

DULUTH PUBLIC UTILITIES COMMISSION  
Tuesday, September 17, 2013  
City Council Chambers  
AGENDA

1. Roll call
2. Approval of previous meeting minutes
3. New business
  - 3.1 2014 utility budget overview
  - 3.2 Two-tier natural gas rate
4. Updates from staff
5. Upcoming Council actions
6. Commissioner questions or comments
7. Preview of upcoming business

**DULUTH PUBLIC UTILITIES COMMISSION**  
**Public Hearing**  
**August 20, 2013**

**Members Present:** Councilor Sharla Gardner, Robert Prusak, Jim Ramnes, Linda Sellner, Councilor Jim Stauber, Jason Thorsell

**Staff Present:** Jodi Amundson, Bob Asleson, Jim Benning, Leanna Gilbert, Carrie Lustig, Eric Shaffer, Glenn Strid, Pete Upton

**Call to Order:** The hearing was called to order at 5:17 p.m. by President Sellner.

Under consideration were proposed rate changes for the natural gas utility.

No one was present to speak at the hearing.

The Duluth Public Utilities Commission discussed and voted on the natural gas rate resolutions after the public hearing closed.

**Adjournment:** The hearing was adjourned at 5:18 p.m.

A recording of this hearing is available upon request.

**DULUTH PUBLIC UTILITIES COMMISSION**  
**Meeting Minutes**  
**August 20, 2013**

**Members Present:** Councilor Sharla Gardner, Robert Prusak, Jim Ramnes, Linda Sellner, Councilor Jim Stauber, Jason Thorsell

**Members Absent:** Councilor Jennifer Julsrud

**Staff Present:** Jodi Amundson, Bob Asleson, Jim Benning, Kelly Fleissner, Leanna Gilbert, Carrie Lustig, Dave Montgomery, Eric Shaffer, Glenn Strid, Pete Upton

**Call to Order:** The meeting was called to order at 5:17 p.m. by President Sellner.

**Public hearing on natural gas rates**

The Commission held a public hearing on natural gas rates. No one from the public was present to speak, so the hearing was closed and the Commission moved on to the regular meeting items.

**Approval of previous meeting minutes**

**Old business:**

**Natural gas rate resolutions**

13PUC-006 - RESOLUTION ESTABLISHING NATURAL GAS RATES EFFECTIVE WITH METER READINGS AFTER SEPTEMBER 30, 2013; AMENDING FIXED MONTHLY CHARGES AND VOLUMETRIC CHARGES; SUPERSEDING ALL PRIOR INCONSISTENT OR CONFLICTING RATES AS OF OCTOBER 1, 2013.

13PUC-008 - RESOLUTION AMENDING THE FIXED MONTHLY CHARGES FOR NATURAL GAS EFFECTIVE WITH METER READINGS AFTER SEPTEMBER 30, 2013, AND AMENDING SUCH RATES AGAIN EFFECTIVE WITH METER READINGS AFTER SEPTEMBER 30, 2014; SUPERSEDING ALL PRIOR INCONSISTENT OR CONFLICTING RATES AS OF OCTOBER 1, 2013.

13PUC-009 - RESOLUTION REQUESTING THAT CITY COUNCIL DEDICATE 2/7TH OF PILOT TO GAS SYSTEM CAPITAL IMPROVEMENTS AND BOND PAYOFF.

Jim Benning gave an update on the financial status of the gas fund and answered questions from commissioners. Updated budget numbers, a cold spring, and other factors resulted in more money in the natural gas utility than previously anticipated. Projected 2013 year end cash balance is about \$2.2 million less the \$1.1 million February debt payment, leaving a cash balance of approximately \$1.1 million. Projected 2014 year end cash balance is about \$2.4 million less the \$1.1 million debt payment, for a final cash balance of \$1.3 million. These debt payments will remain for quite a few years. Staff had previously projected the 2014 year end cash balance to be approximately a negative \$1.7 million. These balances include all of the planned capital projects, but the original goal of \$5M in reserves probably will not be reached without a rate increase. There are additional projects that staff was not aware of before or were not put on the list because they are too expensive.

President Sellner opted to discuss the three resolutions together. Commissioners and staff discussed the pros and cons of each of the resolutions. Mike Seymour, Vice Chancellor of Finance and Operations for UMD, spoke about the effect a rate increase would have for their operation. Commissioner Gardner

motioned to consider resolution 13PUC-006. The majority voted in favor of 13PUC-006. Since 13PUC-006 passed, 13PUC-008 and 13PUC-009 were dropped.

### **City salt usage practices**

Kelly Fleissner, Manager of Maintenance Operations for the City of Duluth, provided a handout and gave an overview of current practices for salt usage. He mentioned how his operation works to minimize use of salt and sand without sacrificing safety and answered questions from commissioners.

13PUC-007 - RESOLUTION REQUESTING DULUTH STREET MAINTENANCE OPERATIONS MINIMIZE THROUGH BEST MANAGEMENT PRACTICES, THE APPLICATION OF ROAD SALT FOR DE-ICING PURPOSES TO MINIMIZE IMPACTS ON THE STORMWATER UTILITY.

President Sellner motioned to consider resolution 13PUC-007. After some discussion, Commissioner Gardner moved to amend 13PUC-007 to strike items 5 and 6 in the further resolved section. The amendment failed. After further discussion, resolution 13PUC-007 failed with a tie vote.

### **Draft DPUC appeals process**

Jodi Amundson stated that the draft appeals process and form had been revised as previously requested by the commission. Commissioner Gardner requested that language be added stating that the Commission would receive copies of the appeal form in addition to the department's facts and findings report in their meeting packets. Staff agreed to make the requested revision.

### **Updates from staff**

Jim Benning stated that the West Duluth Reservoir surge tank foundation and piping work is done. Work on the steel tank portion will begin soon. The West 1<sup>st</sup> Street gas project will include 800 feet of additional pipe, since the original pipe was found to be very corroded and cracked.

### **Upcoming Council actions**

There are four flood-related projects on the agenda for Monday. These were considered minor projects by FEMA. The projects came in over budget, but we will appeal to FEMA for reimbursement for the extra costs.

### **Commissioner questions or comments**

None mentioned.

### **Preview of upcoming business**

The next regular meeting is scheduled for Tuesday, September 17, 2013, at 5:15 p.m. in City Council Chambers. Staff will give an overview of the 2014 budget for the utilities. Copies of the draft 2014 budget pages will be sent to commissioners prior to the meeting.

**Adjournment:** The meeting was adjourned at 7:12 p.m.

A recording of this meeting is available upon request.

# City of Duluth Minnesota - 2014 Budget

## Divisions

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

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

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

## **Mission and Core Services**

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

	2011	2012	2013	2014	Difference
Budgeted FTE's	190.75	196.15	199.15	198.45	(0.70)
<u>Expenditures</u>	2011 Actual	2012 Actual	2013 Budget	2014 Proposed	Difference
Salaries and Benefits	16,561,084	18,127,206	18,648,500	18,857,800	209,300
Supplies	27,739,177	22,245,001	23,953,900	25,733,800	1,779,900
Other Services & Charges	18,213,361	16,110,918	16,891,600	16,821,500	(70,100)
Utilities	1,356,774	1,442,314	1,476,200	1,496,000	19,800
Depreciation/Amortization	4,443,103	4,672,743	5,416,900	5,627,500	210,600
Grants & Awards	1,819,772	2,499,994	2,080,000	2,048,000	(32,000)
Improvements -Non-Capital	410,424	109,704	404,900	627,500	222,600
Debt Service - Interest	1,078,263	1,052,372	1,120,300	963,600	(156,700)
Debt Service - Other	23,944	33,059	33,500	42,500	9,000
Capital Lease Interest	318,019	298,367	278,000	256,700	(21,300)
Total Operating	71,963,921	66,591,678	70,303,800	72,474,900	2,171,100
Non-Operating	24,876,772	11,564,867	11,703,100	9,825,000	(1,878,100)
Total Appropriation Budget	<b>96,840,693</b>	<b>78,156,545</b>	<b>82,006,900</b>	<b>82,299,900</b>	<b>293,000</b>

# City of Duluth Minnesota - 2014 Budget

## Utilities - Personnel Summary

		2011	2012	2013	2014
		BUDGET	BUDGET	BUDGET	PROPOSED
1165	Director of Public Works & Utilities	0.80	0.80	0.80	0.80
1140	City Engineer	0.60	0.60	0.60	0.60
1130	Chief Engineer - Utilities	1.00	1.00	1.00	1.00
1115-1130	Manager, Customer Service	1.00	1.00	1.00	1.00
1115-1130	Manager, Utility Operations	1.00	1.00	1.00	1.00
1115-1130	Operations Mgr, W&G Supply	1.00	1.00	1.00	-
1080-1095	Utility Operations Supervisor	3.00	3.00	3.00	3.00
1045-1055	Customer Relations Supervisor	1.00	1.00	1.00	1.00
1090	Measurement Services Supervisor	1.00	1.00	1.00	1.00
1075	Chief Gas Controller	1.00	1.00	1.00	2.00
1075	Water Plant Supervisor	1.00	1.00	1.00	1.00
137	Applications Administrator	-	-	-	1.00
133-136	Geographic Systems Tech	-	-	-	-
136	Financial Analyst	-	-	1.00	1.00
135	Safety & Training Specialist	0.75	0.75	0.75	-
133	Safety & Training Coordinator	-	-	-	1.00
132	Utility Accounts Receivable Specialist	3.00	3.00	3.00	3.00
131	Paralegal	1.00	1.00	1.00	1.00
129	Administrative Information Specialist	1.40	1.40	1.40	2.00
126	Information Technician	15.60	16.60	16.60	16.50
121	Clerical Support Technician	3.00	2.00	2.00	1.00
121	Janitor	-	2.00	2.00	2.00
39	Senior Project Engineer	-	-	-	2.00
36	Project Engineer	4.00	5.00	5.00	2.00
34	Chief Water Plant Operator	1.00	-	-	-
34	Senior Engineering Specialist	-	0.80	0.80	0.80
33	Program Coordinator	-	-	-	3.00
32	Corrosion Technician	1.00	1.00	2.00	2.00
32	Gas & Energy Coordinator	1.00	1.00	1.00	1.00
32	Project Coordinator	3.80	2.80	2.80	0.80
32	FOG Project Coordinator	-	-	1.00	1.00
32	Senior Water Plant Operator	-	-	-	-
32	Utility Operations Leadworker	7.00	7.00	7.00	7.00
32	W & G Service Leadworker	2.00	2.00	2.00	2.00
32	Water Lab Chemist	1.00	1.00	1.00	1.00

# City of Duluth Minnesota - 2014 Budget

## Utilities - Personnel Summary - continued

	2011 BUDGET	2012 BUDGET	2013 BUDGET	2014 PROPOSED
31 Master Electrician	-	1.00	1.00	1.00
31 Pipeline Welder	3.00	3.00	3.00	3.00
31 Senior Engineering Technician	14.80	12.20	12.20	11.45
31 Water Plant Operator A	4.00	5.00	5.00	5.00
31 Water Quality Specialist	7.00	6.00	5.00	4.00
30 Appliance Mechanic Apprentice	-	-	-	3.00
30 Appliance Mechanic Journey person	15.00	15.00	15.00	10.00
30 Instrument Technician	-	-	-	1.00
30 Senior Gas Control Operator	1.00	1.00	1.00	-
30 Warehouse Specialist	2.00	3.00	3.00	3.00
29 Gas Fitter	2.00	2.00	2.00	2.00
29 Lift Station Operator	2.00	2.00	2.00	2.00
29 Meter Mechanic	1.00	1.00	1.00	1.00
29 Painter	2.00	2.00	2.00	2.00
29 Regulator Mechanic	2.00	3.00	3.00	2.00
29 Water Conveyance Technician	-	-	-	2.00
28 Collection System Maintenance Worker	8.00	9.00	9.00	5.00
28 EAM Coordinator	1.00	1.00	1.00	1.00
28 Engineering Technician	-	2.20	3.20	6.50
28 Gas Control Operator II	1.00	1.00	1.00	-
28 Utility Operator	17.00	17.00	17.00	24.00
28 Utility Operator Apprentice	14.00	12.00	12.00	6.00
28 Utility Service Journey person	11.00	11.00	11.00	6.00
28 Utility Service person	-	-	-	8.00
28 W & G Maintenance Journey Person	5.00	6.00	6.00	2.00
28 Water Plant Operator B	-	-	-	1.00
27 Water Lab Technician	1.00	1.00	1.00	1.00
26 Gas Control Operator I	1.00	1.00	1.00	-
26 Utility Radio Dispatcher	6.00	6.00	5.00	5.00
26 Water Plant Operator C	1.00	-	-	-
24 Water Plant Operator D	-	1.00	2.00	1.00
23 Utility Maintenance Worker	8.00	9.00	9.00	14.00
22 Meter Reader	3.00	3.00	3.00	2.00
DEPARTMENT TOTAL	190.75	196.15	199.15	198.45

# City of Duluth Minnesota - 2014 Budget

## Water Fund

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The Water Fund is a self-supporting enterprise fund which accounts for the collection, treatment, and distribution of water to the citizens of Duluth. The major funding source for this fund is metered water sales, representing 98% of total revenues for 2014. Significant categories of expense include: personnel and benefits at 49% of the 2014 total; and the combined categories of Supplies, Utilities, and Other Services and Charges representing 31% of the 2014 approved expenses.

