000
5433 Dues and Subscriptions	4,033	2,760	1,500	2,500
5435 Books & Pamphlets	154	572	3,000	3,000
5441 Other Services and Charges	22,128	21,447	22,500	20,000
5443 Board & Meeting Expenses	-	165	300	300
TOTAL	91,653	119,009	103,700	107,600
DIVISION TOTAL	1,338,342	1,466,934	1,742,100	1,989,800

City of Duluth Minnesota - 2025 Budget

General Fund Revenue Detail	2022	2023	2024	2025
	Actual	Actual	Budget	Approved
Life Safety - 110-150-1503				
REVENUE SOURCE				
4153 Multiple Dwelling License	1,190,442	1,105,074	1,185,100	1,250,000
4154 Commercial Use/Occupancy Permit	151,220	141,580	130,000	130,000
4160 Fire Protection Systems Permit Fees	84,978	88,043	95,500	95,500
4306 Building Appeals Fees	-	278	-	-
4472 Administrative Fines	25,906	120,427	-	-
4644 Misc Fees, Sales, Service	10,184	9,003	8,500	7,000
4654 Other Reimbursements	525	-	-	-
4730 Transfer from Special Revenue	-	-	121,000	243,000
DIVISION TOTAL	1,463,255	1,464,405	1,540,100	1,725,500

City of Duluth Minnesota - 2025 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 has an authorized strength of 158 sworn police officers and employs 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 three divisions.

The Administrative Division oversees all the administrative functions of the police department. There are currently three civilian managers and one lieutenant assigned to this division which consists of the following units: Professional Standards, Records, Parking, Animal Shelter, Substance Use Response Team, Budget and Grants.

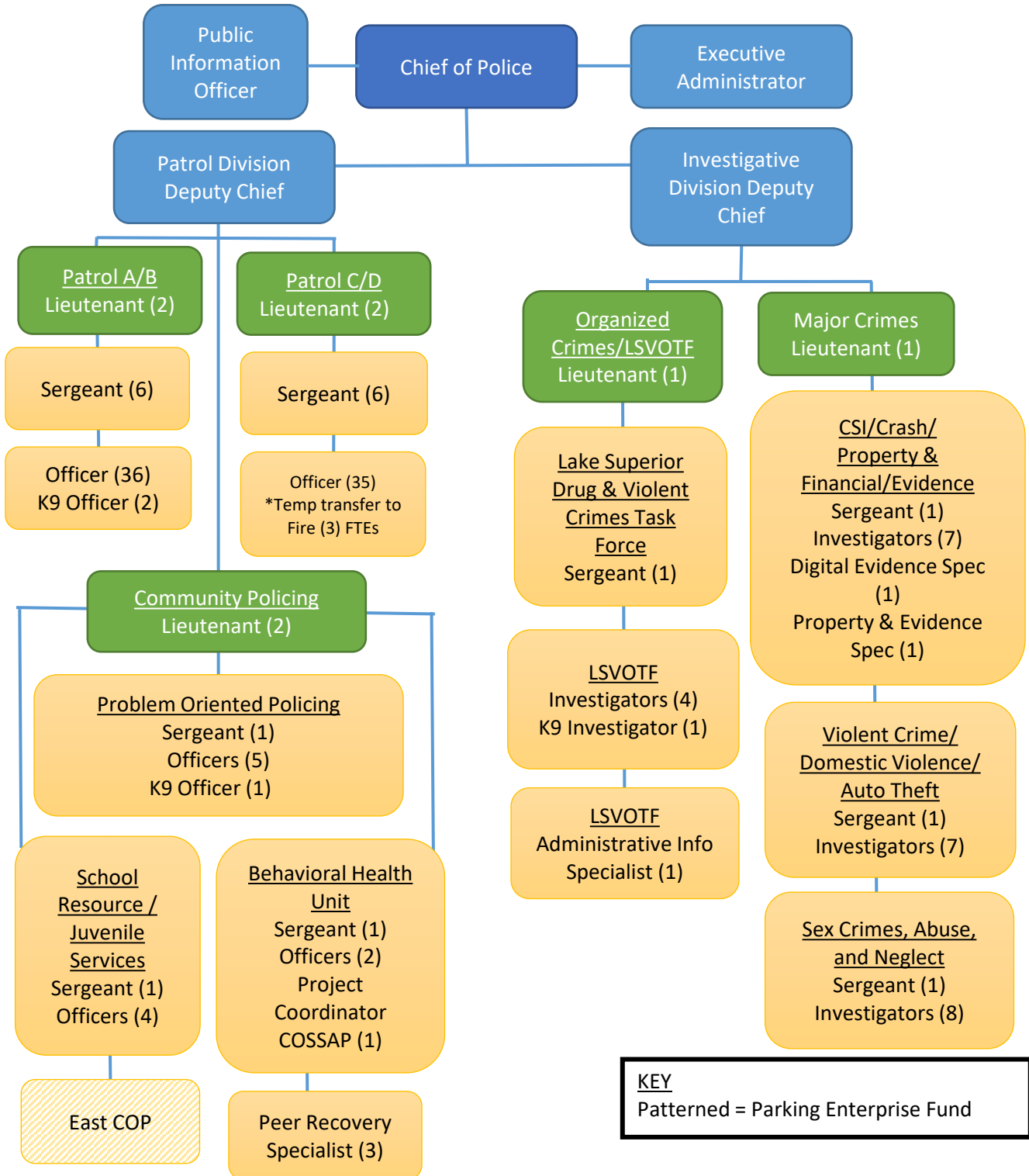
The Investigative Division oversees all follow up needs for criminal investigations. There are currently two lieutenants assigned to this division which consists of the following units: Crime Scene, Lake Superior Violent Offenders Task Force, Violent Crimes, Property and Evidence, Property/Financial Crimes, Crash Investigations, Sex Crimes, Abuse, Domestic Violence.

The Patrol Division consists of four patrol crews with a lieutenant assigned to each crew. 911 response and general patrols for crime suppression/reduction are the primary responsibilities for patrol crews. The Patrol Division also consists of two specialty units, the Behavioral Health Unit, and the Community Engagement-Problem Oriented Policing (CE-POP) unit, with a lieutenant assigned to each unit. These specialty units contain the following units areas of focus: Community Policing, School Resource Officers, Bike Patrol, CORE, Life Safety, HRA and DTA Officers, and the Substance Abuse Response Team.

City of Duluth Minnesota - 2025 Budget

Police Department

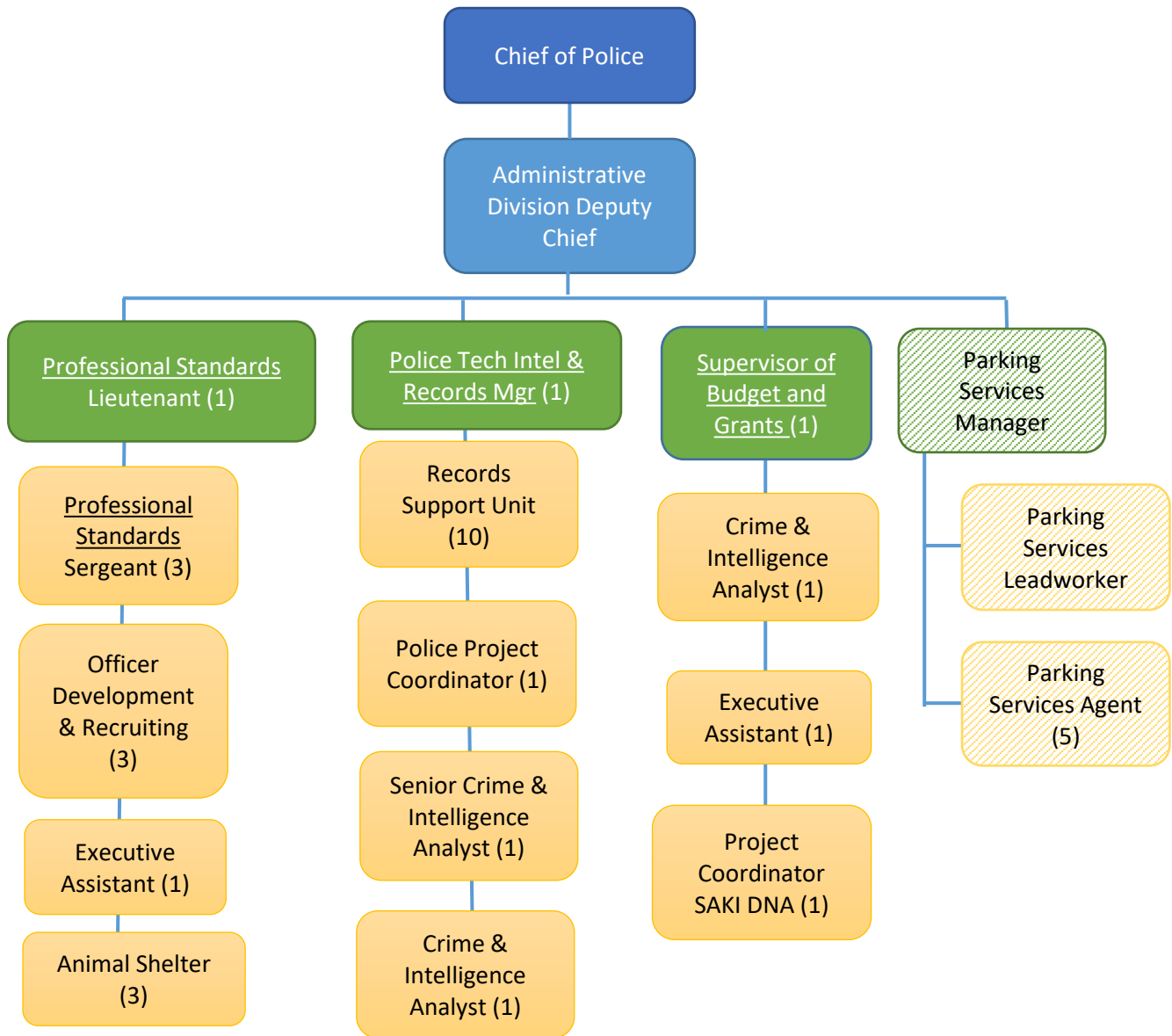
Organization Chart



City of Duluth Minnesota - 2025 Budget

Police Department

Organization Chart - Continued



Note
 2025 includes a temporary reduction of three (3) FTEs for a one-time transfer to the Fire Dept.

KEY
 Patterned = Parking Enterprise Fund

City of Duluth Minnesota - 2025 Budget

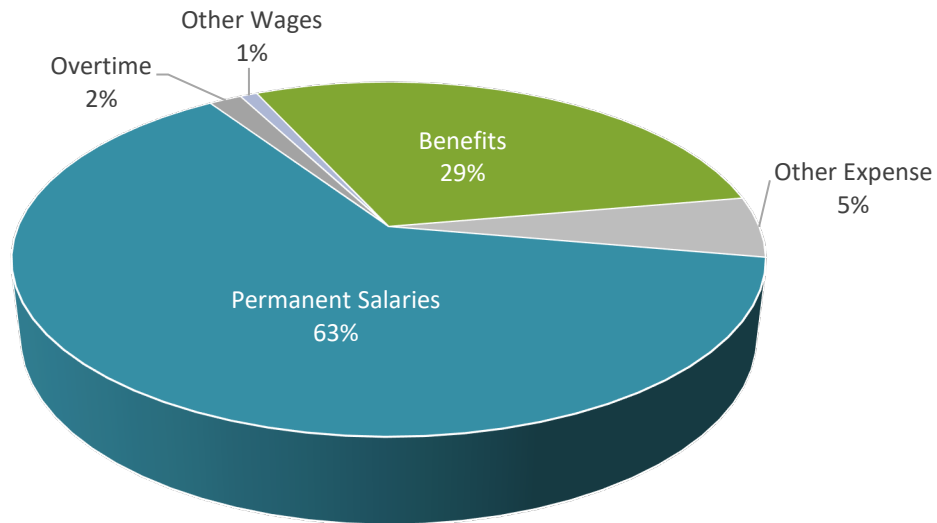
Police - Performance Measures

<u>Objective:</u>	<u>Strategy/Measure:</u>	2022 Actual	2023 Actual	2024 Actual	2025 Forecast
Service Response: Provides for a well-planned, effective and prompt response to emergencies of all kinds, including individual calls for service, fires, public safety threats and natural disasters.	Number of priority one calls (ie burglary in progress)	17,613	17,662	18,078	18,494
	Priority one response time (min/sec)*	7:39	7:59	9:52	10:41
	Number of priority two calls (ie theft)	38,247	39,301	41,601	43,901
	Priority two response time (min/sec)*	9:13	11:00	12:19	13:16
	Total calls for service	81,450	81,389	83,555	85,721
	Proactive calls (Self Initiated)	14,982	14,368	14,538	14,708
	Reactive calls (Response to a 911 Call)	65,856	66,579	68,620	70,661
	Co-Responder (CORE) calls	612	442	397	352
Safety Presence: Fosters a feeling of personal safety through a visible and approachable public safety presence, proactive	Group A offenses (ie theft, assault, sex offenses)	5,456	5,228	5,200	5,172
	Group B offenses (ie liquor offenses, trespassing)	2,284	1,528	1,731	1,934
	Total investigations initiated	2,724	2,634	3,044	3,454
Livable Community: Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Number of shelter intake dogs/cats	786	842	636	430
	Number of shelter intake other animals	43	10	11	12
	Number of owner claimed dogs/cats	239	233	198	163
	Number of transferred dogs/cats	530	593	413	233

City of Duluth Minnesota - 2025 Budget

Police Department

2025 Approved Budget by Expenditure Category



Expenditures by Category	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Permanent Salaries	14,994,621	15,201,894	17,095,600	18,415,000	1,319,400
Overtime	1,660,008	1,447,727	445,000	489,700	44,700
Other Wages	300,673	354,667	256,400	256,400	-
Total Personal Services	16,955,302	17,004,288	17,797,000	19,161,100	1,364,100
Benefits	7,217,835	7,325,265	8,064,900	8,527,100	462,200
Other Expense	2,066,592	2,618,085	1,559,400	1,615,400	56,000
Department Total	26,239,729	26,947,638	27,421,300	29,303,600	1,882,300

Budgeted FTE's	2022	2023	2024	2025	Difference
	183.50	184.00	184.00	181.00	(3.00)

City of Duluth Minnesota - 2025 Budget

Police Department

www.duluthmn.gov/police/

The Police department consists of three divisions: The Investigative division, the Administrative division and the Patrol division. The Investigative 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 Administrative division is responsible for administrative functions of the department including training and development, clerical and records support, fleet, technology and facilities management. 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	2022	2023	2024	2025	Difference
AA Chief of Police	1.00	1.00	1.00	1.00	-
1150 Deputy Police Chief	3.00	3.00	3.00	3.00	-
1110 Police Lieutenant	9.00	9.00	9.00	9.00	-
Public Information					
30 Officer	1.00	1.00	1.00	1.00	-
Police Tech Intel &					
50 Records Mgr	1.00	1.00	1.00	1.00	-
Budget & Grant					
30 Supervisor	1.00	1.00	1.00	1.00	-
Animal Services					
21 Technician	0.50	1.00	1.00	1.00	-
24 Evidence Technician	2.00	1.00	-	-	-
27 Animal Control Officer	1.00	1.00	1.00	1.00	-
27 Opioid Program Tech	1.00	-	-	-	-
27 Peer Recovery Specialist	-	3.00	3.00	3.00	-
29 Opioid Program Specialist	1.00	1.00	-	-	-
Property & Evidence					
29 Specialist	1.00	1.00	1.00	1.00	-
Animal Shelter					
31 Leadworker	1.00	1.00	1.00	1.00	-
32 Project Coordinator	-	2.00	3.00	3.00	-
Digital Evidence					
32 Specialist	-	-	1.00	1.00	-
124 Police Records Tech I	2.00	-	-	-	-
Police Records					
128 Technician II	6.00	6.00	6.00	6.00	-
Administrative Info					
129 Specialist	1.00	1.00	1.00	1.00	-

City of Duluth Minnesota - 2025 Budget

Budgeted FTE's Continued	2022	2023	2024	2025	Difference
131 Executive Assistant	2.00	3.00	3.00	3.00	-
Data Release					
133 Coordinator	1.00	2.00	2.00	2.00	-
Senior Police Records					
133 Technician	2.00	2.00	2.00	2.00	-
Police Crime & Intellig					
134 Analyst	2.00	1.00	2.00	2.00	-
Sr Police Crime & Intell					
138 Analyst	-	2.00	1.00	1.00	-
Police					
Officer/Investigator	122.00	118.00	118.00	115.00	(3.00)
328 Police Sergeant	22.00	22.00	22.00	22.00	-
Department Total	183.50	184.00	184.00	181.00	(3.00)

Expenditures	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Personal Services					
Permanent Salaries	14,994,621	15,201,894	17,095,600	18,415,000	1,319,400
Overtime	1,660,008	1,447,727	445,000	489,700	44,700
Other Wages	300,673	354,667	256,400	256,400	-
Total Salaries	16,955,302	17,004,288	17,797,000	19,161,100	1,364,100
Benefits	7,217,835	7,325,265	8,064,900	8,527,100	462,200
Other Expense					
Materials & Supplies	500,239	601,704	445,900	470,300	24,400
Services	294,619	486,872	173,100	163,100	(10,000)
Utilities & Maintenance	264,431	373,094	306,100	359,900	-
Other	1,007,303	1,156,414	634,300	622,100	(12,200)
Total Other Expense	2,066,592	2,618,085	1,559,400	1,615,400	2,200
Department Total	26,239,729	26,947,638	27,421,300	29,303,600	1,828,500

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Police Department - 110-160-1610				
PERSONAL SERVICES				
5100 Permanent Salaries	14,994,621	15,201,894	17,095,600	18,415,000
5101 Premium Pay	1,660,008	1,447,727	445,000	489,700
5103 Other Wages	299,276	352,995	256,400	256,400
5111 Long-Term Disability Wages	1,397	1,672	-	-
TOTAL	16,955,302	17,004,288	17,797,000	19,161,100
EMPLOYEE BENEFITS				
5121 PERA Retirement	2,697,736	2,659,524	2,844,000	3,073,000
5122 FICA - Social Security	136,822	154,190	156,900	161,100
5123 FICA - Medicare	242,175	240,337	258,100	277,200
5125 Dental Insurance	65,764	64,746	75,800	78,200
5126 Life Insurance	44,847	44,145	33,100	63,400
5127 Health Care Savings Plan (HCSP)	837,018	682,689	713,600	767,900
5130 Cafeteria Plan Benefits	3,192,832	3,479,254	3,982,200	4,105,100
5133 Health or Fitness Program	640	380	1,200	1,200
TOTAL	7,217,835	7,325,265	8,064,900	8,527,100
OTHER EXPENDITURES				
5200 Office Supplies	10,647	15,933	15,000	15,000
5201 Computer Supplies/Software	7,031	5,465	1,500	1,500
5205 Safety & Training Materials	100	-	1,500	1,500
5212 Motor Fuels	274,154	240,301	313,800	300,300
5214 Food for Animals	3,513	1,849	3,000	3,000
5217 Ammunition	54,978	92,856	50,000	50,000
5218 Uniforms	125,453	175,290	34,100	72,000
5219 Other Miscellaneous Supplies	19,834	61,065	20,000	20,000
5220 Repair & Maintenance Supplies	1,226	1,502	5,000	5,000
5241 Small Equip-Office/Operating	3,304	7,444	2,000	2,000
5319 Other Professional Services	69,182	259,956	40,000	30,000
5320 Data Services	46,752	43,409	36,000	36,000
5321 Phone Service	71,868	81,532	81,600	81,600
5322 Postage	998	731	1,500	1,500
5331 Travel/Training	94,379	80,873	5,000	5,000
5355 Printing & Copying	5,712	11,658	4,000	4,000
5356 Copier, Printer Lease & Supplies	1,689	2,134	2,500	2,500
5384 Refuse Disposal	4,038	6,579	2,500	2,500
5409 Fleet Services Charges	256,541	365,294	298,100	351,900
5411 Land Rental/Easements	90	-	-	-
5412 Building Rental	7,800	7,800	8,000	8,000

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Police Department - 110-160-1610				
OTHER EXPENDITURES continued				
5414 Software Licenses & Mtc Agreements	556,419	381,593	327,000	327,000
5433 Dues & Subscription	6,302	9,352	4,000	4,000
5437 Automated Pawn System	12,235	15,150	11,500	16,100
5438 Licenses	552	4,885	5,500	5,500
5441 Other Services & Charges	121,808	75,068	30,000	30,000
5443 Board & Meeting Expenses	-	-	2,000	2,000
5448 Police Training	162,089	101,446	251,800	235,000
5490 Donations to Civic Organizations	2,500	2,500	2,500	2,500
5700 Transfers to Special Rev Funds	108,139	544,920	-	-
5700 Transfers to Enterprise Funds	-	463,717	-	-
TOTAL	2,029,332	3,060,302	1,559,400	1,615,400
CAPITAL OUTLAY				
5580 Capital Equipment	37,260	21,500	-	-
TOTAL	37,260	21,500	-	-
DEPARTMENT TOTAL	26,239,729	27,411,355	27,421,300	29,303,600
REVENUE SOURCE				
4209 Federal Grant	12,579	40,033	16,000	16,000
4227 Police Training Reimbursement	147,148	133,346	151,800	135,000
4232 State Insurance Premium	1,537,522	1,465,535	1,420,800	1,420,800
4261 ISD 709	289,391	309,275	332,900	341,700
4322 Animal Shelter Fees	17,550	14,335	12,000	12,000
4326 Criminal History Checks	160	190	400	-
4328 Pawnbroker Transaction Surcharge	29,988	33,822	25,000	16,100
4329 False Alarm Fees & Penalties	15,133	22,449	15,000	5,000
4474 Police Felony Forfeitures	14,815	16,109	-	-
4631 Media Sales	405	896	800	-
4635 Auction Proceeds	7,303	16,444	-	-
4644 Misc Fees, Sales & Service	22,050	23,300	-	-
4650 Salaries Reimbursement	42,522	48,677	10,000	10,000
4654 Other Reimbursements	11,737	8,474	8,000	-
4655 Drug Task Force Reimbursement	51,943	18,774	-	-
4730 Transfer from Special Revenue Fund	338,800	363,619	363,400	363,400
4730 Transfer from Police Grant Fund	1,551,548	1,310,433	1,157,500	1,157,500
4730 Transfer from Police Grant Fund - OT	250,133	237,316	-	-
4730 Transfer from Tourism Taxes Fund, Hotel	-	-	-	44,700
4730 Transfer from Enterprise Fund	66,600	66,600	66,600	66,600
DEPARTMENT TOTAL	4,407,328	4,129,627	3,580,200	3,588,800

City of Duluth Minnesota - 2025 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.

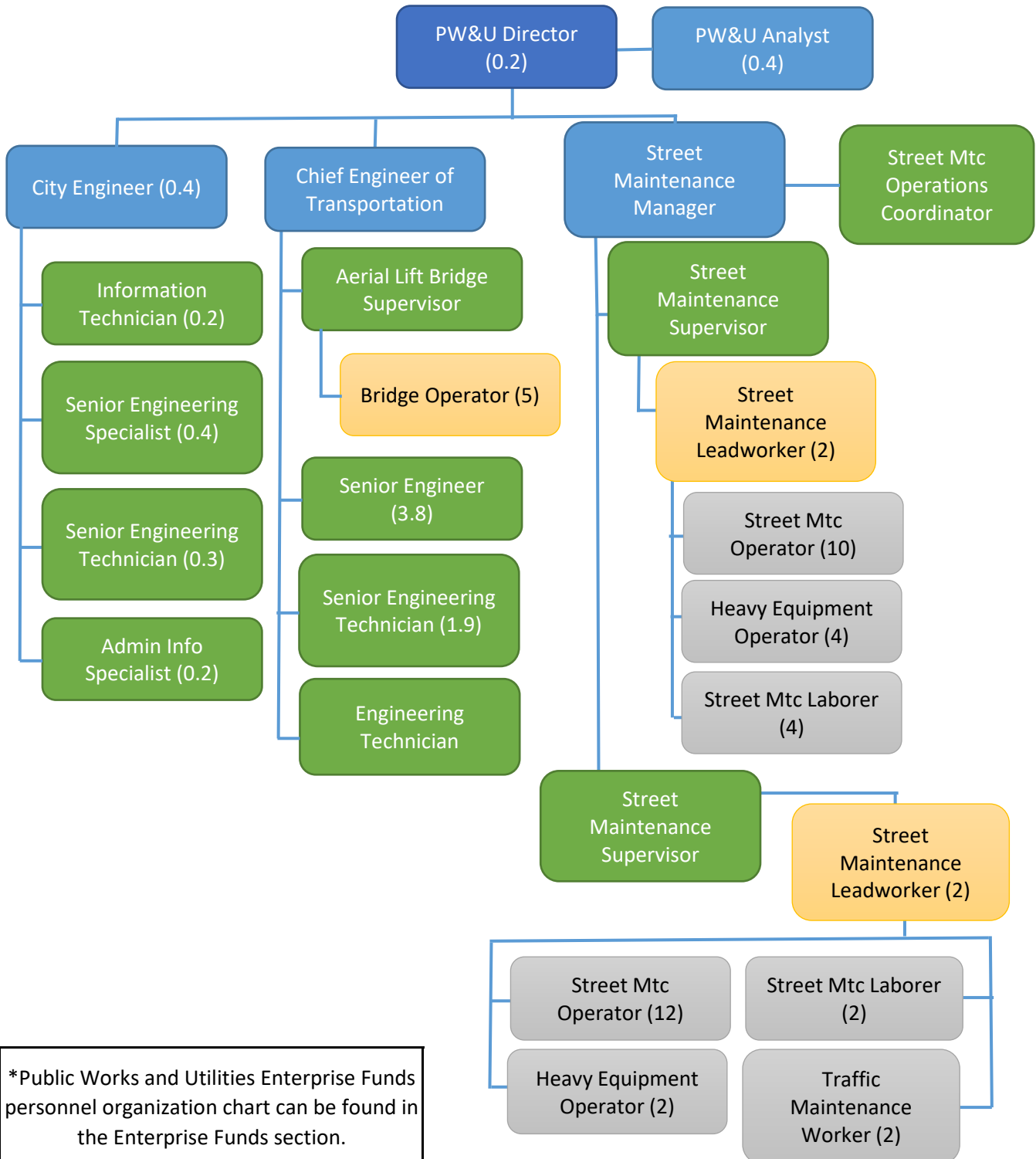
Structure

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

City of Duluth Minnesota - 2025 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 - 2025 Budget

Director's Office & Capital Divisions - Performance Measures

Description For Goal/Task:	Measure/Indicator:	2022 Actual	2023 Actual	2024 Estimated	2025 Projected
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Cash Balances				
	Water Fund	\$9,148,975	\$12,963,111	\$13,652,824	\$12,740,524
	Gas Fund	\$12,950,195	\$14,754,995	\$1,387,518	\$14,041,018
	Sanitary Sewer Fund	\$6,046,722	\$7,982,363	\$9,365,345	\$9,866,245
	Clean Water Fund	\$865,081	\$1,076,604	\$1,394,904	\$255,804
	Stormwater Fund	\$5,885,746	\$7,412,518	\$7,561,698	\$5,743,798
Design, build, improve and proactively maintain a utility infrastructure system that provides safe, affordable and reliable water, sewer, storm drainage, natural gas, steam and hot water services to the community.	Capital Investment (amount in thousands)				
	Water Fund	\$ 10,714	\$ 7,266,953	\$ 12,615,000	\$ 39,000,000
	Gas Fund	\$ 2,980	\$ 2,292,571	\$ 1,892,000	\$ 2,600,000
	Sanitary Sewer Fund	\$ 582	\$ 2,318,952	\$ 2,595,000	\$ 3,000,000
	Stormwater Fund	\$ 604	\$ 1,293,693	\$ 2,920,000	\$ 5,200,000

Street Maintenance - Performance Measures

Description For Goal/Task:	Measure/Indicator:	2022 Actual	2023 Actual	2024 Estimated	2025 Projected
Designs and constructs a safe transportation network that is well-maintained, accessible and enhances traffic flow for all types of mobility options.	Pothole Patching & Repair (Tons of Blacktop applied)	5,258	6,036	4,426	5,200
	Crack Sealing (miles)	0	30	158	120
	Traffic Line, Symbols & Crosswalk Painting (Gallons of paint used)	8,150	9,061	3,715	3,700
Protect water resources in order to maintain water quality of streams, aquifers and to preserve existing hydrology patterns.	Street sweeping (miles)	2,200	1,903	2,001	2,000

*Contracted portion of painting: 3,276 gallons

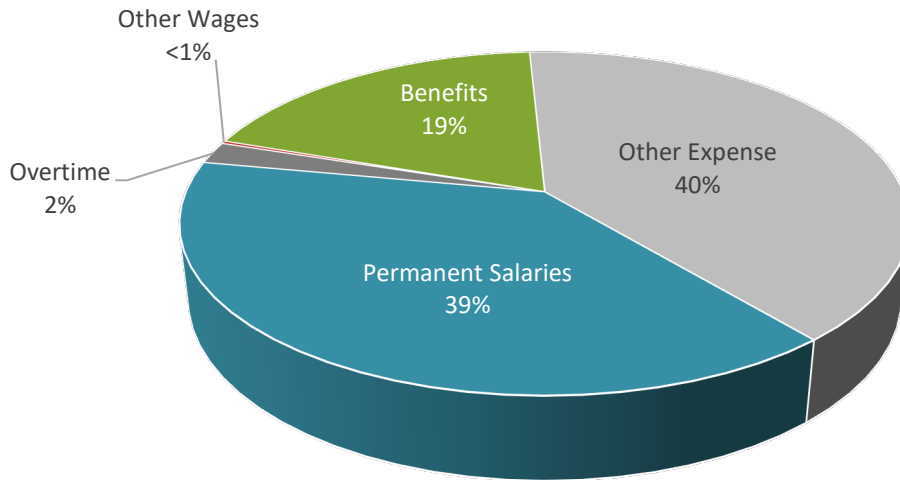
City of Duluth Minnesota - 2025 Budget

Engineering - Performance Measures

Description For Goal/Task:	Measure/Indicator:	2022 Actual	2023 Actual	2024 Estimated	2025 Projected
Design, build, improve and proactively maintain a utility infrastructure system that provides safe, affordable and reliable water, sewer, storm drainage, natural gas, steam and hot water services to the community.	<u>Capital Improvement Projects</u>				
	Water Projects	8	8	10	13
	Gas Projects	7	5	5	5
	Sanitary Sewer Projects	3	4	3	7
	Stormwater Projects	4	7	9	15
Continually invest in building and improving a well-designed, well-maintained, accessible transportation system of safe and sustainable roadways, street lights, sidewalks and bridges.	Transportation Projects	12	11	9	11
	Paving (miles)	15.1	8.63	18.64	17.18
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Number of Gopher State One-Call tickets processed	11,000	9,909	10,500	10,500

City of Duluth Minnesota - 2025 Budget

Public Works & Utilities - General Operations 2025 Approved Budget by Expenditure Category



Expenditures by Category	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Permanent Salaries	4,100,675	3,951,646	4,435,100	4,581,300	146,200
Overtime	341,475	273,101	243,000	243,000	-
Other Wages	23,281	27,275	30,000	30,000	-
Total Personal Services	4,465,431	4,252,021	4,708,100	4,854,300	146,200
Benefits	1,959,138	2,017,710	2,241,100	2,222,900	(18,200)
Other Expense	4,277,900	4,547,802	4,857,200	4,657,200	(200,000)
Department Total	10,702,469	10,817,533	11,806,400	11,734,400	(72,000)

Expenditures by Division	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Director's Office	93,103	92,868	94,500	100,000	5,500
Street Maintenance	8,530,983	8,660,187	9,503,700	9,361,700	(142,000)
Engineering	2,078,384	2,064,479	2,208,200	2,272,700	64,500
Department Total	10,702,469	10,817,533	11,806,400	11,734,400	(72,000)

Budgeted FTE's	2022	2023	2024	2025	Difference
	60.05	60.05	59.80	59.80	-

City of Duluth Minnesota - 2025 Budget

Director's Office

The PW&U Director's Office coordinates the activities of the City's six main utilities –Water, Gas, Sanitary Sewer, Storm Sewer, Street Lighting & Signals, and Steam District, as well as the Transportation Engineering, Movable Bridges, and Street Maintenance activities within the General Fund. In seeking to achieve the City's identified priorities the division provides leadership and fiscal planning activities for eight different utility funds and a portion of the General Fund accounting for over 250 employees and \$100 million annually.

In addition to maintaining a fiscally responsible operation the division also provides long range planning with an emphasis on the following key areas:

- ensuring that the utility & transportation infrastructure is both functional and sustainable;
- ensuring that future generations will benefit from the safe and effective utility services
- providing utility and transportation services that utilize the best practices to sustain the amazing natural resources the Northland has to offer.

Budgeted FTE's	2022	2023	2024	2025	Difference
Director Public Wks & 100 Utilities	0.20	0.20	0.20	0.20	-
Public Works & Utilities 33 Analyst	0.40	0.40	0.40	0.40	-
Division Total	0.60	0.60	0.60	0.60	-

Expenditures	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Personal Services					
Permanent Salaries	65,478	63,591	65,200	69,500	4,300
Overtime	-	-	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	65,478	63,591	65,200	69,500	4,300
Benefits	27,179	28,550	28,300	29,500	1,200
Other Expense					
Materials & Supplies	90	223	200	200	-
Services	356	226	600	600	-
Other	-	278	200	200	-
Total Other Expense	445	727	1,000	1,000	-
Division Total	93,103	92,868	94,500	100,000	5,500

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Public Works Director - 110-500-1900				
PERSONAL SERVICES				
5100 Permanent Salaries	65,478	63,591	65,200	69,500
TOTAL	65,478	63,591	65,200	69,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	5,747	4,699	4,900	5,200
5122 FICA - Social Security	4,101	3,450	4,000	4,300
5123 FICA - Medicare	909	877	900	1,000
5125 Dental Insurance	257	238	200	300
5126 Life Insurance	171	162	100	200
5127 Health Care Savings Plan (HCSP)	3,293	2,110	900	1,000
5130 Cafeteria Plan Benefits	12,677	16,919	17,300	17,500
5133 Health or Fitness Program	24	96	-	-
TOTAL	27,179	28,550	28,300	29,500
OTHER EXPENDITURES				
5200 Office Supplies	90	-	100	100
5241 Small Equip-Office/Operating	-	223	100	100
5320 Data Services	-	58	100	100
5321 Phone Service	168	168	200	200
5331 Travel/Training	-	-	100	100
5335 Local Mileage Reimbursement	188	-	200	200
5433 Dues & Subscription	-	278	200	200
TOTAL	445	727	1,000	1,000
DIVISION TOTAL	93,103	92,868	94,500	100,000

City of Duluth Minnesota - 2025 Budget

Street Maintenance

www.duluthmn.gov/public-works-utilities/departments-divisions/street-maintenance/

The Street Maintenance division is responsible for over 450 miles of paved and gravel City, County and State roadways throughout the City. The division seeks to align its programs with the City's identified priorities and implements programs based on the seasons of the year. Winter priorities are Snow & Ice Control, Special Event Support, and Traffic Sign Maintenance. Summer Priorities focus on Pothole Patching, Traffic Line & Symbols Painting, Crack Filling, Street Sweeping, Permanent Patching of Utility repair sites, Gravel Road Maintenance, and Special Events Support. Year-round priorities also include Traffic Sign Installation & Maintenance as well as Roadside Debris Removal.

Budgeted FTE's	2022	2023	2024	2025	Difference
Street Maintenance					
60 Manager	1.00	1.00	1.00	1.00	-
Street Maintenance					
30 Supervisor	2.00	2.00	2.00	2.00	-
Public Works & Utilities					
33 Analyst	-	-	-	1.00	1.00
23 Street Mtc Laborer	3.00	5.00	5.00	6.00	1.00
27 Heavy Equip Operator	32.00	30.00	4.00	6.00	2.00
28 Traffic Mtc Worker	3.00	3.00	2.00	2.00	-
32 Street Mtc Leadworker	2.00	2.00	4.00	4.00	-
Street Mtc Operations					
33 Coordinator	1.00	1.00	1.00	-	(1.00)
28 Street Mtc Operator	-	-	25.00	22.00	(3.00)
Division Total	44.00	44.00	44.00	44.00	-

Expenditures	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Personal Services					
Permanent Salaries	2,756,587	2,609,618	3,026,400	3,110,900	84,500
Overtime	295,016	233,981	187,000	187,000	-
Other Wages	-	-	-	-	-
Total Salaries	3,051,603	2,843,599	3,213,400	3,297,900	84,500
Benefits	1,339,049	1,386,759	1,586,100	1,582,000	(4,100)
Other Expense					
Materials & Supplies	1,868,981	1,578,207	1,891,100	1,933,400	42,300
Services	32,759.87	37,065.65	36,200	36,200	-
Utility & Mtc	1,739,106	1,571,682	1,896,700	1,973,500	76,800
Other	499,483	1,242,875	880,200	538,700	(341,500)
Total Other Expense	4,140,330	4,429,829	4,704,200	4,481,800	(222,400)
Division Total	8,530,983	8,660,187	9,503,700	9,361,700	(142,000)

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Street Maintenance - 110-500-1920				
PERSONAL SERVICES				
5100 Permanent Salaries	2,756,587	2,609,618	3,026,400	3,110,900
5101 Premium Pay	295,016	233,981	187,000	187,000
TOTAL	3,051,603	2,843,599	3,213,400	3,297,900
EMPLOYEE BENEFITS				
5118 Meal Allowance	15,015	13,065	10,000	10,000
5121 PERA Retirement	217,862	205,222	238,200	243,800
5122 FICA - Social Security	182,844	168,469	199,200	205,100
5123 FICA - Medicare	42,762	39,400	46,600	48,000
5125 Dental Insurance	16,566	15,609	18,100	19,000
5126 Life Insurance	11,295	10,643	7,900	15,400
5127 Health Care Savings Plan (HCSP)	55,385	73,855	59,900	67,900
5130 Cafeteria Plan Benefits	796,481	860,057	1,006,200	972,800
5133 Health or Fitness Program	838	440	-	-
TOTAL	1,339,049	1,386,759	1,586,100	1,582,000
OTHER EXPENDITURES				
5200 Office Supplies	2,100	4,601	1,200	2,400
5201 Computer Supplies/Software	543	6,863	1,700	3,500
5205 Safety & Training Materials	14,862	6,688	14,000	14,000
5210 Plant/Operating Supplies	15,316	28,978	20,000	20,000
5211 Cleaning/Janitorial Supplies	3,284	2,178	10,000	5,000
5212 Motor Fuels	462,293	414,023	454,400	492,300
5215 Shop Materials	1,910	2,431	2,500	2,500
5218 Uniforms	16,755	14,252	18,900	18,900
5219 Other Miscellaneous Supplies	28,399	22,193	18,600	25,000
5220 Repair & Maintenance Supplies	13,610	4,464	12,600	12,600
5223 Salt & Sand	1,106,909	913,560	1,038,000	1,038,000
5224 Gravel & Other Misc Materials	63,245	53,821	146,700	146,700
5226 Sign & Signal Materials	48,533	13,481	60,000	60,000
5228 Painting Supplies	90,645	85,723	85,500	85,500
5240 Small Tools	62	4,952	5,000	5,000
5241 Small Equip-Office/Operating	516	-	2,000	2,000
5320 Data Services	7,002	7,744	6,600	6,600
5321 Phone Service	2,764	3,316	3,200	3,200
5331 Travel/Training	1,846	3,235	700	700
5335 Local Mileage Reimbursement	11,803	8,579	16,000	16,000

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Street Maintenance - 110-500-1920				
5356 Copier, Printer Lease & Supplies	-	-	500	500
5384 Refuse Disposal	7,323	12,169	9,200	9,200
5409 Fleet Services Charges	1,739,106	1,571,682	1,896,700	1,973,500
5412 Building Rental	44,375	29,873	45,000	45,000
5414 Software Licenses & Mtce Agreements	23,777	63,548	38,800	43,800
5415 Vehicle/Equip Rent (Short Term)	12,800	12,625	34,000	34,000
5418 Vehicle/Equip Rent (Long Term)	365,731	365,731	400,000	400,000
5441 Other Services & Charges	4,070	28,296	362,400	15,900
5580 Capital Equipment	48,730	-	-	-
5700 Transfers Out to Special Rev Funds	-	742,800	-	-
TOTAL	4,138,308	4,427,806	4,704,200	4,481,800
DIVISION TOTAL	8,528,961	8,658,164	9,503,700	9,361,700
REVENUE SOURCE				
4240 Municipal State Aid	1,525,839	1,533,400	1,496,100	1,496,100
4260 St Louis County	138,411	138,411	138,400	138,400
4261 ISD 709	14,184	24,769	25,000	25,000
4636 Sale of Materials	4,487	5,302	5,000	5,000
4654 Other Reimbursements	40,052	30,713	50,000	50,000
4680 Damage or Losses Recovered	-	-	-	-
4730 Transfer from Special Revenue Fund	330,900	336,100	355,000	355,000
4730 Transfer from Enterprise Funds	9,600	9,600	9,600	9,600
4730 Transfer from Public Utility Funds	865,000	865,000	900,000	900,000
DIVISION TOTAL	2,928,472	2,943,295	2,979,100	2,979,100

City of Duluth Minnesota - 2025 Budget

Engineering

www.duluthmn.gov/engineering/

The Engineering division is comprised of three distinct areas: Transportation Engineering, Utility Engineering, and Movable Bridges. The division strives to help the City achieve its identified priorities by providing industry leading engineering services, utility infrastructure & transportation planning & development, plan review and permitting services, as well as accurate mapping, locating and survey programs. In addition to conducting inspection services for the City's numerous bridges, the division is also responsible for the operation of the iconic Aerial Lift Bridge.

Budgeted FTE's	2022	2023	2024	2025	Difference
70 City Engineer Chief Engineer	0.40	0.40	0.40	0.40	-
70 Transportation 50 Senior Engineer	1.00	1.00	1.00	1.00	-
1115 Sr Project Engineer Aerial Lift Bridge	-	-	1.80	3.80	2.00
30 Supervisor	1.00	1.00	-	-	-
27,28 Bridge Operator	1.00	1.00	1.00	1.00	-
31 Sr Engineering Tech	5.00	5.00	5.00	5.00	-
35 Sr Engineering Spec	3.25	3.25	3.20	2.20	(1.00)
38 Project Engineer	1.40	1.40	0.40	0.40	-
126 Info Technician	2.00	2.00	2.00	-	(2.00)
28 Engineering Tech	0.20	0.20	0.20	0.20	-
129 Admin Info Specialist	-	-	-	1.00	1.00
	0.20	0.20	0.20	0.20	-
Division Total	15.45	15.45	15.20	15.20	(0.00)

Expenditures	2022 Actual	2023 Actual	2024 Budget	2025 Approved	Difference
Personal Services					
Permanent Salaries	1,278,610	1,278,436	1,343,500	1,400,900	57,400
Overtime	46,459	39,120	56,000	56,000	-
Other Wages	23,281	27,275	30,000	30,000	-
Total Salaries	1,348,350	1,344,831	1,429,500	1,486,900	57,400
Benefits	592,909	602,402	626,700	611,400	(15,300)
Other Expense					
Materials & Supplies	29,662	23,668	38,900	41,500	2,600
Services	30,705	47,582	55,000	68,800	13,800
Utility & Mtc	14,156	17,187	23,100	22,300	(800)
Other	62,602	28,809	35,000	41,800	6,800
Total Other Expense	137,125	117,246	152,000	174,400	22,400
Division Total	2,078,384	2,064,479	2,208,200	2,272,700	64,500

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Engineering - 110-500-1930				
PERSONAL SERVICES				
5100 Permanent Salaries	1,278,610	1,278,436	1,343,500	1,400,900
5101 Premium Pay	46,459	39,120	56,000	56,000
5103 Other Wages	23,281	27,275	30,000	30,000
TOTAL	1,348,350	1,344,831	1,429,500	1,486,900
EMPLOYEE BENEFITS				
5118 Meal Allowance	555	15	200	200
5121 PERA Retirement	95,912	97,299	104,400	108,000
5122 FICA - Social Security	79,502	80,206	88,600	92,300
5123 FICA - Medicare	18,591	18,746	20,700	21,600
5125 Dental Insurance	6,118	5,900	6,300	6,600
5126 Life Insurance	4,171	4,022	2,800	5,300
5127 Health Care Savings Plan (HCSP)	43,173	41,770	28,300	36,100
5130 Cafeteria Plan Benefits	343,884	353,282	375,400	341,300
5133 Health or Fitness Program	1,004	1,161	-	-
TOTAL	592,909	602,402	626,700	611,400
OTHER EXPENDITURES				
5200 Office Supplies	1,601	1,252	1,200	1,200
5201 Computer Supplies/Software	3,261	74	700	700
5203 Paper/Stationery/Forms	184	64	200	400
5205 Safety & Training Materials	1,349	1,242	1,400	1,400
5211 Cleaning/Janitorial Supplies	929	629	700	700
5212 Motor Fuels	5,397	3,796	3,900	4,300
5218 Uniforms	2,161	3,024	500	1,700
5219 Other Miscellaneous Supplies	1,329	714	400	400
5220 Repair & Maintenance Supplies	10,824	7,229	17,400	17,400
5240 Small Tools	1,184	1,602	2,200	2,200
5241 Small Equip-Office/Operating	732	3,101	3,900	3,900
5242 Survey Equipment and Supplies	710	943	6,400	7,200
5303 Engineering Services	13,598	29,426	28,700	39,900
5319 Other Professional Services	-	-	100	100
5320 Data Services	2,114	1,610	2,200	2,200
5321 Phone Service	4,408	3,710	4,700	4,700
5322 Postage	-	73	200	300
5331 Travel/Training	9,664	11,417	17,100	19,100

City of Duluth Minnesota - 2025 Budget

General Fund Expenditure Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Engineering - 110-500-1930 continued				
5335 Local Mileage Reimbursement	-	-	400	400
5355 Printing & Copying	238	565	500	1,000
5356 Copier, Printer Lease & Supplies	225	232	600	600
5384 Refuse Disposal	458	549	500	500
5404 Equipment/Machinery Repair & Mtc	9,164	4,725	13,500	13,500
5409 Fleet Services Charges	4,992	12,463	9,600	8,800
5411 Land Rental/Easements	150	-	500	500
5414 Software Licenses & Mtc Agreement	17,077	21,654	20,200	27,600
5433 Dues & Subscription	132	2,281	3,000	4,700
5435 Books & Pamphlets	-	150	400	400
5438 Licenses	511	120	800	-
5441 Other Services & Charges	5,290	3,640	9,700	8,200
5450 Laundry	578	564	400	400
5700 Interfund Transfers Out	38,865	400	-	-
TOTAL	137,125	117,246	152,000	174,400
DIVISION TOTAL	2,078,384	2,064,479	2,208,200	2,272,700
REVENUE SOURCE				
4152 Excavation Permits	25,442	25,961	25,000	25,000
4170 Miscellaneous Permits	179,520	105,576	115,000	110,000
4370 Engineering Services	19,028	-	375,000	150,000
4472 Administrative Fines	-	365	500	500
4631 Media Sales	10	9	100	500
4654 Other Reimbursements	46	-	-	-
4730 Transfer from Special Rev	62,900	63,900	67,400	67,400
DIVISION TOTAL	286,945	195,811	583,000	353,400

City of Duluth Minnesota - 2025 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 Expenditure	2022 Actual	2023 Actual	2024 Budget	2025 Approved
EXPENDITURES				
Citywide Dues & Lobbying	208,725	207,937	215,000	205,000
Citywide Communications	147,800	170,906	147,000	181,500
Miscellaneous	816,722	830,181	958,000	784,300
Civic Affairs and Awards	22,899	35,878	64,500	17,000
Business Improvement District	414,627	430,776	370,000	370,000
Public Access Television	182,000	182,000	182,000	182,000
Sales Tax Administration	119,999	85,022	-	-
Parking Fine	38,700	23,526	45,000	45,000
Capital Program - CEP	1,500	741,476	73,600	-
Unemployment Compensation	269,499	58,532	27,500	46,000
Benefits Administration	158,775	148,120	133,000	95,000
Retiree Medical & Life Insurance	8,576,865	9,072,973	7,731,400	3,205,000
Self Insurance Contribution	3,236,000	2,400,000	2,699,500	3,759,900
Transfers and Accruals	4,174,237	3,107,265	457,500	500,000
Interfund Transfers to Special Rev Funds	2,789,285	559,616	144,700	186,700
Interfund Transfers to Capital Projects	802,981	337,372	4,500,000	-
Interfund Transfers to Enterprise Funds	2,198,997	2,737,400	1,000,000	-
Interfund Transfers to Internal Svc Funds	-	-	4,000,000	-
One-Time Payment	-	-	1,863,700	-
DEPARTMENT TOTAL	24,159,611	21,128,980	24,612,400	9,577,400

City of Duluth Minnesota - 2025 Budget

Transfers and Other Functions

General Fund Revenue	2022 Actual	2023 Actual	2024 Budget	2025 Approved
REVENUE SOURCE				
4090 Other Taxes	936,397	-	-	-
4233 State of MN PERA Contribution	1,159,997	103,420	-	-
4500 Assessments Service Charge	414,627	430,776	370,000	370,000
4639 Sale of Equipment	126,099	115,633	-	-
4640 Sale of Land	5,610	-	-	-
4644 Misc Fees, Sales & Services	500	-	-	-
4654 Other Reimbursements	887,325	1,293,149	-	-
4730 Transfer from Special Revenue	527,753	10,745,608	425,000	537,500
4730 Transfer from Enterprise Funds	-	-	1,865,700	-
4730 ARPA Funding	8,234,808	-	-	-
4999 General Fund Reserves	-	-	9,200,000	450,000
DEPARTMENT TOTAL	12,293,115	12,688,586	11,860,700	1,357,500

City of Duluth Minnesota - 2025 Budget

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 Tax
 Home Investments Partnerships Program
 Community Development
 Community Development Admin
 Workforce Development
 Senior Employment
 Other Postemployment Benefits
 DECC Revenue
 Street System Maintenance Utility
 Street Improvement Sales Tax
 Street Lighting Fund

Special Revenue Funds

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

Special revenue funds are like piggy banks where money is saved in separate funds for specific purposes, such as buying new playground equipment for our parks or disbursing tourism tax funds. They're used by governments to keep track of money earmarked for particular projects or services, like building roads or providing street lights. It's a way to make sure the money is used for what it's supposed to be used for.



	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	159,330,582	143,939,669	182,595,065	187,472,582
REVENUES				
Taxes	31,156,527	32,558,004	29,727,200	30,477,200
Intergovernmental	15,129,736	16,378,986	13,783,920	12,767,022
Miscellaneous	8,162,101	54,853,441	33,134,138	36,925,888
TOTAL REVENUES	54,448,364	103,790,431	76,645,258	80,170,110
EXPENSES				
Personal Services	16,802,091	15,124,911	18,302,954	26,160,742
Other Services and Charges	12,509,519	9,825,471	11,955,375	10,432,597
Transfers	23,028,143	23,597,370	25,288,408	32,076,800
Miscellaneous	17,950,813	16,587,283	16,221,004	15,635,275
TOTAL EXPENSES	70,290,565	65,135,034	71,767,741	84,305,414
FUND BALANCE - DECEMBER 31	143,488,380	182,595,065	187,472,582	183,337,278

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	308,891	(34,816)	(38,512)	(25,812)
REVENUES				
Intergovernmental, State of MN	330,000	222,500	255,000	222,500
Admissions	1,194,403	1,319,831	1,521,200	1,577,200
Concessions & Commissions, Misc	314,020	366,212	306,500	330,300
Investment Income	(938)	-	-	-
Gifts and Donations	123,595	100,346	74,500	111,700
Other Sources	11,975	42,072	29,600	31,600
Interfund Transfer from Tourism Tax	510,000	510,000	510,000	510,000
TOTAL REVENUES	2,483,055	2,560,961	2,696,800	2,783,300
EXPENSES				
Phone Service	834	854	2,100	2,300
Contract Services, Zoo Personnel	1,377,265	1,425,534	1,538,900	1,586,600
Contract Services, Op Expenses	1,405,409	1,101,039	1,100,200	1,150,500
Bank Charges	43,254	37,230	34,500	36,500
Interest	-	-	8,400	-
TOTAL EXPENSES	2,826,762	2,564,657	2,684,100	2,775,900
FUND BALANCE - DECEMBER 31	(34,816)	(38,512)	(25,812)	(18,412)

City of Duluth Minnesota - 2025 Budget

Parks - Performance Measures

<u>Description For Goal/Task:</u>	<u>Measure/Indicator:</u>	2022 Actual	2023 Actual	2024 Actual	2025 Target
Operations are supported by sustainable funding sources and costs are managed in an effective and efficient manner to maintain sustainability.	Total amount funding secured via executed grant contracts	\$7,812,395	\$16,164,116	\$3,111,240	\$28,536,420
Develop, preserve, enhance and invest in community parks, neighborhood parks, open spaces, green spaces, lakes and waterways, ensuring they are safe, clean, attractive and accessible to all.	Total miles of improved trail	270.5	270.5	274.65	277
Provide a city-wide trail network that is contiguous, connecting neighborhoods, community facilities, parks and open spaces and offering an alternative to the automobile for residents and visitors.	Total miles of paved urban trail	60.8	62.25	64.1	64.25
Offer community programming which affords safe spaces for youth and adults to play, learn, and engage.	Amount invested in community programs	\$100,562	\$100,562	\$75,562	\$52,682
	Amount of fee assistance applied to programming	\$3,818	\$8,849	\$6,184	\$3,000
	Number of Participants	22,500	32,542	31,135	30,000
Support the attraction, development and retention of a well-balanced mix of sustainable businesses that provide jobs for local workers, promote tourism and diversify the City's economy.	Wedding and Private Event Permits	388	356	375	400
	Special Event Permits	185	174	171	175
	Commercial Operator Permits	31	35	25	30
	Building Reservations	409	423	581	600

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	1,374,202	2,511,216	1,979,670	1,979,670
REVENUES				
Property Tax Levy	2,877,311	2,868,649	2,880,000	2,880,000
Intergovernmental Revenue	1,421,370	559,110	-	-
Licenses and Permits	113,710	107,949	84,300	74,300
Miscellaneous	260,969	482,430	66,900	91,400
Transfers In	3,126,854	567,574	844,700	136,700
TOTAL REVENUES	7,800,213	4,585,712	3,875,900	3,182,400
EXPENSES				
Personal Services	1,698,713	1,809,045	2,046,200	2,081,900
Other Services and Charges	1,300,104	1,759,024	1,193,100	499,200
Supplies	210,471	369,606	224,400	245,500
Transfers Out	1,869,815	337,364	56,400	-
Capital Outlay	1,584,097	842,219	355,800	355,800
TOTAL EXPENSES	6,663,200	5,117,258	3,875,900	3,182,400
FUND BALANCE - DECEMBER 31	2,511,216	1,979,670	1,979,670	1,979,670
BUDGETED FTE'S				
1130 Manager Parks & Recreation	1.00	1.00	1.00	1.00
1080 Assistant Manager	1.00	1.00	1.00	2.00
133 Budget & Operations Analyst	0.20	0.20	0.20	0.20
131 Grant Coordinator	-	0.75	0.75	0.75
127 Admin Clerical Specialist	1.00	1.00	1.00	1.00
34 Natural Resources Coordinator	0.50	0.50	0.50	0.50
34 Senior Parks Planner	1.00	1.00	1.00	1.00
32 Project Coordinator	1.00	1.00	1.00	-
30 Trails Coordinator	1.00	1.00	1.00	1.00
29 Parks Permit Coordinator	1.00	1.00	1.00	1.00
27 Project Technician	1.00	1.00	1.00	1.00
27 Recreation Specialist	5.00	5.00	5.00	5.00
Division Total	13.70	14.45	14.45	14.45

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	2,127,062	2,033,016	6,476,242	6,476,242
REVENUES				
Intergovernmental	644,581	5,333,095	365,000	593,000
Miscellaneous	1,168,406	1,414,254	1,058,500	1,335,700
Transfers In	1,321	544,900	-	-
TOTAL REVENUES	1,814,308	7,292,249	1,423,500	1,928,700
EXPENSES				
Personal Services - Police Extra Duty Pay	297,761	449,099	335,000	587,100
Other Services and Charges	865,861	660,227	458,900	338,900
Transfers Out	612,972	1,379,537	512,300	673,300
Miscellaneous	129,524	176,579	117,300	329,400
Capital Equipment	2,236	183,581	-	-
TOTAL EXPENSES	1,908,354	2,849,023	1,423,500	1,928,700
FUND BALANCE - DECEMBER 31	2,033,016	6,476,242	6,476,242	6,476,242

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	413,880	191,806	71,935	71,935
REVENUES				
Intergovernmental	3,002,984	2,598,450	1,855,000	945,000
Felony Forfeitures	50,686	125,132	100,000	100,000
TOTAL REVENUES	3,053,670	2,723,582	1,955,000	1,045,000
EXPENSES				
Other Services and Charges	886,874	868,370	499,500	137,000
Transfer to General Fund	1,805,935	1,554,693	1,208,500	721,500
Miscellaneous	366,819	394,630	247,000	186,500
Capital Equipment	216,116	25,760	-	-
TOTAL EXPENSES	3,275,744	2,843,453	1,955,000	1,045,000
FUND BALANCE - DECEMBER 31	191,806	71,935	71,935	71,935

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	3,097,514	3,578,802	3,271,392	3,871,392
REVENUES				
Earnings on Investments	(15,497)	113,811	-	-
Interfund Transfer In	350,000	-	600,000	105,200
Bond Proceeds	3,561,503	3,470,421	3,698,000	3,705,900
TOTAL REVENUES	3,896,006	3,584,232	4,298,000	3,811,100
EXPENSES				
Bond Issuance Costs	62,212	62,359	100,000	100,000
Capital Equipment - Nonrolling	2,528,598	1,428,768	1,498,000	1,770,000
Capital Equipment - Rolling	823,908	2,400,515	2,100,000	2,572,500
TOTAL EXPENSES	3,414,718	3,891,642	3,698,000	4,442,500
FUND BALANCE - DECEMBER 31	3,578,802	3,271,392	3,871,392	3,239,992

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	608,044	1,028,845	2,205,826	2,143,892
REVENUES				
Intergovernmental	367,663	1,750	100,000	180,000
Rent Revenues	442,276	263,604	-	21,991
Interest on Loans, Program Revenue	-	12,746	28,066	28,066
Miscellaneous	-	921,360	-	500
TOTAL REVENUES	809,939	1,199,460	128,066	230,557
EXPENSES				
Economic Development	389,138	22,479	190,000	222,616
TOTAL EXPENSES	389,138	22,479	190,000	222,616
FUND BALANCE - DECEMBER 31	1,028,845	2,205,826	2,143,892	2,151,833

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	32,580,414	26,474,776	31,634,458	31,634,458
REVENUES				
Investment Earnings	(5,577,885)	5,754,657	425,000	537,500
TOTAL REVENUES	(5,577,885)	5,754,657	425,000	537,500
EXPENSES				
Transfer to General Fund (annual)	527,753	594,975	425,000	537,500
TOTAL EXPENSES	527,753	594,975	425,000	537,500
FUND BALANCE - DECEMBER 31	26,474,776	31,634,458	31,634,458	31,634,458

City of Duluth Minnesota - 2025 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 and eco-development.

	2022	2023	2024	2025
	Actual	Actual	Budget	Approved
FUND BALANCE - JANUARY 1	2,143,240	1,817,140	1,609,623	466,231
REVENUES				
Federal Grants	-	255,888	1,157,365	976,580
Other Reimbursements	12,618	20,563	90,000	64,000
Rent of Land	4,807	6,521	5,000	5,000
Miscellaneous	(18,800)	9,806	-	-
Interfund Transfer from General Fund	151,000	151,000	191,300	197,600
Interfund Transfer from Public Utility	75,000	75,000	100,000	100,000
TOTAL REVENUES	224,625	518,778	1,543,665	1,343,180
EXPENSES				
Personal Services	97,028	169,082	285,815	237,224
Other Services and Charges	115,145	339,195	2,228,120	1,969,378
Miscellaneous	27	2,185	-	678
Capital Outlay	-	215,833	154,414	94,015
Interfund Transfer to Special Revenue Funds	38,525	-	-	-
Interfund Transfer to Capital Projects	300,000	-	-	-
Interfund Transfer to General Fund	-	-	18,708	2,200
TOTAL EXPENSES	550,725	726,295	2,687,057	2,303,495
FUND BALANCE - DECEMBER 31	1,817,140	1,609,623	466,231	(494,084)
BUDGETED FTE'S				
32 Project Coordinator	1.00	1.00	1.00	1.00
32 Project Coordinator - CER Grant	-	-	1.75	0.60
Total	1.00	1.00	2.75	1.60

City of Duluth Minnesota - 2025 Budget

Special City Excise and Sales Tax - Tourism Tax

258

This Special Revenue fund was 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	3,166,251	3,166,251	3,588,054	2,688,054
REVENUES				
Hotel Motel 3%	3,615,468	3,848,666	3,490,700	3,490,700
Hotel Motel 1%	1,205,156	1,282,889	1,190,000	1,163,600
Hotel Motel 2.5%	2,681,457	2,840,916	2,619,300	2,621,800
Food & Beverage Tax 2.25%	6,284,269	6,769,023	6,700,000	6,723,900
Change in Fair Value	(36,597)	9,826	-	-
TOTAL REVENUES	13,749,754	14,751,320	14,000,000	14,000,000
EXPENSES				
DECC - Bayfront Park Management	71,292	71,292	77,900	85,000
DECC - Blue Bridge Operations	43,373	46,700	49,700	50,800
Visit Duluth	950,000	650,000	650,000	650,000
Greater Downtown Council	275,000	230,000	236,000	301,000
Great Lakes Aquarium	320,000	340,000	350,000	310,000
Lake Superior Zoo	510,000	510,000	510,000	510,000
Spirit Mountain	585,700	585,700	585,700	424,300
The Depot Foundation	200,000	220,000	240,000	150,000
Duluth Children's Museum	20,000	50,000	50,000	20,000
MN Land Trust	-	50,000	50,000	-
Hawk Ridge Bird Observatory	30,000	40,000	40,000	40,000
Duluth Public Arts Commission	-	50,000	25,000	-
Duluth Sister Cities International	24,113	25,000	25,000	25,000
Lake Superior & Mississippi Railroad	20,000	20,000	25,000	25,000
Rail Alliance	15,000	40,748	20,700	18,600
Glensheen	35,000	35,000	30,000	30,000
Catalyst Content Festival	-	30,000	-	-
Duluth Art Institute	-	-	30,000	-
Fourth Fest Fireworks	57,000	69,999	70,000	72,100
Duluth Area Family Y	4,598	-	-	-
North Shore Scenic Railroad	50,000	62,000	50,000	50,000

City of Duluth Minnesota - 2025 Budget

Special City Excise and Sales Tax - Tourism Taxes continued

258

Harbortown Rotary Bike Duluth Festival	8,500	10,000	10,000	-
Zeitgeist	25,000	25,000	20,000	-
UMD Athletics	-	30,000	-	35,000
Gary New Duluth Skateboard Park	20,000	40,000	40,000	-
Tourism Marketing Firm	1,800,000	1,800,000	1,800,000	1,800,000
City of Duluth Parks and Recreation	46,000	77,300	196,600	175,500
Duluth Amateur Hockey Association	-	4,093	30,000	75,000
FinnFest	-	25,000	25,000	25,000
Main Street Lincoln Park - Ecolibrium 3	-	25,000	-	-
Lincoln Park Business Group	-	20,000	20,000	20,000
Duluth Playhouse - Skywalk Security	-	-	10,000	-
Duluth Street Art Initiative	-	-	20,000	-
Independent Television Festival, Inc.	-	-	20,000	-
Park Point Art Fair/Park Point Community Club	-	-	10,000	10,000
The Cyclists of Gitchee Gumees Shores	-	-	15,000	-
Upper Midwest Film Office	-	-	35,000	25,000
Parks Capital - Golf Abatement Bond backing	-	-	150,000	-
Enger Irrigation	-	-	500,000	-
Parking Ramp Security Improvements	-	-	30,000	-
Marketing Position	100,000	111,700	123,000	-
Contingency Funds	-	1,250	39,000	30,000
Transfer to General Fund	1,230,363	1,278,433	1,315,100	1,482,800
Interfund Transfer to Capital Project Funds	1,000,000	550,000	550,000	1,350,000
Interfund Transfer to Debt Service				
- Aerial Lift Bridge	-	-	-	339,800
- Harbor Plaza	-	-	-	104,700
- DECC	4,327,308	4,632,892	4,331,900	4,388,800
- Spirit Mountain	500,000	500,000	500,000	500,000
- St Louis River Corridor	1,932,796	2,072,410	1,994,400	2,012,700
	<u>14,201,043</u>	<u>14,329,517</u>	<u>14,900,000</u>	<u>15,136,100</u>
Increase (Decrease) Undesignated Fund Balance	(451,289)	421,803	(900,000)	(1,136,100)
FUND BALANCE - DECEMBER 31	2,714,962	3,588,054	2,688,054	1,551,954

City of Duluth Minnesota - 2025 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 current budget figures represent preliminary estimates only.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	(24,026)	(26,606)	(322,175)	(322,175)
REVENUES				
Home Grant	455,895	262,699	615,442	499,732
CDBG ARP Grant	-	-	1,986,658	1,986,658
TOTAL REVENUES	455,895	262,699	2,602,100	2,486,390
EXPENSES				
Tenant Based Rental Assistance	64,483	105,034	100,000	100,000
Community Housing Devel Program	105,383	130,000	880,000	880,000
Rehabilitation	219,545	291,507	1,262,557	1,158,418
Administration	69,064	31,727	359,543	347,972
TOTAL EXPENSES	458,475	558,268	2,602,100	2,486,390
FUND BALANCE - DECEMBER 31	(26,606)	(322,175)	(322,175)	(322,175)

City of Duluth Minnesota - 2025 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 current budget figures represent preliminary estimates only, awaiting the allocation of HUD funds.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	(165,790)	(84,132)	(623,915)	(623,915)
REVENUES				
State of Minnesota	168,000	72,000	-	-
Community Development Block Grant	2,555,656	2,334,698	2,385,901	2,352,496
Emergency Shelter Grant	1,160,622	188,106	206,489	209,696
Miscellaneous reimbursements	70,941	-	5,000	5,000
TOTAL REVENUES	3,955,219	2,594,804	2,597,390	2,567,192
EXPENSES				
Economic Development	659,248	403,317	375,000	375,000
Housing	1,663,966	1,606,080	1,200,000	1,200,000
Physical Improvements	408,791	159,727	150,000	150,000
Public Service Projects	607,978	416,780	379,723	355,966
Program Administration	533,578	548,683	492,667	486,226
TOTAL EXPENSES	3,873,561	3,134,587	2,597,390	2,567,192
FUND BALANCE - DECEMBER 31	(84,132)	(623,915)	(623,915)	(623,915)

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	-	(4,258)	(4,258)	(4,258)
REVENUES				
Block Grant	473,174	524,388	822,358	836,589
Home Grant	61,664	25,759	61,544	42,973
HRA Housing & Environmental	65,839	53,811	25,000	25,000
Emergency Shelter Grant	75,555	52,105	15,487	15,727
TOTAL REVENUES	676,232	656,063	924,389	920,289
EXPENSES				
Personal Services	665,748	642,876	841,500	837,400
Other Services and Charges	14,742	13,187	82,889	82,889
TOTAL EXPENSES	680,490	656,063	924,389	920,289
FUND BALANCE - DECEMBER 31	(4,258)	(4,258)	(4,258)	(4,258)
BUDGETED FTE'S				
1100 Manager Planning & Community Dev	0.50	0.50	0.50	0.50
1105 Supervisor, Land Use	-	-	-	0.40
138 Senior Housing Developer	0.50	0.50	0.50	0.50
138 Senior Planner	1.25	1.25	1.25	1.25
135 Economic Developer	0.75	0.75	0.75	-
133 Planner II	2.00	2.00	2.00	1.00
131 Grant Coordinator	1.00	2.00	2.00	1.00
129 Administrative Info Specialist	0.75	0.75	0.75	0.75
129 Planner I	1.00	-	-	2.00
DIVISION TOTAL	7.75	7.75	7.75	7.40

City of Duluth Minnesota - 2025 Budget

Workforce Development - Performance Measures

<u>Description For Goal/Task:</u>	<u>Measure/Indicator:</u>	2022 Actual	2023 Actual	2024 Estimated	2025 Target
Help individuals build economic self-sufficiency and achieve their potential, while helping our community build a resilient economy through investment in its current and future workforce.	Number of people enrolled in Duluth workforce development programs	989	1034	975	950
	Percent of enrolled clients pursuing education and training who attained a credential	69%	70%	74%	74%
	Percent of non-MFIP clients who successfully exited	78%	85%	79%	80%

City of Duluth Minnesota - 2025 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 other sources to provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed persons as well as youth between the ages of 14 and 24. The current budget figures represent preliminary estimates only and are subject to change as grants are appropriated by the State and approved by the City Council.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	301,719	732,819	888,773	592,916
REVENUES				
Miscellaneous	2,333,986	31,488	36,086	52,126
Building Rent	225,921	190,638	193,198	194,531
MN Family Investment Program	962,919	979,434	843,743	891,123
Federal Grant	939,455	710,875	576,255	583,575
State Grant	1,067,986	1,442,057	1,693,622	1,544,305
Local Grant	4,992	-	-	-
Interfund Trsf in from General Fund	586,889	23,660	50,000	50,000
TOTAL REVENUES	6,122,148	3,378,152	3,392,904	3,315,660
EXPENSES				
Personal Services	1,964,757	2,029,591	2,395,295	2,377,087
OPEB	1,860	2,743	2,126	2,743
Other Services and Charges	3,724,431	1,189,864	1,291,340	1,078,860
TOTAL EXPENSES	5,691,048	3,222,198	3,688,761	3,458,690
FUND BALANCE - DECEMBER 31	732,819	888,773	592,916	449,886
BUDGETED FTE'S				
90 Director, Workforce Development	1.00	1.00	1.00	1.00
40 Operations Manager Workforce Dev	1.00	1.00	1.00	1.00
132 Workforce Dev Tech II	5.00	5.00	4.00	5.00
131 Employment Technician	6.64	6.64	5.60	2.64
130 Workforce Dev Tech I	3.00	3.00	5.00	7.00
126 Information Technician	1.00	2.00	2.00	2.00
23 Digital Navigator	-	-	0.68	0.80
DIVISION TOTAL	17.64	18.64	19.28	19.44

City of Duluth Minnesota - 2025 Budget

Senior Employment

270

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

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	(4,659)	(736)	(2,553)	(2,553)
REVENUES				
Federal Grant-Senior Community Service Employment Program-Passed thru DEED	93,942	108,369	91,942	92,082
Federal Grant-Senior Community Service Employment Program-Passed thru CFWI	238,629	213,594	192,616	227,855
TOTAL REVENUES	332,571	321,963	284,558	319,937
EXPENSES				
Personal Services	306,953	296,839	279,132	317,283
Other Services and Charges	6,786	12,253	5,426	2,654
Transfers to General Fund	14,909	14,688	-	-
TOTAL EXPENSES	328,648	323,780	284,558	319,937
FUND BALANCE - DECEMBER 31	(736)	(2,553)	(2,553)	(2,553)
BUDGETED FTE'S				
132 Workforce Dev Tech II	1.00	1.00	1.00	1.00
DIVISION TOTAL	1.00	1.00	1.00	1.00

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	99,913,230	84,359,568	108,485,406	116,780,406
REVENUES				
Investment Earnings	1,631,747	1,928,883	1,800,000	4,900,000
Investment Earnings-City Pooled	-	-	3,000,000	-
Change in Fair Value	(18,764,302)	16,714,138	3,500,000	7,300,000
Contributions- Employer	12,908,989	14,521,144	10,972,886	11,301,205
TOTAL REVENUES	(4,223,566)	33,164,165	19,272,886	23,501,205
EXPENSES				
Administrative Expenses	6,574	8,707	5,000	20,000
Benefits	11,323,522	9,029,620	10,972,886	11,301,205
Withdrawal for Retiree Insurance	-	-	-	7,160,000
TOTAL EXPENSES	11,330,096	9,038,327	10,977,886	18,481,205
FUND BALANCE - DECEMBER 31	84,359,568	108,485,406	116,780,406	121,800,406

City of Duluth Minnesota - 2025 Budget

DECC Revenue

281

Special revenue fund established to account for the 0.75% 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	4,520,455	4,719,886	5,089,683	6,284,483
REVENUES				
Investment Earnings Change in Fair Value	(67,830)	20,958	-	-
Transfer from Special Revenue Funds (Tourism)				
- Hotel/Motel Tax	2,232,552	2,376,551	2,155,500	2,253,500
- Food & Beverage Tax	2,094,756	2,256,341	2,176,400	2,301,000
TOTAL REVENUES	4,259,478	4,653,850	4,331,900	4,554,500
EXPENSES				
Miscellaneous	1,122,622	1,247,153	-	-
Transfer to Debt Service	2,937,425	3,036,900	3,137,100	3,255,500
TOTAL EXPENSES	4,060,047	4,284,053	3,137,100	3,255,500
FUND BALANCE - DECEMBER 31	4,719,886	5,089,683	6,284,483	7,583,483

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	3,445,160	4,374,950	5,873,365	5,833,265
REVENUES				
Property Tax	2,285,495	2,278,360	2,300,000	2,300,000
Other Reimbursements	7,660	-	-	-
Earnings On Investments	(38,855)	15,837	-	-
Interest Earned-Customer Accounts	101	65	-	-
Lease Proceeds	196,415	-	-	-
Transfer from General Fund	-	742,800	-	-
TOTAL REVENUES	2,450,816	3,037,062	2,300,000	2,300,000
EXPENSES				
Personal Services	193,195	296,809	455,600	557,400
Supplies	452,916	523,378	646,500	646,500
Other Services and Charges	58,011	159,760	98,000	248,000
Non-Capital Improvements	136,783	220,246	440,000	440,000
Capital Equipment	196,415	81,432	-	-
Uncollectible Accounts	2,974	1,326	-	-
Leases	41,639	41,639	-	-
Transfer to Capital Projects	439,092	214,057	700,000	2,550,000
TOTAL EXPENSES	1,521,026	1,538,648	2,340,100	4,441,900
FUND BALANCE - DECEMBER 31	4,374,950	5,873,365	5,833,265	3,691,365

City of Duluth Minnesota - 2025 Budget

Street Improvement Sales Tax

291

Additional half percent general sales tax dedicated to street improvement.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	3,789,322	7,552,370	10,278,880	8,278,880
REVENUES				
Sales Tax	9,785,005	10,149,696	8,000,000	8,750,000
Earnings on Investments	(67,552)	12,234	-	-
TOTAL REVENUES	9,717,453	10,161,930	8,000,000	8,750,000
EXPENSES				
Contract Services	52,977	42,511	-	-
Improvements Other than Buildings	1,002,338	64,063	-	-
Transfer to Capital Projects	4,899,090	7,328,846	10,000,000	13,675,000
TOTAL EXPENSES	5,954,405	7,435,420	10,000,000	13,675,000
FUND BALANCE - DECEMBER 31	7,552,370	10,278,880	8,278,880	3,353,880

City of Duluth Minnesota - 2025 Budget

Street Lighting - Performance Measures

<u>Description For Goal/Task:</u>	<u>Measure/Indicator:</u>	2022 Actual	2023 Actual	2024 Estimated	2025 Projected
Continually invest in building and improving a well-designed, well-maintained, accessible transportation system of safe and sustainable roadways, street	Number of traffic signals maintained	134	134	134	134
	Decorative Street Lights	3,350	3,350	3,350	3,350
	Residential Street Lights	3,700	3,700	3,700	3,700
	MP&L Leased & Maintained				
Promote, support, and sustain well-maintained, safe, clean, visually appealing, free of blight neighborhoods, commercial areas and public spaces.	Number of holiday lighting outlets maintained	3,350	3,350	3,350	3,350

City of Duluth Minnesota - 2025 Budget

Street Lighting

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. In 2020 the street lighting fee ended, and the fund became a special revenue fund that is funded by property taxes.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	1,735,673	1,548,772	2,133,171	1,349,471
REVENUE				
Taxes	2,422,365	2,519,805	2,547,200	2,547,200
Street Lighting Fee	183	1,531	-	-
Miscellaneous	50,387	61,903	46,000	46,000
Investment Earnings	167	75	-	-
Change in Fair Value Investments	(24,670)	5,477	-	-
TOTAL REVENUES	2,448,432	2,588,791	2,593,200	2,593,200
EXPENSES				
Personal Services	252,554	399,206	689,400	701,400
Supplies	213,855	176,844	357,200	358,200
Other Services and Charges	411,843	305,999	675,300	412,500
Utilities	1,046,717	958,770	1,100,000	1,200,000
Transfers	592,159	101,325	500,000	453,000
Capital	118,205	62,248	55,000	-
TOTAL EXPENSES	2,635,333	2,004,392	3,376,900	3,125,100
FUND BALANCE - DECEMBER 31	1,548,772	2,133,171	1,349,471	817,571
BUDGETED FTE'S				
1115 Senior Engineer	-	-	0.20	0.20
34 Traffic Operations Coordinator	-	1.00	1.00	1.00
33 Traffic Operations Electrician	-	3.00	3.00	3.00
32 Traffic Operations Leadworker	1.00	-	-	-
31 Signal Technician	3.00	-	-	-
27 Signal Maintenance Worker	1.00	1.00	1.00	1.00
9 Executive Assistant Confidential	0.10	0.10	0.10	0.10
Department Total	5.10	5.10	5.30	5.30

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	15,943,300	16,978,520	17,548,981	18,769,481
REVENUES				
Taxes and Tax Increment	7,815,813	7,841,534	8,118,000	8,075,300
Special Assessments	86,282	35,836	24,000	15,000
Miscellaneous	229,188	499,615	403,300	395,200
Other Financing Sources	7,881,846	8,242,034	8,787,400	8,936,700
TOTAL REVENUES	16,013,129	16,619,019	17,332,700	17,422,200
EXPENSES				
Debt Service Payments	13,885,632	14,696,569	14,820,200	14,955,300
Miscellaneous	1,092,277	1,351,989	1,292,000	1,246,800
TOTAL EXPENSES	14,977,909	16,048,558	16,112,200	16,202,100
FUND BALANCE - DECEMBER 31	16,978,520	17,548,981	18,769,481	19,989,581

City of Duluth Minnesota - 2025 Budget

Debt Service Funds Narrative

2024 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, 2024 as it pertains to the City of Duluth is estimated as follows:

Total Gross Bonded Debt		\$124,070,441
Less:		
City - general obligation bonds paid by parking revenues	13,155,441	
City - general obligation bonds paid by golf revenues	1,840,000	
City - general obligation bonds paid by other revenues	47,440,000	
Tax Abatement Bonds	7,335,000	
Utility bonds paid from Enterprise Funds	<u>18,325,000</u>	
Net Direct Bonded Debt		<u>\$35,975,000</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 \$192.2 million.