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

Estimated Income and Expense	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
REVENUE				
Operating	11,743,509	13,911,617	14,779,100	14,896,500
Non-Operating	11,379	58,461	63,300	50,400
	<u>11,754,888</u>	<u>13,970,078</u>	<u>14,842,400</u>	<u>14,946,900</u>
EXPENSES				
Personal Services	5,251,569	5,442,646	5,656,400	5,807,200
Supplies	1,220,447	1,156,032	1,225,400	1,305,600
Other Services & Charges	1,475,062	1,097,870	1,249,000	1,158,500
Utilities	1,151,790	1,224,696	1,262,900	1,271,000
Depreciation/Amortization	1,414,602	1,487,132	1,597,000	1,689,800
Improvements -Non-Capital	68,650	29,726	20,600	25,000
Debt Service - Interest	184,103	190,209	219,900	230,500
Debt Service - Other	5,563	5,759	5,700	5,700
Capital Lease Interest	114,487	107,412	100,100	92,400
Transfers	613,646	238,758	428,000	400,000
	<u>11,499,919</u>	<u>10,980,240</u>	<u>11,765,000</u>	<u>11,985,700</u>
ESTIMATED OPERATING INCOME (LOSS)	254,969	2,989,838	3,077,400	2,961,200
Other Sources of Cash	2,454,254	2,141,869	1,729,600	1,844,800
Other Uses of Cash	(4,513,402)	(4,331,520)	(4,184,500)	(4,681,200)
Increase (Decrease) in Cash	<u>(1,804,179)</u>	<u>800,187</u>	<u>622,500</u>	<u>124,800</u>



## City of Duluth Minnesota - 2014 Budget

### Water Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2013 Budget	2013 Projected	2014 Proposed
ESTIMATED OPERATING INCOME (LOSS)	3,077,400	3,668,200	2,961,200
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,597,000	1,546,800	1,689,800
Bond Amortization	5,700	5,700	5,700
Other Post Employment Benefits Not Funded	-	-	-
Due from Other Funds		36,300	-
Special Assessment Principal	126,900	149,300	149,300
Total Other Sources of Cash	<u>1,729,600</u>	<u>1,738,100</u>	<u>1,844,800</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	-	326,900	-
Budget Carry-Over for Encumbrances	-	-	-
Net Project Timing Adjustments	-	-	-
Capital Improvements from Current Revenues	400,000	590,200	-
Infrastructure Improvements	2,118,000	2,115,800	2,964,000
Capital Equipment Purchases	224,300	211,200	295,800
Bond Principal Payments	1,245,900	1,205,100	1,217,600
AMR Lease Principal Payments	196,300	196,300	203,800
Total Other Uses of Cash	<u>4,184,500</u>	<u>4,645,500</u>	<u>4,681,200</u>
INCREASE (DECREASE) IN CASH	622,500	760,800	124,800
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>804,053</u>	<u>800,187</u>	<u>1,560,987</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>1,426,553</u></u>	<u><u>1,560,987</u></u>	<u><u>1,685,787</u></u>

# City of Duluth Minnesota - 2014 Budget

## Water Fund

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Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
OPERATING REVENUES:				
4636 Sale of Scrap	23,233	13,478	12,000	12,000
4680 Damage or Losses Recovered	-	678	-	-
4800 Meter Repair	6,629	17,440	10,000	14,000
4801 Off/On Charge	(99)	20,115	14,000	25,000
4802 Interest - Customer Accounts	48,360	44,478	42,000	44,000
4805 Reimbursements	6,805	22,422	8,000	6,000
4807 Water Tower Lease	137,458	139,661	140,000	110,000
4809 Miscellaneous Operating	45,768	8,835	8,000	10,000
4810 Metered Water Sales	9,102,381	10,195,823	10,946,600	11,020,000
4811 Water for Resale	1,046,560	1,120,054	1,268,000	1,302,000
4831 Fixed Rate Charges	1,326,414	2,328,633	2,330,500	2,353,500
<b>TOTAL OPERATING REVENUES</b>	<b>11,743,509</b>	<b>13,911,617</b>	<b>14,779,100</b>	<b>14,896,500</b>
NON-OPERATING REVENUES:				
4220 State of Minnesota	-	-	-	-
4230 Pera Aid	16,919	16,919	16,900	16,900
4806 Connection Fees	2,000	17,926	8,000	8,000
4850 Earnings on Investments	294	401	400	800
4851 Interest Income	(7,602)	8,856	10,000	10,000
4853 Gain on Sale of Assets	(2,363)	1,273	-	1,000
4854 Utility Assessment	2,131	2,426	28,000	3,000
4730 Transfers from Enterprise Funds	-	10,660	-	10,700
<b>TOTAL NON-OPERATING REVENUES</b>	<b>11,379</b>	<b>58,461</b>	<b>63,300</b>	<b>50,400</b>
<b>TOTAL REVENUE</b>	<b>11,754,888</b>	<b>13,970,078</b>	<b>14,842,400</b>	<b>14,946,900</b>

# City of Duluth Minnesota - 2014 Budget

## Director's Office

510-500-1900

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

Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Proposed
PERSONAL SERVICES					
5100	Permanent Employees - Regular	46,070	55,163	62,700	78,900
5101	Permanent Employees - Overtime	400	654	500	500
	TOTAL	<u>46,470</u>	<u>55,817</u>	<u>63,200</u>	<u>79,400</u>
EMPLOYEE BENEFITS					
5121	P.E.R.A.	3,236	3,791	4,400	5,500
5122	F.I.C.A. Social Security	2,857	3,316	3,900	4,900
5123	F.I.C.A. Medicare	668	784	900	1,200
5124	Health Insurance	4,000	-	-	-
5125	Dental Insurance	260	306	300	400
5126	Life Insurance	120	143	200	200
5127	Health Care Savings	567	2,707	600	700
5130	Cafeteria Plan Benefits	-	6,546	9,800	11,900
	TOTAL	<u>11,708</u>	<u>17,593</u>	<u>20,100</u>	<u>24,800</u>
OPERATING EXPENSES					
5200	Office Supplies	50	77	100	100
5241	Small Equipment	254	194	-	300
5321	Telephone	219	155	100	100
5331	Training Expense	270	50	300	500
5335	Mileage Reimbursement - Local	26	-	100	100
5356	Copier, Printer Lease & Supplies	-	72	-	100
5438	Licenses	-	101	-	-
5441	Other Services and Charges	102	-	-	-
	TOTAL	<u>921</u>	<u>649</u>	<u>600</u>	<u>1,200</u>
1900	TOTAL - DIRECTOR'S OFFICE	59,099	74,059	83,900	105,400

# City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
OPERATING EXPENSES				
5420 Depreciation	1,414,602	1,487,132	1,597,000	1,689,800
5441 Other Services and Charges	-	-	-	-
5535 Improvements (Non-Capital)	68,650	29,726	20,600	25,000
5540 Equipment (Non-Capital)	13,281	-	-	-
5611 Bond Interest	184,103	190,209	219,900	230,500
5613 Interest from Bond Amortization	(1,455)	(1,459)	(1,500)	(1,500)
5614 Capital Lease Interest	114,487	107,412	100,100	92,400
5620 Fiscal Agents Fee	481	613	600	400
5622 Bond Amortization	7,018	7,218	7,200	7,200
TOTAL	1,801,167	1,820,851	1,943,900	2,043,800
NON-OPERATING EXPENSES				
5532 Capital Improvements - Bonds	2,916,441	417,555	5,000,000	-
5533 Capital Improvements - Revenue Financing	916,949	1,169,974	400,000	-
5536 Utility Infrastructure Replacmt Proj	685,663	986,331	2,118,000	2,964,000
5580 Capital Equipment	344,072	56,347	224,300	295,800
TOTAL	4,863,125	2,630,207	7,742,300	3,259,800
1905 TOTAL - CAPITAL	6,664,292	4,451,058	9,686,200	5,303,600

# City of Duluth Minnesota - 2014 Budget

## Utility General Expense

510-500-1915

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	3,885	39,319	43,400	50,500
5101 Permanent Employees - Overtime	-	655	-	-
TOTAL	3,885	39,974	43,400	50,500
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	-	2,776	3,000	3,500
5122 F.I.C.A. Social Security	241	2,401	2,700	3,100
5123 F.I.C.A. Medicare	56	561	600	700
5124 Health Insurance	-	-	-	-
5125 Dental Insurance	-	321	400	400
5126 Life Insurance	3,803	4,189	200	200
5127 Health Care Savings	-	350	400	500
5130 Cafeteria Plan Benefits	-	5,473	8,900	11,400
5134 Other Post Retirement Benefits	(1,373)	149,837	-	-
5135 Retiree Health Insurance	530,988	600,220	537,900	587,200
5151 Worker's Compensation	140,700	99,800	61,400	40,800
TOTAL	674,415	865,928	615,500	647,800
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	36	73	500	500
5201 Computer Supplies/Software	19,438	27,494	28,600	29,800
5205 Safety & Training	767	365	1,000	1,000
5211 Cleaning & Janitorial Supplies	3,495	1,859	3,000	3,200
5219 Other Miscellaneous	333	-	-	-
5241 Small Equipment	3,207	3,088	500	700
5301 Auditing Services	1,797	1,258	2,000	1,600
5305 Medical Services/Testing Fees	3,552	2,008	1,000	1,400
5310 Contract Services	2,028	1,779	-	-
5312 Lobbyist Fees	-	-	-	-
5319 Other Professional Services	-	450	-	-
5320 Data Services	9,230	10,396	12,300	14,200
5321 Telephone	10,849	10,793	11,000	11,000
5331 Training Expense	1,839	4,495	1,400	1,600
5335 Mileage Reimbursement - Local	48	-	100	100
5355 Printing and Copying	-	68	-	-
5356 Copier, Printer Lease & Supplies	-	4,623	3,900	5,900
5360 Insurance	412,000	192,700	131,100	74,900
5381 Electricity	16,865	16,502	12,000	12,000
5382 Water, Gas & Sewer	16,478	14,672	20,200	21,000
5384 Refuse Disposal	4,176	2,687	3,200	3,500
5401 Building Repair & Maintenance	6,583	8,951	7,500	9,100
5404 Equipment Repair & Maintenance	112	475	-	-
5418 Vehicle/Equipment Lease	6,046	-	-	-
5433 Dues and Subscriptions	-	5,220	-	-
5441 Other Services & Charges	7,516	21,178	18,500	17,000
5450 Laundry	3,149	2,638	2,000	2,200
5457 Hydrant Maintenance	30,000	30,000	30,000	30,000
5493 Cost Allocation	408,200	383,200	383,200	383,200

5700	Transfer to General Fund	57,300	-	-	-
5700	Transfer to Internal Service Funds	277,350	-	148,000	120,000
	TOTAL	<u>1,302,394</u>	<u>746,972</u>	<u>821,000</u>	<u>743,900</u>
1915	TOTAL - GENERAL EXPENSE	1,980,694	1,652,874	1,479,900	1,442,200