Year	Amount (in thousands)	Percent of Market Value	Dollars Per Capita
2024	\$35,975	0.4	\$415
2023	\$36,640	0.4	\$423
2022	\$37,132	0.4	\$429
2021	\$37,870	0.5	\$437
2020	\$37,775	0.5	\$438
2019	\$37,140	0.6	\$431
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

The preceding table used an estimated taxable market value of \$10,165,916,642 and a population of 86,697, as reported in the 2020 census.

City of Duluth Minnesota - 2025 Budget

Debt Service Funds Narrative

The following tables provide specific information relative to the 2024 status of the debt service funds of the City. The appropriation budgets of each specific debt fund follow this presentation.

<u>General Obligation Bonds:</u>	<u>Issue Date</u>	<u>Outstanding 12/31/2024</u>	<u>2025 Levy Requirements</u>
Miller Hill Flats Abatement	-	-	18,400
Cityview Flats Abatement	-	-	80,000
Firststreet Lofts Abatement	-	-	24,000
Bluffs Senior Housing Abatement	-	-	20,000
Costco Abatement	-	-	96,000
Cirrus	-	-	60,000
Police Station	10/9/2019	7,220,000	1,118,300
Lakewalk & Cross City	12/18/2013	575,000	128,800
Lakewalk	10/21/2020	3,435,000	323,600
Equipment	10/21/2020	1,265,000	670,800
Equipment	11/3/2021	2,505,000	920,500
Equipment	11/1/2022	2,785,000	787,000
Equipment	11/8/2023	3,350,000	783,800
Equipment	10/30/2024	3,430,000	799,900
Capital Improvement Projects	11/5/2015	350,000	180,300
Capital Improvement Projects	11/9/2016	390,000	140,600
Capital Improvement Projects	11/21/2017	670,000	180,300
Capital Improvement Projects	10/17/2018	745,000	170,500
Capital Improvement Projects	10/9/2019	795,000	159,000
Capital Improvement Projects	10/21/2020	1,205,000	191,400
Capital Improvement Projects	11/3/2021	1,265,000	196,800
Capital Improvement Projects	11/1/2022	1,570,000	221,300
Capital Improvement Projects	11/8/2023	1,551,000	229,200
Capital Improvement Projects	10/30/2024	1,815,000	238,700
TOTAL DEBT SERVICE			7,739,200
5% Additional required by law (1)			373,200
			8,112,400
Less: Cash on hand			(548,200)
NET DEBT LEVY - Total required by taxation			7,564,200

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

City of Duluth Minnesota - 2025 Budget

Debt Service Funds Narrative

The general obligation annual debt service requirements to maturity are as follows:

Year Ending December 31	General Obligation Bonds		General Obligation Certificates		General Obligation Tax Abatement	
	Interest	Principal	Interest	Principal	Interest	Principal
2025	2,675,175	7,265,000	436,950	3,320,000	161,673	965,000
2026	2,432,664	7,495,000	290,150	2,805,000	144,112	985,000
2027	2,155,604	6,890,000	166,750	2,260,000	124,227	1,005,000
2028	1,869,452	7,145,000	73,750	1,460,000	101,758	1,030,000
2029	1,571,243	6,895,000	18,625	745,000	77,401	1,045,000
2030-2034	3,472,400	30,290,000	-	-	90,899	2,305,000
2035-2039	104,758	1,600,000	-	-	-	-
Total	\$ 14,281,296	\$ 67,580,000	\$ 986,225	\$ 10,590,000	\$ 700,070	\$ 7,335,000

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	8,262,524	8,175,623	8,049,172	8,005,572
REVENUES				
Property Taxes	7,252,870	7,287,732	7,564,200	7,564,200
Earnings on Investments	(107,106)	36,447	-	-
Other Sources	339,551	463,247	403,300	395,200
Transfer from Special Revenue	61,325	59,125	56,400	-
Transfer from Capital Project	-	-	-	-
TOTAL REVENUES	7,546,640	7,846,551	8,023,900	7,959,400
EXPENSES				
Debt Service Payments				
- Bond Principal	5,680,000	5,710,000	5,910,000	5,830,000
- Bond Interest	1,388,062	1,420,289	1,370,300	1,358,600
Other Expenses				
- Tax Abatement	218,511	369,893	374,900	376,400
- Other Services and Charges	338,756	463,245	403,300	395,200
- Fiscal Agent and Bond Fees	8,212	9,575	9,000	9,500
TOTAL EXPENSES	7,633,541	7,973,002	8,067,500	7,969,700
FUND BALANCE - DECEMBER 31	8,175,623	8,049,172	8,005,572	7,995,272

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	6,968,294	8,429,433	9,229,512	10,414,312
REVENUES				
Earnings on Investments	(102,932)	32,290	-	-
Proceeds from Refunding Bond	-	-	-	-
Transfer from Special Revenue				
- DECC Improvement	2,587,600	2,684,425	2,787,100	2,903,400
- DECC Improvement - Seawall	349,825	352,475	350,000	352,100
- Spirit Mountain	500,000	500,000	500,000	500,000
- Lakewalk Seawall Project	-	-	550,000	550,000
- St. Louis River Corridor	1,932,796	2,072,410	1,994,400	2,080,200
Funded by Others				
- Airport	1,081,974	1,073,651	1,076,300	1,078,400
- MSA Maintenance	47,850	36,150	24,300	12,300
- MSA Construction	780,000	790,000	805,000	815,000
- Airport - Cirrus	643,408	641,508	643,900	645,300
TOTAL REVENUES	7,820,521	8,182,909	8,731,000	8,936,700
EXPENSES				
Bond Principal	4,045,000	5,175,000	5,400,000	5,720,000
Bond Interest	2,295,970	2,202,580	2,139,900	2,046,700
Payment to Escrow Agent	-	-	-	-
Bond Issuance Expense	13,673	-	-	-
Fiscal Agents	4,739	5,250	6,300	5,700
TOTAL EXPENSES	6,359,382	7,382,830	7,546,200	7,772,400
FUND BALANCE - DECEMBER 31	8,429,433	9,229,512	10,414,312	11,578,612

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	(36,108.00)	21,266	41,396	57,396
REVENUES				
Construction Assessments	57,752	20,209	16,000	11,000
Earnings on Investments	(140)	(79)	-	-
TOTAL REVENUES	57,612	20,130	16,000	11,000
EXPENSES				
Fiscal Agents	238	-	-	-
TOTAL EXPENSES	238	-	-	-
FUND BALANCE - DECEMBER 31	21,266	41,396	57,396	68,396

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	576,673	124,486	(49,112)	(41,112)
REVENUES				
Construction Assessments	28,530	15,627	8,000	4,000
Earnings on Investments	(3,117)	-	-	-
TOTAL REVENUES	25,413	15,627	8,000	4,000
EXPENSES				
Fiscal Agent Fees	1,000	525	-	-
Bond Principal	460,000	185,000	-	-
Bond Interest	16,600	3,700	-	-
TOTAL EXPENSES	477,600	189,225	-	-
FUND BALANCE - DECEMBER 31	124,486	(49,112)	(41,112)	(37,112)

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	171,917	227,712	278,013	333,313
REVENUES				
Tax increments	562,943	553,802	553,800	511,100
TOTAL REVENUES	562,943	553,802	553,800	511,100
EXPENSES				
Other Miscellaneous Expenditures	499	5,079	-	-
Transfer to Enterprise Fund	506,649	498,422	498,500	460,000
TOTAL EXPENSES	507,148	503,501	498,500	460,000
FUND BALANCE - DECEMBER 31	227,712	278,013	333,313	384,413

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	9,014,664	11,708,323	5,390,402	280,382
REVENUES				
Taxes	278,324	277,510	280,000	280,000
Intergovernmental	2,846,469	3,310,109	27,034,600	25,044,320
Miscellaneous	2,361,969	5,596,110	2,244,800	3,547,130
Other Financing Sources	10,012,438	8,631,550	17,625,000	17,240,000
TOTAL REVENUES	15,499,201	17,815,280	47,184,400	46,111,450
EXPENSES				
Current	43,703	135,656	53,200	71,000
Capital Outlay	12,761,840	23,997,544	52,241,220	50,409,095
TOTAL EXPENSES	12,805,543	24,133,201	52,294,420	50,480,095
FUND BALANCE - DECEMBER 31	11,708,323	5,390,402	280,382	(4,088,263)

City of Duluth Minnesota - 2025 Budget

Special Assessment

410

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

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	(188,071)	8,746	41,384	60,684
REVENUES				
Assessment Collections	210,895	32,777	19,300	18,100
Earnings on Investments	(87)	(139)	-	-
TOTAL REVENUES	210,808	32,638	19,300	18,100
EXPENSES				
Other Uses	1,993	-	-	-
Transfers Out	11,998	-	-	-
TOTAL EXPENSES	13,991	-	-	-
FUND BALANCE - DECEMBER 31	8,746	41,384	60,684	78,784

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	514,900	986,727	6,293	6,293
REVENUES				
Current Property Taxes	276,652	276,151	280,000	280,000
Delinquent Property Taxes	1,672	1,359	-	-
Miscellaneous Federal Grants	121,091	442,440	1,500,000	4,532,000
State of Minnesota	1,187,500	106,257	8,333,000	8,591,000
Municipal State Aid	157,219	1,889,287	4,627,000	5,593,400
Investment Earnings	(10,905)	(2,583)	-	-
Other Sources	850,198	-	-	-
General Fund	767,438	-	-	-
Special Revenue Funds	2,779,843	801,378	1,500,000	2,070,000
Capital Project Funds	11,998	-	-	-
Public Utility Funds	-	-	1,425,000	765,000
TOTAL REVENUES	6,142,706	3,514,289	17,665,000	21,831,400
EXPENSES				
Improvements Other Than Buildings	5,670,879	4,314,840	17,665,000	21,831,400
Transfer to Enterprise Funds	-	179,883	-	-
TOTAL EXPENSES	5,670,879	4,494,723	17,665,000	21,831,400
FUND BALANCE - DECEMBER 31	986,727	6,293	6,293	6,293

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	5,137,206	4,776,573	4,107,375	2,411,475
REVENUES				
Investment Earnings	(64,221)	23,755	-	-
Other Reimbursements	-	305,055	-	-
Transfer from General Fund	-	-	4,000,000	-
Transfer from Special Revenue	3,318,861	6,753,695	9,900,000	14,405,000
Assessment Collections	239,688	513,325	155,200	130,500
TOTAL REVENUES	3,494,328	7,595,830	14,055,200	14,535,500
EXPENSES				
Improvements Other than Buildings	3,090,250	7,896,813	15,751,100	16,946,975
Other Uses	764,710	368,214	-	-
TOTAL EXPENSES	3,854,961	8,265,027	15,751,100	16,946,975
FUND BALANCE - DECEMBER 31	4,776,573	4,107,375	2,411,475	(0)

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	710,357	1,374,521	(1,342,102)	(3,014,202)
REVENUES				
Federal Grant	-	3,196	1,234,500	1,734,500
State of Minnesota	-	-	10,125,000	3,579,000
Earnings on Investments	(15,062)	62,767	-	-
Other Sources	173,500	150,000	-	-
Transfer from General Fund	64,644	337,372	-	-
Transfer from Special Revenue	1,000,000	54,900	800,000	-
Transfer from Capital Projects	5,000	149,400	-	-
Bond Proceeds	1,685,000	3,790,000	1,980,000	3,178,000
Premium on bonds	158,281	122,007	-	-
TOTAL REVENUES	3,071,363	4,669,643	14,139,500	8,491,500
EXPENSES				
Bond Issuance Costs	43,703	135,656	53,200	71,000
Land	11,864	72,531	-	-
Capital Improvements	2,351,632	7,178,079	15,758,400	8,561,800
TOTAL EXPENSES	2,407,199	7,386,266	15,811,600	8,632,800
FUND BALANCE - DECEMBER 31	1,374,521	(1,342,102)	(3,014,202)	(3,155,502)

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	2,840,272	4,561,756	2,577,452	816,132
REVENUES				
Federal Grants	25,000	868,929	149,800	412,900
State of Minnesota	588,221	-	1,065,300	601,520
Earnings on Investments	14,049	194,621	-	-
Other Sources	144,332	554,525	90,300	220,530
Transfer from Special Revenue	1,808,394	384,805	-	-
TOTAL REVENUES	2,579,996	2,002,880	1,305,400	1,234,950
EXPENSES				
Capital Improvements	690,777	3,819,275	2,417,720	2,611,390
Transfer to Capital Projects	5,000	149,400	-	-
Other Uses	162,736	18,509	649,000	457,530
TOTAL EXPENSES	858,513	3,987,184	3,066,720	3,068,920
FUND BALANCE - DECEMBER 31	4,561,756	2,577,452	816,132	(1,017,838)

City of Duluth Minnesota - 2025 Budget

Enterprise Funds

Funds

- Golf
- Parking
- Civic Center Public Ramp
- Water
- Gas
- Sewer
- Clean Water Surcharge
- Stormwater
- Steam



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.

Enterprise funds are like mini-businesses within a government, providing goods or services to the public, like water or gas. They operate more like a business than a typical government department, charging fees for their services to cover their costs. Think of them as special accounts for things like running a city's parking services or managing a municipal golf course.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
REVENUES				
Operating	62,661,293	64,150,593	65,634,760	70,854,009
Non-Operating	16,658,418	9,879,736	21,617,300	38,862,300
Sales	57,717,174	44,143,745	51,339,700	50,041,600
TOTAL REVENUES	137,036,885	118,174,074	138,591,760	159,757,909
OPERATING EXPENSES				
Personal Services	18,291,710	20,165,917	25,579,500	26,410,100
Supplies	8,395,564	6,893,146	9,881,700	10,408,400
Other Services and Charges	21,619,589	23,692,972	25,007,157	26,243,665
Depreciation	8,823,764	8,902,543	9,668,700	10,675,000
Miscellaneous	3,608,550	3,833,614	10,449,600	5,505,700
Cost of Sales	36,928,524	24,152,418	32,084,922	30,645,446
Interfund Transfers	4,203,001	6,910,891	5,474,000	5,944,900
Non-Operating	18,635,808	16,967,392	27,748,000	54,760,600
TOTAL EXPENSES	120,506,510	111,518,893	145,893,579	170,593,811

City of Duluth Minnesota - 2025 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. In 2021 through 2023, Lester Park course was closed while still receiving minimum maintenance. Starting in 2024, the budget only includes Enger Park course.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
REVENUE				
Operating	1,247,587	1,392,687	1,030,360	1,611,809
Non-Operating	-	2,516,679	6,400,000	1,700,000
	1,247,587	3,909,366	7,430,360	3,311,809
EXPENSES				
Other Services and Charges	1,074,437	1,095,803	1,221,657	1,261,065
Improvements Other Than Buildings	-	-	6,400,000	760,000
Debt Service	-	-	-	178,500
Depreciation and Amortization	58,333	102,228	120,000	900,000
Cost of Sales	153,457	157,630	84,922	145,446
	1,286,227	1,355,661	7,826,579	3,245,011
ESTIMATED OPERATING INCOME / (LOSS)	(38,640)	2,553,705	(396,219)	66,798

City of Duluth Minnesota - 2025 Budget

Golf Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2022 Actual	2023 Actual	2024 Budget	2025 Approved
ESTIMATED UNRESTRICTED CASH	(2,602,823)	(2,552,434)	103,499	(172,720)
Estimated Net Income (Loss)	(38,640)	2,553,705	(396,219)	66,798
<u>Other Sources</u>				
Depreciation	89,029	102,228	120,000	900,000
Total Sources	50,389	2,655,933	(276,219)	966,798
ESTIMATED BUDGETARY YEAR END CASH BALANCE	(2,552,434)	103,499	(172,720)	794,078

City of Duluth Minnesota - 2025 Budget

Enger Golf Course

Revenue Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING REVENUES:				
4440 Daily Admission	450,195	502,550	410,387	611,000
4441 Unlimited Season - Golf	195,669	192,936	110,000	203,500
4442 Motor Cart	202,707	237,052	186,239	271,134
4443 Driving Range Fees	101,065	135,266	94,200	164,000
4444 Other Rentals	-	-	2,500	5,000
4445 Golf Specials/Coupons/Promotions	-	-	605	-
4627 Concessions & Commissions	297,951	315,040	226,429	357,175
4644 Misc Fees, Sales & Services	-	9,843	-	-
TOTAL OPERATING REVENUES	1,247,587	1,392,687	1,030,360	1,611,809
NON-OPERATING REVENUES				
4700 Other Sources	-	40	-	-
4730 Transfer from General Fund	-	2,500,000	1,000,000	-
4730 Transfer from Special Revenue Fund	-	16,639	-	-
4750 Sale of Bonds	-	-	3,700,000	-
4999 Cash Balance Forward	-	-	1,700,000	1,700,000
TOTAL NON-OPERATING REVENUES	-	2,516,679	6,400,000	1,700,000
TOTAL REVENUE - ENGER	1,247,587	3,909,366	7,430,360	3,311,809

City of Duluth Minnesota - 2025 Budget

Lester Golf Course

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING EXPENSES				
5310 Contract Services	55,780	51,546	-	-
5415 Equipment Rental	3,907	3,906	-	-
5420 Depreciation	-	30,696	-	-
5580 Capital Equipment	30,696	4,848	-	-
TOTAL - LESTER	90,383	90,996	-	-

Enger Golf Course

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING EXPENSES				
5284 Liquor Purchases	38,683	39,660	30,128	49,358
5285 Food & Beverage for Resale	56,361	72,676	29,158	47,745
5286 Golf Merchandise for Resale	58,413	45,294	25,636	48,343
5310 Contract Services	925,722	958,209	1,051,419	1,182,405
5415 Equipment Rental	58,332	58,332	62,238	78,660
5420 Depreciation	58,333	71,532	120,000	900,000
5530 Improvements Other Than Buildings	-	-	6,400,000	760,000
5601 Bond Principal	-	-	-	128,655
5611 Bond Interest	-	-	-	49,845
5580 Capital Equipment	-	18,962	108,000	-
TOTAL - ENGER	1,195,844	1,264,665	7,826,579	3,245,011

City of Duluth Minnesota - 2025 Budget

Parking - Performance Measures

Description For Goal/Task:	Measure/Indicator:	2022 Actual	2023 Actual	2024 Actual	2025 Projected
Ensure adequate, well-planned and accessible public parking options for residents, businesses, and visitors.	Number of parking tickets issued	33,928	34,311	36,858	40,800
	Number of vehicles towed as a result of parking citations	191	190	140	225
	Number of annual contractor parking permits	841	862	890	875
	Number of residential parking permits	2,250	2,179	2,063	2,100
	Number of on-street metered parking stalls	1,594	1,594	1,594	1,594
	Total number of off-street parking stalls managed	4,265	4,265	4,588	4,938
	Number of parking ramps and lots	29	29	30	31
	Number of residential parking zones	3	3	3	3

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
REVENUES				
Operating Revenue	3,985,703	4,345,390	4,610,200	5,345,000
Non-Operating	1,116,936	1,637,289	950,500	935,300
	5,102,639	5,982,679	5,560,700	6,280,300
EXPENSES				
Personal Services	610,166	617,592	778,000	792,600
Supplies	53,404	43,482	47,800	43,300
Other Services and Charges	1,705,541	2,216,882	2,213,700	2,256,500
Utilities	196,345	166,020	203,900	199,300
Depreciation and Amortization	567,935	561,455	561,500	561,500
Improvements - Non-Capital	16,842	168,363	217,900	306,500
Debt Service - Interest	143,164	123,498	123,500	123,500
Transfers Out	76,200	1,422,900	1,422,900	1,422,900
	3,369,597	5,320,192	5,569,200	5,706,100
ESTIMATED OPERATING INCOME (LOSS)	1,733,042	662,487	(8,500)	574,200
BUDGETED FTE'S				
40 Parking Services Manager	1.00	1.00	1.00	1.00
326 Police Officer	1.00	1.00	1.00	1.00
32 Parking Services Leadworker	-	-	-	1.00
22 Parking Services Agent	6.00	6.00	6.00	5.00
Division Total	8.00	8.00	8.00	8.00

City of Duluth Minnesota - 2025 Budget

Parking Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2024 Projected	2025 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	3,805,925	3,463,925
Estimated Operating Income (Loss)	(8,500)	574,200
<u>Other Sources</u>		
Depreciation	561,500	561,500
Total Other Sources	561,500	561,500
<u>Other Uses</u>		
Bond Principal Payments	895,000	920,000
Total Other Uses	895,000	920,000
ESTIMATED BUDGETARY YEAR END CASH BALANCE	3,463,925	3,679,625

City of Duluth Minnesota - 2025 Budget

Parking Fund

505

Revenue Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING REVENUES				
4371 Parking Meter Revenues	597,890	796,515	762,600	902,000
4373 Transient Parking	1,001,927	1,114,179	1,121,800	1,327,800
4374 Contract Parking	1,329,102	1,314,207	1,396,300	1,750,500
4170 Miscellaneous Permits	127,091	72,575	76,500	131,700
4472 Administrative Parking Fines	898,521	1,011,840	1,229,500	1,209,500
4315 Cost Allocation	20,200	22,000	23,500	23,500
4654 Other Reimbursements	10,972	5,346	-	-
4680 Damage or Losses Recovered	-	8,728	-	-
TOTAL OPERATING REVENUE	3,985,703	4,345,390	4,610,200	5,345,000
NON-OPERATING REVENUES				
4601 Earnings on Investments	(28,138)	888	-	-
4730 Transfer in from Special Revenue Funds	262,600	701,117	68,000	-
4857 Capital Contributions	882,473	935,284	882,500	935,300
TOTAL NON-OPERATING REVENUES	1,116,936	1,637,289	950,500	935,300
TOTAL REVENUE	5,102,639	5,982,679	5,560,700	6,280,300

City of Duluth Minnesota - 2025 Budget

Parking Administration

505-015-1479

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	101,460	107,834	111,700	114,600
TOTAL	101,460	107,834	111,700	114,600
EMPLOYEE BENEFITS				
5121 P.E.R.A.	7,043	7,556	8,100	8,300
5121 P.E.R.A., GASB 68	32,630	(2,841)	-	-
5122 F.I.C.A. Social Security	6,291	6,686	6,900	7,100
5123 F.I.C.A. Medicare	1,471	1,564	1,600	1,700
5125 Dental Insurance	396	396	400	400
5126 Life Insurance	270	270	200	400
5127 Health Care Savings Plan	4,935	5,294	2,300	2,400
TOTAL	53,036	18,925	19,500	20,300
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	2,291	1,753	2,300	2,100
5331 Travel/Training	3,845	3,934	5,000	6,000
5335 Mileage Reimbursement	-	84	500	500
5441 Other Services and Charges	2,473	538	1,700	1,500
TOTAL	8,609	6,309	9,500	10,100
1479 TOTAL - ADMINISTRATION	163,105	133,068	140,700	145,000

City of Duluth Minnesota - 2025 Budget

Technology Center Ramp

505-015-1480-2510

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	9,241	9,312	9,200	13,300
5310 Other Professional Services	238,499	400,648	446,100	292,200
5319 Contract Services	636	-	-	-
5381 Electricity	40,532	37,750	47,100	46,500
5382 Water, Gas & Sewer	3,999	3,707	4,100	4,100
5384 Refuse Disposal	2,408	-	3,900	3,900
5386 Steam	22,710	18,442	23,000	23,000
5404 Equipment Maintenance/Repair	8,514	11,740	11,600	10,500
5405 Parking Lot Maintenance	1,625	3,991	4,100	32,700
5420 Depreciation	188,958	188,958	189,000	189,000
5493 Cost Allocation	23,260	28,100	28,100	28,100
TOTAL	540,382	702,648	766,200	643,300
2510 TOTAL - TECHNOLOGY CENTER RAMP	540,382	702,648	766,200	643,300

HART District Ramp

505-015-1480-2511

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	4,920	4,958	4,900	6,400
5310 Contract Services	397,675	536,526	412,200	384,600
5381 Electricity	21,122	14,279	18,900	16,800
5382 Water, Gas & Sewer	2,630	2,231	2,400	2,400
5404 Equipment Maintenance/Repair	9,413	10,187	9,800	9,800
5405 Parking Lot Maintenance	1,625	-	78,500	97,500
5420 Depreciation	58,674	58,674	58,700	58,700
5493 Cost Allocation	23,260	28,100	28,100	28,100
TOTAL	519,320	654,955	613,500	604,300
2511 TOTAL - HART DISTRICT RAMP	519,320	654,955	613,500	604,300

City of Duluth Minnesota - 2025 Budget

Medical District Ramp

505-015-1480-2512

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	602	-	-	-
5307 Admin/Management Fees	9,337	9,408	9,300	12,900
5310 Contract Services	272,895	326,964	343,900	293,800
5381 Electricity	63,630	59,193	69,800	67,900
5382 Water, Gas & Sewer	28,426	21,548	28,900	28,900
5404 Equipment Maintenance/Repair	11,811	37,482	42,500	11,800
5405 Parking Lot Maintenance	1,625	-	40,100	45,500
5420 Depreciation	249,748	249,748	249,700	249,700
5481 Property Taxes	3,292	2,848	3,500	122,500
5493 Cost Allocation	23,260	28,100	28,100	28,100
5611 Bond Interest	92,783	73,116	73,100	73,100
5613 Interest from Bond Discount	50,382	50,382	50,400	50,400
5620 Fiscal Agents Fees	500	525	500	500
TOTAL	808,290	859,314	939,800	985,100
2512 TOTAL - MEDICAL DISTRICT RAMP	808,290	859,314	939,800	985,100

Municipal Lots

505-015-1480-2513

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	12,835	12,935	15,900	15,900
5310 Contract Services	279,710	225,962	238,100	238,100
5381 Electricity	6,530	3,245	3,800	3,800
5382 Water, Gas & Sewer	6,766	5,625	5,900	5,900
5405 Parking Lot Maintenance	11,967	164,372	95,200	130,800
5420 Depreciation	33,096	33,096	33,100	33,100
5493 Cost Allocation	23,260	28,100	28,100	28,100
TOTAL	374,163	473,335	420,100	455,700
2513 TOTAL - MUNICIPAL LOTS	374,163	473,335	420,100	455,700

City of Duluth Minnesota - 2025 Budget

Medical District East Ramp

505-015-1480-2514

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	-	-	-	14,400
5310 Contract Services	-	-	-	86,300
5404 Equipment/Machinery Repair & Mtc	-	-	-	9,100
TOTAL	-	-	-	109,800
2513 TOTAL - MUNICIPAL LOTS	-	-	-	109,800

City of Duluth Minnesota - 2025 Budget

Hillside Public Ramp

505-015-1480-2515

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	-	-	-	8,400
5310 Contract Services	-	-	-	49,600
5404 Equipment/Machinery Repair & Mtc	-	-	-	5,400
TOTAL	-	-	-	63,400
2513 TOTAL - MUNICIPAL LOTS	-	-	-	63,400

City of Duluth Minnesota - 2025 Budget

On Street Parking & Enforcement

505-015-1481

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	297,905	306,643	385,400	415,900
5101 Permanent Employees - Overtime	407	18	-	-
5103 Other Wages	-	-	-	-
TOTAL	298,311	306,661	385,400	415,900
EMPLOYEE BENEFITS				
5121 P.E.R.A.	20,072	21,125	35,600	38,000
5122 F.I.C.A. Social Security	17,651	17,978	19,600	21,300
5123 F.I.C.A. Medicare	4,128	4,205	5,600	6,000
5125 Dental Insurance	2,310	2,178	2,800	3,000
5126 Life Insurance	1,575	1,485	1,300	2,500
5127 Health Care Savings Plan	5,551	23,502	14,300	8,700
5130 Cafeteria Plan Benefits	106,072	113,699	182,200	162,300
TOTAL	157,359	184,172	261,400	241,800
OPERATING EXPENSES				
5200 Office Supplies	428	690	1,100	1,100
5212 Motor Fuels	1,997	3,466	3,800	2,600
5218 Uniforms	2,827	2,069	1,600	2,500
5219 Other Miscellaneous Supplies	4,372	262	2,600	2,200
5241 Small Equipment	40,888	35,242	36,400	32,800
5306 Collection Services	41	70,167	103,600	103,600
5307 Admin/Management Fees	7,201	7,256	7,200	8,300
5310 Contract Services	289,952	367,908	370,200	370,200
5355 Printing & Copying Services	5,475	5,181	-	-
5409 Fleet Service Charges	6,000	12,984	14,000	16,900
5414 Software Lic & Mtc Agreements	1,152	1,320	1,200	1,200
5420 Depreciation	37,458	30,979	31,000	31,000
5427 Credit Card Commissions	7,380	13,018	13,700	13,700
5441 Other Services and Charges	4,037	4,497	4,700	4,700
5493 Cost Allocation	23,260	28,100	28,100	28,100
5700 Transfer to General Fund	76,200	1,422,900	1,422,900	1,422,900
TOTAL	508,667	2,006,039	2,042,100	2,041,800
1481 TOTAL - ON STREET PARKING & ENFORCEMENT	964,338	2,496,872	2,688,900	2,699,500

City of Duluth Minnesota - 2025 Budget

Civic Center Public Ramp

506

The Priley Drive Parking Facility 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
REVENUES				
Operating	484,414	513,136	504,300	554,600
Non-Operating	498,785	500,914	498,500	460,000
	983,199	1,014,050	1,002,800	1,014,600
EXPENSES				
Other Services and Charges	224,712	295,832	286,500	441,900
Depreciation	520,571	520,571	520,600	520,600
Miscellaneous	510,223	498,654	495,300	488,400
	1,255,506	1,315,057	1,302,400	1,450,900
ESTIMATED OPERATING INCOME (LOSS)	(272,307)	(301,007)	(299,600)	(436,300)

City of Duluth Minnesota - 2025 Budget

Civic Center Public Ramp

	2024	2025
<u>OPERATING FUND</u>	Projected	Approved
ESTIMATED UNRESTRICTED and CAPITAL ACCOUNT CASH	637,579	668,379
Estimated Operating Income (Loss)	(299,600)	(436,300)
<u>Other Sources</u>		
Unfunded Depreciation	470,600	470,600
Total Other Sources	470,600	470,600
<u>Other Uses</u>		
Bond Principal Payments	140,200	145,900
Total Other Uses	140,200	145,900
ESTIMATED BUDGETARY YEAR END CASH BALANCE	668,379	556,779

City of Duluth Minnesota - 2025 Budget

Civic Center Public Ramp

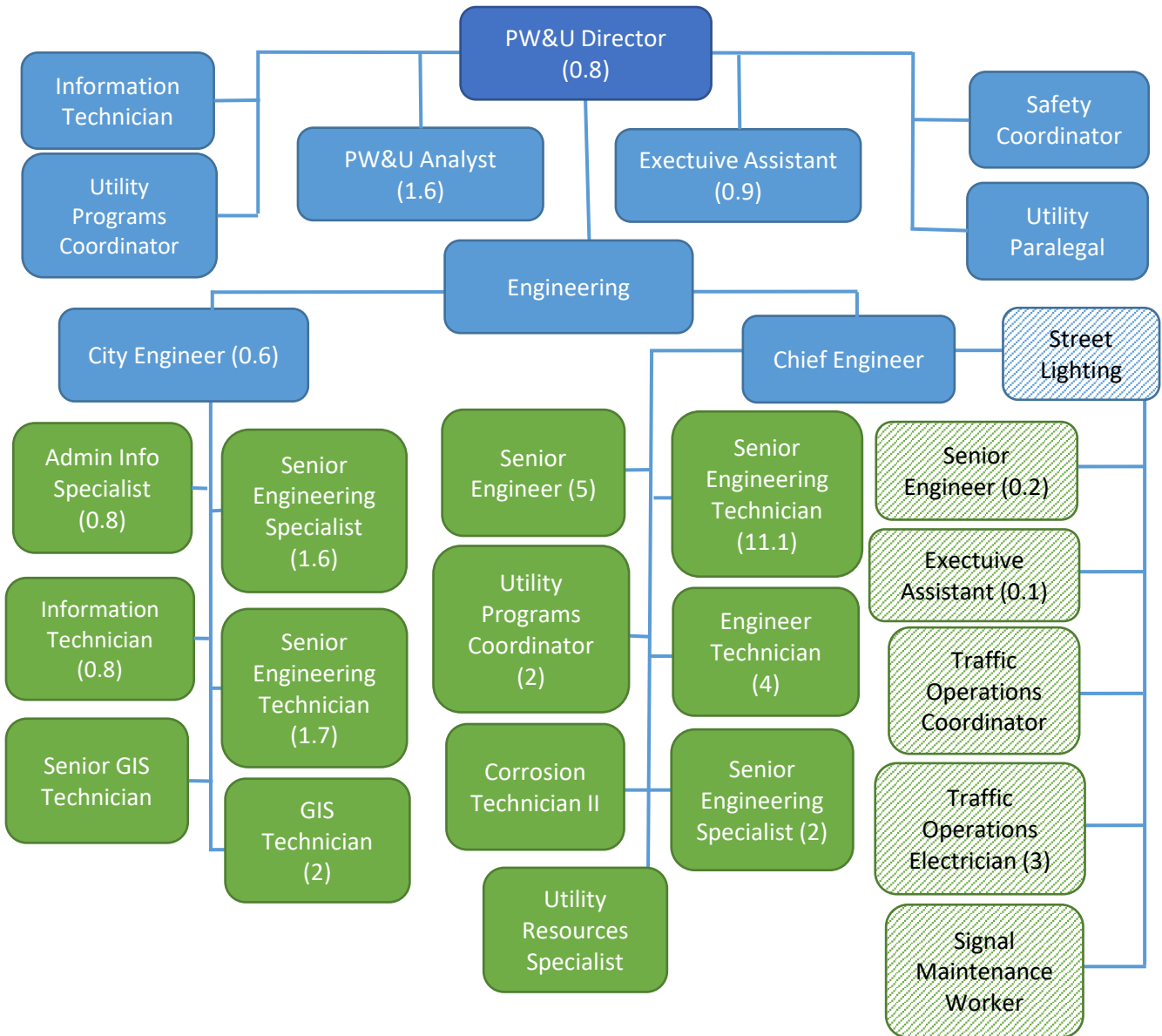
506

Revenue Detail		2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING REVENUES					
4373	Transient Parking	45,327	66,318	69,100	57,300
4374	Contract Parking	439,087	446,818	435,200	497,300
TOTAL OPERATING REVENUE		484,414	513,136	504,300	554,600
NON-OPERATING REVENUES					
4601	Earnings on Investments	(7,864)	2,492	-	-
4730	Transfers in from Debt Service	506,649	498,422	498,500	460,000
TOTAL NON-OPERATING REVENUES		498,785	500,914	498,500	460,000
TOTAL REVENUE		983,199	1,014,050	1,002,800	1,014,600
Expense Detail		2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING EXPENSES					
5307	Admin/Management Fees	14,402	14,511	14,500	16,200
5310	Contract Services	174,008	242,116	198,400	250,500
5381	Electricity	41,666	38,188	40,200	40,200
	Bldg/Structure Repair & Mtc,				
5401-01	Elevator Repairs & Maintenance	6,732	-	-	-
5404	Equipment Maintenance/Repair	300	8,705	8,600	4,700
5405	Parking Lot Maintenance	1,183	-	4,000	110,900
5420	Depreciation - Funded	50,000	50,000	50,000	50,000
5420	Depreciation - Unfunded	470,571	470,571	470,600	470,600
5441	Other Services and Charges	-	-	2,000	2,000
5479	Tax Abatement	1,187	-	27,000	27,000
5493	Cost Allocation	26,900	30,500	32,000	30,600
5611	Bond Interest	468,557	460,466	455,100	448,200
	TOTAL	1,255,506	1,315,057	1,302,400	1,450,900
2510	TOTAL -Priley Drive Parking Facility	1,255,506	1,315,057	1,302,400	1,450,900