# City of Duluth Minnesota - 2014 Budget

## Engineering

510-500-1930

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	298,320	297,329	285,000	338,200
5101 Permanent Employees - Overtime	12,619	17,347	20,000	20,000
5103 Temporary Wages	1,090	1,668	4,500	18,700
TOTAL	312,029	316,344	309,500	376,900
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	21,411	22,045	20,200	24,100
5122 F.I.C.A. Social Security	18,546	19,142	19,200	23,400
5123 F.I.C.A. Medicare	4,338	4,477	4,500	5,500
5124 Health Insurance	39,435	-	-	-
5125 Dental Insurance	1,837	1,878	1,800	2,100
5126 Life Insurance	861	881	800	1,000
5127 Health Care Savings	5,102	4,123	6,800	4,700
5130 Cafeteria Plan Benefits	-	53,481	66,400	81,400
TOTAL	91,530	106,027	119,700	142,200
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	13	181	300	300
5201 Computer Supplies	3,841	7,773	11,800	13,500
5203 Paper, Stationery and Forms	523	516	300	300
5205 Safety and Training Materials	64	160	200	200
5212 Motor Fuel	6,229	5,923	5,000	6,500
5219 Other Miscellaneous Supplies	760	62	-	-
5240 Small Tools	-	421	200	600
5241 Small Equipment	5,643	2,860	2,200	5,000
5242 Survey Equipment and Supplies	-	6,665	4,700	5,100
5320 Data Services	-	-	500	800
5321 Telephone	1,720	1,772	1,600	1,100
5322 Postage	10	13	100	100
5331 Training Expenses	762	2,819	4,800	3,300
5335 Mileage Reimbursement	50	114	200	300
5355 Printing and Copying	523	369	900	600
5356 Copier, Printer Lease & Supplies	-	3,408	3,900	4,000
5404 Equipment Maintenance Repair	292	416	600	600
5409 Fleet Services	3,988	8,939	5,500	5,500
5418 Vehicle/Equipment Lease	818	-	-	-
5433 Dues and Subscriptions	140	451	600	600
5435 Books and Pamphlets	-	-	200	200
5438 Licenses	-	-	-	100
5441 Other Services and Charges	2,059	1,500	5,300	10,300
5486 One Call System	2,870	2,953	2,600	3,000
TOTAL	30,305	47,315	51,500	62,000
1930 TOTAL - ENGINEERING	433,864	469,686	480,700	581,100

# City of Duluth Minnesota - 2014 Budget

## Customer Services

510-500-1940

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	769,656	771,063	771,400	801,700
5101 Permanent Employees - Overtime	33,823	35,349	42,000	41,500
5103 Temporary Wages	3,043	35	-	-
5111 Long-Term Disability Wages	181	(487)	-	-
5118 Meal Allowance	46	152	-	-
TOTAL	806,749	806,112	813,400	843,200
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	54,498	55,744	54,200	56,700
5122 F.I.C.A. Social Security	48,225	49,275	50,400	52,300
5123 F.I.C.A. Medicare	11,279	11,524	11,800	12,300
5124 Health Insurance	118,929	-	-	-
5125 Dental Insurance	5,603	5,579	5,600	5,800
5126 Life Insurance	2,666	2,648	2,600	2,700
5127 Health Care Savings	8,415	18,248	11,100	8,100
5130 Cafeteria Plan Benefits	-	153,260	184,700	211,000
TOTAL	249,615	296,278	320,400	348,900
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	7,716	3,408	4,300	3,300
5201 Computer Supplies	-	257	400	400
5203 Paper/Stationery	1,092	1,561	2,300	2,300
5212 Motor Fuel	18,171	14,849	23,100	23,100
5215 Shop Materials	-	13	-	-
5218 Uniforms	3,256	2,488	2,500	2,500
5219 Other Miscellaneous Supplies	29	1,220	-	-
5220 Repair & Maintenance Supplies	41,101	27,839	44,000	44,000
5227 Utility System	17,348	48,663	65,400	65,400
5228 Painting Supplies	2,633	1,960	3,000	3,000
5240 Small Tools	637	2,610	1,500	1,500
5241 Small Equipment	7,813	3,261	6,900	5,100
5310 Contract Services	37,279	32,802	32,500	37,200
5320 Data Services	972	43	-	-
5321 Telephone	2,766	2,912	3,200	3,200
5322 Postage	46,473	40,320	48,900	48,900
5331 Training Expenses	1,328	485	1,700	2,200
5339 Armored Pickup	1,190	1,295	1,200	1,200
5355 Printing & Copying	1,709	905	700	700
5356 Copier, Printer Lease & Supplies	-	844	600	500
5401 Building/Structure Repair & Maint	94	37	-	-
5404 Equipment Maintenance & Repair	3,297	2,785	4,100	3,500
5409 Fleet Services	10,954	16,614	16,800	16,800
5427 Credit Card Commission	8,264	10,234	8,300	9,100
5432 Uncollectible Accounts	94,417	(107,274)	15,000	15,000
5441 Other Services & Charges	1,516	2,620	2,400	2,400
TOTAL	310,055	112,751	288,800	291,300
1940 TOTAL - CUSTOMER SERVICE	1,366,419	1,215,141	1,422,600	1,483,400



# City of Duluth Minnesota - 2014 Budget

## Utility Operations

510-500-1945

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	1,500,786	1,385,169	1,499,000	1,454,000
5101 Permanent Employees - Overtime	268,319	219,472	300,000	275,000
5103 Temporary Wages	-	-	-	-
5111 Long-Term Disability Wages	-	487	-	-
5118 Meal Allowance	1,005	5,190	3,000	3,000
<b>TOTAL</b>	<b>1,770,110</b>	<b>1,610,318</b>	<b>1,802,000</b>	<b>1,732,000</b>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	119,751	110,820	105,400	102,200
5122 F.I.C.A. Social Security	105,967	97,910	111,500	107,200
5123 F.I.C.A. Medicare	24,824	22,982	26,100	25,100
5124 Health Insurance	216,664	-	-	-
5125 Dental Insurance	10,018	9,458	10,500	10,100
5126 Life Insurance	4,696	4,396	4,900	4,700
5127 Health Care Savings	16,195	15,699	26,100	26,500
5130 Cafeteria Plan Benefits	-	253,104	345,300	335,500
5141 Unemployment Compensation	5,130	-	-	-
<b>TOTAL</b>	<b>503,245</b>	<b>514,369</b>	<b>629,800</b>	<b>611,300</b>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	1,199	1,553	2,000	2,000
5201 Computer Supplies/Software	2,100	246	-	4,200
5205 Safety & Training Materials	3,044	9,052	2,100	3,000
5210 Plant/Operating Supplies	13,164	13,811	10,300	11,000
5212 Motor Fuel	74,666	80,183	73,000	75,000
5215 Shop Materials	1,654	1,932	2,300	2,500
5218 Uniforms	2,016	1,701	6,000	4,000
5219 Other Miscellaneous Supplies	47	66	-	-
5220 Repair & Maintenance Supplies	2,770	7,765	2,500	3,500
5222 Paving Materials	31,450	6,533	25,000	20,000
5224 Gravel & Other Maintenance Mtls	20,934	39,867	70,000	60,000
5227 Utility Maintenance Supply	355,212	265,930	187,000	262,000
5228 Painting Supplies	-	368	300	300
5240 Small Tools	8,147	9,997	5,300	8,000
5241 Small Equipment	6,722	2,783	10,500	12,000
5310 Contract Services	24,995	32,714	28,500	23,000
5320 Data Services	523	-	-	-
5321 Telephone	2,055	2,196	2,000	2,500
5331 Training Expenses	8,805	11,803	9,000	9,000
5333 Freight/Delivery Charges	-	-	-	-
5335 Mileage Reimbursement	3,794	4,712	5,500	5,000
5355 Printing and Copying	1,861	212	500	500
5356 Copier, Printer Lease & Supplies	-	-	1,000	1,000
5382 Water/Sewer/Gas	6,650	3,673	7,500	6,000
5384 Refuse Disposal	8,863	5,151	9,000	8,500
5401 Building Repair & Maintenance	-	583	-	-
5404 Equipment Maintenance/Repair	500	650	400	2,700
5409 Fleet Service Charges	102,296	130,865	100,000	110,000
5415 Vehicle/Equipment Rental	15,750	13,884	5,000	10,000
5419 Other Rentals	1,197	3,410	-	-
5438 License	69	437	500	500
5441 Other Services & Charges	1,609	13,082	2,000	3,000
5450 Laundry	8,651	9,481	9,700	9,700
5700 Transfer to General Fund	278,996	238,758	280,000	280,000
<b>TOTAL</b>	<b>989,739</b>	<b>913,398</b>	<b>856,900</b>	<b>938,900</b>
1945 TOTAL - UTILITY OPERATIONS	3,263,094	3,038,085	3,288,700	3,282,200

# City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	582,551	573,638	635,400	642,900
5101 Permanent Employees - Overtime	18,152	31,683	20,000	20,000
5118 Meal Allowance	40	-	-	-
TOTAL	600,743	605,321	655,400	662,900
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	40,859	42,281	45,000	45,700
5122 F.I.C.A. Social Security	35,592	36,415	40,600	41,100
5123 F.I.C.A. Medicare	8,324	8,516	9,500	9,600
5124 Health Insurance	84,104	-	-	-
5125 Dental Insurance	3,802	3,799	4,300	4,300
5126 Life Insurance	1,782	1,774	2,000	2,000
5127 Health Care Savings	6,607	5,255	5,800	19,300
5130 Cafeteria Plan Benefits	-	110,525	156,800	165,300
TOTAL	181,070	208,565	264,000	287,300
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	2,024	1,945	1,000	1,200
5210 Plant/Operating Supplies	17,325	5,479	10,000	12,000
5212 Motor Fuel	4,144	4,730	2,500	4,500
5216 Treatment Chemicals	427,619	459,677	513,000	513,000
5218 Uniforms	2,055	2,308	2,800	2,800
5219 Other Miscellaneous Supplies	7,966	13,328	12,000	12,000
5220 Repair & Maintenance Supplies	72,328	42,592	63,000	63,000
5228 Painting Supplies	1,793	1,100	3,000	1,500
5240 Small Tools	1,123	1,073	3,000	1,500
5241 Small Equipment	3,215	16,173	7,000	8,900
5310 Contract Services	16,717	19,283	20,000	20,000
5319 Other Professional Services	15,518	1,721	50,000	15,000
5320 Data Services	785	594	5,400	5,400
5321 Telephone	2,288	2,403	2,700	2,700
5322 Postage	103	224	200	300
5331 Training Expenses	5,766	5,000	7,100	7,000
5335 Local Mileage Reimbursement	6,795	6,475	6,000	6,000
5355 Printing and Copying	386	694	1,000	1,000
5356 Copier, Printer Lease & Supplies	-	100	2,200	1,700
5381 Electricity	1,018,638	1,118,063	1,120,000	1,140,000
5382 Water & Sewer	80,120	63,948	91,000	80,000
5400 Misc. Repair & Maintenance	-	1,539	-	-
5401 Building Repair & Maintenance	2,266	1,430	41,200	35,100
5404 Equipment Maintenance/Repair	51,895	48,868	100,000	80,000
5409 Fleet Services	4,228	3,482	5,000	5,000
5433 Dues and Subscriptions	5,334	72	5,000	5,000
5438 Licenses	23	145	300	300
5441 Other Services & Charges	57,995	68,217	65,500	65,500
5450 Laundry	4,200	4,995	4,000	5,000
5483 Water Testing Fees	1,120	-	2,000	2,000
TOTAL	1,813,769	1,895,658	2,145,900	2,097,400
1955 TOTAL-WATER TRMT & PMPING	2,595,582	2,709,544	3,065,300	3,047,600

# City of Duluth Minnesota - 2014 Budget

## Gas Fund

520

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

The major funding source for this fund is metered gas sales which represents 97% of total revenues for 2014. The major category of expense is purchased gas, representing 62% of all expenses approved.