City of Duluth Minnesota - 2025 Budget

Public Works & Utilities Department - Enterprise Fund

Organization Chart

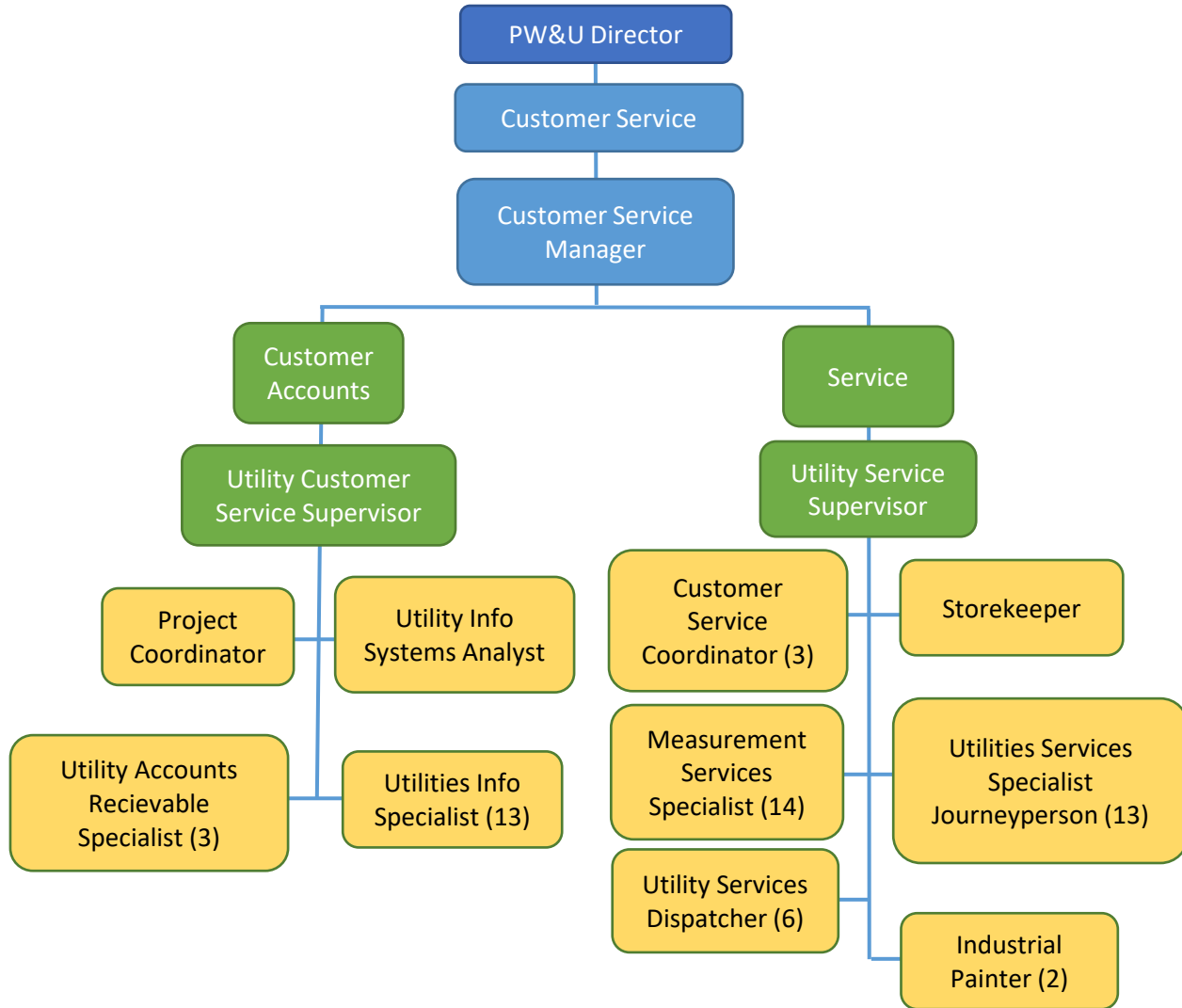


KEY
 Solid = Enterprise Fund
 Patterned = Special Revenue Fund

City of Duluth Minnesota - 2025 Budget

Public Works & Utilities Department - Enterprise Fund

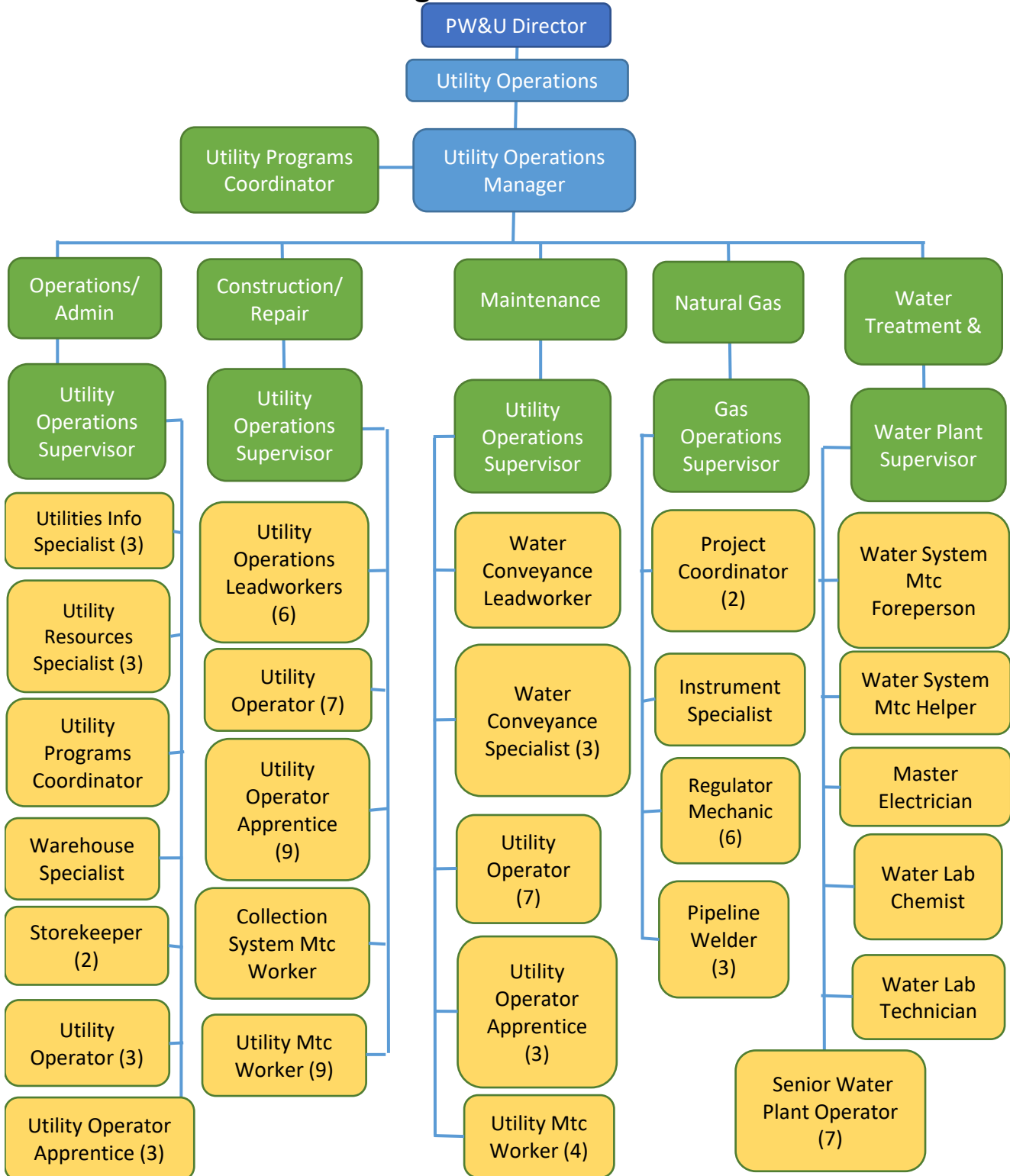
Organization Chart



City of Duluth Minnesota - 2025 Budget

Public Works & Utilities Department - Enterprise Fund

Organization Chart



City of Duluth Minnesota - 2025 Budget

Utility Operations Division - Performance Measures

<u>Description For Goal/Task:</u>	<u>Measure/Indicator:</u>	2022 Actual	2023 Actual	2024 Estimated	2025 Projected
Design, build, improve and proactively maintain a utility infrastructure system that provides safe, affordable and reliable water, sewer, storm drainage, natural gas, steam and hot water services to the community.	Water main breaks repaired	114	100	46	100
	Gas services & Mains - valves inspected and operated	466	466	477	477
	Sanitary pipe cleaned (ft)	371,564	345,000	418,966	410,000
Protect water resources in order to maintain water quality of streams, aquifers and to preserve existing hydrology patterns.	Ditch line restored (ft)	3,729	4,000	2,205	2,200
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Water samples completed for testing	5,700	5,000	1,284	1,565
	Water hydrants repaired/replaced	79	100	58	60
	Inflow and infiltration home inspections	1,400	1,400	1,005	1,000

City of Duluth Minnesota - 2025 Budget

Customer Service Division - Performance Measures

Description For Goal/Task:	Measure/Indicator:	2022 Actual	2023 Actual	2024 Estimated	2025 Projected
Ensures timely and effective two-way communication with internal customers, residents, and businesses providing equal access to information to information encouraging input from all areas of the organization and community at large.	Appliance service & furnace cleaning/venting workorders completed	8,000	8,800	6,377	7,000
Develops sustainable fiscal and operational policies which foster trust and transparency by ensuring accountability, efficiency, integrity, innovation, and best practices in all operations.	Water meters tested/repared	700	10,000	7,115	7,000
	Gas meters tested/repared	1,350	500	2,500	3,500
Ensure regulatory compliance in order to provide clean and well-maintained neighborhoods, to protect property, the environment and the lives and health of its residents and visitors.	Gas leak detection survey	20,000	15,000	7,421	7,500

City of Duluth Minnesota - 2025 Budget

Public Works & Utilities - Utility Funds

Divisions

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

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

Mission and Core Services

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

Budgeted FTE's	2022	2023	2024	2025
	190.85	190.85	197.90	200.90

Expenses	2022 Actual	2023 Actual	2024 Budget	2025 Approved
Personal Services	17,681,544	19,548,325	24,801,500	25,617,500
Supplies	2,655,751	3,332,298	5,306,800	5,921,400
Other Services & Charges	14,891,113	16,169,777	16,872,500	17,945,200
Depreciation	6,045,455	6,024,788	6,666,600	6,928,900
Miscellaneous	1,985,560	2,215,338	2,135,200	2,348,300
Cost of Sales	36,775,067	23,994,788	32,000,000	30,500,000
Interfund Transfers	3,962,201	5,273,420	3,841,100	4,312,000
Total Operating	83,996,691	76,558,734	91,623,700	93,573,300
Non-Operating	14,026,161	13,179,980	25,903,000	51,910,600
Total Appropriation Budget	87,931,100	120,029,100	120,946,400	148,062,500

City of Duluth Minnesota - 2025 Budget

Utilities - Personnel Summary

Budgeted FTE's	2022	2023	2024	2025
100 Director of Public Works & Utilities	0.80	0.80	0.80	0.80
60 Manager, Utility Operations	1.00	1.00	1.00	1.00
70 Chief Engineer - Utilities	1.00	1.00	1.00	1.00
70 City Engineer	0.60	0.60	0.60	0.60
60 Manager, Customer Service	1.00	1.00	1.00	1.00
50 Senior Engineer	3.00	3.00	5.00	5.00
30 Utility Operations Supervisor	3.00	3.00	3.00	4.00
1105 Measurement Services Supervisor	1.00	1.00	-	-
30 Utility Services Supervisor	-	-	1.00	-
30 Utility Customer Service Supervisor	1.00	1.00	1.00	1.00
30 Gas Operations Supervisor	2.00	2.00	1.00	2.00
30 Water Treatment Plant Supervisor	-	-	1.00	1.00
133 Safety Coordinator	1.00	1.00	1.00	1.00
133 Utility Paralegal	1.00	1.00	1.00	1.00
132 Utility Accounts Receivable Specialist	3.00	3.00	3.00	3.00
129 Administrative Information Specialist	0.80	0.80	0.80	0.80
129 Utilities Information Specialist	15.00	14.00	16.00	16.00
129-32 Project Coordinator	1.00	3.00	5.00	4.00
126 Information Technician	0.80	0.80	1.80	1.80
38 Project Engineer	2.00	2.00	-	-
35-34 Senior Engineering Specialist	1.60	1.60	3.60	3.60
34 Instrument Specialist	1.00	1.00	1.00	1.00
34 Senior Water Plant Operator	-	-	-	7.00
34 Water System Maintenance Foreperson	-	-	-	1.00
34-32 Utility Operations Leadworker	7.00	7.00	6.00	6.00
34-32 Water Lab Chemist	1.00	1.00	1.00	1.00
34-29 Water Conveyance Leadworker	1.00	1.00	1.00	1.00
33 Customer Service Coordinator	2.00	2.00	2.00	2.00
33 Public Works and Utilities Analyst	1.60	1.60	1.60	1.60
33 Utility Information Systems Analyst	-	-	-	1.00
33-32 Utility Programs Coordinator	5.00	4.00	5.00	5.00
33-28 Pipeline Welder	3.00	3.00	3.00	3.00
32 Corrosion Technician II	1.00	1.00	1.00	1.00
32 Gas Project Coordinator	1.00	1.00	-	-
32 Water Plant Maintenance Coordinator	1.00	1.00	-	-
32-31 Utility Services Specialist Journeyperson	16.00	15.00	12.00	10.00
32-29 Measurement Services Specialist	12.00	13.00	14.00	14.00
32-28 Utility Services Specialist Apprentice	3.00	2.00	1.00	3.00

City of Duluth Minnesota - 2025 Budget

Utilities - Personnel Summary

Budgeted FTE's	2022	2023	2024	2025
31 Master Electrician	1.00	1.00	1.00	1.00
31 Senior Engineering Technician	12.75	12.75	14.80	12.80
31 Utility Resources Specialist	3.00	3.00	3.00	4.00
31 Water Conveyance Specialist	3.00	3.00	3.00	3.00
31 Water Plant Operator A	5.00	4.00	5.00	-
31-30 Regulator Mechanic	3.00	3.00	6.00	6.00
31-30 Warehouse Specialist	2.00	2.00	2.00	1.00
31-28 Engineering Technician	3.00	4.00	3.00	4.00
31-28 GIS Technician	2.00	2.00	2.00	3.00
31-24 Water Plant Operator D	-	1.00	1.00	-
29 Industrial Painter	2.00	2.00	2.00	2.00
29 Maintenance Helper	-	-	-	1.00
28 Collection System Maintenance Worker	2.00	2.00	1.00	1.00
28 Utility Operator	28.00	28.00	22.00	17.00
28 Utility Operator Apprentice	3.00	3.00	10.00	15.00
27 Storekeeper	1.00	1.00	2.00	3.00
27 Water Lab Technician	1.00	1.00	1.00	1.00
26 Utility Services Dispatcher	6.00	6.00	6.00	6.00
26 Water Plant Operator C	1.00	1.00	-	-
23 Utility Maintenance Worker	13.00	12.00	13.00	13.00
23 WTP Maintenance Worker	-	1.00	-	-
21 Janitor I	2.00	2.00	2.00	-
9 Executive Assistant	0.90	0.90	0.90	0.90
DEPARTMENT TOTAL	190.85	190.85	197.90	200.90

City of Duluth Minnesota - 2025 Budget

Water Fund

510 & 511

The Water Fund is a self-supporting enterprise fund which accounts for the collection, treatment, and distribution of water to the citizens of Duluth. The major funding source is water sales, representing 99% of total revenues for 2025. The most significant category of expense is personal services at 46% 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
REVENUE				
Operating	16,013,881	17,438,419	16,881,000	19,746,000
Non-Operating	7,043,675	3,988,536	13,653,000	35,653,000
	23,057,556	21,426,955	30,534,000	55,399,000
EXPENSES				
Personal Services	5,342,658	5,835,502	7,468,400	8,159,500
Supplies	1,150,987	1,586,867	2,573,100	2,809,200
Other Services & Charges	1,415,676	1,400,902	2,064,800	2,188,200
Depreciation	1,820,159	1,824,866	2,080,300	2,266,300
Miscellaneous	1,659,202	1,939,353	1,854,700	2,099,000
Interfund Transfers	220,279	221,800	237,500	283,000
	11,608,961	12,809,290	16,278,800	17,805,200
ESTIMATED OPERATING INCOME (LOSS)	11,448,595	8,617,665	14,255,200	37,593,800
Other Sources of Cash	14,055,264	5,220,426	2,077,800	2,263,800
Other Uses of Cash	(23,680,182)	(10,023,955)	(18,175,700)	(41,039,900)
Increase (Decrease) in Cash	1,823,677	3,814,136	(1,842,700)	(1,182,300)

City of Duluth Minnesota - 2025 Budget

Water Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2024 Budget	2024 Projected	2025 Approved
ESTIMATED OPERATING INCOME (LOSS)	14,255,200	12,867,755	37,593,800
<u>Other Sources of Cash</u>			
Depreciation and Amortization	2,080,300	1,976,600	2,266,300
Interest from Bond Discount	(2,500)	(2,500)	(2,500)
Due from Other Funds	-	430,668	-
Special Assessment Principal	-	57,113	-
Total Other Sources of Cash	2,077,800	2,461,881	2,263,800
<u>Other Uses of Cash</u>			
Due to Other Funds	-	114,708	-
Capital Improvements from State Bond	13,500,000	9,500,000	35,500,000
Capital Improvements from Current Revenues	2,500,000	3,115,000	3,500,000
Capital Equipment Purchases	420,500	374,000	426,600
Bond Principal Payments	1,608,300	1,389,300	1,613,300
AMRS Purchase Agreement Principal Payments	146,900	146,915	-
Total Other Uses of Cash	18,175,700	14,639,923	41,039,900
INCREASE (DECREASE) IN CASH	(1,842,700)	689,713	(1,182,300)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH-BEGINNING	12,963,111	12,963,111	13,652,824
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH-ENDING	11,120,411	13,652,824	12,470,524

City of Duluth Minnesota - 2025 Budget

Water Fund

510 & 511

Revenue Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING REVENUES				
4636 Sale of Scrap	34,173	58,227	10,000	25,000
4680 Damage or Losses Recovered	7,340	-	-	-
4800 Meter Repair	34,246	29,083	35,000	35,000
4801 Off/On Charge	35,111	32,521	25,000	25,000
4802 Interest - Customer Accounts	40,899	39,134	40,000	40,000
4805 Reimbursements	5,955	3,792	6,000	6,000
4809 Miscellaneous Operating	11,847	16,051	10,000	10,000
4810 Metered Water Sales	11,916,064	13,247,929	12,500,000	14,900,000
4811 Water for Resale	1,488,630	1,564,456	1,700,000	2,100,000
4831 Fixed Rate Charges	2,435,996	2,445,153	2,550,000	2,600,000
4851 Interest Income	3,620	2,073	5,000	5,000
TOTAL OPERATING REVENUES	16,013,881	17,438,419	16,881,000	19,746,000
NON-OPERATING REVENUES				
4209 Direct Federal Grants, Capital	6,962,993	3,649,551	-	-
4210 Pass-thru Federal Grants, Capital	-	68,779	-	-
4220 State of Minnesota, Capital	36,848	-	13,500,000	35,500,000
4601 Change in Fair Value Investments	(119,386)	19,900	-	-
4806 Connection Fees	11,232	12,246	13,000	13,000
4853 Gain on Sale of Assets	16,988	32,438	5,000	5,000
4854 Utility Assessments	-	4	-	-
4730 Transfers from Special Revenue Fund	135,000	205,618	135,000	135,000
TOTAL NON-OPERATING REVENUES	7,043,675	3,988,536	13,653,000	35,653,000
TOTAL REVENUE	23,057,556	21,426,955	30,534,000	55,399,000

City of Duluth Minnesota - 2025 Budget

Director's Office

510-500-1900

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

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	96,546	107,664	99,600	95,000
5101 Permanent Employees - Overtime	992	2,318	-	500
TOTAL	97,538	109,982	99,600	95,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	7,868	8,005	7,400	7,100
5122 F.I.C.A. Social Security	6,035	6,320	6,200	5,900
5123 F.I.C.A. Medicare	1,361	1,548	1,400	1,400
5125 Dental Insurance	427	482	400	400
5126 Life Insurance	287	329	200	300
5127 Health Care Savings	3,905	2,995	1,700	1,500
5130 Cafeteria Plan Benefits	18,607	24,896	25,900	25,400
5133 Health or Fitness Program	24	96	-	-
TOTAL	38,514	44,671	43,200	42,000
OPERATING EXPENSES				
5200 Office Supplies	90	30	100	100
5241 Small Equipment	205	488	300	600
5320 Data Services	-	58	100	100
5321 Telephone	288	416	300	400
5331 Training Expense	1,216	226	700	1,200
5335 Mileage Reimbursement - Local	208	14	200	200
5433 Dues & Subscription	-	1	-	-
TOTAL	2,007	1,233	1,700	2,600
1900 TOTAL - DIRECTOR'S OFFICE	138,059	155,886	144,500	140,100

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING EXPENSES				
5420 Depreciation	1,820,159	1,824,866	2,080,300	2,266,300
5535 Improvements (Non-Capital)	54,728	31,153	195,000	91,000
5540 Equipment (Non-Capital)	5,256	26,551	41,800	-
5611 Bond Interest	164,612	164,658	185,900	233,000
5613 Interest from Bond Amortization	(3,139)	(2,770)	(2,500)	(2,500)
5614 Purchase Agreement Interest	19,934	9,242	2,800	-
5620 Fiscal Agents Fee	500	525	600	600
5621 Bond Issuance/Discount Fees	6,500	-	-	-
5700 Interfund Transfers Out to General Fund	-	-	180,000	180,000
TOTAL	2,068,550	2,054,225	2,683,900	2,768,400
NON-OPERATING EXPENSES				
5532 Capital Improvements - Bond Financing	-	-	13,500,000	35,500,000
5533 Capital Improvements - Revenue Financing	10,666,561	6,520,443	2,500,000	3,500,000
5580 Capital Equipment	167,277	266,604	420,500	426,600
TOTAL	10,833,838	6,787,047	16,420,500	39,426,600
1905 TOTAL - CAPITAL	12,902,388	8,841,272	19,104,400	42,195,000

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	119,055	151,638	151,200	132,300
5101 Permanent Employees - Overtime	6,612	5,228	2,500	4,000
5118 Meal Allowance	158	95	-	-
TOTAL	125,825	156,961	153,700	136,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	8,586	11,293	11,100	9,900
5121 P.E.R.A., GASB 68	274,215	(23,598)	-	-
5122 F.I.C.A. Social Security	7,636	9,424	9,500	8,400
5123 F.I.C.A. Medicare	1,786	2,204	2,200	2,000
5125 Dental Insurance	711	979	1,000	900
5126 Life Insurance	9,634	9,027	500	700
5127 Health Care Savings	6,477	2,508	2,500	2,100
5130 Cafeteria Plan Benefits	23,649	34,722	37,700	24,400
5133 Health or Fitness Program	45	40	-	-
5134 Other Post Retirement Benefits	(1,062,580)	(255,196)	-	-
5135 Retiree Health Insurance	486,255	450,553	600,300	600,300
5151 Worker's Compensation	75,200	80,500	80,500	80,500
TOTAL	(168,386)	322,456	745,300	729,200
OPERATING EXPENSES				
5200 Office Supplies	145	3	-	-
5205 Safety & Training	229	356	800	600
5211 Cleaning & Janitorial Supplies	3,173	3,403	4,300	5,000
5218 Uniforms	163	-	100	-
5241 Small Equipment	540	676	1,700	3,800
5301 Auditing Services	1,331	1,441	1,600	1,500
5305 Medical Services/Testing Fees	1,432	1,286	1,600	1,600
5310 Contract Services	420	9,215	2,500	10,000
5320 Data Services	15,565	14,372	17,100	17,100
5321 Telephone	3,997	4,044	3,300	3,300
5331 Training Expense	794	1,126	1,800	1,800
5335 Mileage Reimbursement - Local	180	-	500	-

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5355 Printing & Copying Services	18	-	-	-
5356 Copier, Printer Lease & Supplies	2,596	3,720	4,500	4,500
5360 Insurance	76,000	71,300	71,300	71,300
5381 Electricity	14,944	14,539	16,500	16,500
5382 Water, Gas & Sewer	12,385	10,112	18,400	18,400
5384 Refuse Disposal	4,229	5,272	4,500	5,000
5401 Building Repair & Maintenance	5,822	6,142	4,900	5,400
5404 Equipment Repair & Maintenance	-	158	6,000	6,000
5414 Software Lic & Mtc Agreements	53,464	54,488	56,800	60,700
5433 Dues & Subscriptions	24	-	-	-
5441 Other Services & Charges	5,655	4,177	4,200	4,200
5450 Laundry	1,414	889	1,500	1,500
5457 Hydrant Maintenance	30,000	30,000	30,000	30,000
5493 Cost Allocation	394,600	394,600	419,600	446,800
5700 Transfer to General Fund	53,850	55,800	57,500	103,000
TOTAL	682,970	687,119	731,000	818,000
1915 TOTAL - GENERAL EXPENSE	640,409	1,166,536	1,630,000	1,683,500

City of Duluth Minnesota - 2025 Budget

Engineering

510-500-1930

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

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	456,846	479,248	667,500	642,600
5101 Permanent Employees - Overtime	29,880	35,769	42,000	60,000
5103 Temporary Wages	629	613	2,700	2,700
5118 Meal Allowance	425	200	1,200	1,200
TOTAL	487,780	515,830	713,400	706,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	34,720	37,931	52,700	52,200
5122 F.I.C.A. Social Security	28,934	30,660	44,200	43,700
5123 F.I.C.A. Medicare	6,767	7,171	10,300	10,200
5125 Dental Insurance	2,253	2,307	3,500	3,300
5126 Life Insurance	1,544	1,567	1,600	2,700
5127 Health Care Savings	20,465	16,197	12,400	14,200
5130 Cafeteria Plan Benefits	101,995	124,956	227,700	187,800
5133 Health or Fitness Program	458	624	-	-
5141 Unemployment Compensation	3,302	-	-	-
5159 Project Benefits (Contra-Account)	(159,199)	(108,730)	-	-
TOTAL	41,239	112,683	352,400	314,100
OPERATING EXPENSES				
5200 Office Supplies	191	402	400	400
5201 Computer Supplies	284	282	300	200
5203 Paper, Stationery and Forms	144	64	200	1,200
5205 Safety and Training Materials	24	89	400	400
5212 Motor Fuel	6,589	5,880	5,300	6,100
5218 Uniforms	1,455	1,765	1,500	1,200
5219 Other Miscellaneous Supplies	71,292	79,278	204,000	-
5240 Small Tools	308	39	400	500
5241 Small Equipment	-	56	1,200	1,200
5242 Survey Equipment and Supplies	1,285	2,268	5,900	6,200
5303 Engineering Services	-	-	55,000	-
5320 Data Services	2,114	1,610	2,200	2,200
5321 Telephone	1,599	1,873	1,600	3,200

City of Duluth Minnesota - 2025 Budget

Engineering

510-500-1930

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

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5322 Postage	478	126	200	300
5331 Training Expenses	1,379	6,697	3,800	4,000
5335 Mileage Reimbursement	-	113	100	100
5355 Printing and Copying	565	90	500	1,000
5356 Copier, Printer Lease & Supplies	260	257	300	300
5404 Equipment Maintenance Repair	1,254	241	2,000	2,000
5409 Fleet Services	2,923	5,095	6,500	6,400
5414 Software Lic & Mtc Agreements	16,689	15,729	18,700	18,600
5433 Dues and Subscriptions	132	286	1,000	1,000
5438 Licenses	465	23	100	-
5441 Other Services and Charges	1,899	6,549	5,800	5,500
5486 One Call System	3,015	3,277	4,500	4,500
Interfund Transfers Out To Special				
5700 Revenue Funds	429	-	-	-
TOTAL	114,773	132,089	321,900	66,500
1930 TOTAL - ENGINEERING	643,792	760,602	1,387,700	1,087,100

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	810,902	778,215	863,500	883,700
5101 Permanent Employees - Overtime	12,142	10,587	16,800	16,800
5111 Long-Term Disability Wages	299	-	-	-
5118 Meal Allowance	38	78	100	100
TOTAL	823,381	788,880	880,400	900,600
EMPLOYEE BENEFITS				
5121 P.E.R.A.	60,341	57,821	65,300	66,900
5122 F.I.C.A. Social Security	48,682	46,691	54,500	55,800
5123 F.I.C.A. Medicare	11,386	10,920	12,700	13,100
5125 Dental Insurance	4,660	4,349	4,700	5,300
5126 Life Insurance	3,162	2,965	2,200	4,300
5127 Health Care Savings	19,379	21,441	20,600	17,700
5130 Cafeteria Plan Benefits	227,413	235,600	306,700	308,600
5133 Health or Fitness Program	20	67	-	-
TOTAL	375,043	379,854	466,700	471,700
OPERATING EXPENSES				
5200 Office Supplies	1,145	607	2,000	2,000
5201 Computer Supplies	1,224	1,545	800	800
5205 Safety & Training Materials	175	1,025	-	700
5210 Plant/Operating Supplies	300	1,762	-	-
5212 Motor Fuel	20,712	17,064	21,300	21,200
5215 Shop Materials	573	2,660	5,000	3,000
5218 Uniforms	6,079	6,663	7,000	5,400
5219 Other Miscellaneous Supplies	421	35	-	-
5220 Repair & Maintenance Supplies	26,677	60,479	35,000	60,000
5227 Utility System	85,107	94,367	206,200	106,200
5228 Painting Supplies	6,672	2,790	7,000	7,000
5240 Small Tools	8,884	6,505	6,800	4,000
5241 Small Equipment	3,809	5,067	5,200	5,200
5310 Contract Services	23,071	21,113	27,000	29,000

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5320 Data Services	3,484	3,475	3,300	3,200
5321 Telephone	2,880	2,453	3,700	3,500
5322 Postage	47,789	50,280	47,900	53,100
5331 Training Expenses	3,323	6,967	12,000	13,300
5339 Armored Pickup	3,254	-	-	-
5355 Printing & Copying	1,194	1,007	1,400	1,500
5356 Copier, Printer Lease & Supplies	934	920	800	2,000
5404 Equipment Maintenance & Repair	1,969	166	1,200	1,200
5409 Fleet Services	14,557	14,660	18,800	23,200
5414 Software Lic & Mtc Agreements	3,663	5,637	9,800	9,200
5427 Credit Card Commission	57,797	42,393	93,000	93,000
5432 Uncollectible Accounts	22,667	13,355	15,000	15,000
5441 Other Services & Charges	1,291	9,668	1,200	1,200
TOTAL	349,651	372,663	531,400	463,900
1940 TOTAL - CUSTOMER SERVICE	1,548,075	1,541,397	1,878,500	1,836,200

City of Duluth Minnesota - 2025 Budget

Utility Operations

510-500-1945

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

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,575,885	1,502,620	1,711,500	1,736,400
5101 Permanent Employees - Overtime	130,741	99,079	185,000	185,000
5103 Other Wages	8,364	6,051	21,600	21,900
5111 Long-Term Disability Wages	410	-	-	-
5118 Meal Allowance	2,642	1,793	5,300	5,300
TOTAL	1,718,042	1,609,543	1,923,400	1,948,600
EMPLOYEE BENEFITS				
5121 P.E.R.A.	122,521	116,678	140,600	142,100
5122 F.I.C.A. Social Security	103,077	96,268	118,900	120,500
5123 F.I.C.A. Medicare	24,107	22,514	27,800	28,200
5125 Dental Insurance	8,961	8,663	9,800	10,900
5126 Life Insurance	6,121	5,891	4,500	8,800
5127 Health Care Savings	39,155	49,195	37,800	29,900
5130 Cafeteria Plan Benefits	428,220	450,691	618,500	570,900
5133 Health or Fitness Program	96	72	-	-
5141 Unemployment Compensation	236	1,187	-	-
TOTAL	732,494	751,159	957,900	911,300
OPERATING EXPENSES				
5200 Office Supplies	1,412	934	1,300	1,300
5201 Computer Supplies/Software	157	247	500	500
5205 Safety & Training Materials	2,465	3,905	9,200	9,200
5210 Plant/Operating Supplies	15,619	15,341	22,800	22,800
5212 Motor Fuel	95,482	79,641	103,900	96,700
5215 Shop Materials	5,460	10,250	7,000	15,000
5218 Uniforms	10,086	10,515	12,900	14,500
5219 Other Miscellaneous Supplies	3,580	5,711	4,000	6,000
5220 Repair & Maintenance Supplies	6,073	4,891	11,800	11,900
5222 Paving Materials	25,840	18,496	35,600	62,300
5224 Gravel & Other Maintenance Mtls	83,724	87,172	127,800	224,000
5227 Utility Maintenance Supply	74,818	248,892	423,000	423,000

City of Duluth Minnesota - 2025 Budget

Utility Operations

510-500-1945

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

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5228 Painting Supplies	9	52	500	500
5240 Small Tools	17,783	15,721	19,500	19,500
5241 Small Equipment	4,371	5,458	10,300	10,300
5310 Contract Services	42,243	49,171	71,000	91,000
5320 Data Services	4,045	4,501	4,700	5,700
5321 Telephone	1,559	2,009	2,300	3,000
5331 Training Expenses	9,101	13,681	13,700	17,800
5333 Freight/Delivery Charges	5,340	7,185	5,500	8,000
5335 Mileage Reimbursement	2,587	2,938	3,000	3,000
5355 Printing and Copying	-	75	600	600
5356 Copier, Printer Lease & Supplies	-	79	400	400
5381 Electricity	7,176	7,230	8,000	8,000
5382 Water/Sewer/Gas	7,164	3,549	7,500	7,500
5384 Refuse Disposal	19,603	14,384	23,000	23,000
5404 Equipment Maintenance/Repair	4,758	6,752	9,000	9,000
5409 Fleet Service Charges	158,073	165,476	168,400	182,000
5415 Vehicle/Equipment Rental	5,562	8,867	18,000	28,000
5433 Dues & Subscription	-	-	-	100
5438 License	322	161	800	800
5441 Other Services & Charges	1,662	1,434	5,000	5,000
5450 Laundry	6,084	5,500	8,500	10,800
5700 Transfer to General Fund	166,000	166,000	-	-
TOTAL	788,158	966,218	1,139,500	1,321,200
1945 TOTAL - UTILITY OPERATIONS	3,238,694	3,326,920	4,020,800	4,181,100

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	731,284	681,776	724,400	1,054,900
5101 Permanent Employees - Overtime	31,870	62,988	50,000	91,500
5103 Other Wages	-	-	-	5,000
5118 Meal Allowance	45	2,918	-	-
TOTAL	763,199	747,682	774,400	1,151,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	55,319	52,253	57,300	85,500
5122 F.I.C.A. Social Security	45,305	44,079	48,000	71,400
5123 F.I.C.A. Medicare	10,596	10,309	11,200	16,700
5125 Dental Insurance	4,118	3,366	3,900	5,500
5126 Life Insurance	2,808	2,295	1,800	4,500
5127 Health Care Savings	17,153	12,663	12,300	18,700
5130 Cafeteria Plan Benefits	172,690	170,734	223,500	346,800
5133 Health or Fitness Program	-	102	-	-
TOTAL	307,989	295,801	358,000	549,100
OPERATING EXPENSES				
5200 Office Supplies	4,656	(328)	2,000	2,000
5201 Computer Supplies/Software	6,212	547	6,400	6,400
5205 Safety & Training Materials	807	892	2,000	2,000
5210 Plant/Operating Supplies	3,480	5,008	9,500	7,500
5211 Cleaning/Janitorial Supplies	587	3,238	27,000	8,500
5212 Motor Fuel	3,866	2,173	6,100	4,600
5216 Treatment Chemicals	399,907	616,620	1,010,000	1,029,000
5218 Uniforms	3,416	3,488	5,000	5,600
5219 Other Miscellaneous Supplies	27,102	38,913	71,000	71,000
5220 Repair & Maintenance Supplies	97,674	104,413	85,800	96,100
5240 Small Tools	2,307	3,366	6,000	6,000
5241 Small Equipment	6,199	5,549	29,000	26,000
5310 Contract Services	19,145	20,109	25,000	50,000

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5319 Other Professional Services	140	14,400	5,000	5,000
5320 Data Services	686	1,257	1,300	1,300
5321 Telephone	605	360	700	1,000
5322 Postage	483	389	800	500
5331 Training Expenses	1,863	2,813	5,600	13,500
5335 Mileage Reimbursement - Local	171	1,169	1,000	1,200
5355 Printing and Copying	-	317	1,000	500
5356 Copier, Printer Lease & Supplies	-	-	500	500
5381 Electricity	1,324,212	1,644,724	1,500,000	1,700,000
5382 Water & Sewer	104,914	87,544	117,500	117,500
5383 Natural Gas	-	114	-	-
5401 Building Repair & Maintenance	57,149	13,719	113,300	123,300
5404 Equipment Maintenance/Repair	143,041	119,668	289,400	394,400
5409 Fleet Services	7,331	5,660	7,600	14,700
5433 Dues and Subscriptions	6,644	6,864	7,000	7,500
5438 Licenses	-	-	300	300
5441 Other Services & Charges	36,464	56,907	64,800	64,800
5450 Laundry	316	348	400	400
5483 Water Testing Fees	817	-	-	-
TOTAL	2,260,194	2,760,241	3,401,000	3,761,100
1955 TOTAL-WATER TRMT & PUMPING	3,331,382	3,803,724	4,533,400	5,461,600

City of Duluth Minnesota - 2025 Budget

Compliance

510-500-1970

Compliance expenditures represent costs associated with fulfilling both regulatory and mandated programs associated with the four utilities that the City provides. This includes costs associated with the Lead Service Line replacement program as required by the EPA.