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

Estimated Income and Expense	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
REVENUE				
Operating Revenues	1,313,925	1,527,261	1,357,700	1,451,000
Gas Sales	39,967,501	32,412,635	33,717,600	37,844,800
Non-Operating Revenues	58,191	79,374	83,400	99,900
	<u>41,339,617</u>	<u>34,019,270</u>	<u>35,158,700</u>	<u>39,395,700</u>
EXPENSES				
Personal Services	6,425,261	7,199,041	7,559,800	7,290,700
Supplies	797,567	991,903	745,300	796,500
Other Services & Charges	4,223,843	4,280,572	4,018,300	4,240,100
Natural Gas Purchases	25,207,873	19,376,845	21,395,800	22,986,200
Utilities	45,591	43,628	46,200	48,400
Depreciation/Amortization	1,240,613	1,272,122	1,369,800	1,435,400
Improvements -Non-Capital	168,634	4,450	3,100	242,500
Debt Service - Interest	195,807	197,328	185,600	161,800
Debt Service - Other	1,887	(7,890)	(7,900)	(7,900)
Capital Lease Interest	104,946	98,461	91,700	84,700
Transfers	609,612	10,129	157,700	123,000
	<u>39,021,634</u>	<u>33,466,589</u>	<u>35,565,400</u>	<u>37,401,400</u>
ESTIMATED OPERATING INCOME (LOSS)	2,317,983	552,681	(406,700)	1,994,300
Other Sources of Cash	1,278,447	3,890,899	1,551,300	1,607,900
Other Uses of Cash	(4,327,489)	(2,470,413)	(4,046,000)	(4,323,200)
Increase (Decrease) in Cash	<u>(731,059)</u>	<u>1,973,167</u>	<u>(2,901,400)</u>	<u>(721,000)</u>

# City of Duluth Minnesota - 2014 Budget

## Gas Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2013 Budget	2013 Projected	2014 Proposed
ESTIMATED OPERATING INCOME (LOSS)	(406,700)	2,407,100	1,994,300
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,369,800	1,328,300	1,435,400
Bond Amortization	(7,900)	(7,900)	(7,900)
Other Post Employment Benefits Not Funded	-	-	-
Due from Other Funds	-	79,000	-
Interfund Loan Receivable	-	-	-
Energy Fund Loan Repayment	150,000	150,000	150,000
Special Assessment Principal	39,400	30,400	30,400
Total Other Sources of Cash	<u>1,551,300</u>	<u>1,579,800</u>	<u>1,607,900</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	-	111,700	-
Budget Carry-Over for Encumbrances	-	-	-
Net Project Timing Adjustments	-	-	-
Capital Improvements from Current Revenues	2,690,000	2,276,400	2,923,000
Capital Equipment Purchases	318,100	243,000	317,400
Bond Principal Payments	858,000	858,000	896,000
AMR Lease Principal Payment	179,900	179,900	186,800
Total Other Uses of Cash	<u>4,046,000</u>	<u>3,669,000</u>	<u>4,323,200</u>
INCREASE (DECREASE) IN CASH	(2,901,400)	317,900	(721,000)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>404,642</u>	<u>2,888,655</u>	<u>3,206,555</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u>(2,496,758)</u>	<u>3,206,555</u>	<u>2,485,555</u>

# City of Duluth Minnesota - 2014 Budget

## Gas Fund

520

Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
OPERATING REVENUES:				
4636 Sale of Scrap	657	437	1,000	1,000
4801 Off/On Charge	69,940	20,115	20,000	25,000
4802 Interest Earned on Customer Accts	136,597	107,130	135,000	130,000
4805 Reimbursements	238,545	408,231	250,000	225,000
4809 Miscellaneous Operating Revenue	102,638	97,322	78,000	80,000
4818 Servicing Appliances	292,763	299,645	280,000	285,000
4819 Comfort Policy	351,377	395,357	375,000	385,000
4820 Residential Firm	22,129,714	18,254,163	19,141,400	21,306,500
4822 Comm/Industrial Firm Large	9,839,027	7,748,214	7,915,500	9,044,000
4824 Comm/Industrial Interruptible Large	4,788,958	3,165,778	3,382,600	3,695,200
4827 Gas-Interruptible Transport	121,408	199,024	218,700	320,000
4831 Fixed Rate Charges	3,209,802	3,244,480	3,278,100	3,799,100
TOTAL OPERATING REVENUES	41,281,426	33,939,896	35,075,300	39,295,800
NON-OPERATING REVENUES:				
4220 State of Minnesota	-	-	-	-
4230 Pera Aid	23,365	23,365	23,400	23,400
4829 Two Tier Rate	27,827	30,827	45,000	48,000
4850 Earnings on Investments	2,969	3,759	3,700	3,700
4851 Interest Income - Other Sources	1,662	1,633	1,800	1,800
4853 Gain on Sale of Assets	(7,787)	3,349	2,000	2,000
4854 Utility Special Assessments	10,155	451	7,500	5,000
4730 Transfers In from Enterprise Funds	-	15,990	-	16,000
TOTAL NON-OPERATING REVENUES	58,191	79,374	83,400	99,900
TOTAL REVENUE	41,339,617	34,019,270	35,158,700	39,395,700

# City of Duluth Minnesota - 2014 Budget

## Director's Office

520-500-1900

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
PERSONAL SERVICES				
5100 Permanent Employees - Regular	53,666	63,159	70,900	87,700
5101 Permanent Employees - Overtime	525	740	500	500
TOTAL	54,191	63,899	71,400	88,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,735	4,312	5,000	6,100
5122 F.I.C.A. Social Security	3,333	3,817	4,400	5,500
5123 F.I.C.A. Medicare	780	902	1,000	1,300
5124 Health Insurance	5,140	-	-	-
5125 Dental Insurance	336	382	400	500
5126 Life Insurance	156	179	200	200
5127 Health Care Savings	635	3,978	700	800
5130 Cafeteria Plan Benefits	-	7,857	11,300	13,600
TOTAL	14,115	21,427	23,000	28,000
OPERATING EXPENSES				
5200 Office Supplies	113	62	100	100
5241 Small Equipment	457	194	-	300
5321 Telephone	219	155	100	100
5331 Training/Travel	-	390	300	500
5335 Mileage Reimbursement Local	-	27	100	100
5356 Copier, Printer Lease & Supplies	-	63	-	100
5438 Licenses	-	101	-	-
5441 Other Services & Charges	102	-	-	-
TOTAL	891	992	600	1,200
1900 TOTAL - DIRECTOR'S OFFICE	69,197	86,318	95,000	117,400

# City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
OPERATING EXPENSES				
5420 Depreciation	1,240,613	1,272,122	1,369,800	1,435,400
5441 Other Services and Charges	3,082	-	-	-
5535 Improvements (Non-Capital)	168,634	4,450	3,100	242,500
5540 Equipment (Non-Capital)	22,502	870	-	-
5611 Bond Interest	195,807	197,328	185,600	161,800
5613 Interest - Bond Amortization	(5,442)	(21,579)	(21,500)	(21,500)
5614 Capital Lease Interest	104,946	98,461	91,700	84,700
5620 Fiscal Agents Fee	656	321	600	600
5622 Bond Amortization	7,329	13,689	13,600	13,600
TOTAL	1,738,127	1,565,662	1,642,900	1,917,100
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue Financing	1,397,352	1,603,761	2,690,000	2,923,000
5580 Capital Equipment	294,811	170,921	318,100	317,400
TOTAL	1,692,163	1,774,682	3,008,100	3,240,400
1905 TOTAL - CAPITAL	3,430,290	3,340,344	4,651,000	5,157,500

# City of Duluth Minnesota - 2014 Budget

## Utility General Expense

520-500-1915

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

Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Proposed
PERSONAL SERVICES					
5100	Permanent Employees - Regular	9,618	36,342	53,900	59,700
5101	Permanent Employees - Overtime	222	475		-
	TOTAL	9,840	36,817	53,900	59,700
EMPLOYEE BENEFITS					
5121	P.E.R.A.	533	2,577	3,800	4,200
5122	F.I.C.A. Social Security	608	2,196	3,300	3,700
5123	F.I.C.A. Medicare	142	514	800	900
5124	Health Insurance	1,140	-	-	-
5125	Dental Insurance	77	293	400	500
5126	Life Insurance	4,019	4,393	200	200
5127	Health Care Savings	68	327	500	600
5130	Cafeteria Plan Benefits	-	5,353	14,000	15,500
5134	Other Post Retirement Benefits	(225,129)	137,882	-	-
5135	Retiree Health Insurance	799,517	938,548	869,400	898,500
5151	Worker's Compensation	186,800	132,500	81,100	51,100
	TOTAL	767,775	1,224,583	973,500	975,200
OPERATING EXPENSES					
5200	Office Supplies	4,287	3,066	2,000	2,000
5201	Computer Supplies/Software	30,465	41,360	43,100	45,200
5205	Safety & Training	2,885	3,814	1,100	1,300
5211	Cleaning & Janitorial Supplies	5,326	11,266	3,200	2,700
5241	Small Equipment	5,721	3,510	500	700
5301	Auditing Services	1,797	1,258	2,000	1,600
5305	Medical Services/Testing Fees	4,318	4,708	4,000	4,000
5310	Contract Services	-	823	-	-
5319	Other Professional Services	1,000	47,112	-	-
5320	Data Services	12,945	16,464	15,800	18,000
5321	Telephone	24,315	14,797	22,700	22,700
5331	Training Expense	28,013	29,929	20,800	21,600
5335	Mileage Reimbursement	784	795	100	200
5355	Printing & Copying	-	68	-	-
5356	Copier, Printer Lease & Supplies	-	4,154	3,400	4,700
5360	Insurance	67,300	62,000	62,000	62,000
5381	Electricity	14,904	14,428	15,100	15,100
5382	Water, Gas & Sewer	14,723	12,437	15,600	16,500
5384	Refuse Disposal	2,404	1,351	2,500	2,300
5401	Building Repair & Maintenance	7,977	9,601	6,500	8,000
5404	Equipment/Machinery Repair	2,485	1,760	-	-
5418	Vehicle/Equipment Rental	6,021	-	-	-
5433	Dues and Subscriptions	6,145	6,676	8,300	6,600
5438	Licenses	-	-	100	100
5441	Other Services & Charges	34,651	60,752	52,600	49,600
5450	Laundry	3,149	2,638	2,000	2,200
5452	Pipe Line Safety	16,532	8,677	12,000	12,000
5493	Cost Allocation	519,500	489,200	489,200	489,200
5711	Payment in Lieu of Taxes	2,778,918	2,889,700	2,289,600	2,726,000
5700	Transfer to General Fund	41,400	-	-	-
5700	Transfer to Internal Service Funds	539,325	-	137,700	103,000
	TOTAL	4,177,290	3,742,344	3,211,900	3,617,300
1915	TOTAL - GENERAL EXPENSE	4,954,905	5,003,744	4,239,300	4,652,200



# City of Duluth Minnesota - 2014 Budget

## Engineering

520-500-1930

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
PERSONAL SERVICES				
5100 Permanent Employees - Regular	503,408	589,079	600,300	583,400
5101 Permanent Employees - Overtime	37,238	38,987	50,000	45,000
5103 Temporary Wages	1,090	1,687	4,500	4,500
TOTAL	541,736	629,753	654,800	632,900
EMPLOYEE BENEFITS				
5121 P.E.R.A.	36,908	43,868	42,500	41,500
5122 F.I.C.A. Social Security	32,477	38,192	40,600	39,200
5123 F.I.C.A. Medicare	7,596	8,932	9,500	9,200
5124 Health Insurance	60,630	-	-	-
5125 Dental Insurance	2,829	3,494	3,700	3,600
5126 Life Insurance	1,327	1,646	1,700	1,700
5127 Health Care Savings	9,128	6,630	10,900	7,000
5130 Cafeteria Plan Benefits	-	97,547	127,300	137,900
TOTAL	150,895	200,309	236,200	240,100
OPERATING EXPENSES				
5200 Office Supplies	163	283	300	300
5201 Computer Supplies	4,131	7,973	19,100	13,600
5203 Paper, Stationery and Forms	244	583	300	300
5205 Safety & Training Materials	232	111	500	500
5212 Motor Fuel	10,319	10,533	7,000	9,000
5219 Other Miscellaneous Supplies	2,467	240	-	-
5240 Small Tools	-	405	200	600
5241 Small Equipment	7,835	4,368	4,400	10,800
5242 Survey Equipment and Supplies	-	6,965	4,700	5,100
5303 Engineering Services	12,032	5,879	40,000	40,000
5320 Data Services	-	-	500	800
5321 Telephone	2,167	3,991	1,800	3,800
5322 Postage	10	13	100	100
5331 Training Expenses	1,524	2,674	9,600	11,300
5335 Mileage Reimbursement	81	127	200	300
5355 Printing and Copying	523	369	1,100	500
5356 Copier, Printer Lease & Supplies	-	3,353	4,000	4,100
5404 Equipment Maintenance Repair	2,343	767	600	600
5409 Fleet Services	9,514	14,360	6,000	9,000
5418 Vehicle/Equipment Lease	203	-	-	-
5433 Dues and Subscriptions	140	451	600	600
5435 Books and Pamphlets	-	123	200	200
5438 Licenses	3,076	-	-	100
5441 Other Services and Charges	3,063	2,098	2,500	12,500
5486 One Call System	2,898	2,979	2,600	2,900
TOTAL	62,965	68,645	106,300	127,000
1930 TOTAL - ENGINEERING	755,596	898,707	997,300	1,000,000