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	-	-	-	139,000
5101 Permanent Employees - Overtime	-	-	-	10,000
TOTAL	-	-	-	149,000
EMPLOYEE BENEFITS				
5121 P.E.R.A.	-	-	-	10,800
5122 F.I.C.A. Social Security	-	-	-	9,200
5123 F.I.C.A. Medicare	-	-	-	2,200
5125 Dental Insurance	-	-	-	900
5126 Life Insurance	-	-	-	700
5127 Health Care Savings	-	-	-	2,600
5130 Cafeteria Plan Benefits	-	-	-	27,800
TOTAL	-	-	-	54,200
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	-	-	-	384,000
5303 Engineering Services	-	-	-	60,000
TOTAL	-	-	-	444,000
1955 TOTAL-WATER TRMT & PUMPING	-	-	-	647,200

City of Duluth Minnesota - 2025 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 2025. The major category of expense is purchased gas, which represents 61% 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
REVENUE				
Gas Sales	57,717,174	44,143,745	51,339,700	50,041,600
Operating	1,907,397	1,982,830	1,945,500	1,720,500
Non-Operating	30,825	273,068	100,000	100,000
	59,655,396	46,399,643	53,385,200	51,862,100
EXPENSES				
Personal Services	6,778,917	7,806,340	9,712,400	9,903,800
Supplies	953,145	1,072,398	1,788,300	2,186,500
Other Services & Charges	1,766,938	1,887,827	2,109,800	2,259,600
Depreciation	1,590,052	1,577,748	1,800,800	1,765,800
Miscellaneous	58,246	45,652	50,400	47,800
Cost of Sales	36,775,067	23,994,788	32,000,000	30,500,000
Interfund Transfers	3,027,182	4,333,370	2,870,000	3,215,500
	50,949,547	40,718,123	50,331,700	49,879,000
ESTIMATED OPERATING INCOME (LOSS)	8,705,849	5,681,520	3,053,500	1,983,100
Other Sources of Cash	4,853,788	5,306,854	1,800,800	1,765,800
Other Uses of Cash	(6,076,372)	(6,918,467)	(3,049,500)	(3,095,400)
Increase (Decrease) in Cash	7,483,265	4,069,907	1,804,800	653,500

City of Duluth Minnesota - 2025 Budget

Gas Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2024 Budget	2024 Projected	2025 Approved
ESTIMATED OPERATING INCOME (LOSS)	3,053,500	691,892	1,983,100
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,800,800	1,644,300	1,765,800
Due from Other Funds	-	14,462	-
Interfund Loans Repaid by Other Funds	-	420,296	-
Special Assessment Principal	-	86,666	-
Total Other Sources of Cash	1,800,800	2,165,724	1,765,800
<u>Other Uses of Cash</u>			
Due to Other Funds	-	30,622	-
Capital Improvements from Current Revenues	2,520,000	1,892,000	2,600,000
Capital Equipment Purchases	394,800	363,000	495,400
AMRS Purchase Agreement Principal Payment	134,700	134,672	-
Total Other Uses of Cash	3,049,500	2,420,294	3,095,400
INCREASE (DECREASE) IN CASH	1,804,800	437,322	653,500
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	12,950,195	12,950,195	13,387,517
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	14,754,995	13,387,517	14,041,017

City of Duluth Minnesota - 2025 Budget

Gas Fund

520

Revenue Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING REVENUES				
GAS SALES				
4820 Residential Firm	29,370,012	24,528,429	26,114,400	25,728,500
4822 Comm/Industrial Firm Large	15,300,287	10,351,390	11,979,600	11,650,700
4824 Comm/Industrial Interruptible Large	8,854,714	5,068,774	8,995,700	8,412,400
4831 Fixed Rate Charges	4,192,161	4,195,152	4,250,000	4,250,000
TOTAL	57,717,174	44,143,745	51,339,700	50,041,600
OTHER OPERATING REVENUES				
4636 Sale of Scrap	1,068	1,154	500	500
4700 Other Sources	155,605	293,604	-	-
4801 Off/On Charge	35,111	32,521	25,000	25,000
4802 Interest Earned on Customer Accts	142,803	107,768	100,000	125,000
4805 Reimbursements	24,244	31,327	450,000	200,000
4809 Miscellaneous Operating Revenue	32,807	72,454	70,000	70,000
4818 Servicing Appliances	696,527	559,881	550,000	550,000
4819 Comfort Policy	524,109	542,499	500,000	500,000
4825 Purchase Gas Adjustment	(34)	(26)	-	-
4827 Gas-Interruptible Transport	295,064	340,608	250,000	250,000
4851 Interest Income - Other Sources	93	1,040	-	-
TOTAL	1,907,397	1,982,830	1,945,500	1,720,500
TOTAL OPERATING REVENUES	59,624,571	46,126,575	53,285,200	51,762,100
NON-OPERATING REVENUES				
4601 Change in Fair Value Investments	(122,850)	23,014	-	-
4829 Two Tier Rate	131,410	127,511	100,000	100,000
4853 Gain on Sale of Assets	22,265	26,159	-	-
4854 Utility Assessments	-	87,631	-	-
4857 Capital Contributions	-	8,752	-	-
TOTAL NON-OPERATING REVENUES	30,825	273,068	100,000	100,000
TOTAL REVENUE	59,655,396	46,399,643	53,385,200	51,862,100

City of Duluth Minnesota - 2025 Budget

Director's Office

520-500-1900

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

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	110,667	110,808	115,000	153,800
5101 Permanent Employees - Overtime	1,119	2,542	-	500
TOTAL	111,786	113,350	115,000	154,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	8,891	8,311	8,500	11,500
5122 F.I.C.A. Social Security	6,918	6,522	7,100	9,600
5123 F.I.C.A. Medicare	1,568	1,596	1,700	2,200
5125 Dental Insurance	506	495	500	700
5126 Life Insurance	341	338	200	600
5127 Health Care Savings	4,228	3,115	2,000	2,700
5130 Cafeteria Plan Benefits	20,959	25,327	28,900	44,700
5133 Health or Fitness Program	24	96	-	-
TOTAL	43,435	45,800	48,900	72,000
OPERATING EXPENSES				
5200 Office Supplies	64	92	100	100
5241 Small Equipment	150	271	300	700
5320 Data Services	-	62	100	100
5321 Telephone	360	398	400	800
5331 Training/Travel	1,078	446	1,100	1,600
5335 Mileage Reimbursement Local	228	27	200	200
5438 Licenses	84	-	100	100
TOTAL	1,964	1,296	2,300	3,600
1900 TOTAL - DIRECTOR'S OFFICE	157,185	160,446	166,200	229,900

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING EXPENSES				
5420 Depreciation	1,590,052	1,577,748	1,800,800	1,765,800
5535 Improvements (Non-Capital)	37,344	75,603	75,000	90,000
5540 Equipment (Non-Capital)	5,617	51,792	12,500	-
5614 Purchase Agreement Interest	18,273	8,472	2,600	-
5700 Interfund Transfers Out to General Fund	-	-	112,500	112,500
TOTAL	1,651,286	1,713,615	2,003,400	1,968,300
NON-OPERATING EXPENSES				
5533 Capital Improvements				
- Revenue Financing	1,987,826	1,864,801	2,520,000	2,600,000
5580 Capital Equipment	173,899	325,375	394,800	495,400
TOTAL	2,161,725	2,190,176	2,914,800	3,095,400
1905 TOTAL - CAPITAL	3,813,011	3,903,791	4,918,200	5,063,700

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	189,769	250,342	249,300	234,300
5101 Permanent Employees - Overtime	10,993	8,547	5,400	6,500
5118 Meal Allowance	263	165	-	-
TOTAL	201,025	259,054	254,700	240,800
EMPLOYEE BENEFITS				
5121 P.E.R.A.	13,523	18,622	18,500	17,500
5121 PERA Retirement, GASB 68	191,763	(96,575)	-	-
5122 F.I.C.A. Social Security	12,249	15,597	15,800	14,900
5123 F.I.C.A. Medicare	2,865	3,648	3,700	3,500
5125 Dental Insurance	1,076	1,570	1,600	1,500
5126 Life Insurance	9,893	9,429	700	1,200
5127 Health Care Savings	10,555	4,001	4,000	3,700
5130 Cafeteria Plan Benefits	34,796	52,715	57,500	42,900
5133 Health or Fitness Program	114	100	-	-
5134 Other Post Retirement Benefits	(1,575,696)	(313,764)	-	-
5135 Retiree Health Insurance	712,944	633,528	813,200	813,200
5151 Worker's Compensation	101,600	105,800	105,800	105,800
TOTAL	(484,318)	434,671	1,020,800	1,004,200
OPERATING EXPENSES				
5200 Office Supplies	168	8	-	-
5205 Safety & Training	244	432	800	600
5211 Cleaning & Janitorial Supplies	3,192	3,585	4,300	5,000
5218 Uniforms	163	-	100	-
5241 Small Equipment	680	677	1,700	3,800
5301 Auditing Services	1,331	1,441	1,600	1,500
5305 Medical Services/Testing Fees	9,228	5,527	10,200	10,200
5310 Contract Services	420	21,106	2,500	10,000
5320 Data Services	23,257	21,626	37,300	38,700
5321 Telephone	4,229	4,264	4,300	4,300
5322 Postage	-	309	300	1,000
5331 Training Expense	8,382	9,482	11,800	9,400

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5335 Mileage Reimbursement	180	-	1,500	-
5340 Advertising and Promotion	35,297	17,654	30,500	35,700
5355 Printing & Copying	18,554	12,269	13,000	17,000
5356 Copier, Printer Lease & Supplies	2,781	4,799	4,500	4,500
5360 Insurance	64,800	65,000	65,000	65,000
5381 Electricity	15,629	14,990	16,500	16,500
5382 Water, Gas & Sewer	12,972	10,622	13,300	13,300
5384 Refuse Disposal	2,919	3,421	3,000	3,000
5401 Building Repair & Maintenance	6,088	6,298	4,400	4,600
5404 Equipment/Machinery Repair	90	168	13,500	13,500
5414 Software Lic & Mtc Agreements	82,587	83,303	82,300	88,200
5433 Dues and Subscriptions	3,880	3,816	7,800	3,700
5441 Other Services & Charges	5,841	4,323	4,200	4,200
5443 Board & Meeting Expenses	1,222	-	-	-
5450 Laundry	1,469	845	1,500	1,500
5452 Pipe Line Safety	13,837	12,834	15,000	15,000
5493 Cost Allocation	481,800	481,800	531,300	498,600
5711 Payment in Lieu of Taxes	2,869,276	4,173,720	2,700,000	3,000,000
5700 Transfer to General Fund	53,850	55,900	57,500	103,000
TOTAL	3,724,366	5,020,219	3,639,700	3,971,800
1915 TOTAL - GENERAL EXPENSE	3,441,073	5,713,944	4,915,200	5,216,800

City of Duluth Minnesota - 2025 Budget

Engineering

520-500-1930

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

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	918,787	931,383	943,000	908,600
5101 Permanent Employees - Overtime	48,688	57,508	50,000	50,000
5103 Temporary Wages	629	613	2,700	2,700
5118 Meal Allowance	383	601	1,100	1,100
TOTAL	968,487	990,105	996,800	962,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	70,776	72,063	73,900	71,200
5122 F.I.C.A. Social Security	57,009	59,083	61,700	59,600
5123 F.I.C.A. Medicare	13,333	13,818	14,400	13,900
5125 Dental Insurance	4,415	4,342	4,400	4,800
5126 Life Insurance	3,008	2,957	2,000	3,900
5127 Health Care Savings	35,240	29,931	17,800	20,700
5130 Cafeteria Plan Benefits	253,437	244,520	296,200	266,100
5133 Health or Fitness Program	258	144	-	-
5141 Unemployment Compensation	3,302	-	-	-
5159 Project Benefits (Contra-Account)	(387,094)	(298,329)	-	-
TOTAL	53,684	128,529	470,400	440,200
OPERATING EXPENSES				
5200 Office Supplies	261	520	400	400
5201 Computer Supplies	291	1,124	300	200
5203 Paper, Stationery and Forms	154	148	200	200
5205 Safety & Training Materials	33	109	400	400
5212 Motor Fuel	9,187	9,119	8,600	9,100
5218 Uniforms	3,447	4,096	3,500	200
5219 Other Miscellaneous Supplies	1,981	2,915	-	2,500
5220 Repair & Maintenance Supplies	4,710	8,259	5,000	5,000
5240 Small Tools	40	51	400	400
5241 Small Equipment	1,387	133	7,900	3,100
5242 Survey Equipment and Supplies	4,937	7,942	5,900	6,400
5320 Data Services	2,235	1,711	2,200	2,200
5321 Telephone	2,768	2,182	3,100	3,100

City of Duluth Minnesota - 2025 Budget

Engineering

520-500-1930

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

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5322 Postage	341	134	200	300
5331 Training Expenses	2,010	3,023	14,800	14,200
5335 Mileage Reimbursement	-	113	200	200
5355 Printing and Copying	195	96	300	300
5356 Copier, Printer Lease & Supplies	235	168	300	300
5404 Equipment Maintenance Repair	317	258	2,000	2,000
5409 Fleet Services	5,210	8,204	9,600	12,700
5414 Software Lic & Mtc Agreements	23,906	22,667	26,000	33,200
5433 Dues and Subscriptions	2,442	2,311	3,300	3,500
5435 Books and Pamphlets	1	-	-	-
5438 Licenses	449	-	200	-
5441 Other Services and Charges	5,440	13,811	8,600	7,000
5486 One Call System	3,038	3,277	4,500	4,500
5700 Interfund Transfers Out To General Fund	306	-	-	-
TOTAL	75,321	92,371	107,900	111,400
1930 TOTAL - ENGINEERING	1,097,492	1,211,005	1,575,100	1,514,000

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	2,687,473	2,508,921	2,701,300	2,724,100
5101 Permanent Employees - Overtime	47,864	52,327	73,600	73,600
5103 Other Wages	-	-	29,000	45,000
5111 Long-Term Disability Wages	697	-	-	-
5118 Meal Allowance	185	357	400	400
TOTAL	2,736,219	2,561,605	2,804,300	2,843,100
EMPLOYEE BENEFITS				
5121 P.E.R.A.	199,568	188,344	206,200	207,600
5122 F.I.C.A. Social Security	162,120	151,921	173,900	173,500
5123 F.I.C.A. Medicare	37,915	35,530	40,700	40,600
5125 Dental Insurance	15,015	13,848	14,700	16,000
5126 Life Insurance	10,213	9,442	6,700	13,000
5127 Health Care Savings	60,158	63,557	66,000	53,000
5130 Cafeteria Plan Benefits	739,931	772,448	967,000	906,200
5133 Health or Fitness Program	32	108	-	-
TOTAL	1,224,952	1,235,198	1,475,200	1,409,900
OPERATING EXPENSES				
5200 Office Supplies	1,660	1,180	3,100	3,100
5201 Computer Supplies/Software	1,337	3,624	1,200	1,200
5205 Safety & Training Materials	202	788	-	700
5210 Plant/Operating Supplies	23,909	38,711	44,000	44,000
5212 Motor Fuel	80,419	65,306	74,900	80,300
5215 Shop Materials	46,412	45,681	40,000	45,000
5218 Uniforms	14,595	15,530	18,000	15,500
5219 Other Miscellaneous Supplies	191,016	5,443	350,000	220,000
5220 Repair & Maintenance Supplies	21,308	35,898	40,000	40,000
5227 Utility System Maintenance Supply	261,207	373,155	500,000	1,070,000

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5228 Painting Supplies	12,123	5,774	15,000	15,000
5240 Small Tools	32,120	36,040	29,200	31,000
5241 Small Equipment	13,708	8,301	22,000	33,000
5310 Contract Services	37,002	37,437	43,200	46,400
5320 Data Services	20,256	17,207	20,400	20,400
5321 Telephone	9,820	9,240	10,500	10,300
5322 Postage	76,463	81,802	77,000	85,000
5331 Training / Travel	5,234	10,604	37,500	39,500
5335 Mileage Reimbursement	-	-	200	200
5339 Armored Pickup	5,207	-	-	-
5340 Advertising and Promotion	19,391	58,746	79,500	79,500
5355 Printing & Copying	1,692	1,438	1,700	1,900
5356 Copier, Printer Lease & Supplies	1,349	1,448	1,100	2,800
5404 Equipment Repair & Maintenance	3,173	391	7,300	7,300
5409 Fleet Services	58,633	54,337	72,900	87,300
5414 Software Lic & Mtc Agreements	19,774	18,575	34,900	38,700
5427 Credit Card Commissions	148,529	157,842	150,000	150,000
5432 Uncollectible Accounts	64,844	45,788	55,000	55,000
5433 Dues and Subscriptions	2,548	2,548	8,100	8,800
5441 Other Services & Charges	26,595	44,956	28,700	28,700
5487 Conservation Improvement	248,342	163,822	226,900	226,900
5615 Customer Deposit Refund Interest	3,260	73,029	10,000	75,000
TOTAL	1,452,128	1,414,641	2,002,300	2,562,500
1940 TOTAL - CUSTOMER SERVICES	5,413,299	5,211,444	6,281,800	6,815,500

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,015,234	1,045,034	1,305,700	1,386,200
5101 Permanent Employees - Overtime	49,766	43,052	100,000	100,000
5111 Long-Term Disability Wages	94	-	-	-
5118 Meal Allowance	920	664	3,000	3,000
TOTAL	1,066,014	1,088,750	1,408,700	1,489,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	75,832	78,865	104,100	109,900
5122 F.I.C.A. Social Security	64,221	65,630	87,200	92,100
5123 F.I.C.A. Medicare	15,020	15,349	20,400	21,500
5125 Dental Insurance	5,519	5,662	7,100	8,200
5126 Life Insurance	3,756	3,866	3,200	6,600
5127 Health Care Savings	20,917	28,148	24,700	23,600
5130 Cafeteria Plan Benefits	230,129	270,291	427,000	415,300
5133 Health or Fitness Program	384	288	-	-
5141 Unemployment Compensation	236	334	-	-
TOTAL	416,014	468,433	673,700	677,200
OPERATING EXPENSES				
5200 Office Supplies	1,396	986	1,300	1,300
5201 Computer Supplies/Software	430	242	500	500
5205 Safety & Training Materials	2,606	3,824	8,500	8,500
5210 Plant Operations Supplies	21,499	18,534	22,700	22,700
5212 Motor Fuel	66,340	52,860	67,700	64,400
5215 Shop Materials	15,030	25,162	21,500	25,000
5218 Uniforms	6,167	6,643	10,600	11,600
5219 Other Miscellaneous Supplies	3,244	2,544	3,500	3,500
5220 Repair and Maintenance Supplies	2,239	5,216	8,800	8,900
5222 Paving Materials	23,115	16,944	22,500	5,000
5224 Gravel & Other Maintenance Supplies	52,769	56,766	71,400	16,300
5227 Utility Maintenance Supply	(91,919)	96,815	220,000	220,000
5228 Painting Supplies	28	15	500	500
5240 Small Tools	22,985	8,741	23,300	23,300

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5241 Small Equipment	2,951	15,839	9,200	11,600
5310 Contract Services	465	4,738	19,500	19,500
5320 Data Services	3,709	3,383	4,800	6,000
5321 Telephone	2,437	2,585	4,000	6,000
5331 Training Expense	2,582	9,286	11,900	37,100
5333 Freight/Delivery Charges	5,816	3,308	6,000	5,000
5335 Mileage Reimbursement	2,087	2,361	2,500	3,000
5355 Printing and Copying	-	92	300	300
5356 Copier, Printer Lease & Supplies	-	80	400	400
5384 Refuse Disposal	10,040	7,601	11,000	11,000
5404 Equipment Repair & Maintenance	3,974	5,612	13,600	13,600
5409 Fleet Service Charges	102,535	99,465	103,000	115,300
5415 Vehicle/Equipment Rental	-	393	6,500	6,500
5419 Other Rentals	-	2	-	-
5441 Other Services & Charges	1,551	2,638	2,500	2,500
5450 Laundry	3,928	3,636	6,500	8,100
5700 Transfer to General Fund	103,750	103,750	-	-
TOTAL	371,754	560,061	684,500	657,400
1945 TOTAL - UTILITY OPERATIONS	1,853,782	2,117,244	2,766,900	2,823,800

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	320,111	349,378	292,200	428,400
5101 Permanent Employees - Overtime	7,396	3,500	8,000	20,000
5118 Meal Allowance	75	15	-	-
TOTAL	327,582	352,893	300,200	448,400
EMPLOYEE BENEFITS				
5121 P.E.R.A. Contribution	24,185	24,917	22,400	33,100
5122 F.I.C.A. Social Security	19,843	21,419	18,600	27,800
5123 F.I.C.A. Medicare	4,641	5,009	4,400	6,500
5125 Dental Insurance	1,346	1,385	1,300	1,900
5126 Life Insurance	918	945	600	1,500
5127 Health Care Savings	15,106	19,097	4,700	5,100
5130 Cafeteria Plan Benefits	47,998	55,180	91,700	86,200
TOTAL	114,037	127,952	143,700	162,100
OPERATING EXPENSES				
5200 Office Supplies	139	71	300	300
5201 Computer Supplies/Software	6,598	10,308	10,000	12,000
5210 Plant Operations Supplies	20,645	37,699	40,000	45,000
5212 Motor Fuel	2,322	2,901	3,800	3,600
5218 Uniforms	641	-	400	1,100
5219 Other Miscellaneous Supplies	-	-	2,500	2,500
5220 Repair & Maintenance Supplies	62,075	34,499	57,000	57,000
5227 Utility System Mtc Supplies	-	13	-	-
5241 Small Equipment	740	864	5,000	5,000
5280 Natural Gas Purchases	36,775,067	23,994,788	32,000,000	30,500,000
5320 Data Services	1,969	3,011	2,600	3,500
5321 Telephone	1,783	1,050	2,400	2,400
5331 Training Expense	489	3,020	11,900	17,300
5333 Freight/Delivery Charges	10	-	100	100
5356 Copier, Printer Lease & Supplies	-	246	300	300
5381 Electricity	11,372	11,568	15,000	15,000

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5382 Water/Sewer/Gas	-	-	3,000	3,000
5404 Equipment Maintenance Repair	-	2,367	12,500	12,500
5409 Fleet Services Charges	1,076	2,874	2,900	3,600
5433 Dues and Subscriptions	100	148	500	-
5441 Other Services & Charges	8,785	4,153	9,000	9,000
TOTAL	36,893,811	24,109,580	32,179,200	30,693,200
1960 TOTAL - NATURAL GAS	37,335,430	24,590,425	32,623,100	31,303,700

City of Duluth Minnesota - 2025 Budget

Compliance

520-500-1970

Compliance expenditures represent costs associated with fulfilling both regulatory and mandated programs associated with the four utilities that the City provides. This includes costs associated with various Federal and State regulatory requirements for Gas Safety education.

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING EXPENSES				
5331 Training Expense	-	-	-	2,500
5433 Dues and Subscriptions	-	-	-	4,500
TOTAL	-	-	-	7,000
1960 TOTAL - NATURAL GAS	-	-	-	7,000

City of Duluth Minnesota - 2025 Budget

Sewer Fund

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The Sewer Fund accounts for the provision of sanitary sewer service as a self-supporting enterprise fund. Activities include the operation and maintenance of the City's sanitary sewer collection system. The major funding source is user charges, representing 99% of total revenues for 2024. The major expense category is for contractual services and charges paid to the Western Lake Superior Sanitary District (WLSSD), constituting 54% 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
REVENUE				
Operating	18,725,666	20,195,695	20,431,200	21,447,400
Non-Operating	(66,599)	79,856	14,300	13,000
	18,659,067	20,275,551	20,445,500	21,460,400
EXPENSES				
Personal Services	3,139,138	3,037,204	4,380,700	4,288,900
Supplies	294,013	386,378	516,700	514,800
Other Services & Charges	10,750,674	11,315,435	11,324,400	12,034,800
Depreciation	1,614,843	1,611,022	1,689,900	1,744,800
Miscellaneous	186,658	168,113	173,700	165,500
Interfund Transfers	157,906	159,550	169,900	215,500
	16,143,232	16,677,702	18,255,300	18,964,300
ESTIMATED OPERATING INCOME (LOSS)	2,515,835	3,597,849	2,190,200	2,496,100
Other Sources of Cash	2,344,098	2,532,806	1,688,300	1,744,700
Other Uses of Cash	(1,391,182)	(4,194,515)	(3,732,600)	(3,739,900)
Increase (Decrease) in Cash	3,468,751	1,936,140	145,900	500,900

City of Duluth Minnesota - 2025 Budget

Sewer Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2024 Budget	2024 Projected	2025 Approved
ESTIMATED OPERATING INCOME (LOSS)	2,190,200	2,546,145	2,496,100
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,689,900	1,651,900	1,744,800
Interest from Bond Discount	(1,600)	(1,600)	(100)
Due from Other Funds	-	38,647	-
Special Assessment Principal	-	69,806	-
Infrastructure System Replacement Fund		428,070	
Total Other Sources of Cash	1,688,300	2,186,823	1,744,700
<u>Other Uses of Cash</u>			
Due to Other Funds	-	42,376	-
Infrastructure System Replacement Fund	8,300	8,300	8,300
Capital Improvements from Current Revenues	3,020,000	2,595,000	3,000,000
Capital Equipment Purchases	325,300	325,300	656,600
Bond Principal Payments	252,500	252,500	75,000
AMRS Purchase Agreement Principal Payment	126,500	126,510	-
Total Other Uses of Cash	3,732,600	3,349,986	3,739,900
INCREASE (DECREASE) IN CASH	145,900	1,382,982	500,900
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	7,982,363	7,982,363	9,365,345
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	8,128,263	9,365,345	9,866,245

City of Duluth Minnesota - 2025 Budget

Sewer Fund

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Revenue Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING REVENUES:				
4636 Sale of Materials	173	40	300	300
4700 Other Sources	1,063	-	-	-
4802 Interest Earned on Customer Accts	46,266	42,661	50,000	50,000
4805 Reimbursements	36,642	2,156	33,000	33,000
4809 Misc. Operating Revenue	2,446	2,409	3,000	3,000
4831 Fixed Rate Charges	1,970,033	1,970,852	1,950,000	1,970,000
4833 Sewer Revenues	16,526,632	18,059,365	18,251,000	19,252,200
4834 Fond du Lac Grinder Pump Surcharge	11,769	11,658	11,900	11,900
4836 I & I Surcharge	-	-	2,000	-
4839 Point of Sale Inspection Fee	127,567	103,516	130,000	125,000
4851 Interest Income - Other Sources	3,075	3,038	-	2,000
TOTAL OPERATING REVENUES	18,725,666	20,195,695	20,431,200	21,447,400
NON-OPERATING REVENUES:				
4601 Change in Fair Value Investments	(77,899)	18,272	-	-
4853 Gain on Sale of Assets	-	1,288	3,000	3,000
4854 Utility Special Assessments	-	10,349	-	-
4730 Transfer from Enterprise Funds	11,300	49,947	11,300	10,000
TOTAL NON-OPERATING REVENUES	(66,599)	79,856	14,300	13,000
TOTAL REVENUE	18,659,067	20,275,551	20,445,500	21,460,400

City of Duluth Minnesota - 2025 Budget

Director's Office

530-500-1900

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

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	93,016	92,590	95,800	87,100
5101 Permanent Employees - Overtime	961	2,263	-	500
TOTAL	93,977	94,853	95,800	87,600
EMPLOYEE BENEFITS				
5121 P.E.R.A.	7,612	6,947	7,100	6,500
5122 F.I.C.A. Social Security	5,814	5,376	5,900	5,400
5123 F.I.C.A. Medicare	1,310	1,327	1,400	1,300
5125 Dental Insurance	408	396	400	400
5126 Life Insurance	273	270	200	300
5127 Health Care Savings	3,823	2,702	1,600	1,400
5130 Cafeteria Plan Benefits	18,019	22,093	25,200	23,200
5133 Health or Fitness Program	24	96	-	-
TOTAL	37,283	39,207	41,800	38,500
OPERATING EXPENSES				
5241 Small Equipment	145	249	200	500
5320 Data Services	-	58	100	100
5321 Telephone	288	290	300	400
5331 Training Expense	796	226	700	1,200
5335 Mileage Reimbursement	203	10	200	200
5356 Copier, Printer Lease & Supplies	137	35	100	100
TOTAL	1,569	868	1,600	2,500
1900 TOTAL - DIRECTOR'S OFFICE	132,829	134,928	139,200	128,600

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING EXPENSES				
5420 Depreciation	1,614,843	1,611,022	1,689,900	1,744,800
5535 Improvements (Non-Capital)	76,338	14,643	71,200	28,000
5540 Equipment (Non-Capital)	5,257	36,327	4,300	-
5611 Bond Interest	26,344	12,371	7,300	-
5613 Interest - from Amortization	(12,115)	(4,210)	(1,600)	(100)
5614 Purchase Agreement Interest	17,165	7,958	2,400	-
5620 Fiscal Agents Fee	1,500	1,575	1,600	1,600
5700 Interfund Transfers Out To General Fund	-	-	112,500	112,500
TOTAL	1,729,332	1,679,686	1,887,600	1,886,800
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue	373,220	2,400,292	3,020,000	3,000,000
5580 Capital Equipment	70,900	437,294	325,300	656,600
TOTAL	444,120	2,837,586	3,345,300	3,656,600
1905 TOTAL - CAPITAL	2,173,452	4,517,272	5,232,900	5,543,400

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	65,764	71,665	73,300	51,000
5101 Permanent Employees - Overtime	2,292	1,994	2,100	1,500
5118 Meal Allowance	52	35	-	-
TOTAL	68,108	73,694	75,400	52,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	4,710	5,323	5,500	3,800
5121 P.E.R.A., GASB 68	110,437	(89,950)	-	-
5122 F.I.C.A. Social Security	4,115	4,410	4,700	3,300
5123 F.I.C.A. Medicare	962	1,031	1,100	800
5125 Dental Insurance	422	486	500	300
5126 Life Insurance	293	330	200	300
5127 Health Care Savings	4,121	1,183	1,200	800
5130 Cafeteria Plan Benefits	14,741	19,964	21,600	9,300
5133 Health or Fitness Program	34	30	-	-
5134 Other Post Retirement Benefits	(455,493)	(199,368)	-	-
5135 Retiree Health Insurance	122,810	135,579	155,900	155,900
5151 Worker's Compensation	35,300	37,400	37,400	37,400
TOTAL	(157,548)	(83,582)	228,100	211,900
OPERATING EXPENSES				
5200 Office Supplies	142	2	-	-
5205 Safety & Training	228	348	600	600
5211 Cleaning & Janitorial Supplies	3,048	3,414	4,300	5,000
5218 Uniforms	162	-	100	-
5241 Small Equipment	510	676	1,700	3,800
5301 Auditing Services	1,331	1,441	1,600	1,500
5305 Medical Services/Testing Fees	1,067	1,138	1,600	1,600
5310 Contract Services	420	15,946	2,500	10,000
5320 Data Services	13,529	14,279	18,400	18,400
5321 Telephone	2,594	2,629	2,000	2,000
5331 Training / Travel	782	1,082	1,800	1,800

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5335 Mileage Reimbursement - Local	180	-	500	-
5355 Printing & Copying Services	14	-	-	-
5356 Copier, Printer Lease & Supplies	2,596	3,720	4,500	4,500
5360 Insurance	24,200	20,900	20,900	20,900
5381 Electricity	14,624	14,105	16,500	16,500
5382 Water, Gas & Sewer	12,750	10,477	14,000	14,000
5384 Refuse Disposal	2,741	3,217	3,000	3,000
5401 Building Repair & Maintenance	5,822	6,142	4,200	4,500
5404 Equipment/Machinery Repair & Mtc	-	158	10,500	10,500
5414 Software Lic & Mtc Agreements	50,156	53,871	55,700	60,700
5433 Dues & Subscription	18	-	-	-
5441 Other Services & Charges	6,581	4,150	3,500	3,800
5450 Laundry	1,414	889	1,500	1,500
5493 Cost Allocation	238,200	238,200	256,300	333,000
5700 Transfer to General Fund	53,850	55,800	57,400	103,000
TOTAL	436,959	452,584	483,100	620,600
1915 TOTAL - UTILITY GENERAL	347,519	442,696	786,600	885,000

City of Duluth Minnesota - 2025 Budget

Engineering

530-500-1930

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

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	436,129	465,429	565,000	516,200
5101 Permanent Employees - Overtime	26,369	29,299	38,000	30,000
5103 Temporary Wages	629	613	2,700	2,700
5118 Meal Allowance	383	267	1,000	1,000
TOTAL	463,510	495,608	606,700	549,900
EMPLOYEE BENEFITS				
5121 P.E.R.A.	33,765	36,166	44,600	40,500
5122 F.I.C.A. Social Security	27,670	29,561	37,600	34,000
5123 F.I.C.A. Medicare	6,471	6,914	8,800	8,000
5125 Dental Insurance	2,208	2,298	2,900	2,800
5126 Life Insurance	1,502	1,571	1,300	2,300
5127 Health Care Savings	18,918	13,279	10,300	12,100
5130 Cafeteria Plan Benefits	96,544	111,027	168,600	147,000
5133 Health or Fitness Program	458	144	-	-
5141 Unemployment Compensation	3,777	1,194	-	-
5159 Project Benefits (Contra-Account)	(8,845)	(17,557)	-	-
TOTAL	182,468	184,597	274,100	246,700
OPERATING EXPENSES				
5200 Office Supplies	191	363	400	400
5201 Computer Supplies	283	453	300	200
5203 Paper, Stationary & Forms	144	106	200	200
5205 Safety & Training Materials	24	89	400	400
5212 Motor Fuels	5,780	5,217	4,700	5,400
5218 Uniforms	1,396	1,702	1,400	200
5219 Other Miscellaneous Supplies	373	190	-	-
5240 Small Tools	38	31	400	400
5241 Small Equipment	-	82	1,200	-
5242 Survey Equipment and Supplies	3,069	3,330	5,900	6,400
5320 Data Services	2,114	1,610	2,200	2,200
5321 Telephone	1,675	1,837	1,700	1,700
5322 Postage	320	38	200	300

City of Duluth Minnesota - 2025 Budget

Engineering

530-500-1930

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

Expense Detail	2022	2023	2024	2025
	Actual	Actual	Budget	Approved
5331 Training Expenses	496	352	5,200	5,400
5335 Mileage Reimbursement - Local	976	1,096	1,500	1,500
5355 Printing and Copying	180	90	300	300
5356 Copier, Printer Lease & Supplies	225	163	300	300
5404 Equipment Maintenance/Repair	127	241	2,000	2,000
5409 Fleet Services Charges	2,524	4,506	5,600	5,500
5414 Software Lic & Mtc Agreements	14,068	13,074	15,800	17,200
5433 Dues & Subscriptions	132	-	800	500
5438 Licenses	117	-	200	-
5441 Other Services and Charges	4,287	11,994	7,100	6,000
5486 One Call System	3,015	3,277	4,500	4,500
Interfund Transfer Out To Special				
5700 Revenue Funds	306	-	-	-
TOTAL	41,860	49,841	62,300	61,000
1930 TOTAL - ENGINEERING	687,838	730,046	943,100	857,600

City of Duluth Minnesota - 2025 Budget

Customer Service

530-500-1940

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

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	216,164	222,325	241,100	239,400
5101 Permanent Employees - Overtime	1,024	1,138	1,000	1,000
5118 Meal Allowance	2	-	-	-
TOTAL	217,190	223,463	242,100	240,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	16,088	16,243	17,900	17,800
5122 F.I.C.A. Social Security	12,692	13,014	15,000	14,900
5123 F.I.C.A. Medicare	2,968	3,044	3,500	3,500
5125 Dental Insurance	1,293	1,270	1,300	1,400
5126 Life Insurance	877	867	600	1,200
5127 Health Care Savings	5,596	5,102	4,400	4,400
5130 Cafeteria Plan Benefits	61,427	66,705	77,200	78,400
5133 Health or Fitness Program	16	54	-	-
TOTAL	100,957	106,299	119,900	121,600
OPERATING EXPENSES				
5200 Office Supplies	294	210	800	800
5201 Computer Supplies	8	-	600	600
5241 Small Equipment	869	3,855	900	900
5310 Contract Services	18,185	16,643	21,600	23,200
5320 Data Services	139	120	200	200
5321 Telephone	338	312	500	400
5322 Postage	38,232	40,212	38,500	42,500
5331 Training Expense	443	3,606	4,000	5,000
5339 Armored Pickup	2,603	-	-	-
5355 Printing & Copying	428	452	400	500
5356 Copier, Printer Lease & Supplies	480	596	600	1,200
5404 Equipment Repair & Maintenance	123	133	200	200
5414 Software Lic & Mtc Agreements	2,891	4,686	6,500	7,700
5427 Credit Card Commission	65,940	49,572	74,000	74,000
5432 Uncollectible Accounts	27,142	15,192	23,000	23,000
5441 Other Services & Charges	95	83	100	100
TOTAL	158,210	135,672	171,900	180,300
1940 TOTAL-CUSTOMER SERVICES	476,357	465,434	533,900	542,300

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,066,180	869,816	1,210,400	1,220,700
5101 Permanent Employees - Overtime	46,884	48,849	65,000	65,000
5103 Temporary Wages	11,710	8,471	30,200	30,600
5111 Long-Term Disability Wages	1,112	-	-	-
5118 Meal Allowance	1,173	864	2,200	2,200
TOTAL	1,127,059	928,000	1,307,800	1,318,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	79,827	68,053	94,400	95,000
5122 F.I.C.A. Social Security	67,020	54,632	81,000	81,600
5123 F.I.C.A. Medicare	15,674	12,778	18,900	19,100
5125 Dental Insurance	6,173	5,134	7,000	7,400
5126 Life Insurance	4,207	3,481	3,200	6,000
5127 Health Care Savings	25,733	30,010	26,400	21,100
5130 Cafeteria Plan Benefits	314,098	291,588	427,900	384,600
5141 Unemployment Compensation	-	433	-	-
TOTAL	512,732	466,109	658,800	614,800
OPERATING EXPENSES				
5200 Office Supplies	1,247	966	1,300	1,300
5201 Computer Supplies	3,646	2,546	3,200	4,500
5205 Safety & Training Materials	2,797	3,701	6,500	6,500
5210 Plant Operations Supplies	21,696	19,370	34,500	34,500
5212 Motor Fuel	66,117	57,728	75,900	70,400
5215 Shop Materials	23	-	1,500	1,500
5218 Uniforms	7,366	6,196	12,600	12,600
5219 Other Miscellaneous Supplies	1,977	5,758	2,500	6,000
5220 Repair and Maintenance Supplies	55,338	185,267	119,100	144,200
5222 Paving Materials	20,335	10,569	22,500	13,500
5224 Gravel and other Mtc Materials	42,113	45,579	76,900	47,800
5227 Utility Maintenance Supply	31,750	13,981	104,600	114,600
5240 Small Tools	9,973	4,983	11,500	11,500

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5241 Small Equipment	6,614	4,142	11,500	11,500
5310 Contract Services	26,843	50,533	68,400	75,400
5320 Data Services	3,354	3,378	3,300	3,300
5321 Telephone	1,213	1,236	1,300	1,300
5331 Training Expense	5,863	6,059	10,500	12,500
5333 Freight/Delivery Charges	1,825	1,659	2,000	2,000
5335 Mileage Reimbursement	2,253	2,553	2,500	3,000
5355 Printing and Copying	-	62	500	500
5356 Copier, Printer Lease & Supplies	-	79	600	400
5381 Electricity	113,062	115,840	120,000	120,000
5382 Water, Gas & Sewer	13,328	9,997	13,500	13,500
5384 Refuse Disposal	19,004	14,384	20,000	20,000
5404 Equipment Maintenance/Repair	32,063	12,419	32,000	32,000
5409 Fleet Service Charges	150,721	145,153	143,400	155,900
5414 Software Lic & Mtc Agreements	1,250	1,250	1,300	1,300
5415 Vehicle/Equipment Rental	646	2,866	5,800	5,800
5433 Dues and Subscriptions	170	44	1,000	1,100
5438 Licenses	205	154	1,000	1,000
5441 Other Services & Charges	4,199	1,608	5,000	5,000
5450 Laundry	4,247	3,818	5,800	7,700
5700 Transfer to General Fund	103,750	103,750	-	-
TOTAL	754,988	837,628	922,000	942,100
1945 TOTAL - UTILITY OPERATIONS	2,394,779	2,231,737	2,888,600	2,875,400

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING EXPENSES				
5484 Western Lake Superior Sanitary District Service Charge	9,560,664	10,114,532	9,860,300	10,500,000
5485 Western Lake Superior Sanitary District Testing	221,104	217,010	226,500	225,000
1965 TOTAL- SEWER TREATMENT	9,781,768	10,331,542	10,086,800	10,725,000

City of Duluth Minnesota - 2025 Budget

Compliance

530-500-1970

Compliance expenditures represent costs associated with fulfilling both regulatory and mandated programs associated with the four utilities that the City provides. This includes costs associated with WLSSD compliance measures to reduce Inflow & Infiltration of ground water into the Sanitary system.