# City of Duluth Minnesota - 2014 Budget

## Customer Services

520-500-1940

Customer Accounts provides meter reading, billing, payment collection and account services for utility customers. Service provides installation, inspection, repair and replacement of meters and checks the integrity of customer utility connections. Servicing Appliances provides hookup, inspection, cleaning and repair of gas appliances as well as an annual home service contract for natural gas furnaces. 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		2011 Actual	2012 Actual	2013 Budget	2014 Proposed
PERSONAL SERVICES					
5100	Permanent Employees - Regular	2,074,137	2,112,818	2,193,800	2,222,800
5101	Permanent Employees - Overtime	114,221	107,533	143,000	133,500
5103	Temporary Wages	22,894	17,257	14,500	20,100
5111	Long-Term Disability Wages	421	(162)	-	-
5118	Meal Allowance	170	386	-	-
	TOTAL	2,211,843	2,237,832	2,351,300	2,376,400
EMPLOYEE BENEFITS					
5121	P.E.R.A.	148,370	153,871	154,600	157,300
5122	F.I.C.A. Social Security	132,724	136,933	145,900	147,300
5123	F.I.C.A. Medicare	31,040	32,025	34,100	34,500
5124	Health Insurance	308,494	-	-	-
5125	Dental Insurance	14,451	14,747	15,600	15,400
5126	Life Insurance	6,863	6,980	7,200	7,300
5127	Health Care Savings	21,482	43,344	45,600	26,200
5130	Cafeteria Plan Benefits		409,380	525,400	563,300
	TOTAL	663,424	797,280	928,400	951,300
OPERATING EXPENSES					
5200	Office Supplies	10,360	4,114	4,900	3,900
5201	Computer Supplies/Software	-	528	600	600
5203	Paper/Stationery	1,468	2,099	3,500	3,500
5210	Plant/Operating Supplies	4,674	3,935	7,500	7,500
5212	Motor Fuel	59,130	56,438	62,400	62,400
5215	Shop Materials	2,418	8,199	7,000	7,000
5218	Uniforms	6,168	6,186	5,800	5,800
5219	Other Miscellaneous Supplies	114,995	67,909	86,000	86,000
5220	Repair & Maintenance Supplies	23,021	69,983	22,000	22,000
5227	Utility System Maintenance Supply	79,098	53,067	120,600	118,600
5228	Painting Supplies	6,462	8,242	7,500	7,500
5240	Small Tools	6,522	15,338	8,000	8,000
5241	Small Equipment	21,282	14,127	23,500	23,200
5310	Contract Services	55,950	49,001	48,800	55,800
5320	Data Services	3,887	171	-	-
5321	Telephone	8,641	9,878	7,600	7,600
5322	Postage	69,575	59,105	73,500	73,500
5331	Training / Travel	4,506	2,940	9,000	9,700
5339	Armored Pickup	1,785	1,895	1,800	1,800
5340	Advertising and Promotion	130,597	120,156	134,700	134,700
5355	Printing & Copying	2,513	1,129	1,400	1,400
5356	Copier, Printer Lease & Supplies	-	1,304	1,000	700
5401	Building Repair & Maintenance	94	73	-	-
5404	Equipment Repair & Maintenance	4,848	4,195	6,000	5,100
5409	Fleet Services	38,350	57,415	46,600	46,600
5427	Credit Card Commissions	28,046	35,982	28,000	30,800
5431	Cash Short	100	-	-	-
5432	Uncollectible Accounts	55,585	(20,758)	65,000	65,000
5433	Dues and Subscriptions	-	505	800	800
5438	Licenses	-	-	100	100
5441	Other Services & Charges	2,083	4,783	3,700	3,700
5487	Conservation Improvement	70,130	28,103	305,900	60,000
5615	Customer Deposit Refund Interest	3,872	1,393	-	-
	TOTAL	816,160	667,435	1,093,200	853,300
1940	TOTAL - CUSTOMER SERVICES	3,691,427	3,702,547	4,372,900	4,181,000

# City of Duluth Minnesota - 2014 Budget

## Utility Operations

520-500-1945

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

Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Proposed
PERSONAL SERVICES					
5100	Permanent Employees - Regular	1,037,664	1,012,090	1,070,100	947,500
5101	Permanent Employees - Overtime	146,929	116,529	175,000	175,000
5103	Temporary Wages	-	-	-	-
5111	Long-Term Disability Wages	-	162	-	-
5118	Meal Allowance	542	3,222	2,000	2,400
	<b>TOTAL</b>	<b>1,185,135</b>	<b>1,132,003</b>	<b>1,247,100</b>	<b>1,124,900</b>
EMPLOYEE BENEFITS					
5121	P.E.R.A.	80,355	77,380	75,100	66,500
5122	F.I.C.A. Social Security	71,544	69,080	77,200	69,600
5123	F.I.C.A. Medicare	16,746	16,240	18,100	16,300
5124	Health Insurance	138,936	-	-	-
5125	Dental Insurance	6,833	6,768	7,300	6,400
5126	Life Insurance	3,212	3,139	3,400	3,000
5127	Health Care Savings	11,452	11,558	18,700	17,800
5130	Cafeteria Plan Benefits	-	167,008	227,300	203,000
5141	Unemployment Compensation	5,130	-	-	-
	<b>TOTAL</b>	<b>334,208</b>	<b>351,173</b>	<b>427,100</b>	<b>382,600</b>
OPERATING EXPENSES					
5200	Office Supplies	6,799	3,251	1,600	2,000
5201	Computer Supplies/Software	1,816	106	-	4,200
5205	Safety & Training Materials	23,059	48,209	3,800	3,800
5210	Plant Operations Supplies	9,393	33,097	7,400	8,400
5212	Motor Fuel	63,679	64,637	70,000	70,000
5215	Shop Materials	3,198	13,240	3,500	6,000
5218	Uniforms	6,479	7,590	4,900	5,700
5219	Other Miscellaneous Supplies	47	1,078	-	-
5220	Repair and Maintenance Supplies	9,336	28,514	3,300	4,000
5222	Paving Materials	23,593	14,380	8,000	10,000
5223	Salt & Sand	-	240	-	-
5224	Gravel & Other Maintenance Supplies	30,255	61,234	12,000	22,000
5227	Utility Maintenance Supply	114,863	205,082	130,500	135,500
5228	Painting Supplies	-	-	400	500
5240	Small Tools	12,478	22,732	5,300	8,600
5241	Small Equipment	5,823	9,327	7,200	7,000
5310	Contract Services	3,594	1,916	16,100	7,600
5320	Data Services	299	-	-	-
5321	Telephone	4,185	3,007	3,000	3,000
5331	Training Expense	521	192	9,000	4,600
5333	Freight Charges	-	-	-	-
5335	Mileage Reimbursement	3,795	3,587	4,000	4,000
5355	Printing and Copying	2,119	212	500	500
5356	Copier, Printer Lease & Supplies	-	1,570	700	1,000
5382	Water, Gas & Sewer	-	-	500	-
5384	Refuse Disposal	4,720	7,374	3,000	5,000
5400	Miscellaneous Repair & Maintenance	-	-	-	-
5401	Building Repair & Maintenance	-	31	-	-
5404	Equipment Repair & Maintenance	8,445	2,227	1,000	1,000
5409	Fleet Service Charges	83,521	122,784	80,000	90,000
5415	Vehicle/Equipment Rental	7,972	2,496	3,000	3,000
5419	Other Rentals	1,266	921	-	-
5441	Other Services & Charges	1,091	11,605	1,000	1,500
5450	Laundry	5,146	5,619	5,800	6,700
5700	Transfer to General Fund	28,887	10,129	20,000	20,000
	<b>TOTAL</b>	<b>466,379</b>	<b>686,387</b>	<b>405,500</b>	<b>435,600</b>
1945	<b>TOTAL - UTILITY OPERATIONS</b>	<b>1,985,722</b>	<b>2,169,563</b>	<b>2,079,700</b>	<b>1,943,100</b>

# City of Duluth Minnesota - 2014 Budget

## Natural Gas

520-500-1960

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	374,776	378,884	430,800	300,000
5101 Permanent Employees - Overtime	8,279	3,029	8,000	5,000
5118 Meal Allowance	-	10	-	-
<b>TOTAL</b>	<b>383,055</b>	<b>381,923</b>	<b>438,800</b>	<b>305,000</b>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A. Contribution	25,770	27,189	30,400	21,500
5122 F.I.C.A. Social Security	23,022	23,363	27,200	18,900
5123 F.I.C.A. Medicare	5,384	5,464	6,400	4,400
5124 Health Insurance	43,914	-	-	-
5125 Dental Insurance	2,150	2,217	2,500	1,700
5126 Life Insurance	1,008	1,027	1,200	800
5127 Health Care Savings	7,796	8,505	3,800	7,600
5130 Cafeteria Plan Benefits	-	54,277	82,800	71,500
<b>TOTAL</b>	<b>109,044</b>	<b>122,042</b>	<b>154,300</b>	<b>126,400</b>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	843	293	500	500
5201 Computer Supplies/Software	249	17	-	-
5210 Plant Operations Supplies	17,190	15,361	15,900	19,200
5212 Motor Fuel	5,479	5,828	6,500	6,500
5218 Uniforms	474	1,282	700	900
5219 Other Miscellaneous Supplies	893	527	1,000	1,000
5220 Repair & Maintenance Supplies	24,572	45,954	15,500	27,400
5228 Painting Supplies	-	-	500	500
5241 Small Equipment	4,304	4,156	1,000	4,300
5280 Natural Gas Purchases	25,207,873	19,376,845	21,395,800	22,986,200
5310 Contract Services	-	345	-	-
5319 Other Professional Services	869	1,000	20,000	10,000
5320 Data Services	30,947	29,246	30,500	31,600
5321 Telephone	1,728	3,643	4,200	4,200
5331 Training Expense	9,546	5,345	14,000	14,000
5335 Local Mileage Reimbursement	1,109	1,082	2,000	2,000
5355 Printing and Copying	130	-	400	400
5356 Copier, Printer Lease & Supplies	-	-	1,000	1,000
5381 Electricity	7,643	6,998	7,500	7,500
5382 Water/Sewer/Gas	1,197	1,040	2,000	2,000
5400 Miscellaneous Repair & Maint	-	-	2,000	2,000
5404 Equipment Maintenance Repair	6,846	24,137	13,000	25,500
5409 Fleet Services Charges	3,210	5,738	5,000	5,000
5433 Dues and Subscriptions	4,565	4,480	4,200	4,500
5441 Other Services & Charges	4,894	2,766	2,000	3,000
<b>TOTAL</b>	<b>25,334,561</b>	<b>19,536,083</b>	<b>21,545,200</b>	<b>23,159,200</b>
1960 TOTAL - NATURAL GAS	25,826,660	20,040,048	22,138,300	23,590,600

# City of Duluth Minnesota - 2014 Budget

## Sewer Fund

530

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

The major expense category is for contractual services and charges paid to the Sanitary District of WLSSD, constituting 52% of total Approved expenses. Presented below is a tabular summary of the major categories of revenues and expenses over a four year period.

Estimated Income and Expense	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
REVENUE				
Operating Revenue	17,155,686	18,517,152	18,500,000	19,001,800
Non-Operating Revenue	91,585	463,202	32,700	35,700
	17,247,271	18,980,354	18,532,700	19,037,500
EXPENSES				
Personal Services	3,110,709	3,494,359	3,284,100	3,555,100
Supplies	265,311	394,291	343,600	389,900
Other Services & Charges	1,182,169	949,340	1,031,100	1,051,700
WLSSD Treatment	8,520,657	8,504,062	8,820,600	8,656,300
Utilities	122,534	133,492	128,400	137,000
Depreciation/ Amortization	1,265,599	1,278,670	1,384,000	1,401,800
Sanitary Sewer -Grants	821,963	1,213,307	1,280,000	1,248,000
Improvements -Non-Capital	86,109	38,715	53,100	62,500
Debt Service - Interest	512,610	427,177	444,700	316,800
Debt Service - Other	12,355	30,933	31,500	40,100
Capital Lease Interest	98,586	92,494	86,200	79,600
Transfers	229,265	29,747	197,700	211,000
	16,227,867	16,586,587	17,085,000	17,149,800
ESTIMATED OPERATING				
INCOME (LOSS)	1,019,404	2,393,767	1,447,700	1,887,700
Other Sources of Cash	1,955,411	1,626,572	1,518,900	1,579,100
Other Uses of Cash	(5,393,058)	(3,642,799)	(3,642,900)	(3,868,100)
Increase (Decrease) in Cash	(2,418,243)	377,540	(676,300)	(401,300)

# City of Duluth Minnesota - 2014 Budget

## Sewer Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2013 Budget	2013 Projected	2014 Proposed
ESTIMATED OPERATING INCOME (LOSS)	1,447,700	2,198,700	1,887,700
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,384,000	1,325,400	1,401,800
Bond Amortization	31,500	40,000	40,100
Other Post Employment Benefits Not Funded	-	-	-
Due from Other Funds	-	248,700	-
Special Assessment Principal	103,400	137,200	137,200
Total Other Sources of Cash	<u>1,518,900</u>	<u>1,751,300</u>	<u>1,579,100</u>
<u>Other Uses of Cash</u>			
Capital Grants	-	102,700	-
Due to Other Funds	-	77,500	-
Budget Carry-Over for Encumbrances	-	-	-
Net Project Timing Adjustments	-	-	-
Infrastructure System Replacement Fund	-	12,000	51,500
Capital Improvements from Current Revenues	-	50,800	-
Infrastructure Improvements	1,635,000	560,000	1,742,000
Capital Equipment Purchases	187,800	120,000	180,300
Bond Principal Payments	1,651,100	1,652,100	1,718,800
AMR Lease Principal Payment	169,000	169,000	175,500
Total Other Uses of Cash	<u>3,642,900</u>	<u>2,744,100</u>	<u>3,868,100</u>
INCREASE (DECREASE) IN CASH	(676,300)	1,205,900	(401,300)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>1,291,962</u>	<u>1,199,316</u>	<u>2,405,216</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>615,662</u></u>	<u><u>2,405,216</u></u>	<u><u>2,003,916</u></u>