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	329,928	332,626	454,900	512,600
5101 Permanent Employees - Overtime	1,866	3,206	18,000	18,000
5118 Meal Allowance	27	47	300	300
TOTAL	331,821	335,879	473,200	530,900
EMPLOYEE BENEFITS				
5121 P.E.R.A.	24,293	23,862	35,200	39,600
5122 F.I.C.A. Social Security	19,567	19,993	29,300	32,900
5123 F.I.C.A. Medicare	4,576	4,676	6,900	7,700
5125 Dental Insurance	1,800	1,781	2,500	2,900
5126 Life Insurance	1,230	1,224	1,100	2,400
5127 Health Care Savings	4,480	11,948	7,500	8,800
5130 Cafeteria Plan Benefits	105,635	109,593	174,500	181,300
TOTAL	161,581	173,077	257,000	275,600
OPERATING EXPENSES				
5200 Office Supplies	366	204	500	500
5201 Computer Supplies/Software	-	-	100	100
5205 Safety & Training	-	13	1,000	1,000
5212 Motor Fuels	4,099	2,877	3,600	3,700
5218 Uniforms	1,348	1,517	2,300	2,300
5227 Utility System Mtc Supplies	-	263	-	-
5241 Small Equipment	504	401	1,000	1,000
5320 Data Services	1,417	1,294	1,300	1,800
5321 Telephone	2,316	1,923	2,800	2,800
5331 Training Expense	1,255	2,503	2,500	2,500
5335 Mileage Reimbursement	508	3,312	4,500	4,500
5355 Printing & Copying	573	154	2,000	2,000
5356 Copier, Printer Lease & Supplies	-	-	200	200
5404 Equipment Maintenance Repair	-	-	3,000	3,000
5409 Fleet Services	14,224	4,876	9,200	6,400

City of Duluth Minnesota - 2025 Budget

Compliance

530-500-1970

Compliance expenditures represent costs associated with fulfilling both regulatory and mandated programs associated with the four utilities that the City provides. This includes costs associated with WLSSD compliance measures to reduce Inflow & Infiltration of ground water into the Sanitary system.

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5441 Other Services and Charges	7,039	5,537	23,000	23,000
5450 Laundry	1,748	1,608	2,300	2,300
5482 Private Property Sewer Grants	64,011	126,195	200,000	200,000
TOTAL	99,408	152,677	259,300	257,100
1970 TOTAL INFLOW & INFILTRATION	592,810	661,633	989,500	1,063,600

City of Duluth Minnesota - 2025 Budget

Clean Water Surcharge Fund

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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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
REVENUE				
Operating	1,649,877	1,649,750	1,658,000	-
Non-Operating	(11,460)	2,709	-	-
	1,638,417	1,652,459	1,658,000	-
EXPENSES				
Other Services & Charges	226,032	258,444	408,000	250,000
Depreciation	566,872	566,871	566,900	566,900
Miscellaneous	54,638	38,003	27,500	7,100
Interfund Transfers	11,300	11,300	11,300	-
	858,842	874,618	1,013,700	824,000
ESTIMATED OPERATING INCOME (LOSS)	779,575	777,841	644,300	(824,000)
Other Sources of Cash	566,871	567,226	566,900	566,900
Other Uses of Cash	(1,171,372)	(1,133,619)	(1,142,500)	(882,000)
Increase (Decrease) in Cash	175,074	211,448	68,700	(1,139,100)

City of Duluth Minnesota - 2025 Budget

Clean Water Fund Estimated Unrestricted Cash Balance

<u>OPERATING FUND</u>	2024 Budget	2024 Projected	2025 Approved
ESTIMATED OPERATING INCOME (LOSS)	644,300	893,900	(824,000)
<u>Other Sources of Cash</u>			
Depreciation and Amortization	566,900	566,900	566,900
Total Other Sources of Cash	566,900	566,900	566,900
<u>Other Uses of Cash</u>			
Bond Principal Payments	1,142,500	1,142,500	882,000
Total Other Uses of Cash	1,142,500	1,142,500	882,000
INCREASE (DECREASE) IN CASH	68,700	318,300	(1,139,100)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	1,076,604	1,076,604	1,394,904
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	1,145,304	1,394,904	255,804

City of Duluth Minnesota - 2025 Budget

Clean Water Surcharge Fund

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Revenue Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING REVENUES				
4836 I & I Surcharge	6,965	7,198	8,000	-
4837 Clean Water Surcharge	1,642,912	1,642,552	1,650,000	-
TOTAL	1,649,877	1,649,750	1,658,000	-
NON-OPERATING REVENUES				
4601 Change in Fair Value Investments	(11,460)	2,709	-	-
TOTAL	(11,460)	2,709	-	-
TOTAL REVENUE	1,638,417	1,652,459	1,658,000	-
Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING EXPENSES				
5420 Depreciation	566,872	566,871	566,900	566,900
5427 Credit Card Commissions	5,940	4,368	4,000	-
5432 Uncollectible Accounts	2,252	2,236	4,000	-
5434 Grants & Awards	217,840	251,840	400,000	250,000
5611 Bond Interest	54,638	38,003	27,500	7,100
5700 Transfers to Sewer Fund	11,300	11,300	11,300	-
TOTAL	858,842	874,618	1,013,700	824,000

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
REVENUE				
Operating	7,881,324	7,643,222	7,577,500	9,428,800
Non-Operating	(49,072)	192,363	1,000	1,000
	7,832,252	7,835,585	7,578,500	9,429,800
EXPENSES				
Personal Services	2,420,831	2,869,279	3,240,000	3,265,300
Supplies	257,606	286,655	428,700	410,900
Other Services and Charges	731,793	1,307,169	965,500	1,212,600
Depreciation	453,529	444,281	528,700	585,100
Miscellaneous	26,816	24,217	28,900	28,900
Interfund Transfers	545,534	547,400	552,400	598,000
	4,436,109	5,479,001	5,744,200	6,100,800
ESTIMATED OPERATING INCOME (LOSS)	3,396,143	2,356,584	1,834,300	3,329,000
Other Sources of Cash	487,583	752,380	528,700	585,100
Other Uses of Cash	(973,981)	(1,582,191)	(3,222,400)	(5,732,000)
Increase (Decrease) in Cash	2,909,745	1,526,773	(859,400)	(1,817,900)

City of Duluth Minnesota - 2025 Budget

Stormwater Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2024 Budget	2024 Projected	2025 Approved
ESTIMATED OPERATING INCOME (LOSS)	1,834,300	2,883,632	3,329,000
<u>Other Sources of Cash</u>			
Depreciation and Amortization	528,700	489,000	585,100
Due from Other Funds	-	74,863	-
Special Assessment Principal	-	1,383	-
Total Other Sources of Cash	528,700	565,246	585,100
<u>Other Uses of Cash</u>			
Due to Other Funds	-	134,698	-
Capital Improvements from Current Revenues	2,920,000	2,800,000	5,200,000
Capital Equipment Purchases	302,400	365,000	532,000
Total Other Uses of Cash	3,222,400	3,299,698	5,732,000
INCREASE (DECREASE) IN CASH	(859,400)	149,180	(1,817,900)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	7,412,518	7,412,518	7,561,698
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	6,553,118	7,561,698	5,743,798

City of Duluth Minnesota - 2025 Budget

Stormwater Fund

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Revenue Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING REVENUES:				
4170 Miscellaneous Permits & Licenses	35,625	34,350	20,000	20,000
4636 Sale of Materials	894	1,235	3,000	1,500
4700 Other Sources	4,829	-	-	-
4802 Interest Earned on Customer Accounts	16,707	16,329	10,000	10,000
4805 Reimbursements	1,376	1,897	2,000	2,000
4835 Stormwater Revenues	7,819,848	7,586,378	7,540,000	9,392,800
4851 Interest - Other Sources	2,045	3,033	2,500	2,500
TOTAL OPERATING REVENUES	7,881,324	7,643,222	7,577,500	9,428,800
NON-OPERATING REVENUES:				
4209 Direct Federal Grants, Capital	-	24,327	-	-
4220 State of Minnesota, Operating	20,509	79,481	-	-
4601 Change in Fair Value Investments	(69,581)	17,937	-	-
4730 Interfund Transfers In	-	70,618	-	-
4853 Gain/Loss-Sale of Fixed Assets	-	-	1,000	1,000
TOTAL NON-OPERATING REVENUES	(49,072)	192,363	1,000	1,000
TOTAL REVENUE	7,832,252	7,835,585	7,578,500	9,429,800

City of Duluth Minnesota - 2025 Budget

Director's Office

535-500-1900

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

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	93,016	92,590	95,800	83,200
5101 Permanent Employees - Overtime	961	2,263	-	500
TOTAL	93,977	94,853	95,800	83,700
EMPLOYEE BENEFITS				
5121 P.E.R.A.	7,612	6,947	7,100	6,200
5122 F.I.C.A. Social Security	5,814	5,376	5,900	5,200
5123 F.I.C.A. Medicare	1,309	1,327	1,400	1,200
5125 Dental Insurance	407	396	400	300
5126 Life Insurance	273	270	200	300
5127 Health Care Savings	3,824	2,702	1,600	1,300
5130 Cafeteria Plan Benefits	18,019	22,093	25,200	21,700
5133 Health or Fitness Program	24	96	-	-
TOTAL	37,282	39,207	41,800	36,200
OPERATING EXPENSES				
5241 Small Equipment	145	248	200	500
5320 Data Services	-	58	100	100
5321 Telephone	279	290	300	300
5331 Training Expense	796	726	600	1,100
5335 Mileage Reimbursement-Local	203	10	200	200
5356 Copier, Printer Lease & Spplies	79	77	100	100
TOTAL	1,502	1,409	1,500	2,300
1900 TOTAL - DIRECTOR'S OFFICE	132,761	135,469	139,100	122,200

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING EXPENSES				
5420 Depreciation	453,529	444,281	528,700	585,100
5535 Improvements (Non-Capital)	158,628	390,119	20,000	16,000
5540 Equipment (Non-Capital)	5,256	9,420	6,600	-
5611 Bond Interest	378	-	-	-
5613 Interest from Amortization	(570)	-	-	-
5700 Interfund Transfers Out To General Fund	-	-	45,000	45,000
TOTAL	617,221	843,820	600,300	646,100
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue	538,251	1,293,693	2,920,000	5,200,000
5580 Capital Equipment	48,227	71,478	302,400	532,000
TOTAL	586,478	1,365,171	3,222,400	5,732,000
1905 TOTAL - CAPITAL	1,203,699	2,208,991	3,822,700	6,378,100

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	65,763	71,674	73,300	51,000
5101 Permanent Employees - Overtime	2,292	1,924	2,000	1,500
5118 Meal Allowance	53	35	-	-
TOTAL	68,108	73,633	75,300	52,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	4,710	5,317	5,500	3,800
5121 P.E.R.A., GASB 68	38,733	33,519	-	-
5122 F.I.C.A. Social Security	4,114	4,406	4,700	3,300
5123 F.I.C.A. Medicare	962	1,030	1,100	800
5125 Dental Insurance	421	485	500	300
5126 Life Insurance	292	330	200	300
5127 Health Care Savings	4,119	1,181	1,200	800
5130 Cafeteria Plan Benefits	14,740	19,964	21,600	9,300
5133 Health or Fitness Program	34	30	-	-
5134 Other Post Retirement Benefits	(156,279)	(60,666)	-	-
5135 Retiree Health Insurance	15,060	16,296	32,400	32,400
5151 Worker's Compensation	24,000	28,100	28,100	28,100
TOTAL	(49,094)	49,992	95,300	79,100
OPERATING EXPENSES				
5200 Office Supplies	142	2	-	-
5205 Safety & Training Materials	228	348	600	600
5211 Cleaning and Janitorial Supplies	2,994	3,414	4,300	5,000
5218 Uniforms	162	-	100	-
5241 Small Equipment	495	676	1,700	3,800
5301 Auditing Services	1,331	1,441	1,600	1,500
5305 Medical Services/Testing Fees	925	1,044	1,500	1,500
5310 Contract Services	420	240	2,500	10,000
5320 Data Services	7,597	6,582	7,300	7,400
5321 Telephone	1,162	1,196	1,300	1,300
5331 Training Expenses	782	1,071	1,800	900
5335 Mileage Reimbursement - Local	180	-	500	-

City of Duluth Minnesota - 2025 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	2022	2023	2024	2025
	Actual	Actual	Budget	Approved
5356 Copier, Printer Lease & Supplies	2,596	3,720	4,500	4,500
5360 Insurance	15,100	13,300	13,300	13,300
5381 Electricity	14,624	14,105	16,500	16,500
5382 Water & Gas	12,384	10,112	12,400	12,400
5384 Refuse Disposal	5,965	6,710	7,000	7,000
5401 Building Repair & Maintenance	5,821	6,142	4,200	4,500
5404 Equipment/Machinery Repair & Mtc	-	158	-	-
5414 Software Lic & Mtc Agreements	33,179	35,355	35,500	38,000
5433 Dues & Subscription	18	-	-	-
5441 Other Services and Charges	5,336	331,553	183,400	303,400
5450 Laundry	1,414	889	1,500	1,500
5493 Cost Allocation Charges	196,800	196,800	205,200	281,000
5700 Transfer to General Fund	53,850	55,900	507,400	553,000
TOTAL	363,505	690,758	1,014,100	1,267,100
1915 TOTAL - UTILITY EXPENSE	382,519	814,383	1,184,700	1,398,700

City of Duluth Minnesota - 2025 Budget

Engineering

535-500-1930

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

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	498,231	571,226	692,700	648,000
5101 Permanent Employees - Overtime	18,013	20,343	23,000	20,000
5103 Temporary Wages	629	613	2,700	2,700
5118 Meal Allowance	341	267	600	600
TOTAL	517,214	592,449	719,000	671,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	37,989	42,589	53,100	49,500
5122 F.I.C.A. Social Security	30,741	35,597	44,500	41,600
5123 F.I.C.A. Medicare	7,189	8,324	10,400	9,700
5125 Dental Insurance	2,265	2,593	3,300	3,200
5126 Life Insurance	1,542	1,785	1,500	2,600
5127 Health Care Savings	22,054	20,400	13,200	15,100
5130 Cafeteria Plan Benefits	113,368	126,563	202,300	177,800
5133 Health or Fitness Program	258	144	-	-
5141 Unemployment Compensation	3,302	-	-	-
5159 Project Benefits (Contra-Account)	(13,899)	(20,926)	-	-
TOTAL	204,809	217,069	328,300	299,500
OPERATING EXPENSES				
5200 Office Supplies	177	478	400	400
5201 Computer Supplies	259	483	300	200
5203 Paper, Stationery and Forms	184	395	200	200
5205 Safety & Training Materials	24	89	400	400
5212 Motor Fuel	5,109	4,262	4,000	4,500
5218 Uniforms	990	1,575	1,000	1,200
5219 Other Miscellaneous Supplies	61	614	-	-
5240 Small Tools	308	23	400	400
5241 Small Equipment	-	242	2,600	-
5242 Survey Equipment and Supplies	710	1,565	5,900	6,200
5303 Engineering Services	-	-	25,600	25,600
5320 Data Services	2,108	1,607	2,200	3,600
5321 Telephone	1,796	2,127	2,400	2,400

City of Duluth Minnesota - 2025 Budget

Engineering

535-500-1930

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

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5322 Postage	-	38	200	300
5331 Training Expenses	3,746	1,494	5,300	9,800
5335 Mileage Reimbursement	1,404	1,096	1,500	1,500
5355 Printing and Copying	180	90	300	300
5356 Copier, Printer Lease & Splies	357	163	300	300
5404 Equipment Maintenance Repair	127	241	2,000	2,000
5409 Fleet Services	2,637	4,034	4,800	4,700
5411 Land Rental/Easements	-	100	-	-
5414 Software Lic & Mtc Agreements	19,476	15,688	17,100	23,000
5433 Dues and Subscriptions	132	-	5,700	8,200
5435 Books and Pamphlets	10	-	-	-
5438 Licenses	172	325	100	-
5441 Other Services and Charges	6,758	17,887	37,200	49,200
5486 One Call system	3,015	3,277	4,500	4,500
Interfund Transfers Out To Special				
5700 Revenue Funds	184	-	-	-
TOTAL	49,924	57,893	124,400	148,900
1930 TOTAL - ENGINEERING	771,947	867,411	1,171,700	1,119,700

City of Duluth Minnesota - 2025 Budget

Customer Service

535-500-1940

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

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	160,522	162,161	176,000	176,400
5101 Permanent Employees - Overtime	849	854	800	800
5118 Meal Allowance	2	-	-	-
TOTAL	161,373	163,015	176,800	177,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	11,983	11,846	13,000	13,100
5122 F.I.C.A. Social Security	9,430	9,491	11,000	11,000
5123 F.I.C.A. Medicare	2,205	2,219	2,600	2,600
5125 Dental Insurance	971	930	1,000	1,100
5126 Life Insurance	657	636	500	900
5127 Health Care Savings	3,945	3,665	3,200	3,200
5130 Cafeteria Plan Benefits	45,858	48,999	56,700	58,400
5133 Health or Fitness Program	12	40	-	-
TOTAL	75,061	77,826	88,000	90,300
OPERATING EXPENSES				
5200 Office Supplies	220	158	600	600
5201 Computer Supplies	6	-	400	400
5241 Small Equipment	652	241	800	800
5310 Contract Services	13,639	12,482	16,200	17,400
5320 Data Services	92	80	200	200
5321 Telephone	234	213	400	300
5322 Postage	28,674	30,159	28,900	31,900
5331 Training Expense	377	2,704	3,000	3,700
5339 Armored Pickup	1,953	-	-	-
5355 Printing & Copying	321	339	300	400
5356 Copier, Printer Lease & Supplies	369	422	500	900
5404 Equipment Repair & Maintenance	92	100	100	100
5427 Credit Card Commission	22,822	20,864	56,000	56,000
5432 Uncollectible Accounts	13,024	2,963	4,900	4,900
5441 Other Services & Charges	71	275	100	100
TOTAL	82,546	71,000	112,400	117,700
1940 TOTAL - CUSTOMER SERVICES	318,980	311,841	377,200	385,200

City of Duluth Minnesota - 2025 Budget

Utility Operations

535-500-1945

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

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	852,721	1,002,110	967,600	859,000
5101 Permanent Employees - Overtime	42,447	53,707	60,000	60,000
5103 Other Wages	13,383	9,681	34,600	35,000
5111 Long-Term Disability Wages	94	-	-	-
5118 Meal Allowance	923	1,163	1,800	1,800
TOTAL	909,568	1,066,661	1,064,000	955,800
EMPLOYEE BENEFITS				
5121 P.E.R.A.	63,899	76,877	76,200	68,000
5122 F.I.C.A. Social Security	54,114	64,101	66,900	59,200
5123 F.I.C.A. Medicare	12,655	14,990	15,400	13,800
5125 Dental Insurance	4,876	5,715	5,600	5,500
5126 Life Insurance	3,333	3,932	2,600	4,500
5127 Health Care Savings	19,535	28,099	21,300	15,600
5130 Cafeteria Plan Benefits	243,491	299,056	367,700	299,000
5141 Unemployment Compensation	630	1,804	-	-
TOTAL	402,533	494,574	555,700	465,600
OPERATING EXPENSES				
5200 Office Supplies	1,296	1,017	1,300	1,300
5201 Computer Supplies/Software	170	245	600	500
5205 Safety & Training Materials	1,946	3,415	4,600	4,600
5210 Plant Operating Supplies	13,021	18,876	16,100	16,800
5212 Motor Fuels	47,034	45,800	61,000	54,000
5218 Uniforms	6,496	6,543	7,900	7,300
5219 Other Miscellaneous Supplies	2,612	4,285	3,000	4,000
5220 Repair and Maintenance Supplies	1,642	1,543	7,000	7,100
5222 Blacktop	16,443	7,927	10,400	10,500
5224 Gravel and Other Maintenance Materials	47,888	48,135	37,600	22,300
5227 Utility Maintenance Supplies	90,299	127,611	241,300	241,300
5240 Small Tools	13,313	4,715	5,500	7,500
5241 Small Equipment	2,580	1,730	8,500	8,500

City of Duluth Minnesota - 2025 Budget

Utility Operations

535-500-1945

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

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5310 Contract Services	1,004	3,719	25,000	25,000
5320 Data Services	3,094	2,886	3,400	3,500
5321 Telephone	1,345	1,166	1,400	1,400
5331 Training Expense	2,903	3,924	5,500	4,300
5333 Freight and Delivery Charges	1,197	751	1,500	1,000
5335 Mileage Reimbursement	2,135	2,361	4,000	3,000
5355 Printing & Copying	18	74	9,000	9,000
5356 Copier, Printer Lease & Supplies	-	79	600	400
5384 Refuse Disposal	17,863	15,006	23,500	23,500
5404 Equipment/Maintenance Repair	425	5,991	6,100	6,100
5409 Fleet Services	120,909	131,536	113,000	136,000
5414 Software Lic & Mtc Agreements	1,250	1,250	1,300	1,300
5415 Vehicle/Equip Rent	4,997	6,132	10,500	10,500
5433 Dues and Subscriptions	2,510	1,984	3,500	4,200
5441 Other Services & Charges	1,344	1,608	34,000	34,000
5450 Laundry	3,346	3,033	4,400	4,500
5700 Transfer to General Fund	491,500	491,500	-	-
TOTAL	900,580	944,842	651,500	653,400
1945 TOTAL - UTILITY OPERATIONS	2,212,681	2,506,077	2,271,200	2,074,800

City of Duluth Minnesota - 2025 Budget

Compliance

535-500-1970

Compliance expenditures represent costs associated with fulfilling both regulatory and mandated programs associated with the four utilities that the City provides. These include costs associated with ensuring the City's compliance with its MS4 Permit.

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	-	-	-	241,400
5101 Permanent Employees - Overtime	-	-	-	10,000
TOTAL	-	-	-	251,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	-	-	-	18,500
5122 F.I.C.A. Social Security	-	-	-	15,600
5123 F.I.C.A. Medicare	-	-	-	3,600
5125 Dental Insurance	-	-	-	1,300
5126 Life Insurance	-	-	-	1,100
5127 Health Care Savings	-	-	-	4,600
5130 Cafeteria Plan Benefits	-	-	-	58,000
TOTAL	-	-	-	102,700
1945 TOTAL - UTILITY OPERATIONS	-	-	-	354,100

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
REVENUE				
Operating	10,765,444	8,989,464	10,996,700	10,999,900
Non-Operating	8,095,328	688,322	-	-
	18,860,772	9,677,786	10,996,700	10,999,900
EXPENSES				
Supplies	5,686,409	3,517,366	4,527,100	4,443,700
Other Services and Charges	3,723,786	3,914,678	4,412,800	4,339,000
Depreciation	1,631,470	1,693,501	1,800,000	1,764,000
Miscellaneous	756,416	661,741	873,800	1,101,200
Interfund Transfers	164,600	214,571	210,000	210,000
	11,962,681	10,001,857	11,823,700	11,857,900
ESTIMATED OPERATING INCOME/(LOSS)	6,898,091	(324,071)	(827,000)	(858,000)
Other Sources of Cash	1,726,218	4,912,388	1,781,500	4,518,500
Other Uses of Cash	(8,145,916)	(5,247,749)	(3,005,000)	(4,045,000)
Increase (Decrease) in Cash	478,393	(659,432)	(2,050,500)	(384,500)

City of Duluth Minnesota - 2025 Budget

Steam Utility Fund Estimated Cash Balance

OPERATING FUND	2024 Budget	2024 Projected	2025 Approved
ESTIMATED OPERATING INCOME (LOSS)	(827,000)	(446,100)	(858,000)
<u>Other Sources of Cash</u>			
Bond Issuance	-	4,095,559	2,800,000
Depreciation and Am	1,781,500	1,766,800	1,718,500
Due from Other Fund	-	18,735	-
Total Other Sources of Cash	1,781,500	5,881,094	4,518,500
<u>Other Uses of Cash</u>			
Due to Other Funds	-	691,800	-
Capital Improvement	1,845,000	1,241,300	600,000
Capital Improvement	-	-	2,250,000
Bond Principal Payme	1,160,000	1,160,000	1,195,000
Total Other Uses of Cash	3,005,000	3,093,100	4,045,000
INCREASE (DECREASE) IN CASH	(2,050,500)	2,341,894	(384,500)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH- BEGINNING	-	-	2,341,894
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH- ENDING	(2,050,500)	2,341,894	1,957,394

City of Duluth Minnesota - 2025 Budget

Steam Utility Fund

540

Revenue Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING REVENUES:				
4654 Other Reimbursements	36,909	-	-	-
4802 Interest Earned on Customer Accts	8,515	8,192	9,000	9,000
4809 Misc Non-Operating Income	14,432	16,960	12,000	21,600
4840 Energy Charge	5,208,256	3,267,680	5,090,700	4,771,800
4842 Capacity Charge	4,397,117	4,899,977	5,312,000	5,625,000
4843 Steam Repair - Labor	8,056	26,630	12,000	12,000
4844 Steam Repair - Materials	5,247	8,735	12,000	12,000
4845 Hot Water Sales	486,669	230,899	138,500	139,400
4846 Chilled Water Capacity Charge	198,253	198,253	117,400	105,500
4847 Chilled Water Energy Charge	228,266	150,865	66,800	45,600
4858 Infrastructure Charge	173,724	181,273	226,300	258,000
TOTAL OPERATING REVENUES	10,765,444	8,989,464	10,996,700	10,999,900
MISCELLANEOUS REVENUES:				
4220 Minnesota Grants - Capital	8,039,082	599,656	-	-
4601 Earnings on Investments	(7,145)	-	-	-
4720 Gain/Loss on Sale Capital Assets	-	2,758	-	-
4855 DECC Capacity Charge	63,391	85,908	-	-
TOTAL MISCELLANEOUS REVENUES	8,095,328	688,322	-	-
TOTAL REVENUE	18,860,772	9,677,786	10,996,700	10,999,900
Expense Detail by Division				
1490 Production	5,710,065	3,578,599	5,204,300	4,869,100
1491 Chiller Production	69,814	120,993	41,200	148,200
1492 Production Maintenance	157,432	231,772	229,800	229,800
1493 Transmission & Distribution	312,222	180,778	283,000	350,000
1494 Customer Accounting	40,000	6,874	6,000	6,200
1495 Administration & General	5,347,802	5,585,979	5,582,700	5,647,600
1497 Hot Water	16,196	16,065	21,000	22,000
1499 Debt Service & Capital	309,150	280,797	455,700	585,000
TOTAL EXPENSES	11,962,681	10,001,857	11,823,700	11,857,900

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5216 Chemicals	64,476	66,976	53,000	57,000
5220 Repair and Mtc Supplies	3,430	3,828	-	-
5381 Electricity	110,491	77,700	103,000	216,000
5382 Water, Gas and Sewer	221,276	227,665	240,000	224,000
5383 Natural Gas	5,224,587	3,151,183	4,055,000	3,979,100
5384 Refuse Disposal	2,173	2,813	-	-
5385 Oil	14,880	8,959	34,400	35,500
5387 Coal	63,051	25,947	98,400	101,700
5388 Ash Handling	1,251	733	12,900	13,000
5391 Purchased Hot Water	4,450	12,795	607,600	242,800
1490 TOTAL - PRODUCTION	5,710,065	3,578,599	5,204,300	4,869,100

Chiller Production

540-1491

Records the variable cost of producing and distributing chilled water.

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5216 Chemicals	(56)	2,707	8,000	1,500
5220 Repair & Mntc Supplies	7,878	4,954	5,500	2,000
5310 Contract Services	19,537	70,820	11,000	128,000
5381 Electricity	35,297	37,441	12,300	12,300
5382 Water, Gas & Sewer	7,158	5,071	4,400	4,400
1491 TOTAL - PRODUCTION	69,814	120,993	41,200	148,200

City of Duluth Minnesota - 2025 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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5205 Safety Equipment & Supplies	2,687	12,310	4,800	4,800
5220 Repair Materials & Supplies	138,535	149,446	141,000	141,000
5310 Contract Services	16,210	70,016	84,000	84,000
1492 TOTAL - PRODUCTION MAINTENANCE	157,432	231,772	229,800	229,800

Transmission & Distribution

540-1493

Provides the materials, supplies, and contractual services when required for the operation of the distribution system, involving fourteen miles of piping, 105 manholes, and 200 customers.

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5220 Repair Materials & Supplies	180,539	97,960	156,000	150,000
5310 Contract Services	131,231	77,936	127,000	200,000
5409 Fleet Services Charges	452	4,882	-	-
1493 TOTAL - TRANSMISSIONS & DISTRIBUTION	312,222	180,778	283,000	350,000

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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5200 Office Supplies	-	656	-	-
5322 Postage	-	218	-	200
5432 Uncollectible Accounts	40,000	6,000	6,000	6,000
1494 TOTAL - CUSTOMER ACCOUNTING	40,000	6,874	6,000	6,200

City of Duluth Minnesota - 2025 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	2022	2023	2024	2025
	Actual	Actual	Budget	Approved
5200 Office Supplies	3,893	3,904	2,400	2,400
5301 Audit Fees	1,996	2,506	2,500	5,000
5307 Management Contract	3,299,787	3,282,626	3,323,500	3,433,000
5319 Other Professional Services	6,220	45,541	4,000	4,800
5321 Telephone Service	5,370	5,577	6,000	6,000
5322 Postage	1,298	360	1,300	600
5331 Travel/Training	-	-	1,200	1,300
5340 Advertising & Promotion	9,635	5,952	2,300	3,200
5361 General Liability Boiler Insurance	114,166	219,014	111,800	92,300
5384 Refuse Disposal	-	-	2,300	-
5415 Vehicle/Equip Rent (Short-term)	9,802	8,004	3,000	3,000
5420 Depreciation	1,631,470	1,693,501	1,800,000	1,764,000
5433 Dues & Subscription	7,205	5,913	6,000	3,600
5438 Licenses Operating	25,077	20,829	25,700	22,200
5441 Other Services & Charges	13,211	12,457	14,400	14,400
5443 Board & Meeting Expenses	872	724	1,800	1,800
5480 Payment in Lieu of Taxes	164,600	214,571	210,000	210,000
5493 Cost Allocation	53,200	64,500	64,500	80,000
1495 TOTAL - ADMINISTRATION & GENERAL	5,347,802	5,585,979	5,582,700	5,647,600

Hot Water

540-1497

Costs including chemicals, electricity, and steam used to produce hot water used in the Canal Park hot water loop.

Expense Detail	2022	2023	2024	2025
	Actual	Actual	Budget	Approved
5216 Chemicals	(2,611)	(5,603)	3,000	4,000
5220 Repair & Maintenance Supplies	-	2,880	-	-
5310 Contract Services	-	680	-	-
5381 Electricity	18,164	18,108	18,000	18,000
5441 Other Services & Charges	643	-	-	-
1497 TOTAL - HOT WATER	16,196	16,065	21,000	22,000

City of Duluth Minnesota - 2025 Budget

Debt Service & Capital

540-1499

Costs to pay the interest expense on the outstanding bond issues and the DEDA storefront loan and capital improvement costs.

Expense Detail	2022 Actual	2023 Actual	2024 Budget	2025 Approved
OPERATING EXPENSES				
5611 Bond Interest	326,347	297,308	267,000	629,500
5612 Other Debt Interest	-	-	160,300	-
5620 Fiscal Agents Fee	1,237	1,950	900	1,000
5621 Bond Issuance/Discount Fees	-	-	46,000	-
5622 Bond Amortization	(18,434)	(18,461)	(18,500)	(45,500)
TOTAL	309,150	280,797	455,700	585,000
NON-OPERATING EXPENSES				
5530 Capital Improvements	594,883	3,513,522	1,845,000	600,000
5530 Capital Improvements - Bond Financing	518,839	-	-	2,250,000
5530 Capital Improvements - Revenue Financing	3,495,925	273,890	-	-
TOTAL	4,609,647	3,787,412	1,845,000	2,850,000
1499 TOTAL - DEBT SERVICE & CAPITAL	4,918,797	4,068,209	2,300,700	3,435,000

City of Duluth Minnesota - 2025 Budget

Internal Service Funds

Funds

Self-Insurance - Workers' Compensation
 Medical Health Fund
 Dental Health Fund
 Self-Insurance - Liability
 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	9,630,071	12,795,175	18,090,167	18,381,513
REVENUES				
Participation from Other Funds	31,533,938	32,858,095	34,471,726	34,631,350
Charges for Services	4,887,186	4,711,523	5,325,800	5,653,600
Miscellaneous	5,271,662	4,779,548	3,875,851	3,947,512
TOTAL REVENUES	41,692,786	42,349,166	43,673,377	44,232,462
EXPENSES				
Personal Services	3,363,628	3,266,340	3,951,809	3,765,712
Other Expenditures	5,409,578	5,233,708	5,567,612	6,116,644
Claims	29,754,477	28,554,126	33,862,610	33,069,967
TOTAL EXPENSES	38,527,683	37,054,174	43,382,031	42,952,323
FUND BALANCE - DECEMBER 31	12,795,175	18,090,167	18,381,513	19,661,652

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	(1,254,839)	279,826	791,592	703,892
REVENUES				
Transfer from City Funds				
- General	2,736,000	2,100,000	2,075,500	2,275,500
- Public Utility	236,100	251,800	270,100	269,400
Other Reimbursements	787,070	70,868	59,200	61,800
TOTAL REVENUES	3,759,170	2,422,668	2,404,800	2,606,700
EXPENSES				
Personal Services	1,167,717	1,036,380	1,574,200	1,323,100
Claims: Workers' Compensation	324,514	33,948	310,800	322,000
Other Services and Charges	732,274	840,574	607,500	701,600
TOTAL EXPENSES	2,224,505	1,910,902	2,492,500	2,346,700
FUND BALANCE - DECEMBER 31	279,826	791,592	703,892	963,892
BUDGETED FTE'S				
40 Safety & Training Officer	1	1	1	1

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	797,052	802,006	686,086	628,886
REVENUES				
Transfer from City Funds				
- General	500,000	300,000	500,000	400,000
- Public Utility	180,100	170,500	136,600	204,360
- Duluth Steam	43,669	47,691	31,000	25,300
Duluth Airport	73,590	90,634	90,600	99,230
DEDA	30,941	8,243	7,400	7,350
Other Reimbursements	(16,601)	12,510	-	-
TOTAL REVENUES	811,699	629,578	765,600	736,240
EXPENSES				
Claims: Liability	(80,138)	28,431	131,100	168,460
Property/Boiler Insurance	331,003	343,044	352,900	366,580
Other Services and Charges	555,881	374,023	338,800	370,940
TOTAL EXPENSES	806,745	745,498	822,800	905,980
FUND BALANCE - DECEMBER 31	802,006	686,086	628,886	459,146

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	10,240,361	11,780,657	16,606,870	17,126,275
REVENUES				
City Employer/Employee Premium	26,767,023	28,914,956	30,294,614	30,246,762
Sub-Group Employer/Employee Premium	2,509,891	2,859,906	2,854,356	2,902,836
Miscellaneous	1,804,025	1,632,588	873,207	891,460
TOTAL REVENUES	31,080,939	33,407,450	34,022,177	34,041,058
EXPENSES				
Personal Services	399,866	409,863	420,109	430,612
Claims	28,560,696	27,494,212	32,254,889	31,352,546
Other Services and Charges	580,081	677,162	827,774	1,005,058
TOTAL EXPENSES	29,540,643	28,581,237	33,502,772	32,788,216
FUND BALANCE - DECEMBER 31	11,780,657	16,606,870	17,126,275	18,379,117

City of Duluth Minnesota - 2025 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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	507,950	553,479	593,648	510,489
REVENUES				
City Employer/Employee Premiums	966,515	974,271	1,065,912	1,103,448
Sub-Group Employer/Employee Premiums	101,914	105,328	89,088	91,416
Miscellaneous	(4,947)	27,728	-	-
TOTAL REVENUES	1,063,482	1,107,327	1,155,000	1,194,864
EXPENSES				
Claims	949,405	997,535	1,165,821	1,226,961
Other Services and Charges	68,548	69,623	72,338	72,066
TOTAL EXPENSES	1,017,953	1,067,158	1,238,159	1,299,027
FUND BALANCE - DECEMBER 31	553,479	593,648	510,489	406,326

City of Duluth Minnesota - 2025 Budget

Fleet Services - Performance Measures

<u>Description For Goal/Task:</u>	<u>Measure/Indicator:</u>	2022 Actual	2023 Actual	2024 Actual	2025 Target
Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals	Number of work orders completed by shop staff	2,883	2,900	2,527	2,900
	Percent of in house work orders to outsource workorders.	74%	80%	85%	80%
	Percent of hours worked billed by shop mechanics.	83%	80%	80%	80%
Supports decision-making with timely and accurate analysis, focusing on innovative, long-term solutions that benefit the community	Develop divisional equipment plans to track changes on fleet composition.	50%	100%	80%	90%
Promote use of alternative modes of transportation that minimize impacts to the environment.	Complete assessment of city fleet to identify opportunities for electrification and other low-emissions vehicles.	15%	25%	40%	50%
Focuses on equipping, training and continuously expanding the abilities of decision-makers, leadership, management and staff to successfully accomplish public goals	Implement new telematics system to monitor equipment usage				50%
	Incorporate the new service vehicle into the PM scheduling	50%	75%	50%	75%
	Implement scheduling module to reduce downtime.	65%	70%	70%	75%
	Develop and implement Fleet right-sizing and usage standards	85%	100%	80%	90%

City of Duluth Minnesota - 2025 Budget

Fleet Services

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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.