# City of Duluth Minnesota - 2014 Budget

## Sewer Fund

530

Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
OPERATING REVENUES:				
4636 Sale of Materials	81	2,017	1,500	1,500
4805 Reimbursements	2,238	30,066	27,700	28,700
4833 Sewer Revenues	15,085,218	16,408,556	16,407,000	16,911,200
4809 Misc. Operating Revenue	4,134	631	1,000	1,000
4802 Interest Earned on Customer Accounts	64,758	65,726	60,000	56,000
4831 Fixed Rate Charges	1,920,954	1,920,833	1,922,800	1,921,400
4834 Fond du Lac Grinder Pump Surcharge	11,767	11,694	12,000	12,000
4839 Point of Sale Inspection Fee	66,536	77,629	68,000	70,000
TOTAL OPERATING REVENUES	17,155,686	18,517,152	18,500,000	19,001,800
NON-OPERATING REVENUES:				
4220 Minnesota Grants - Capital	52,008	388,727	-	-
4220 Minnesota Grants - Operating	-	-	-	-
4230 Pera Aid	8,283	8,283	8,300	8,300
4806 Connection Fees	9,000	11,970	4,500	4,500
4850 Earnings on Investments	768	493	900	500
4851 Interest Income - Other Sources	21,547	7,834	6,000	3,000
4853 Gain on Sale of Assets	-	1,001	-	-
4854 Utility Special Assessments	(21)	35,464	13,000	10,000
4730 Transfer from Enterprise Funds	-	9,430	-	9,400
TOTAL NON-OPERATING REVENUES	91,585	463,202	32,700	35,700
TOTAL REVENUE	17,247,271	18,980,354	18,532,700	19,037,500

# City of Duluth Minnesota - 2014 Budget

## Director's Office

530-500-1900

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
PERSONAL SERVICES				
5100 Permanent Employees - Regular	42,272	51,226	58,500	76,700
5101 Permanent Employees - Overtime	338	612	500	500
TOTAL	42,610	51,838	59,000	77,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	2,987	3,531	4,100	5,400
5122 F.I.C.A. Social Security	2,618	3,069	3,700	4,800
5123 F.I.C.A. Medicare	612	727	900	1,100
5124 Health Insurance	3,430	-	-	-
5125 Dental Insurance	221	267	300	400
5126 Life Insurance	102	125	100	200
5127 Health Care Savings	534	2,072	500	700
5130 Cafeteria Plan Benefits	-	5,891	9,000	11,500
TOTAL	10,504	15,682	18,600	24,100
OPERATING EXPENSES				
5200 Office Supplies	53	95	-	100
5241 Small Equipment	152	194	-	300
5321 Telephone	219	155	100	100
5331 Training Expense	461	525	300	500
5335 Mileage Reimbursement	-	47	100	100
5356 Copier, Printer Lease & Supplies	-	85	100	100
5438 Licenses	-	101	-	-
5441 Other Services & Charges	102	-	-	-
TOTAL	987	1,202	600	1,200
1900 TOTAL - DIRECTOR'S OFFICE	54,101	68,722	78,200	102,500



# City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
OPERATING EXPENSES				
5420 Depreciation	1,265,599	1,278,670	1,384,000	1,401,800
5535 Improvements (Non-Capital)	86,109	38,715	53,100	62,500
5540 Equipment (Non-Capital)	4,464	-	-	15,000
5611 Bond Interest	512,610	427,177	444,700	316,800
5613 Interest - from Amortization	(5,767)	8,344	7,400	12,200
5614 Capital Lease Interest	98,586	92,494	86,200	79,600
5620 Fiscal Agents Fee	1,794	2,594	2,000	2,400
5622 Bond Amortization	18,122	22,589	24,100	27,900
TOTAL	1,981,517	1,870,583	2,001,500	1,918,200
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue	2,115,163	443,190	-	-
5536 Utility Infrastructure Replace. Proj.	983,575	600,595	1,635,000	1,742,000
5580 Capital Equipment	25,638	78,619	187,800	180,300
TOTAL	3,124,376	1,122,404	1,822,800	1,922,300
1905 TOTAL - CAPITAL	5,105,893	2,992,987	3,824,300	3,840,500

# City of Duluth Minnesota - 2014 Budget

## Utility General Expense

530-500-1915

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	8,887	26,404	35,600	39,600
5101 Permanent Employees - Overtime	222	373	-	-
TOTAL	9,109	26,777	35,600	39,600
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	533	1,845	2,400	2,700
5122 F.I.C.A. Social Security	563	1,582	2,200	2,500
5123 F.I.C.A. Medicare	132	370	500	600
5124 Health Insurance	1,140	-	-	-
5125 Dental Insurance	77	216	300	300
5126 Life Insurance	859	1,203	100	200
5127 Health Care Savings	68	235	300	400
5130 Cafeteria Plan Benefits	-	3,734	7,300	8,700
5134 Other Post Retirement Benefits	10,069	186,865	-	-
5135 Retiree Health Insurance	163,592	213,439	254,500	182,900
5151 Worker's Compensation	89,100	8,900	27,700	31,000
TOTAL	266,133	418,389	295,300	229,300
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	87	-	500	500
5201 Computer Supplies/Software	20,363	28,685	29,300	30,600
5205 Safety & Training	834	445	800	800
5211 Cleaning & Janitorial Supplies	2,852	908	3,100	2,700
5219 Other Miscellaneous Supplies	2,022	91	-	-
5241 Small Equipment	3,141	3,183	500	700
5301 Auditing Services	1,797	1,258	2,000	1,600
5305 Medical Services/Testing Fees	1,659	1,415	2,000	2,000
5310 Contract Services	324	322	1,500	1,500
5312 Lobbyist Fee	-	-	-	-
5319 Other Professional Services	-	450	-	-
5320 Data Services	9,973	11,433	11,700	10,300
5321 Telephone	15,652	15,711	13,000	14,000
5331 Training / Travel	1,439	12,436	1,400	1,600
5335 Mileage Reimbursement - Local	-	-	100	100
5355 Printing & Copying Services	-	68	-	-
5356 Copier, Printer Lease & Supplies	-	3,764	3,300	4,700
5360 Insurance	226,700	36,500	75,700	88,000
5381 Electricity	16,160	15,659	14,600	14,600
5382 Water, Gas & Sewer	11,678	9,183	15,700	16,800
5384 Refuse Disposal	2,281	1,231	2,400	2,200
5401 Building Repair & Maintenance	5,815	6,491	6,300	7,800
5404 Equipment Repair & Maintenance	364	75	-	-
5418 Vehicle/Equipment Lease	5,895	-	-	-
5433 Dues & Subscriptions	-	1,790	-	-
5438 Licenses	23	-	-	-
5439 Special Projects	-	-	-	-
5441 Other Services & Charges	7,144	12,296	11,700	10,500
5450 Laundry	3,149	2,638	2,000	2,200
5493 Cost Allocation	330,700	306,900	306,900	306,900
5700 Transfer to General Fund	26,000	-	-	-
5700 Transfer to Internal Service Funds	196,050	-	147,700	161,000
TOTAL	892,102	472,932	652,200	681,100
1915 TOTAL - UTILITY GENERAL	1,167,344	918,098	983,100	950,000

# City of Duluth Minnesota - 2014 Budget

## Engineering

530-500-1930

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
PERSONAL SERVICES				
5100 Permanent Employees - Regular	317,419	319,229	298,600	344,700
5101 Permanent Employees - Overtime	13,013	15,446	15,000	15,000
5103 Temporary Wages	1,090	1,668	4,500	4,500
TOTAL	331,522	336,343	318,100	364,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	22,514	23,356	21,200	24,600
5122 F.I.C.A. Social Security	19,695	20,338	19,700	22,600
5123 F.I.C.A. Medicare	4,606	4,757	4,600	5,300
5124 Health Insurance	41,413	-	-	-
5125 Dental Insurance	1,920	1,995	1,900	2,100
5126 Life Insurance	900	935	900	1,000
5127 Health Care Savings	5,312	4,304	5,700	4,700
5130 Cafeteria Plan Benefits	-	56,923	69,200	81,400
TOTAL	96,360	112,608	123,200	141,700
OPERATING EXPENSES				
5200 Office Supplies	13	126	300	300
5201 Computer Supplies	3,939	8,327	12,100	14,000
5203 Paper, Stationary & Forms	165	516	300	300
5205 Safety & Training Materials	64	181	500	500
5212 Motor Fuels	2,358	2,565	1,400	2,800
5219 Other Miscellaneous Supplies	856	52	-	-
5240 Small Tools	221	357	200	600
5241 Small Equipment	6,168	2,353	2,900	4,200
5242 Survey Equipment and Supplies	-	5,132	4,600	5,100
5320 Data Services	-	-	500	800
5321 Telephone	1,221	1,548	1,100	1,000
5322 Postage	10	13	100	100
5331 Training Expenses	492	2,448	6,000	7,200
5335 Mileage Reimbursement - Local	50	114	100	200
5355 Printing and Copying	1,372	428	700	700
5356 Copier, Printer Lease & Supplies	-	2,934	3,900	4,000
5404 Equipment Maintenance/Repair	292	652	600	600
5409 Fleet Services Charges	3,124	3,359	1,500	3,000
5418 Vehicle/Equipment Lease	203	-	-	-
5433 Dues & Subscriptions	370	562	600	800
5435 Books & Pamphlets	-	-	200	200
5438 Licenses	-	-	-	300
5441 Other Services and Charges	3,266	3,047	2,500	12,800
5486 One Call System	2,870	2,953	2,600	2,900
TOTAL	27,054	37,667	42,700	62,400
1930 TOTAL - ENGINEERING	454,936	486,618	484,000	568,300

# City of Duluth Minnesota - 2014 Budget

## Customer Services

530-500-1940

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
PERSONAL SERVICES				
5100 Permanent Employees - Regular	247,370	236,596	248,100	240,900
5101 Permanent Employees - Overtime	2,851	3,374	2,500	2,500
5103 Temporary Wages	-	-	-	-
5118 Meal Allowance	9	34	-	-
TOTAL	250,230	240,004	250,600	243,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	16,822	16,371	17,400	16,900
5122 F.I.C.A. Social Security	14,904	14,679	15,500	15,100
5123 F.I.C.A. Medicare	3,486	3,433	3,600	3,500
5124 Health Insurance	40,060	-	-	-
5125 Dental Insurance	1,945	1,828	1,900	1,800
5126 Life Insurance	912	857	900	800
5127 Health Care Savings	3,200	8,036	2,200	2,200
5130 Cafeteria Plan Benefits	-	45,258	60,800	63,300
TOTAL	81,329	90,462	102,300	103,600
OPERATING EXPENSES				
5200 Office Supplies	5,242	1,408	1,200	1,200
5201 Computer Supplies	-	79	300	300
5203 Paper/Stationery	866	1,238	2,100	2,100
5212 Motor Fuel	516	677	700	700
5241 Small Equipment	1,118	1,074	1,200	1,000
5310 Contract Services	32,722	33,227	28,800	32,900
5321 Telephone	247	186	400	400
5322 Postage	40,636	38,577	43,300	43,300
5331 Training Expense	737	407	700	1,100
5339 Armored Pickup	1,053	1,157	1,100	1,100
5355 Printing & Copying	255	681	200	200
5356 Copier, Printer Lease & Supplies	-	469	400	400
5401 Building Repair & Maintenance	94	63	-	-
5404 Equipment Repair & Maintenance	2,586	1,983	3,200	2,800
5409 Fleet Services	448	866	600	600
5427 Credit Card Commission	12,038	14,951	11,200	12,300
5432 Uncollectible Accounts	16,347	(71,174)	25,000	25,000
5441 Other Services & Charges	15	647	800	800
5451 Pay Station	-	-	-	-
TOTAL	114,920	26,516	121,200	126,200
1940 TOTAL-CUSTOMER SERVICES	446,479	356,982	474,100	473,200