	2022 Actual	2023 Actual	2024 Budget	2025 Approved
FUND BALANCE - JANUARY 1	(660,454)	(620,793)	(588,029)	(588,029)
REVENUES				
SALES & SERVICES (BY ACCOUNT):				
Fuel Sales	1,460,937	1,285,180	1,502,600	1,530,700
Fleet Repair Part Sales, Fleet Parts	868,385	754,857	873,400	917,200
Fleet Repair Part Sales, Sublet Part Sales	347,114	397,750	374,300	447,300
Fleet Repair Part Sales, Fleet Repair				
Services Other Cost	11,586	4,628	8,000	3,000
Fleet Repair Services, Fleet Labor	1,904,092	1,653,792	1,965,400	2,133,600
Fleet Repair Services, Sublet Labor	295,072	364,216	350,000	367,500
Fleet Fixed Costs	-	251,100	252,100	254,300
TOTAL SALES & SERVICES	4,887,186	4,711,523	5,325,800	5,653,600
SALES & SERVICES (BY FUND):				
General Fund	3,777,286	3,679,305	4,145,300	4,381,300
Parks Fund	7,444	13,209	9,600	11,400
Special Projects Fund	3,943	973	-	-
Parking Fund	7,998	16,450	12,900	19,500
Water and Gas	635,255	295,649	681,300	731,200
Sewer	243,464	295,066	242,400	247,300
Stormwater	175,689	220,357	182,800	199,200
Steam	452	185,632	-	-
Street Light Utility	35,655	4,882	51,500	63,700
TOTAL SALES & SERVICES	4,887,186	4,711,523	5,325,800	5,653,600
Other Revenue	90,311	70,620	-	-
TOTAL REVENUES	4,977,497	4,782,143	5,325,800	5,653,600
EXPENSES				
Personal Services	1,186,126	1,191,960	1,295,900	1,351,600
Benefits	609,919	628,137	661,600	660,400
Other Expenses	3,141,791	2,929,282	3,368,300	3,600,400
TOTAL EXPENSES	4,937,836	4,749,379	5,325,800	5,612,400
FUND BALANCE - DECEMBER 31	(620,793)	(588,029)	(588,029)	(546,829)

City of Duluth Minnesota - 2025 Budget

Fleet Services - Personnel Summary

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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
40 Manager, Fleet Services	1.00	1.00	1.00	1.00
30 Service Center Supervisor	1.00	1.00	1.00	1.00
133 Budget & Operations Analyst	0.20	0.20	0.20	0.20
32 Fleet Services Leadworker	1.00	1.00	1.00	1.00
30 Asset & Supply Specialist	1.00	1.00	1.00	-
30 Heavy Equipment Mechanic	6.00	6.00	6.00	7.00
29 Welder	2.00	2.00	2.00	2.00
28 Industrial Equipment Technician	1.00	1.00	1.00	1.00
27 Fleet Services Inventory Tech II	1.00	1.00	1.00	1.00
27 Vehicle Repair Specialist	1.00	1.00	1.00	2.00
25 Vehicle Maintenance Technician	1.00	1.00	1.00	-
32 Fleet Services Coordinator	-	-	-	1.00
24 Fleet Services Inventory Tech I	1.00	1.00	1.00	1.00
Division Total	17.20	17.20	17.20	18.20

City of Duluth Minnesota - 2025 Budget

Fleet Services - Expense Detail

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		2022	2023	2024	2025
		Actual	Actual	Budget	Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	1,184,163	1,172,757	1,285,900	1,334,600
5101	Permanent Employees - Overtime	1,844	17,952	10,000	10,000
5103	Other Wages	-	-	-	7,000
5111	Long-Term Disability Wages	-	1,161	-	-
5118	Meal Allowance	120	90	-	-
	TOTAL	1,186,126	1,191,960	1,295,900	1,351,600
5121	P.E.R.A.	151,676	84,510	95,300	99,700
5121	P.E.R.A., GASB 68	-	34,433	-	-
5122	F.I.C.A. Social Security	71,076	71,360	80,300	83,800
5123	F.I.C.A. Medicare	16,623	16,689	18,800	19,600
5125	Dental Insurance	6,745	6,547	6,800	7,400
5126	Life Insurance	6,519	6,250	3,100	6,000
5127	Health Care Savings Plan	28,083	42,794	26,600	22,800
5130	Cafeteria Plan Benefits	329,076	364,456	430,700	421,100
5133	Health or Fitness Program	120	-	-	-
5141	Unemployment Compensation	-	1,098	-	-
	TOTAL	609,919	628,137	661,600	660,400
OTHER EXPENSES					
5200	Office Supplies	795	1,041	1,000	1,000
5201	Computer Supplies/Software	25	220	-	-
5205	Safety & Training Materials	3,075	2,996	5,000	5,000
5210	Plant/Operating Supplies	15,767	16,135	28,000	17,000
5211	Cleaning/Janitorial Supplies	-	-	-	3,000
5212	Motor Fuel	1,429,402	1,191,376	1,471,000	1,491,300
5215	Shop Materials	11,527	12,081	17,500	15,000
5218	Uniforms	1,282	500	500	3,500
5221	Equipment Repair Supplies	1,033,646	1,041,433	1,150,000	1,257,600
5240	Small Tools	6,110	7,766	8,000	10,500
5241	Small Equip-Office/Operating	-	1,355	-	-
5319	Other Professional Services	37	-	-	-
5320	Data Services	5,340	6,736	6,000	7,100
5321	Phone Service	882	1,094	1,600	1,600
5331	Travel/Training	5,386	3,779	7,500	7,500
5335	Local Mileage Reimbursement	5	154	100	100

City of Duluth Minnesota - 2025 Budget

Fleet Services - Expense Detail

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	2022 Actual	2023 Actual	2024 Budget	2025 Approved
5356 Copier, Printer Lease & Supplies	1,298	2,642	2,600	2,600
5381 Electricity	14,269	23,541	20,000	30,000
5382 Water, Gas and Sewer	25,719	20,918	27,000	35,000
5384 Refuse Disposal	1,036	949	1,500	1,500
5404 Equipment Repair & Maintenance	329,272	339,204	350,000	367,500
5414 Software Licenses & Maintenance	20,492	18,311	26,000	22,700
5420 Depreciation	55,955	58,612	28,700	8,300
5438 Licenses	2,466	1,801	8,000	3,000
5441 Other Services and Charges	23,807	21,189	22,000	25,000
5450 Laundry	7,998	9,249	10,000	11,000
5493 Cost Allocation Charges	146,200	146,200	176,300	273,600
TOTAL	3,141,791	2,929,282	3,368,300	3,600,400
TOTAL EXPENSES	4,937,836	4,749,379	5,325,800	5,612,400

City of Duluth Minnesota - 2025 Budget

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 second, to identify future capital needs with sufficient lead-time so decisions may be made to the City's 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 2025 capital improvement budget and the 2025 through 2029 capital improvement plans.

2025 Proposed Improvements

The 2025 capital improvement program outlines total proposed projects in the amount of \$159,451,301 funded through various sources including bonding, the Parks fund, the ½ and ½ tax, state and federal grants, the Permanent Improvement fund levy, the Street System Maintenance levy, Street Lighting Levy, the local sales tax dedicated to streets (0.5%), and utilities revenue. Included in the capital improvement budget are projects for facilities, state bonding projects, parks and trails, streets and bridges, Street Lighting, and the Water, Gas, Sewer, and Stormwater utilities.

To identify which project to fund, the City looks at both organizational needs and facility needs. The City then generates reports from the asset management and work order systems to define facility system end of life cycle issues. These projects are identified in collaboration between the project management team and the building maintenance team. The City tries to balance operational needs with maintaining asset integrity and addressing pressing end of life cycle issues. These recommended projects are then brought to the City Council for final approval.

Capital improvements to city buildings and infrastructure will be funded by issuing a capital improvement bond in the amount of \$2,178,000.

Parks and trails are to be funded by federal grants totaling \$6,946,117; ARPA Funding totaling \$661,298; state grants totaling \$6,430,725; other Grants and Donations totaling \$665,000; Parks fund contribution of \$2,297,550; Athletic Venue Reinvestment Initiative 1/2 and 1/2 tax \$1,783,000; St Louis River Corridor 1/2 and 1/2 tax of \$849,581; Other City funding of \$1,943,500 for a combined program total of \$21,576,771.

City of Duluth Minnesota - 2025 Budget

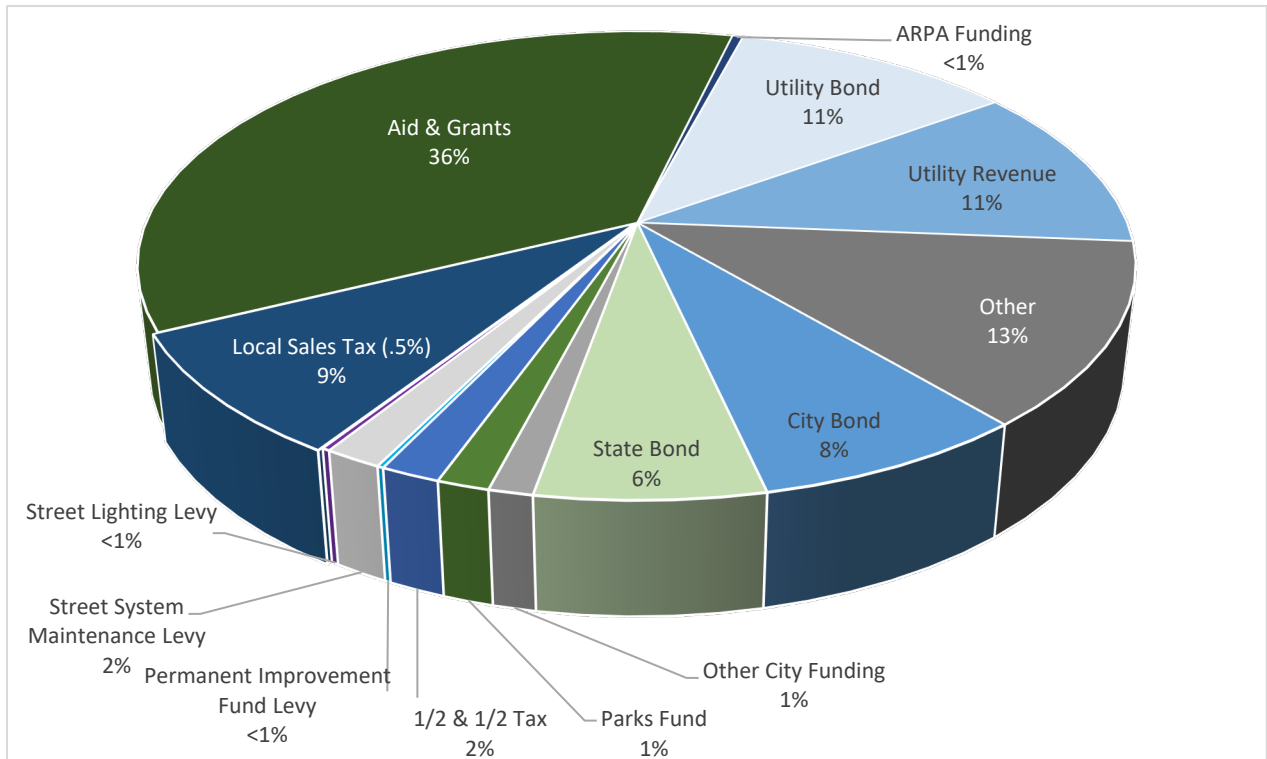
Capital Improvement Plan Continued

The Street and Bridge Improvement and Preservation program for 2025 totals \$82,176,530. Funding sources include \$45,341,530 from aids and grants, \$9,980,000 from State Bonding, \$280,000 from property tax dollars levied in the Permanent Improvement fund, \$13,675,000 from the local sales tax dedicated to street improvement (.5%), \$2,550,000 from the Street System Maintenance levy, \$350,000 from the Street Lighting Fund, and \$10,000,000 from a City Bond.

2025 Capital Utility Projects total \$53,520,000 and will be funded using: \$17,395,000 from Water Revenue Bonds, \$18,105,000 from Grants, and \$18,020,000 from utility revenue.

2025 Funding Sources

City Bond	12,178,000	Street Lighting Levy	350,000
State Bond	9,980,000	Local Sales Tax (.5%)	13,675,000
Other City Funding	1,943,500	Aid & Grants	57,385,372
Parks Fund	2,297,550	ARPA Funding	661,298
1/2 & 1/2 Tax	2,632,581	Utility Bond	17,395,000
Permanent Improvement Fund Levy	280,000	Utility Revenue	18,020,000
Street System Maintenance Levy	2,550,000	Other	20,103,000
		Total	159,451,301

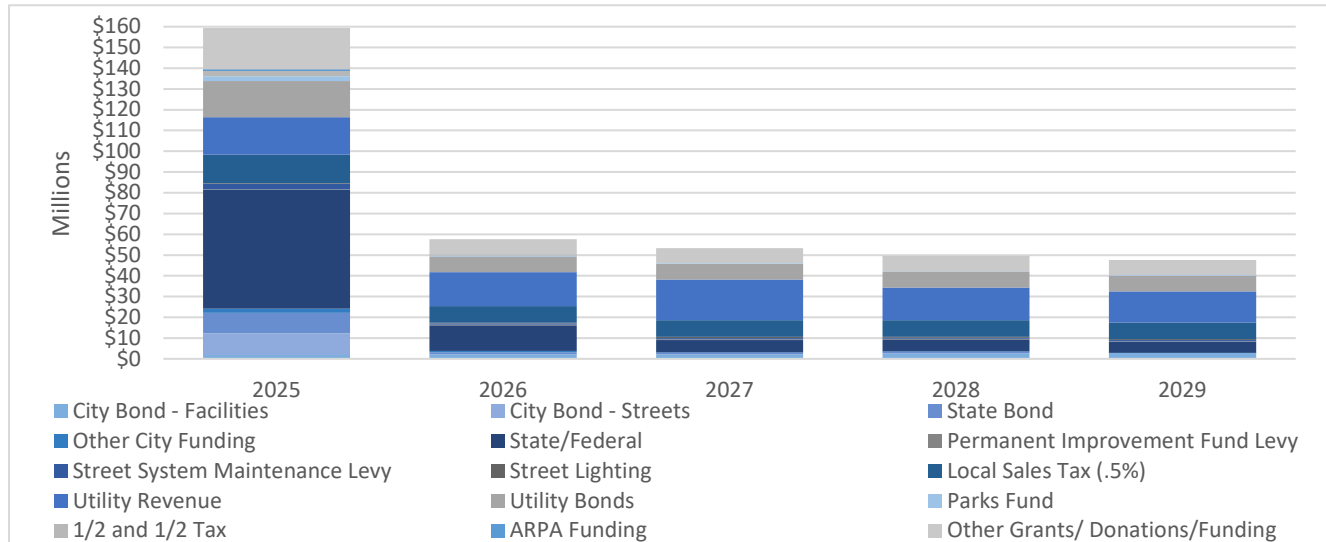


City of Duluth Minnesota - 2025 Budget

5 Year Funding Sources

Five Year Improvement Plan Funding

The City has identified \$367.8 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 \$22 million in capital improvements. Shown in the chart below are the funding sources by year for the five-year capital improvement plan.



	2025	2026	2027	2028	2029	Total
City Bond - Facilities	2,178,000	2,146,000	2,136,000	2,600,000	2,900,000	11,960,000
City Bond - Streets	10,000,000	-	-	-	-	10,000,000
State Bond	9,980,000	1,000,000	1,000,000	1,000,000	-	12,980,000
Other City Funding	1,943,500	634,192	25,000	25,000	25,000	2,652,692
State/Federal	57,385,372	12,416,084	5,959,278	5,720,000	5,300,000	86,780,734
Permanent Improvement Fund Levy	280,000	280,000	280,000	280,000	280,000	1,400,000
Street System Maintenance Levy	2,550,000	550,000	550,000	550,000	550,000	4,750,000
Street Lighting	350,000	400,000	600,000	400,000	500,000	2,250,000
Local Sales Tax (.5%)	13,675,000	8,000,000	8,000,000	8,000,000	8,000,000	45,675,000
Utility Revenue	18,020,000	16,265,000	19,603,800	15,810,000	14,905,000	84,603,800
Utility Bonds	17,395,000	7,650,000	7,650,000	7,650,000	7,650,000	47,995,000
Parks Fund	2,297,550	410,000	225,000	200,000	200,000	3,332,550
1/2 and 1/2 Tax	2,632,581	595,000	-	-	-	3,227,581
ARPA Funding	661,298	-	-	-	-	661,298
Other Grants/ Donations/Funding	20,103,000	7,350,000	7,350,000	7,350,000	7,350,000	49,503,000
Total Plan	159,451,301	57,696,276	53,379,078	49,585,000	47,660,000	367,771,655

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 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	2025	2026	2027	2028	2029	Total
CIP Eligible VFA Building Improvements	498,000	1,196,000	1,586,000	1,700,000	1,800,000	6,780,000
Civic Buildings (CCW/City Hall/Library)	1,100,000	850,000	150,000	150,000	-	2,250,000
(Fire/Police)	580,000	100,000	400,000	750,000	1,100,000	2,930,000
Total	2,178,000	2,146,000	2,136,000	2,600,000	2,900,000	11,960,000
Funding	2025	2026	2027	2028	2029	Total
Capital Improvement Bond	2,178,000	2,146,000	2,136,000	2,600,000	2,900,000	11,960,000

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

CIP Eligible Capital Maintenance 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	2025	2026	2027	2028	2029	Total
CIP Eligible VFA Building Improvements	498,000	1,196,000	1,586,000	1,700,000	1,800,000	6,780,000
Total	498,000	1,196,000	1,586,000	1,700,000	1,800,000	6,780,000

Funding	2025	2026	2027	2028	2029	Total
Capital Improvement Bond	498,000	1,196,000	1,586,000	1,700,000	1,800,000	6,780,000

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

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 as 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	2025	2026	2027	2028	2029	Total
City Hall Bathroom Remodels	250,000	400,000	-	-	-	650,000
City Hall Grounds	700,000	300,000	-	-	-	1,000,000
City Hall Security Addition	150,000	150,000	150,000	150,000	-	600,000
Total	1,100,000	850,000	150,000	150,000	-	2,250,000

Funding	2025	2026	2027	2028	2029	Total
Capital Improvement Bond	1,100,000	850,000	150,000	150,000	-	2,250,000

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

Public Safety (Fire/Police)

Description:

The City is planning to invest 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	2025	2026	2027	2028	2029	Total
Fire Hall Miscellaneous	500,000	100,000	300,000	500,000	1,000,000	2,400,000
Public Safety Building						
Miscellaneous	80,000	-	100,000	250,000	100,000	530,000
Total	580,000	100,000	400,000	750,000	1,100,000	2,930,000
Funding	2025	2026	2027	2028	2029	Total
Capital Improvement Bond	580,000	100,000	400,000	750,000	1,100,000	2,930,000

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

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	2025	2026	2027	2028	2029	Total
Parks	5,672,448	990,000	175,000	100,000	150,000	7,087,448
Trails	15,904,323	5,997,185	75,000	125,000	75,000	22,176,508
Total	21,576,771	6,987,185	250,000	225,000	225,000	29,263,956

Funding	2025	2026	2027	2028	2029	Total
Federal Grant	6,946,117	4,323,117	-	-	-	11,269,234
State Grant	6,430,725	1,024,876	-	-	-	7,455,601
Other Grants/Donations/ Funding	665,000	-	-	-	-	665,000
Parks Fund	2,297,550	410,000	225,000	200,000	200,000	3,332,550
AVRI 1/2 and 1/2 Tax	1,783,000	-	-	-	-	1,783,000
SLRC 1/2 and 1/2 Tax	849,581	595,000	-	-	-	1,444,581
Other City Funding	1,943,500	634,192	25,000	25,000	25,000	2,652,692
ARPA Funding	661,298	-	-	-	-	661,298
Total	21,576,771	6,987,185	250,000	225,000	225,000	29,263,956

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

Parks Detail

Project	2025	2026	2027	2028	2029	Total
Wade Stadium Repairs	850,000	-	-	-	-	850,000
Enger Golf Course Renovation	500,000	-	-	-	-	500,000
Enger Club House Design	100,000	-	-	-	-	100,000
Athletic Venue Reinvestment Initiative Planning & Pre-Design	350,000	-	-	-	-	350,000
Park Point Recreation Area Plan	130,000	-	-	-	-	130,000
Memorial Park Design & Construction	80,000	515,000	-	-	-	595,000
Lester Park Golf Course-Public Planning Process	75,000	-	-	-	-	75,000
Brighton Beach Park Signage	50,000	-	-	-	-	50,000
Central Hillside Design	50,000	-	-	-	-	50,000
Neighborhood Parks:						
Hillside Sport Court Park	1,834,648	-	-	-	-	1,834,648
Norton Park Design & Construction	100,000	290,000	-	-	-	390,000
Indian Point Campground Maintenance	267,000	-	-	-	-	267,000
Park Point Beach House Maintenance	200,000	-	-	-	-	200,000
Leif Erikson Park Plan Signage & Wayfinding	-	-	100,000	-	-	100,000
Sustainable Infrastructure	50,000	-	-	25,000	25,000	100,000
Youth on Trails Bike Fleet	975,800	185,000	75,000	75,000	125,000	1,435,800
Total	60,000	-	-	-	-	60,000
Total	5,672,448	990,000	175,000	100,000	150,000	7,087,448
Funding	2025	2026	2027	2028	2029	Total
Federal Grant	145,000	-	-	-	-	145,000
ARPA Funding	661,298	-	-	-	-	661,298
State Grant	410,000	-	-	-	-	410,000
Other Grants/Donations/Funding	-	-	-	-	-	-
Parks Fund	1,902,550	370,000	150,000	75,000	125,000	2,622,550
AVRI 1/2 & 1/2 Tax	1,315,000	-	-	-	-	1,315,000
SLRC 1/2 and 1/2 Tax	180,000	595,000	-	-	-	775,000
Other City Funding	1,058,600	25,000	25,000	25,000	25,000	1,158,600
Total	5,672,448	990,000	175,000	100,000	150,000	7,087,448

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

Trails Detail

Project	2025	2026	2027	2028	2029	Total
Waabizheshikana-The Marten Trail	7,253,115	-	-	-	-	7,253,115
Lakewalk Transportation & Resiliency	5,897,910	5,732,185	-	-	-	11,630,095
Spirit Mountain Nordic Center	1,024,590	-	-	-	-	1,024,590
<u>Cross City Trail:</u>						
59th Ave W to 61st Ave W	585,000	-	-	-	-	585,000
Redruth St to 67th Ave W	15,000	-	-	-	-	15,000
Park Point Beach Access-MN Point	383,708	-	-	-	-	383,708
DT Trailhead Improvements	140,000	-	-	-	-	140,000
National Water Trail Improvements	-	225,000	-	-	-	225,000
Trail Improvements	605,000	40,000	75,000	125,000	75,000	920,000
Total	15,904,323	5,997,185	75,000	125,000	75,000	22,176,508

Funding	2025	2026	2027	2028	2029	Total
Federal Grant	6,801,117	4,323,117	-	-	-	11,124,234
State Grant	6,020,725	1,024,876	-	-	-	7,045,601
Other Grants/Donations/Fundin	665,000	-	-	-	-	665,000
Parks Fund	395,000	40,000	75,000	125,000	75,000	710,000
AVRI 1/2 & 1/2 Tax	468,000	-	-	-	-	468,000
SLRC 1/2 and 1/2 Tax	669,581	-	-	-	-	669,581
Other City Funding	884,900	609,192	-	-	-	1,494,092
Total	15,904,323	5,997,185	75,000	125,000	75,000	22,176,508

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

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 & street lighting levies, local sales tax, St. Louis County, and the City's Utility Funds.

Beginning in 2020, the Street Improvement Program began receiving dedicated funding through a local .5% sales tax. The Street Improvement Program (SIP) encompasses the entire City's Street Inventory and street improvements are annually reviewed and prioritized on a variety of factors, in accordance with the SIP plan.

Project	2025	2026	2027	2028	2029	Total
Street Preservation Project	9,125,000	3,050,000	4,167,000	7,150,000	6,250,000	29,742,000
Superior St Reconst MSA						
Bond Pmt	815,000	-	-	-	-	815,000
Sidewalk	120,000	120,000	120,000	60,000	120,000	540,000
Patch Project	60,000	60,000	60,000	60,000	60,000	300,000
Retaining/Guard Rail						
Repair/Restriping/Bridge						
repair	150,000	200,000	200,000	200,000	200,000	950,000
Railroad Street, from Canal						
Park Dr to 5th Ave W	2,100,000	-	-	-	-	2,100,000
W Superior Street, Michigan						
to Carlton St	37,203,530	2,600,000	2,453,000	2,600,000	-	44,856,530
Aerial Lift Bridge Painting						
and Misc Structural Repairs	19,833,000				-	19,833,000
NHS Federal 2025 Project						
(including St. Louis County						
share)- Garfield Ave CPR	280,000	-	-	-	-	280,000
NHS Federal 2025 Project-						
3rd Ave W, between						
Michigan and Superior Street						
reconstruct	410,000	-	-	-	-	410,000
Junction Ave/St. Marie						
reconditioning, 19th Ave E to						
Carver, Const and						
Engineering	2,200,000	-	-	-	-	2,200,000

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

Street Improvement & Bridge Projects Summary

Project	2025	2026	2027	2028	2029	Total
Bardon's Peak Wall	2,900,000	-	-	-	-	2,900,000
Aerial Lift Bridge Bond Payment	-	900,000	900,000	900,000	900,000	3,600,000
Eklund Ave reconstruction	3,000,000	-	-	-	-	3,000,000
Chester Park Dr Alley reconstruction	280,000	-	-	-	-	280,000
6th Ave E CPR and overlay-2nd Street to Copper Top	1,850,000	-	-	-	-	1,850,000
Northwest Passage Footing repairs	50,000	-	-	-	-	50,000
Replace Br. L5931, Niagara St at Chester Creek Bridge	1,200,000	-	-	-	-	1,200,000
Skyline Parkway Safety Improvements, Enger Loop	600,000	-	-	-	-	600,000
London Road, 26th to 60th Ave E	-	3,024,000	-	-	-	3,024,000
Federal 2027 Project- Lake Ave, Canal Park Dr, Buchanan (moved from 2025) design	-	250,000	-	-	-	250,000
St. Marie Street Campus Connector Shared Use Path and Street Reconditioning (Campus Phase 5)	-	1,169,091	-	-	-	1,169,091
Campus Connector Trail	-	3,725,000	1,116,028	-	-	4,841,028
Replace Br 5930, Anna Street over Tischer Ck Bridge	-	1,200,000	-	-	-	1,200,000
40th Ave W	-	1,000,000	-	-	300,000	1,300,000
Federal 2027 Project- Lake Ave, Canal Park Dr, Buchanan (moved from 2025)	-	-	3,673,250	-	-	3,673,250
24th Ave W recondition, 3rd to 7th St	-	-	2,000,000	-	-	2,000,000
Construct Norton Road bridge at east crossing of Chester Ck	-	-	1,200,000	-	-	1,200,000

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

Street Improvement & Bridge Projects Summary

Project	2025	2026	2027	2028	2029	Total
4th Street, 6th Ave E to Mesaba - 24" pipe	-	-	500,000	3,200,000	2,000,000	5,700,000
Transit Amenities Citywide- FY2028 TA funds	-	-	-	580,000	-	580,000
Replace Br L8512, Columbus Ave over Tischer Ck Bridge	-	-	-	1,200,000	-	1,200,000
Engineering for 2030 Federal project- Grand Ave Central Entrance Reconstruction (MNDOT) from MN 194 to Mesaba TH61 intersection improvements at Superior Street and Congdon Blvd/Scenic 61	-	-	-	-	300,000	300,000
	-	-	-	-	3,000,000	3,000,000
	-	-	-	-	1,500,000	1,500,000
	-	-	-	-	-	-
Total	82,176,530	17,298,091	16,389,278	15,950,000	14,630,000	146,443,899
Funding	2025	2026	2027	2028	2029	Total
Federal	37,715,530	2,304,091	1,557,778	1,660,000	1,000,000	44,237,399
Federal Grant Funds	370,000	370,000	-	60,000	-	800,000
MSA	5,923,000	4,394,000	4,401,500	4,000,000	4,300,000	23,018,500
State Bridge Bond	9,980,000	1,000,000	1,000,000	1,000,000	-	12,980,000
Other State Funding	1,333,000	-	-	-	-	1,333,000
City Bond	10,000,000	-	-	-	-	10,000,000
Street System Mtce Levy	2,550,000	550,000	550,000	550,000	550,000	4,750,000
Local Sales Tax (.5%)	13,675,000	8,000,000	8,000,000	8,000,000	8,000,000	45,675,000
Permanent Improvement	280,000	280,000	280,000	280,000	280,000	1,400,000
Street Lighting	350,000	400,000	600,000	400,000	500,000	2,250,000
Total	82,176,530	17,298,091	16,389,278	15,950,000	14,630,000	146,443,899

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

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	2025	2026	2027	2028	2029	Total
Permanent Improvements	150,000	200,000	200,000	200,000	200,000	950,000
Patch Project	440,500	475,000	475,000	475,000	475,000	2,340,500
Sidewalks	120,000	120,000	120,000	60,000	120,000	540,000
Total	710,500	795,000	795,000	735,000	795,000	3,830,500

Funding	2025	2026	2027	2028	2029	Total
PI Fund	80,000	80,000	80,000	80,000	280,000	600,000
Street System Mtce Levy	100,000	100,000	100,000	40,000	100,000	440,000
Local Sales Tax (.5%)	150,000	200,000	200,000	200,000	-	750,000
Other (Utilities Funds)	380,500	415,000	415,000	415,000	415,000	2,040,500
Total	710,500	795,000	795,000	735,000	795,000	3,830,500

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

Street Improvement & Bridge Projects

Project Title:

Street Preservation Projects
 2025 Project Goal: 15 miles of Street improvements

Description:

Annual preservation projects are determined on criteria outlined in the City's Street Improvement Program.

Funding Source:

	2025
Local Sales Tax	\$ 9,125,000

2025 Segments	Neighborhood	Mileage	Const notes
London Rd, 21st to 26th Ave E	E Hillside	0.45	Mill & Overlay
Baylis St, Rice Lake Rd to High St	Hilltop	0.07	Mill & Overlay
High St, from Triggs to Baylis to Cliff Ave	Hilltop	0.18	Mill & Overlay
Cliff Ave, Rice Lake Rd to Plum St	Hilltop	0.32	Mill & Overlay
Plum St, Cliff Ave to Fern Ave	Hilltop	0.12	Mill & Overlay
Triggs Ave, High St to dead end Nly	Hilltop	0.1	Mill & Overlay
Parkwood Lane, from Haines Road to Twin Creeks Cir	Parkwood	0.54	Reclaim
Palisade Dr, from W Parkwood Lane to Parkwood Ln	Parkwood	0.69	Reclaim
Hanford Ave, from Twin Creeks Cir to Morris Thomas	Parkwood	0.27	Reclaim
Wildberry Cir, from Palisade Dr to cul de sac	Parkwood	0.08	Reclaim
Silver Fox Cir, from Palisade Dr to cul de sac	Parkwood	0.08	Reclaim
Twin Creeks Cir, from Parkwood to cul de sac	Parkwood	0.1	Reclaim
Talmade Cir, from Palisade Dr to cul de sac	Parkwood	0.08	Reclaim
Echo Lane, from Hanford to cul de sac	Parkwood	0.12	Reclaim
Palisade Circle, from Palisade Dr to cul de sac	Parkwood	0.07	Reclaim
Portage Drive, from Palisade Dr to Portage Circle	Parkwood	0.34	Reclaim
Portage Circle, from Portage Dr to cul de sac	Parkwood	0.05	Reclaim
Berkely Road, from Haines Rd to Palisade Dr	Parkwood	0.12	Reclaim
Asbury Dr, from Parkwood Ln to Morris Thomas Rd	Parkwood	0.25	Reclaim
Karl Ave, from Parkwood Ln to Palisade Dr	Parkwood	0.13	Reclaim
W Olive, Stanford to Arlington	Duluth Hts	0.25	Reclaim
Stanford, Terrace St to Marble St	Duluth Hts	0.5	Reclaim
1st St alley, between 22nd and 26th Ave W	Lincoln Pk	0.36	Mill & Overlay
57th Ave W, storm work between Main St and Raleigh	Irving Pk	0.18	Mill & Overlay
Falcon St, from 88th Ave W to dead end southerly	Morgan Pk	0.3	Mill & Overlay
86th Ave W, from Falcon St to Edward St	Morgan Pk	0.1	Mill & Overlay
Edward St, from 88th Ave W to 85th Ave W alley	Morgan Pk	0.23	Mill & Overlay
Clyde Ave, from TH23 to boat landing	Smithville	0.32	Overlay

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

Street Improvement & Bridge Projects

2025 Segments Continued	Neighborhood	Mileage	Const notes
Anderson Road, from Trinity Rd to Central Entrance	Mall Area	0.97	Overlay
Observation Road, from Skyline Pkwy to Arlington	Observation	1.09	Overlay
Maple Grove Road, Swan Lake Rd to 562' E of Joshua Ave	Mall Area	0.66	Overlay
Chipseals citywide		2.44	Chip Seals
Total Street Preservation Project		\$9,125,000	11.56

Other City Street Projects in 2025: (detail on prev. pgs)

	Est. Cost	Mileage	
W Superior St, Rocks to Docks	\$37,203,530	0.2	Reconstruct
Eklund Ave, Swan Lk Rd-Maple Grove Rd	\$3,850,000	0.53	Reconstruct
Garfield Ave CPR and 3rd Ave W, from Sup to Mich St	\$690,000	0.74	Recondition
Railroad Street, from Canal Park Dr to 5th Ave W	\$2,100,000	0.46	Mill & Overlay
6th Ave E, 2nd St to Copper Top	\$1,850,000	0.95	CPR and OL
Chester Park Dr alley, from 17th AE to 18th AE	\$867,000	0.09	Reconstruct
Junction Av/St Marie St, 19thAE - Carver	\$2,500,000	0.64	Recondition

Total Street Improvement Cost & Mileage for 2025 **\$58,185,530** **15.17**

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

Capital Utility Projects Summary

Description:

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 2025 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.

Project	2025	2026	2027	2028	2029	Total
Water	42,720,000	20,591,000	24,013,800	20,966,000	19,686,000	127,976,800
Gas	2,600,000	3,443,800	3,693,800	3,363,800	3,423,800	16,525,200
Sewer	3,000,000	2,738,700	2,594,700	2,488,700	3,353,700	14,175,800
Stormwater	5,200,000	4,491,500	4,301,500	3,991,500	3,441,500	21,426,000
Total	53,520,000	31,265,000	34,603,800	30,810,000	29,905,000	180,103,800

Funding	2025	2026	2027	2028	2029	Total
Water Grant Funds	18,105,000	7,350,000	7,350,000	7,350,000	7,350,000	47,505,000
Water Revenue Bonds	17,395,000	7,650,000	7,650,000	7,650,000	7,650,000	47,995,000
Water - Current Revenue	7,220,000	5,591,000	9,013,800	5,966,000	4,686,000	32,476,800
Gas - Current Revenue	2,600,000	3,443,800	3,693,800	3,363,800	3,423,800	16,525,200
Sewer - Current Revenue	3,000,000	2,738,700	2,594,700	2,488,700	3,353,700	14,175,800
Stormwater - Current Revenue	5,200,000	4,491,500	4,301,500	3,991,500	3,441,500	21,426,000
Total	53,520,000	31,265,000	34,603,800	30,810,000	29,905,000	180,103,800

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

Water Capital Projects

Description:

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. Mandated Lead Service Line replacement (LSLR projects) are ramping up with grant opportunities through MN Public Facilities Authority and other federal funding. Significant improvements are required to the treatment, pumping, storage, and transmission assets under an EPA Administrative order issued late in 2024. Funding for this this long term investment will be a combination of capital revenue, competitive grants, and debt issuance.

*Water Infrastructure Surcharge Potential Projects

Project	2025	2026	2027	2028	2029	Total
Patch Project	166,000	166,000	166,000	166,000	166,000	830,000
Chambersburg Dead End	583,000	-	-	-	-	583,000
London Road R-A-B Relocations	1,500,000	-	-	-	-	1,500,000
Lead Service Replacement Project (49% Grant) if awarded	35,500,000	15,000,000	15,000,000	15,000,000	15,000,000	95,500,000
W Superior Street, Michigan to Carlton St	-	900,000	900,000	900,000	-	2,700,000
Eklund Ave Reconstruction	750,000	-	-	-	-	750,000
Chester Park Dr. Alley Reconstruction	501,000	-	-	-	-	501,000
Northland Country Club Interconnect*	1,400,000	-	-	-	-	1,400,000
WTP Building & Structural Repairs*	1,500,000	-	-	-	-	1,500,000
Flocculator & Sedimentation Tank Repairs*	220,000	-	-	-	-	220,000
WTP Corrosion Optimization Construction*	600,000	-	-	-	-	600,000
Ideal St, Swan Lake to Eklund	-	500,000	-	-	-	500,000
Arlington Pump Station, Central Entrance (MNDOT Coordination)	-	1,800,000	-	-	-	1,800,000

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

Water Capital Projects

Project	2025	2026	2027	2028	2029	Total
40th Ave W	-	500,000	-	-	120,000	620,000
40th Ave E Water Main from Robinson to Gladstone	-	150,000	-	-	-	150,000
Far East Superior St Reconnections	-	300,000	-	300,000	-	600,000
Mesaba Ave Bridge (MNDOT Coordination)	-	100,000	-	-	-	100,000
Water Plant Improvements Pump Station Transfer Switch Installations	-	300,000	-	-	-	300,000
Upper Lakeside PS Modifications	-	125,000	-	-	-	125,000
Campus Connector Trail 4th Street, 6th Ave E to Mesaba - 24" pipe	-	450,000	17,800	-	-	467,800
24th Ave W, 3rd to 7th St Filter #6	-	-	200,000	900,000	900,000	2,000,000
Upper Lakeside Tank Removal	-	-	450,000	-	-	450,000
Rapid Mix Tank Upgrades	-	-	1,800,000	-	-	1,800,000
Upgrade 5 Water Filters	-	-	200,000	-	-	200,000
Pump #4 study	-	-	280,000	-	-	280,000
Building & structure repairs at WTP	-	-	5,000,000	-	-	5,000,000
Upper Lakeside phase 3 upgrades	-	-	-	50,000	50,000	100,000
Glenwood Zone Connector	-	-	-	650,000	650,000	1,300,000
Swan Lake Rd Water Main (Haines to Airport Approach)	-	-	-	800,000	800,000	1,600,000
Central Entrance (MNDOT) Distribution Main and Services	-	-	-	1,000,000	-	1,000,000
	-	-	-	1,200,000	-	1,200,000
Total	42,720,000	20,591,000	24,013,800	20,966,000	19,686,000	127,976,800
Funding	2025	2026	2027	2028	2029	Total
Water Grant	18,105,000	7,350,000	7,350,000	7,350,000	7,350,000	47,505,000
Water Improvement Bonds	17,395,000	7,650,000	7,650,000	7,650,000	7,650,000	47,995,000
Water - Current Revenue	7,220,000	5,591,000	9,013,800	5,966,000	4,686,000	32,476,800
Total	42,720,000	20,591,000	24,013,800	20,966,000	19,686,000	127,976,800

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

Natural Gas Capital Projects

Description:

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	2025	2026	2027	2028	2029	Total
Patch contract (see Above)	70,000	103,800	103,800	103,800	103,800	485,200
Street projects	30,000	30,000	30,000	10,000	-	100,000
London Road, 26th to 60th Ave E	-	50,000	-	-	-	50,000
W Superior Street, Michigan to Carlton St	-	10,000	10,000	-	-	20,000
Gas Blanket Project	1,000,000	1,000,000	1,250,000	1,250,000	1,000,000	5,500,000
Meter relocations/bollards/EFV Inline Gas Heater	1,150,000	1,500,000	1,500,000	1,500,000	1,500,000	7,150,000
Replacement - Great Lakes	200,000	-	-	-	-	200,000
Transmission Line CDA	150,000	-	-	-	-	150,000
20th Ave W, 23rd Ave W, 10th Campus Connector Trail	-	500,000	-	-	-	500,000
Garfield Ave - steel replacement (RR St to Helm St)	-	250,000	-	-	-	250,000
Steel Main Replacements	-	-	800,000	-	-	800,000
Central Entrance 8" replacement (MNDOT)	-	-	-	500,000	500,000	1,000,000
	-	-	-	-	320,000	320,000
Total	2,600,000	3,443,800	3,693,800	3,363,800	3,423,800	16,525,200

Funding	2025	2026	2027	2028	2029	Total
Gas - Current Revenue	2,600,000	3,443,800	3,693,800	3,363,800	3,423,800	16,525,200
Total	2,600,000	3,443,800	3,693,800	3,363,800	3,423,800	16,525,200

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

Sanitary Sewer Capital Projects

Description:

The proposed sanitary sewer projects over the next five years focus on the continued lining or rehabilitation of leaking pipes and the reconstruction of sanitary sewer lift stations located throughout the city.