# City of Duluth Minnesota - 2014 Budget

## Utility Operations

530-500-1945

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	957,049	1,049,134	883,600	978,500
5101 Permanent Employees - Overtime	111,499	100,756	140,000	130,000
5103 Temporary Wages	-	503	-	-
5118 Meal Allowance	287	2,461	2,000	2,000
TOTAL	1,068,835	1,152,854	1,025,600	1,110,500
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	72,170	80,187	63,100	69,900
5122 F.I.C.A. Social Security	64,199	70,082	63,500	68,700
5123 F.I.C.A. Medicare	15,015	16,474	14,800	16,100
5124 Health Insurance	144,146	-	-	-
5125 Dental Insurance	6,559	7,645	6,600	7,300
5126 Life Insurance	3,077	3,561	3,100	3,400
5127 Health Care Savings	11,478	18,897	9,600	22,500
5130 Cafeteria Plan Benefits	-	244,863	273,700	310,200
5141 Unemployment Compensation	497	-	-	-
TOTAL	317,141	441,709	434,400	498,100
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	8,664	6,800	2,000	2,000
5201 Computer Supplies	4,954	2,316	2,300	6,900
5205 Safety & Training Materials	12,739	3,695	4,000	4,000
5210 Plant Operations Supplies	11,839	4,404	20,900	22,900
5212 Motor Fuel	54,531	66,821	60,000	60,000
5215 Shop Materials	-	1,432	1,000	1,000
5218 Uniforms	5,246	4,109	6,100	5,700
5219 Other Miscellaneous Supplies	257	1,501	-	-
5220 Repair and Maintenance Supplies	14,493	22,756	13,300	12,800
5222 Paving Materials	33,142	6,534	13,000	17,000
5224 Gravel and other Mtc Materials	34,401	49,884	50,000	45,000
5227 Utility Maintenance Supply	2,940	126,939	48,500	67,000
5240 Small Tools	6,307	3,551	5,500	5,500
5241 Small Equipment	14,270	26,943	18,100	22,600
5310 Contract Services	10,478	20,447	27,500	19,000
5319 Other Professional Services	-	15,909	-	-
5320 Data Services	5,998	8,217	6,800	6,800
5321 Telephone	2,062	1,435	2,100	2,100
5331 Training Expense	17,020	14,703	15,700	15,700
5333 Freight/Delivery Charges	330	176	500	500
5335 Mileage Reimbursement	22,439	19,361	6,600	8,000
5355 Printing and Copying	3,481	8,147	1,500	2,000
5356 Copier, Printer Lease & Supplies	-	464	2,000	2,000
5381 Electricity	66,119	73,974	66,000	75,000
5382 Water, Gas & Sewer	12,265	10,246	16,000	14,000
5384 Refuse Disposal	14,031	23,199	13,700	14,400
5404 Equipment Maintenance/Repair	679	11,747	3,300	11,500
5409 Fleet Service Charges	102,368	109,079	110,000	100,000
5410 Fond Du Lac Grinder Pump	1,084	2,669	2,500	3,000
5415 Vehicle/Equipment Rental	1,601	731	3,000	3,000
5433 Dues and Subscriptions	782	122	500	500
5438 Licenses	533	477	400	500
5441 Other Services & Charges	14,894	28,210	8,000	8,500
5443 Board & Meeting Expenses	27	-	-	-
5450 Laundry	10,242	11,237	6,500	6,700
5700 Transfer to General Fund	7,215	29,747	50,000	50,000
TOTAL	497,431	717,982	587,300	615,600
1945 TOTAL - UTILITY OPERATIONS	1,883,407	2,312,545	2,047,300	2,224,200

# City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
5484 Western Lake Superior Sanitary District Srv Charge	8,520,657	8,504,062	8,820,600	8,656,300
5485 Western Lake Superior Sanitary District Testing	<u>222,455</u>	<u>221,620</u>	<u>221,600</u>	<u>218,800</u>
0575 TOTAL- SEWER TREATMENT	8,743,112	8,725,682	9,042,200	8,875,100

# City of Duluth Minnesota - 2014 Budget

## Inflow and Infiltration

530-500-1970

Inflow and infiltration is responsible for identifying sources of clear water that enter the wastewater Collection system and for making recommendations for the removal of these sources. Grants are available to homeowners to disconnect foundation drains that contribute to excess water in the sanitary system and that may lead to property damage and water pollution.

Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Proposed
PERSONAL SERVICES					
5100	Permanent Employees - Regular	465,532	430,121	416,800	508,600
5101	Permanent Employees - Overtime	39,893	25,692	40,000	35,000
5103	Temporary Wages	-	476	-	-
5111	Long-Term Disability Wages	-	6	-	-
5118	Meal Allowance	10	280	300	300
	TOTAL	505,435	456,575	457,100	543,900
EMPLOYEE BENEFITS					
5121	P.E.R.A.	34,413	30,651	29,300	35,600
5122	F.I.C.A. Social Security	30,886	28,917	28,300	33,700
5123	F.I.C.A. Medicare	7,223	6,765	6,600	7,900
5124	Health Insurance	50,423	-	-	-
5125	Dental Insurance	2,992	2,785	2,900	3,300
5126	Life Insurance	1,429	1,486	1,400	1,500
5127	Health Care Savings	4,135	3,701	3,800	4,700
5130	Cafeteria Plan Benefits	-	76,813	92,000	92,800
	TOTAL	131,501	151,118	164,300	179,500
OPERATING EXPENSES					
5200	Office Supplies	156	-	700	500
5201	Computer Supplies	-	-	500	500
5205	Safety & Training	-	-	300	400
5212	Motor Fuels	5,287	6,184	6,000	6,000
5218	Uniforms	416	213	1,700	1,500
5220	Repair & Maintenance Supplies	127	-	500	500
5227	Utility System Maintenance Supplies	-	-	1,600	1,600
5240	Small Tools	48	-	300	300
5241	Small Equipment	-	2,523	25,300	22,400
5319	Other Professional Services	-	-	-	-
5320	Data Services	822	-	1,700	1,700
5321	Telephone	6,496	2,283	3,000	2,500
5322	Postage	571	717	500	500
5331	Training Expense	4,712	3,452	6,200	4,700
5335	Mileage Reimbursement	-	-	10,000	10,000
5355	Printing & Copying	-	951	1,500	1,000
5356	Copier, Printer Lease & Supplies	-	-	500	500
5404	Equipment Maintenance Repair	-	-	4,500	2,300
5409	Fleet Services	10,768	8,010	4,000	6,000
5441	Other Services and Charges	8,669	-	1,500	1,500
5450	Laundry	-	2,024	2,900	2,500
5482	Private Property Sewer Grants	821,963	1,213,307	1,280,000	1,248,000
5535	Improvements (Non-Capital)	-	-	-	-
	TOTAL	860,035	1,239,664	1,353,200	1,314,900
1970	TOTAL INFLOW & INFILTRATION	1,496,971	1,847,357	1,974,600	2,038,300

# City of Duluth Minnesota - 2014 Budget

## Clean Water Fund

532

Estimated Income and Expense	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
<b>REVENUE</b>				
Operating Revenue	2,885,307	1,833,354	1,865,500	1,839,000
Non-Operating Revenue	4,457,943	2,389,571	2,401,600	400
	<u>7,343,250</u>	<u>4,222,925</u>	<u>4,267,100</u>	<u>1,839,400</u>
<b>EXPENSES</b>				
Supplies	-	-	-	-
Other Services & Charges	12,639	10,793	14,600	10,400
Depreciation/ Amortization	70,141	156,849	495,400	564,400
Grants & Awards	997,809	1,286,687	800,000	800,000
Improvements - Non-Capital	-	875	-	-
Debt Service - Interest	114,213	171,809	207,800	198,400
Debt Service - Other	1,705	1,816	1,700	2,100
	<u>1,196,507</u>	<u>1,628,829</u>	<u>1,519,500</u>	<u>1,575,300</u>
<b>ESTIMATED OPERATING INCOME (LOSS)</b>	<b>6,146,743</b>	<b>2,594,096</b>	<b>2,747,600</b>	<b>264,100</b>
Other Sources of Cash	71,845	158,665	497,100	566,500
Other Uses of Cash	(5,806,941)	(3,709,674)	(3,507,200)	(1,154,200)
Increase (Decrease) in Cash	<u>411,647</u>	<u>(956,913)</u>	<u>(262,500)</u>	<u>(323,600)</u>



# City of Duluth Minnesota - 2014 Budget

## Clean Water Fund Estimated Unrestricted Cash Balance

<u>OPERATING FUND</u>	<u>2013 Budget</u>	<u>2013 Projected</u>	<u>2014 Proposed</u>
ESTIMATED OPERATING INCOME (LOSS)	2,747,600	2,885,600	264,100
<u>Other Sources of Cash</u>			
Depreciation and Amortization	495,400	335,200	564,400
Bond Amortization	1,700	2,100	2,100
Total Other Sources of Cash	<u>497,100</u>	<u>337,300</u>	<u>566,500</u>
<u>Other Uses of Cash</u>			
Capital Grants	2,400,700	2,400,700	-
Budget Carry-Over for Encumbrances	-	-	-
Capital Improvements from Current Revenues	-	52,700	-
Infrastructure Replacement	-	5,100	-
Capital Equipment Purchases	-	-	-
Bond Principal Payments	<u>1,106,500</u>	<u>1,118,700</u>	<u>1,154,200</u>
Total Other Uses of Cash	<u>3,507,200</u>	<u>3,577,200</u>	<u>1,154,200</u>
INCREASE (DECREASE) IN CASH	(262,500)	(354,300)	(323,600)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>2,034,547</u>	<u>1,338,833</u>	<u>984,533</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>1,772,047</u></u>	<u><u>984,533</u></u>	<u><u>660,933</u></u>

# City of Duluth Minnesota - 2014 Budget

## Clean Water Surcharge Fund

532

Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
OPERATING REVENUES				
4836 I & I Surcharge	52,273	14,290	30,000	14,000
4837 Clean Water Surcharge	2,833,034	1,819,064	1,835,500	1,825,000
TOTAL	2,885,307	1,833,354	1,865,500	1,839,000
NON-OPERATING REVENUES				
4209 Federal Grants - Capital	-	1,050,680	-	-
4220 Minnesota Grants - Capital	4,457,016	1,337,951	2,400,700	-
4850 Earnings on Investments	927	940	900	400
TOTAL	4,457,943	2,389,571	2,401,600	400
TOTAL REVENUE	7,343,250	4,222,925	4,267,100	1,839,400

# City of Duluth Minnesota - 2014 Budget

## Clean Water Surcharge Fund

532

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
OPERATING EXPENSES				
5201 Computer Supplies/Software	-	-	-	-
5301 Auditing Services	2,916	4,499	2,200	3,000
5420 Depreciation	70,141	156,849	495,400	564,400
5427 Credit Card Commissions	1,969	2,514	2,400	2,400
5432 Uncollectible Accounts	7,754	3,780	10,000	5,000
5434 Grants & Awards	997,809	1,286,687	800,000	800,000
5441 Other Services & Charges	-	-	-	-
5535 Non-Capital Improvements	-	875	-	-
5611 Bond Interest	114,213	171,809	207,800	198,400
5622 Bond Amortization	1,705	1,816	1,700	2,100
TOTAL	<u>1,196,507</u>	<u>1,628,829</u>	<u>1,519,500</u>	<u>1,575,300</u>
NON-OPERATING EXPENSES				
5532 Capital Improvements-Bond	13,705,047	5,066,655	3,000,900	-
5533 Capital Improvements-Revenue	190,677	102,040	-	-
5536 Utility Infrastructure Replacement	49,573	2,188	-	-
5580 Capital Equipment	-	-	-	-
TOTAL	<u>13,945,297</u>	<u>5,170,883</u>	<u>3,000,900</u>	<u>-</u>
TOTAL EXPENSES	15,141,804	6,799,712	4,520,400	1,575,300

# City of Duluth Minnesota - 2014 Budget

## Stormwater Fund

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

The Stormwater utility was created mid 1998. The primary funding source is user charges to all residential and business property owners.