Project	2025	2026	2027	2028	2029	Total
Patch Project	103,000	103,700	103,700	103,700	103,700	517,800
adjustments	75,000	75,000	75,000	75,000	50,000	350,000
Citywide sanitary sewer rehabilitation/lining	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	9,250,000
Lift station rehabilitation (LS 27 & LS 40 & LS 3 Cover)	750,000	450,000	450,000	450,000	450,000	2,550,000
Misc street projects	100,000	100,000	100,000	-	-	300,000
Chester Park Dr Alley reconstruction	72,000	-	-	-	-	72,000
Replace Br. L5931, Niagara St at Chester Creek Bridge	50,000	-	-	-	-	50,000
London Road, 26th to 60th Ave E	-	50,000	-	-	-	50,000
W Superior Street, Michigan to Carlton St	-	10,000	10,000	10,000	-	30,000
Central Entrance, Blackman to Anderson	-	-	6,000	-	450,000	456,000
40th Ave W	-	100,000	-	-	-	100,000
Central Entrance, MNDOT	-	-	-	-	450,000	450,000
Total	3,000,000	2,738,700	2,594,700	2,488,700	3,353,700	14,175,800
Funding	2025	2026	2027	2028	2029	Total
Sewer - Current Revenue	3,000,000	2,738,700	2,594,700	2,488,700	3,353,700	14,175,800
Total	3,000,000	2,738,700	2,594,700	2,488,700	3,353,700	14,175,800

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

Stormwater Capital Projects

Description:

The proposed stormwater projects over the next five years include continued replacement of failing storm sewer lines and large culverts. Reconstruction of Chester, Clarkhouse, Gogebic, Greys and Lower Coffee Creeks is planned to repair deteriorated public infrastructure. Significant costs will occur in the repair and replacement of storm sewer in steep slope areas that discharge into streams located throughout the city.

Project	2025	2026	2027	2028	2029	Total
Patch Project	41,500	41,500	41,500	41,500	41,500	207,500
Annual CIPP lining	350,000	300,000	300,000	300,000	300,000	1,550,000
Annual street projects	900,000	900,000	900,000	900,000	900,000	4,500,000
Citywide culvert & ditch repairs, block long projects	175,000	200,000	200,000	200,000	200,000	975,000
Citywide manhole adjustments	78,500	75,000	75,000	75,000	75,000	378,500
Citywide pipe repairs & steep slope "down drains"	250,000	250,000	250,000	250,000	250,000	1,250,000
Creek tunnel repairs TBD	400,000	350,000	350,000	350,000	350,000	1,800,000
Critical culvert/crossing repairs	350,000	300,000	300,000	300,000	300,000	1,550,000
Green Infrastructure grant match - TMDL impaired watersheds	100,000	200,000	300,000	300,000	300,000	1,200,000
Storm SWPPP document update	25,000	-	-	-	-	25,000
Tioga	150,000	-	-	-	-	150,000
Stream TMDL ecoli studies - MS4 permit compliance	150,000	150,000	150,000	150,000	150,000	750,000
TMDL Action Plans document - next permit cycle	150,000	-	-	-	-	150,000
Non-capital storm projects	200,000	175,000	175,000	175,000	175,000	900,000
Irving Park Stormwater Filtration	175,000	-	-	-	-	175,000
Brewery Creek Pond Rehabilitation Project (10% grand match)	170,000	-	-	-	-	170,000

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025-2029 Capital Improvement Plan

Stormwater Capital Projects

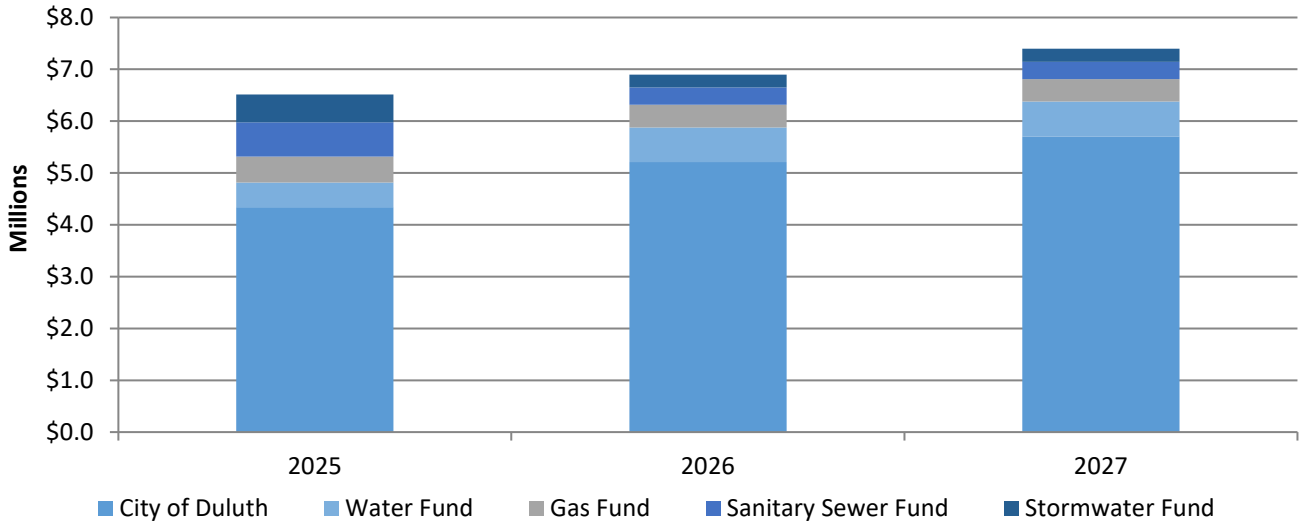
Project Continued	2025	2026	2027	2028	2029	
32nd Ave West Basins Storm Repairs (10% grant match)	775,000	-	-	-	-	775,000
Junction Ave/St. Marie reconditioning, 19th Ave E to Carver, Const and Engineering	315,000	-	-	-	-	315,000
Eklund Ave reconstruction	325,000	-	-	-	-	325,000
Chester Park Dr Alley reconstruction	120,000	-	-	-	-	120,000
W Superior Street, Michigan to Carlton St	-	550,000	550,000	550,000	-	1,650,000
Campus Connector Trail	-	100,000	60,000	-	-	160,000
40th Ave W	-	600,000	-	-	-	600,000
Citywide Storm improvements	-	300,000	400,000	400,000	400,000	1,500,000
Federal 2027 Project- Lake Ave, Canal Park Dr, Buchanan (moved from 2025)	-	-	250,000	-	-	250,000
Total	5,200,000	4,491,500	4,301,500	3,991,500	3,441,500	21,426,000
Funding	2025	2026	2027	2028	2029	Total
Stormwater - Current Revenue	5,200,000	4,491,500	4,301,500	3,991,500	3,441,500	21,426,000
Total	5,200,000	4,491,500	4,301,500	3,991,500	3,441,500	21,426,000

City of Duluth Minnesota - 2025 Budget

Capital Equipment Plan

Three Year Proposed Equipment Plan:

The objective of the City’s three-year capital equipment plan is to identify equipment needs, determine financial impacts, prioritize requests, and develop a comprehensive financial plan. The City has developed a viable multi-year capital equipment plan which is achievable within expected available resources. \$20.81 million in equipment purchases are proposed in this plan for the period of 2025 through 2027. Of that total, \$15.26 million of equipment will be financed using bond, non-bond, and asset disposal proceeds and the balance of \$5.55 million will be paid for using utility revenues and street lighting property tax levy. Shown in the chart below are the various funding sources by year for the plan.



	2025	2026	2027	Total
City of Duluth	4,342,477	5,210,484	5,706,491	15,259,452
Water Fund	475,600	670,000	670,000	1,815,600
Gas Fund	495,400	437,500	437,500	1,370,400
Sanitary Sewer Fund	663,050	330,000	330,000	1,323,050
Stormwater Fund	538,950	252,500	252,500	1,043,950
Total Plan	6,515,477	6,900,484	7,396,491	20,812,452

City of Duluth Minnesota - 2025 Budget

Capital Equipment Plan

2025 Proposed Equipment:

The City's proposed 2025 capital equipment plan includes \$6,515,477 for capital equipment purchases, of which \$4,342,477 will be financed using bond, non-bond, and asset disposal proceeds and the remaining \$2,173,000 will be paid for from utility revenues and the street lighting property tax levy.

For 2025, the City is proposing bonding for rolling stock purchases in the amount of \$2,095,000, non-bonded proceeds in the amount of \$632,331, and asset disposal proceeds in the amount of \$105,146. This is comprised of Fire vehicles and equipment totaling \$447,477; Police vehicles and equipment totaling \$625,000; Park Maintenance vehicles and equipment totaling \$185,000; Facilities vehicles and equipment totaling \$70,000; and Street Maintenance vehicles and equipment totaling \$1,505,000. For 2025 the City is also proposing bonding for non-rolling stock equipment in the amount of \$1,510,000 for technology improvements and replacements, Fire equipment, Police equipment, and Transportation Engineering equipment.

The breakdown of equipment purchases for the utility funds in 2025 includes \$2,051,000 for non-rolling stock equipment and \$122,000 for rolling stock vehicles for a total of \$2,173,000 in 2025; to be paid for using utility revenues and the street lighting property tax levy.

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025 - 2027 Capital Equipment Program

City of Duluth Rolling Stock Vehicles

		2025	2026	2027	Total
Fire Department					
	Vehicles and Equipment	447,477	450,000	2,500,000	3,397,477
Police Department					
	Vehicles and Equipment	625,000	655,300	638,000	1,918,300
Park Maintenance					
	Vehicles and Equipment	185,000	570,700	8,275	763,975
Facilities					
	Vehicles and Equipment	70,000	-	-	70,000
Street Maintenance					
	Vehicles and Equipment	1,505,000	1,699,484	725,216	3,929,700
Transportation Engineering					
	Vehicles and Equipment	-	65,000	70,000	135,000
Rolling Stock Bond Total		2,095,000	2,754,800	3,683,216	8,533,016
Rolling Stock Non-Bond Total		632,331	580,538	8,275	1,221,144
Asset Disposal Proceeds		105,146	105,146	250,000	460,292
Rolling Stock Total		2,832,477	3,440,484	3,941,491	10,214,452

City of Duluth Minnesota - 2025 Budget

Estimated Operating Costs for 2025 Rolling Stock Vehicles

Item Description	2025	2026	2027	2028	2029	2030	6-year total
Fire - EV fire squad SUV	880	968	1,064	2,671	1,276	1,404	8,263
Fire - Replace Freightliner Engine chassis and refurbish equip.	7,590	20,077	22,387	27,110	40,761	30,042	147,967
Facilities Maintenance - 1 ton service truck	3,533	987	2,022	1,988	1,293	1,681	11,504
Police - Ford Hybrid Police Interceptors	1,452	4,829	4,480	3,270	2,252	3,379	19,662
Park Maintenance - John Deere 1550 front mower	933	1,525	4,264	2,632	749	4,478	14,581
Park Maintenance - Toro Workman	219	2,511	353	2,069	429	1,532	7,113
Park Maintenance - John Deere 1550 front mower	933	1,525	4,264	2,632	749	4,478	14,581
Park Maintenance - 1 ton dump truck	4,771	3,085	3,980	6,339	4,554	4,378	27,107
Street Maintenance - Street Flusher	4,268	8,353	9,482	12,251	8,257	14,086	56,697
Street Maintenance - Tandem dump truck w/ plow & wing	6,012	14,269	12,786	9,651	12,078	13,310	68,106
Street Maintenance - Single Axle plow truck	6,012	14,269	12,786	9,651	12,078	13,310	68,106
Street Maintenance - Single Axle plow truck	6,012	14,269	12,786	9,651	12,078	13,310	68,106
Street Maintenance - Pickup Truck	2,059	4,931	955	3,561	3,765	1,964	17,235

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025 - 2027 Capital Equipment Program

City of Duluth Non-Rolling Stock Equipment

	2025	2026	2027	Total
IT				
Life Cycle Projects	870,000	930,000	1,010,000	2,810,000
Innovation Projects	200,000	400,000	315,000	915,000
Subtotal IT	1,070,000	1,330,000	1,325,000	3,725,000
Fire Department				
Personal Protection Equipment	125,000	167,500	183,500	476,000
Fire Hose & Hose Appliances	22,500	30,000	30,000	82,500
Thermal Imaging Camera	33,000	15,000	3,000	51,000
Rescue Equipment	12,000	7,500	3,500	23,000
Subtotal Fire	192,500	220,000	220,000	632,500
Police Department				
Police Equipment	192,500	220,000	220,000	632,500
Subtotal Police	192,500	220,000	220,000	632,500
Transportation Engineering				
Concrete Saw	20,000	-	-	20,000
J-Barrier Picker	5,000	-	-	5,000
Engineering GPS Units	30,000	-	-	30,000
Subtotal Transportation Engineering	55,000	-	-	55,000
Non-Rolling Stock Bond Total	1,510,000	1,770,000	1,765,000	5,045,000

2025 Non-Rolling Stock Equipment with Future Operating Costs

	City Hall Kiosks & Security	Backup Storage Expansion	Backup Software Replacement
2025	\$ 5,000	\$ 5,000	\$ -
2026	\$ 5,000	\$ 5,000	\$ -
2027	\$ 5,000	\$ 5,000	\$ -
2028	\$ 5,000	\$ 5,000	\$ -
2029	\$ 5,000	\$ 5,000	\$ -
2030	\$ 5,000	\$ 5,000	\$ 75,000
6-year total	\$ 30,000	\$ 30,000	\$ 75,000

City of Duluth Minnesota - 2025 Budget

City of Duluth 2025 - 2027 Capital Equipment Program

Utility Funds Capital Equipment Summary

	2025	2026	2027	Total
Water Fund				
Vehicles and Equipment	420,600	620,000	620,000	1,660,600
Non-Rolling Capital Equipment	55,000	50,000	50,000	155,000
Subtotal Water Fund	475,600	670,000	670,000	1,815,600
Gas Fund				
Vehicles and Equipment	450,400	387,500	387,500	1,225,400
Non-Rolling Capital Equipment	45,000	50,000	50,000	145,000
Subtotal Gas Fund	495,400	437,500	437,500	1,370,400
Sanitary Sewer Fund				
Vehicles and Equipment	653,550	310,000	310,000	1,273,550
Non-Rolling Capital Equipment	9,500	20,000	20,000	49,500
Subtotal Sanitary Sewer Fund	663,050	330,000	330,000	1,323,050
Stormwater Fund				
Vehicles and Equipment	526,450	232,500	232,500	991,450
Non-Rolling Capital Equipment	12,500	20,000	20,000	52,500
Subtotal Stormwater Fund	538,950	252,500	252,500	1,043,950
Utility Funds Total	2,173,000	1,690,000	1,690,000	5,553,000

must be approved by the city council if used for a purpose other than what has been specified. The 2025 general fund appropriation incorporates \$450,000 in general fund reserves, derived from a one-time TIF decertification associated with an HRA TIF district.

That donations and gifts received that are less than \$10,000 and not anticipated in the original budget may be added to the appropriated budget item upon approval by the chief administrative officer or designee. 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, the street improvement sales tax fund, and street lighting 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 \$3,382,000 from the gas and steam public utility funds to the general fund for administrative services; comprised of \$3,200,000 or seven percent of the gross revenues of the gas utility fund to the general fund; and \$182,000 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 following is a listing of these specific accounts: 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 and 270 in the workforce development fund, and 290 in the street system maintenance utility fund, and 291 in the street improvement sales tax fund, 550 in the street lighting fund, 503 in the golf fund, 505 and 506 in the parking funds, the accounts numbered 510 and 511 in the water fund, 520 in the gas fund, 530 and 532 in the sewer and clean water fund, 535 in the stormwater fund, and 540 in the steam fund.

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 2025.

General Fund

110	Legislative and Executive	4,661,900
121	Property, Parks, and Libraries	16,139,500
122	Administrative Services	7,286,800
125	Finance	3,170,800
132	Planning and Economic Development	4,244,400

150	Fire	23,310,300
160	Police	29,303,600
500	Public Works	11,734,400
700	<u>Transfers and Other Functions</u>	<u>9,577,400</u>
	Total General Fund	109,429,100
Special Revenue		
205	Parks Fund	3,182,400
268 & 270	Workforce Development Fund	3,778,627
290	Street Maintenance Fund	4,441,900
291	Street Improvement Sales Tax Fund	13,675,000
550	Street Lighting Fund	3,125,100
Public Enterprise		
503	Golf Fund	2,453,544
505	Parking Fund	6,626,100
506	Priley Drive Parking Facility	1,596,800
Public Utilities		
510 & 511	Water Fund	58,845,100
520	Gas Fund	52,974,400
530 & 532	Sewer and Clean Water Fund	24,410,200
535	Stormwater Fund	11,832,800
540	Steam Fund	15,902,900

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

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

The programs funded by state and federal grants shall be reduced or eliminated accordingly if state or federal revenue are reduced or eliminated and another funding source is not secured. 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, 2025.

STATEMENT OF PURPOSE: This ordinance establishes the City of Duluth budget and appropriates monies for the operation of city departments. Provisions of this ordinance are in conformance with the Duluth City Charter and Minnesota state law. The ordinance sets the 2025 budget for the city's general fund; the parks fund, the workforce development funds; the public works and utility funds of water, gas, sewer, clean water, stormwater, steam, street lighting, streets funds; and three public enterprise funds of parking, Priley Drive parking facility, and golf.

Section 8. That there will be levied for the support of the Duluth housing trust fund the amount of \$182,500.

Section 9. That there will be levied for the support of capital funding the amount of \$4,547,400.

Section 10. That this ordinance shall take effect January 1, 2025.

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2025. The increase for 2025 is \$789,543, which is a 1.85% increase, and equal to the projected 2025 tax receipts to the City of Duluth for new construction. The most substantive change results from the updated City Ordinance 24-017-O, reducing the general operations share of the levy due to savings from the city's general fund portion of retiree healthcare costs and transferring those funds to the capital projects or debt service sections of the levy. This results in a net decrease of \$3,757,857 (offset with the levy increase of \$789,543) from general operations, and a \$4,547,400 increase to capital funding.



Legislation Details (With Text)

File #: 24-065-O **Name:**
Type: Ordinance **Status:** Passed
File created: 11/27/2024 **In control:** Finance
On agenda: 12/9/2024 **Final action:** 12/16/2024
Title: AN ORDINANCE DETERMING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL PARKS FUND LEVY FOR THE YEAR 2025.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
12/16/2024	1	City Council	adopted	
12/9/2024	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 2025.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2025 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 10102, approved by voter referendum on November 8, 2011, pursuant to the authority contained in Laws of Minnesota, 1953, 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, 2025.

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2025 for the parks fund levy. Ordinance 10102, approved by voter referendum on November 8, 2011, created a dedicated parks fund and special levy in the amount of \$2.6 million per year to be utilized for parks and recreation purposes only.

- (2) The likely demand for the improvement;
- (3) The estimated cost of the improvement;
- (4) The available public resources;
- (5) The level of overlapping debt in the City;
- (6) The relative benefits and costs of alternative uses of the funds;
- (7) Operating costs of the proposed improvements; and

(8) Alternatives for providing services more efficiently through shared facilities with other cities or local government units.

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

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

1.03 The Plan is approved.

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

(b) The Council also held a public hearing on December 9, 2024, 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 \$2,300,000 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 \$2,300,000 (the "Bonds"), for the purpose of providing funds for the following capital improvements under the Plan: improvements to eligible facilities (City Hall, public safety facilities, libraries and public works facilities) under the Act throughout the City, including but not limited to improvements to City Hall Bathrooms (remodeling), City Hall Grounds, City Hall Security (addition), CIP Eligible VFA Buildings Improvements, miscellaneous Fire Hall and Public Safety Building improvements, and for the payment of costs of issuance of the Bonds.

(d) If, within 30 days after December 9, 2024, 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 2025-2029 capital improvement plan and declares the City's intent to issue general obligation capital improvement bonds in 2025 in an amount not to exceed \$2,300,000 for certain capital improvements as listed in the resolution. The estimated costs of the capital improvements to be financed by the 2025 bonds are \$2,178,000 plus underwriter discount and costs of issuance.

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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 2025 to finance the purchase of capital equipment. It further approves the capital equipment list as items to be financed in 2025 in an amount of \$3,605,000 plus an additional amount for costs of issuance and discount.

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fire department staff for special events along with traffic control, permitting, risk analysis, and other public safety resources, maintaining the transportation network including plowing, sanding, patching, and sweeping streets used by both residents and tourists, operating and maintaining our bridges particularly the MN Slip Bridge and the Aerial Lift Bridge, the collecting, accounting, reporting, and administration of the tourism taxes, and the maintaining of parks and facilities used by tourists including, but not limited to, the Lakewalk, Enger Tower, and the Rose Garden.

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 2025 hotel-motel and food and beverage tourism taxes, as estimated, be distributed in the following manner:

	Total	Promotional & Operational Support	Capital Support & Debt Service
3% Hotel/Motel Tax	\$3,490,700	\$1,335,200	\$2,155,500
1% Hotel/Motel Tax	\$1,163,600	\$507,400	\$656,200
1% Food & Beverage	\$2,988,400	\$2,988,400	\$0
Additional 2% Hotel/Motel	\$2,097,400	\$1,048,700	\$1,048,700
Additional .75% Food & Beverage	\$2,241,300	\$0	\$2,241,300
Additional .5% Food & Beverage & .5% Hotel/Motel	\$2,018,600	\$0	\$2,018,600
Tourism Tax Fund Unappropriated Fund Balance	\$1,136,100	\$536,100	\$600,000
Total:	\$15,136,100	\$6,415,800	\$8,720,300
DECC- Amsoil Arena Debt Service	\$4,388,800	\$0	\$4,388,800
Spirit Mountain Bond - Chalet	\$500,000	\$0	\$500,000
Spirit Mountain Adventure Park Lease	\$24,300	\$0	\$24,300
St Louis River Corridor Debt Service	\$2,012,700	\$0	\$2,012,700
Lake Front Restoration Project	\$550,000	\$0	\$550,000
Aerial Lift Bridge - Debt Service	\$339,800	\$0	\$339,800
Harbor Plaza - Debt Service	\$104,700	\$0	\$104,700
Aerial Lift Bridge - Capital Contribution	\$800,000	\$0	\$800,000
Bayfront Operations	\$85,000	\$85,000	\$0
DECC - Blue Bridge Operations	\$50,800	\$50,800	\$0
Depot Foundation/St. Louis County Depot	\$150,000	\$150,000	\$0
Duluth Amateur Hockey Association	\$75,000	\$75,000	\$0
Duluth Children's Museum	\$20,000	\$20,000	\$0
Duluth Parks and Recreation	\$175,500	\$175,500	\$0
Duluth Sister Cities International	\$25,000	\$25,000	\$0
Finn Fest	\$25,000	\$25,000	\$0
Fourth Fest Fireworks	\$72,100	\$72,100	\$0

Glensheen	\$30,000	\$30,000	\$0
Great Lakes Aquarium	\$310,000	\$310,000	\$0
Greater Downtown Council dba Downtown Duluth	\$301,000	\$301,000	\$0
Hawk Ridge Bird Observatory	\$40,000	\$40,000	\$0
Lake Superior & Mississippi Railroad	\$25,000	\$25,000	\$0
Lake Superior Zoo	\$510,000	\$510,000	\$0
Lincoln Park Business Group	\$20,000	\$20,000	\$0
North Shore Scenic Railroad	\$50,000	\$50,000	\$0
Northern Lights Express Project - Rail Alliance	\$18,600	\$18,600	\$0
Park Point Art Fair/Park Point Community Club	\$10,000	\$10,000	\$0
Spirit Mountain Operations	\$400,000	\$400,000	\$0
Tourism Events Support General Fund	\$1,482,800	\$1,482,800	\$0
Tourism Marketing Firm	\$1,800,000	\$1,800,000	\$0
UMD NSIC Outdoor Track and Field Championships	\$25,000	\$25,000	\$0
UMD WCHA Tournament Championship	\$10,000	\$10,000	
Upper Midwest Film Office	\$25,000	\$25,000	\$0
Visit Duluth Event and Convention Sales	\$650,000	\$650,000	\$0
Operational Contingency	\$30,000	\$30,000	\$0
Total	\$15,136,100	\$6,415,800	\$8,720,300

STATEMENT OF PURPOSE: This resolution distributes the 2025 estimated tourism taxes as required by Minnesota State Statutes, City ordinance, or City policy. \$14 million is budgeted to be collected in 2025. A comparison of 2024 approved allocations to 2025 proposed allocations is attached as Exhibit A.

For 2025, the City intends to use \$1,136,100 of unappropriated fund balance from the tourism tax fund.

As has been done in previous years, the City continued its annual electronic application process. All applicants were asked to apply for funds, submit budgets, answer a series of questions and report on previous tourism tax funding levels and uses. This is the sixth year this process has been used and it was implemented with the intent to provide greater accountability, transparency, and process to a significant source of public funding.



Legislation Details (With Text)

File #: 24-0954R **Name:**
Type: Resolution **Status:** Passed
File created: 11/27/2024 **In control:** Finance
On agenda: 12/9/2024 **Final action:** 12/9/2024
Title: RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2025 TO DECEMBER 31, 2025 BUDGETS OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/9/2024	1	City Council	adopted	

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2025 TO DECEMBER 31, 2025 BUDGETS OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY.

CITY PROPOSAL:

RESOLVED, that the Duluth Economic Development Authority (“DEDA”) operating fund, TIF assistance fund, and capital projects fund budgets for the year 2025 attached in Exhibit A are hereby approved.

STATEMENT OF PURPOSE: This resolution adopts the various DEDA budgets for fiscal year 2025. The DEDA adopted the DEDA budgets at its November 20th, 2024 meeting.

City of Duluth Minnesota - 2025 Budget

DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year	Population	Total Personal Income	Per Capita		Unemployment Rate
			Personal Income	Per Capita School Enrollment	
2015	86,110	2,763,072,824	32,088	8,819	3.3%
2016	86,293	2,709,298,125	31,396	8,632	3.9%
2017	86,066	2,770,709,396	32,193	8,547	3.5%
2018	85,884	2,894,363,625	33,701	8,844	3.2%
2019	85,618	3,020,478,591	35,279	8,706	3.3%
2020	86,697	2,937,425,075	33,882	8,896	6.7%
2021	86,372	3,113,711,612	36,050	8,358	3.3%
2022	86,619	3,254,669,603	37,575	8,487	2.4%
2023	87,680	3,408,297,243	38,872	8,554	2.5%
2024*	87,680	3,634,223,047	41,449	8,757	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	39,805		53,595		29,575		19,186	
2000 to present	4,687	11.8%	17,488	32.6%	7,248	24.5%	6,233	32.5%
1980 to 1999	3,943	9.9%	13,500	25.2%	7,638	25.8%	3,430	17.9%
1960 to 1979	6,971	17.5%	11,941	22.3%	7,858	26.6%	3,872	20.2%
1940 to 1959	6,944	17.4%	6,818	12.7%	3,430	11.6%	2,322	12.1%
1939 or earlier	17,260	43.4%	3,848	7.2%	3,401	11.5%	3,329	17.4%

Data source: United States Census Bureau

City of Duluth Minnesota - 2025 Budget

PRINCIPAL EMPLOYERS

Employer	Type of Business	Employees	Rank	% of Total City Employment
Essentia Health	Health Care	9,298	1	16.49%
St. Luke's Hospital	Health Care	3,685	2	6.54%
St. Louis County	Public Administration	2,258	3	4.00%
ALLETE	Utilities	1,404	4	2.49%
Independent School District No.709	Educational Services	1,108	5	1.97%
Duluth Air National Guard Base	Public Administration	1,019	6	1.81%
University of Minnesota - Duluth	Educational Services	1,012	7	1.79%
United Health Care	Finance and Insurance	900	8	1.60%
City of Duluth	Public Administration	895	9	1.59%
Miller-Dwan Foundation	Vocational Rehab	885	10	1.57%
		22,464		39.85%

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	2020	2021	2022	2023	2024
General government	134.10	135.10	133.90	136.90	142.65
Public Safety					
Police	180.50	183.00	183.50	184.00	184.00
Fire	148.50	148.50	148.50	150.00	151.00
Public Works	82.95	82.95	82.85	83.10	82.85
Culture and recreation					
Parks and recreation	13.70	13.70	13.70	14.45	14.45
Library	46.70	47.70	47.50	48.00	48.00
Urban & Economic Development	56.14	55.14	58.14	60.64	61.28
Water & Gas	133.00	133.00	132.60	130.50	133.85
Sewer	33.75	33.75	33.50	33.60	36.75
Stormwater	24.80	24.80	24.75	26.75	27.30
Parking	9.00	8.00	8.00	8.00	8.00
Street Lighting	5.10	5.10	5.10	5.10	5.30
Total	868.24	870.74	872.04	881.04	895.43

City of Duluth Minnesota - 2025 Budget

TOTAL ESTIMATED MARKET VALUES

Fiscal Year End	Total Estimated Market Value	Tax Capacity	% Capacity to Market Value	Tax Rate
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	70,226,007	1.15%	0.37568
2018	6,224,187,356	73,636,389	1.18%	0.39701
2019	6,534,657,950	77,341,318	1.18%	0.42094
2020	6,732,090,600	83,326,594	1.24%	0.42997
2021	7,179,732,200	88,046,786	1.23%	0.41696
2022	8,003,417,400	93,891,624	1.17%	0.43723
2023	9,216,776,600	108,064,284	1.17%	0.40903
2024	10,017,896,600	117,556,015	1.17%	0.38402

PRINCIPAL PROPERTY TAXPAYERS

Taxpayer	Type of Business	Estimated Market Value	Rank	% of Market Value
Summit Management LLC	Apartments & shopping mall	154,901,900	1	1.55%
Minnesota Power	Electric utility	146,864,700	2	1.47%
Essentia Health	Healthcare & hospital	116,505,000	3	1.16%
Simon Property Group	Shopping mall	61,049,000	4	0.61%
Wisconsin Central Ltd	Railroad	55,032,100	5	0.55%
PLB Properties	Real estate development	44,493,000	6	0.44%
St. Luke's Hospital	Healthcare & hospital	33,396,800	7	0.33%
Ansa Propco Partnership	Lease administration	32,097,400	8	0.32%
Endi Plaza LLC	Apartments	30,273,800	9	0.30%
Burlington Northern	Railroad	27,484,200	10	0.27%
		702,097,900		7.00%

City of Duluth Minnesota - 2025 Budget

OPERATING INDICATORS BY FUNCTION

	2020	2021	2022	2023	2024
Police					
Criminal offences	7,695	8,169	6,682	6,756	6,782
Cleared by arrest	2,580	1,562	1,950	2,786	3,020
Traffic violations	10,223	7,344	3,689	2,492	2,936
Parking violations	31,556	33,028	33,928	34,311	36,858
Fire					
Number of calls answered	13,815	14,803	15,234	15,501	15,810
Number of inspections	4,607	6,054	6,399	5,494	5,500
Public works					
Construction permits:					
Permits issued	7,479	7,560	7,814	7,863	8,222
Estimated cost of construction during year in dollars	399,964,575	587,364,438	323,270,859	379,642,164	360,230,750
Culture and recreation					
Parks and recreation department					
Participation in special events	3,592	62,010	58,008	57,084	63,752
Attendance for parks permitted event permits	5,818	23,756	39,678	66,675	84,121
Participation in recreation	10,431	19,216	25,242	32,542	42,631
Zoo regular customers	32,533	75,366	95,627	100,815	95,466
Library					
Registered borrowers	39,906	40,228	39,967	51,109	52,894
Items in collection	332,450	407,845	291,174	286,068	272,246
Items loaned	373,521	549,697	402,342	762,086	785,236
Library visits	91,193	140,997	260,099	301,229	328,635
Internet uses	15,503	14,512	28,494	28,982	34,108
Reference/ research questions answered	25,675	17,108	29,042	40,560	40,872

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OPERATING INDICATORS BY FUNCTION continued

	2020	2021	2022	2023	2024
Water					
Meters in service	28,598	28,727	28,786	28,844	28,884
Average number of gallons treated per month	334,648,416	300,481,666	295,900,000	338,567,000	351,000,000
Water pumped - million cubic feet	537	482	474	571	527
Water sold - million cubic feet	464	347	389	311	405
Daily average consumption in gallons	11,002,308	9,878,849	9,726,027	11,130,970	10,811,068
Gas					
Meters in service	29,484	29,992	30,083	30,213	30,622
MMBTU sold	5,737,419	5,678,028	6,168,117	6,615,228	5,500,453
Sewer					
Number of service connections	27,766	28,666	28,775	27,863	27,915
Daily average treatment in gallons	11,002,140	10,945,300	13,380,900	11,709,315	12,745,600
Stormwater					
Cleaning storm sewer pipe (in feet)	2,841	13,730	16,162	11,448	10,370
Steam District #1					
Steam sold (in 1,000 lbs)	293,441	284,998	355,830	356,957	277,624
Hot Water Sold (MMBtu)	-	95,165	128,444	117,226	141,436
Golf					
Season passes	183	213	215	215	235
Skyline passes	726	665	1,110	1,082	892
Daily tickets	15,924	16,508	15,279	16,906	19,912
Carts	16,649	19,609	14,470	14,781	13,600
Rounds played	39,337	41,440	32,400	31,316	31,056

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CAPITAL ASSETS BY FUNCTION

	2020	2021	2022	2023	2024
Police					
Patrol units	120	120	104	106	116
Fire					
Fire stations	8	8	8	8	8
Public works					
Miles of streets and alleys:					
Miles of streets: paved	476.13	476.31	476.27	477.39	477.51
Miles of streets: unpaved	47.96	47.96	47.96	47.96	47.96
Miles of sidewalk	352.96	353.83	354.04	355.36	355.94
Number of street lights:					
Ornamental lamps (bulbs)	3,350	3,350	3,350	3,350	3,350
Overhead street lamps	3,700	3,700	3,700	3,700	3,700
Culture and recreation					
Parks and recreation					
Number of parks	129	129	162	162	162
Park acreage	12,000	12,000	9,715	9,715	9,720
Number of ski hills	2	2	2	2	2
Library					
Libraries/branches	3	3	3	3	3
Water					
Miles of water mains	430.00	433.50	432.80	433.30	434.00
Number of hydrants	2,747	2,766	2,793	2,806	2,810
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	554.60	558.80	562.90	565.20	566.50
Sewer					
Miles of sanitary sewers	398.00	399.00	400.00	400.00	400.00
Stormwater					
Miles of storm sewers	415.00	418.00	415.00	415.00	415.00
Steam District #1					
Miles of Steam pipeline	11.00	8.50	8.50	8.50	7.50
Miles of HW pipeline	-	5.50	5.50	6.00	6.25
Golf					
Number of municipal golf courses	2	2	2	2	1

City of Duluth Minnesota - 2025 Budget

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.

Assessed Valuation

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

Audit

A formal examination of an organization's or individual's accounts or financial situation.

Balanced Budget

A situation in financial planning or in the budgeting process where total expected revenues are equal to total planned spending.

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

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

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

Annual Comprehensive Financial Report

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 (infrastructure).

Capital Outlay/Expenditure

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).

City of Duluth Minnesota - 2025 Budget

Glossary of Terms

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.

Conduit Debt

A debt instrument issued in the name of a state or local government (the issuer) that is for the benefit of a third party primarily liable for the repayment of the debt instrument (the third-party obligor).

Contractual Services

Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include maintenance agreements and professional consulting services.

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

Decreases in net current financial resources in governmental funds. Usually recognized in the accounting period in which the goods or services are received and the liability for payment is incurred. However, in instances when current financial resources are not reduced as a result of the incurrence of a liability, an expenditure is not recorded.

Expense

Charges incurred by proprietary funds (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

City of Duluth Minnesota - 2025 Budget

Glossary of Terms

Fiduciary Fund

A fund used to report assets held in a trust or agency capacity for others which cannot be used to support the City's own programs.

Financial Policy

The City's policies with respect to revenues, spending, and debt management as they relate 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

12-month period the operating budget applies; January 1 to December 31.

Fixed Assets

Long-term assets that are intended to continue to be held or used, such as land, buildings, machinery, and furniture.

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)

Job classification created by Civil Service, authorized by the budget 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 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.

City of Duluth Minnesota - 2025 Budget

Glossary of Terms

Grants

Contribution by a government or other organization to support a particular function.

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, overtime, electricity, office supplies, and paving materials.

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.

City of Duluth Minnesota - 2025 Budget

Glossary of Terms

Objective

Something accomplished in well-defined and measurable terms and is achievable in 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.

Other Post-Employment Benefits

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.

Permanent Employee

An individual who works for an employer and receives payment directly from them.

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)

Statewide 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.

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 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".

City of Duluth Minnesota - 2025 Budget

Glossary of Terms

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.

ARPA-American Rescue Plan Act

CAF – Capacity Availability Fee

CARES – Coronavirus Aid, Relief, and Economic Security Act

CBA – Collective Bargaining Unit

CCP – Cities for Climate Protection

CDBG – Community Development Block Grant Program

DEDA – Duluth Economic Development Authority

DEED – Department of Employment and Economic Development

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.

Common Acronyms

DTA – Duluth Transit Authority

EMS – Emergency Management Services

FASB -- Financial Accounting Standards Board

GFOA –Government Finance Officers Association

GIS – Geographical Information Systems

GO – General Obligation

HUD – Housing and Urban Development

JPE – Joint Power Enterprise

LAN – Local Area Network

LGA – Local Government Aid

MFIP – Minnesota Family Improvement Program

MOU – Memorandum of Understanding

MP&L – Minnesota Power and Light

PBB – Priority Based Budgeting

PW&U – Public Works and Utilities

RPZ – Reduced Pressure Backflow Zone Assembly

RFP – Request for Proposal