Estimated Income and Expense	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
<b>REVENUE</b>				
Stormwater Sewer Service	4,598,436	4,777,794	4,686,000	4,690,000
Miscellaneous Revenue	34,106	20,372	17,800	18,300
Non-Operating	105,898	69,252	700	6,000
	<u>4,738,440</u>	<u>4,867,418</u>	<u>4,704,500</u>	<u>4,714,300</u>
<b>EXPENSES</b>				
Personal Services	1,773,546	1,991,160	2,148,200	2,204,800
Supplies	247,979	325,930	243,800	255,600
Other Services and Charges	699,283	490,855	627,800	634,500
Utilities	36,859	40,498	38,700	39,600
Depreciation and Amortization	452,148	477,970	570,700	536,100
Improvements - Non-Capital	87,031	35,938	328,100	297,500
Debt Service - Interest	71,530	65,849	62,300	56,100
Bond Amortization	2,434	2,441	2,500	2,500
Transfers Out	647,185	498,792	346,800	336,000
	<u>4,017,995</u>	<u>3,929,433</u>	<u>4,368,900</u>	<u>4,362,700</u>
<b>ESTIMATED OPERATING INCOME (LOSS)</b>				
	720,445	937,985	335,600	351,600
Other Sources of Cash	506,831	1,007,354	573,200	539,200
Other Uses of Cash	(1,998,328)	(1,215,150)	(1,333,600)	(1,612,900)
Increase (Decrease) in Cash	<u>(771,052)</u>	<u>730,189</u>	<u>(424,800)</u>	<u>(722,100)</u>

# City of Duluth Minnesota - 2014 Budget

## Stormwater Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2013 Budget	2013 Projected	2014 Proposed
ESTIMATED OPERATING INCOME (LOSS)	335,600	675,100	351,600
<u>Other Sources of Cash</u>			
Depreciation and Amortization	570,700	496,900	536,100
Bond Amortization	2,500	2,500	2,500
Due from Other Funds	-	21,200	-
Special Assessment Principal	-	600	600
Total Other Sources of Cash	<u>573,200</u>	<u>521,200</u>	<u>539,200</u>
<u>Other Uses of Cash</u>			
Capital Grants	-	-	-
Due to Other Funds	-	62,100	-
Budget Carry-Over for Encumbrances	-	-	-
Net Project Timing Adjustments	-	-	-
Capital Improvements from Current Revenues	1,014,000	696,100	1,108,000
Capital Equipment Purchases	115,000	65,000	294,500
Bond Principal Payments	204,600	204,600	210,400
Total Other Uses of Cash	<u>1,333,600</u>	<u>1,027,800</u>	<u>1,612,900</u>
INCREASE (DECREASE) IN CASH	(424,800)	168,500	(722,100)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>1,591,221</u>	<u>2,379,526</u>	<u>2,548,026</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>1,166,421</u></u>	<u><u>2,548,026</u></u>	<u><u>1,825,926</u></u>

# City of Duluth Minnesota - 2014 Budget

## Stormwater Fund

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Revenue Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
OPERATING REVENUES:				
4636 Sale of Materials	2,895	4,545	1,500	3,000
4835 Stormwater Revenues	4,598,436	4,777,794	4,686,000	4,690,000
4802 Interest Earned on Customer Accounts	27,752	12,666	14,000	14,000
4805 Reimbursements	2,153	3,161	2,000	1,000
4809 Miscellaneous Operating Revenues	1,306	-	300	300
<b>TOTAL OPERATING REVENUE</b>	<b>4,632,542</b>	<b>4,798,166</b>	<b>4,703,800</b>	<b>4,708,300</b>
NON-OPERATING REVENUES:				
4210 Federal Grants - Capital	80,940	1,566	-	-
4210 Federal Grants - Operating	-	2,705	-	-
4220 State of Minnesota Grant - Capital	-	-	-	-
4850 Earnings on Investments	981	1,090	700	600
4851 Interest - Other Sources	538	643	-	500
4853 Gain/Loss - Sales of Fixed Assets	(1,621)	50,000	-	-
4854 Utility Assessments	25,060	8,328	-	-
4730 Transfers from Enterprise Funds	-	4,920	-	4,900
<b>TOTAL NON-OPERATING REVENUES</b>	<b>105,898</b>	<b>69,252</b>	<b>700</b>	<b>6,000</b>
<b>TOTAL REVENUE</b>	<b>4,738,440</b>	<b>4,867,418</b>	<b>4,704,500</b>	<b>4,714,300</b>

# City of Duluth Minnesota - 2014 Budget

## Director's Office

535-500-1900

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

Expense Detail		2011 Actual	2012 Actual	2013 Budget	2014 Proposed
PERSONAL SERVICES					
5100	Permanent Employees - Regular	42,272	51,225	58,500	76,700
5101	Permanent Employees - Overtime	338	612	500	500
	TOTAL	42,610	51,837	59,000	77,200
EMPLOYEE BENEFITS					
5121	P.E.R.A.	2,987	3,531	4,100	5,400
5122	F.I.C.A. Social Security	2,618	3,069	3,700	4,800
5123	F.I.C.A. Medicare	612	727	900	1,100
5124	Health Insurance	3,431	-	-	-
5125	Dental Insurance	221	267	300	400
5126	Life Insurance	102	125	100	200
5127	Health Care Savings	533	2,072	500	700
5130	Cafeteria Plan Benefits	-	5,890	9,000	11,500
	TOTAL	10,504	15,681	18,600	24,100
OPERATING EXPENSES					
5200	Office Supplies	50	84	-	100
5241	Small Equipment	152	194	-	300
5321	Telephone	219	225	100	100
5331	Training Expense	-	-	300	500
5335	Mileage Reimbursement-Local	-	-	100	100
5336	Copier, Printer Lease & Spplies	-	-	100	-
5441	Other Services & Charges	102	1,401	-	-
	TOTAL	523	1,904	600	1,100
1900	TOTAL - DIRECTOR'S OFFICE	53,637	69,422	78,200	102,400

# City of Duluth Minnesota - 2014 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	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
OPERATING EXPENSES				
5420 Depreciation	452,148	477,970	570,700	536,100
5535 Improvements (Non-Capital)	87,031	35,938	328,100	297,500
5540 Equipment (Non-Capital)	2,928	-	-	-
5611 Bond Interest	71,530	65,849	62,300	56,100
5613 Interest from Amortization	(746)	(748)	(700)	(700)
5620 Fiscal Agent Fees	394	438	400	400
5622 Bond Amortization	3,180	3,189	3,200	3,200
TOTAL	<u>616,465</u>	<u>582,636</u>	<u>964,000</u>	<u>892,600</u>
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue	1,229,640	612,870	1,014,000	1,108,000
5580 Capital Equipment	22,171	253,821	115,000	294,500
TOTAL	<u>1,251,811</u>	<u>866,691</u>	<u>1,129,000</u>	<u>1,402,500</u>
1905 TOTAL - CAPITAL	1,868,276	1,449,327	2,093,000	2,295,100



# City of Duluth Minnesota - 2014 Budget

## Utility General Expense

535-500-1915

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	4,740	21,451	35,600	39,600
5101 Permanent Employees - Overtime	111	373	-	-
TOTAL	4,851	21,824	35,600	39,600
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	267	1,454	2,400	2,700
5122 F.I.C.A. Social Security	300	1,275	2,200	2,500
5123 F.I.C.A. Medicare	70	298	500	600
5124 Health Insurance	571	-	-	-
5125 Dental Insurance	38	179	300	300
5126 Life Insurance	18	85	100	200
5127 Health Care Savings	34	189	300	400
5130 Cafeteria Plan Benefits	-	3,159	7,300	8,700
5134 Other Post Retirement Benefits	7,677	137,298	-	-
5135 Retiree Health Insurance	2,529	11,623	29,700	10,300
5151 Worker's Compensation	1,800	2,100	600	7,500
TOTAL	13,304	157,660	43,400	33,200
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	87	-	500	500
5201 Computer Supplies/Software	9,883	15,581	16,400	16,900
5205 Safety & Training Materials	727	318	700	700
5211 Cleaning and Janitorial Supplies	2,954	908	2,200	2,700
5241 Small Equipment	3,010	2,056	500	700
5301 Auditing Services	598	418	1,000	1,000
5305 Medical Services/Testing Fees	400	440	400	400
5310 Contract Services	95,000	23,834	-	-
5319 Other Professional Services	-	450	-	-
5320 Data Services	7,707	8,321	8,700	9,300
5321 Telephone	4,644	4,339	4,500	4,500
5331 Training Expenses	1,039	4,495	1,400	1,500
5335 Mileage Reimbursement - Local	-	-	100	100
5336 Copier, Printer Lease & Spplies	-	2,688	2,300	4,700
5360 Insurance	2,200	3,100	-	-
5381 Electricity	12,049	11,679	10,400	10,400
5382 Water & Gas	7,286	5,696	11,200	11,900
5384 Refuse Disposal	5,883	8,542	5,400	5,600
5401 Building Repair & Maintenance	4,554	5,351	4,600	6,200
5404 Equipment Maintenance Repair	17	75	-	-
5418 Vehicle/Equipment Lease	4,887	-	-	-
5433 Dues and Subscriptions	1,625	-	-	-
5439 Special Projects	38,801	4,500	-	-
5441 Other Services and Charges	26,871	23,527	8,200	6,700
5450 Laundry	3,149	2,638	2,000	2,200
5493 Cost Allocation Charges	170,000	150,700	150,700	150,700
5700 Transfer to General Fund	5,300	-	-	-
5700 Transfer to Internal Service Funds	131,475	-	131,800	121,000
TOTAL	540,146	279,656	363,000	357,700
1915 TOTAL - UTILITY EXPENSE	558,301	459,140	442,000	430,500

# City of Duluth Minnesota - 2014 Budget

## Engineering

535-500-1930

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
PERSONAL SERVICES				
5100 Permanent Employees - Regular	342,260	328,308	368,000	438,000
5101 Permanent Employees - Overtime	13,410	12,530	13,000	25,000
5103 Temporary Wages	16,815	1,957	4,500	4,500
TOTAL	372,485	342,795	385,500	467,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	24,170	23,950	26,200	31,500
5122 F.I.C.A. Social Security	21,873	20,481	23,900	29,000
5123 F.I.C.A. Medicare	5,115	4,790	5,600	6,800
5124 Health Insurance	47,043	-	-	-
5125 Dental Insurance	2,076	2,075	2,200	2,600
5126 Life Insurance	972	971	1,000	1,200
5127 Health Care Savings	5,581	4,418	6,400	5,800
5130 Cafeteria Plan Benefits	-	63,921	83,000	113,000
5141 Unemployment Compensation	-	546	-	-
TOTAL	106,830	121,152	148,300	189,900
OPERATING EXPENSES				
5200 Office Supplies	13	126	300	300
5201 Computer Supplies	4,462	8,464	14,900	15,800
5203 Paper, Stationery and Forms	165	517	300	300
5205 Safety & Training Materials	221	111	400	400
5212 Motor Fuel	1,702	1,999	1,400	2,000
5219 Other Miscellaneous Supplies	298	52	-	-
5240 Small Tools	244	357	200	600
5241 Small Equipment	6,482	2,353	2,700	4,200
5242 Survey Equipment and Supplies	-	3,965	4,600	5,100
5303 Engineering Services	48,439	5,940	135,000	135,000
5310 Contract Services	-	-	5,000	5,000
5320 Data Services	-	-	500	1,200
5321 Telephone	417	1,496	800	1,600
5322 Postage	10	13	100	100
5331 Training Expenses	2,775	4,490	8,600	13,500
5335 Mileage Reimbursement	50	114	200	200
5355 Printing and Copying	550	-	300	5,800
5336 Copier, Printer Lease & Spplies	-	3,408	3,800	3,900
5404 Equipment Maintenance Repair	292	416	600	600
5409 Fleet Services	2,640	2,638	1,800	2,600
5418 Vehicle/Equipment Lease	203	238	-	-
5433 Dues and Subscriptions	1,155	369	400	900
5435 Books and Pamphlets	100	-	200	200
5438 Licenses	-	136	-	100
5441 Other Services and Charges	995	1,309	30,900	68,600
5486 One Call system	2,870	2,953	2,600	3,000
TOTAL	74,083	41,464	215,600	271,000
1930 TOTAL - ENGINEERING	553,398	505,411	749,400	928,400

# City of Duluth Minnesota - 2014 Budget

## Customer Services

535-500-1940

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
PERSONAL SERVICES				
5100 Permanent Employees - Regular	102,952	100,759	106,500	108,100
5101 Permanent Employees - Overtime	1,496	1,801	1,200	1,500
5103 Temporary Wages	-	-	-	-
5118 Meal Allowance	5	18	-	-
TOTAL	104,453	102,578	107,700	109,600
EMPLOYEE BENEFITS				
5121 P.E.R.A.	6,956	6,994	7,500	7,600
5122 F.I.C.A. Social Security	6,219	6,275	6,700	6,800
5123 F.I.C.A. Medicare	1,454	1,467	1,600	1,600
5124 Health Insurance	16,183	-	-	-
5125 Dental Insurance	780	768	800	800
5126 Life Insurance	365	360	400	400
5127 Health Care Savings	1,428	3,830	1,000	1,000
5130 Cafeteria Plan Benefits	-	19,270	25,800	28,000
TOTAL	33,385	38,964	43,800	46,200
OPERATING EXPENSES				
5200 Office Supplies	2,497	660	600	600
5201 Computer Supplies	-	-	200	200
5203 Paper/Stationery	339	484	1,100	1,100
5241 Small Equipment	600	563	600	600
5310 Contract Services	17,048	18,818	15,000	17,200
5321 Telephone	174	100	200	200
5322 Postage	21,075	19,184	22,700	22,700
5331 Training Expense	386	212	400	600
5339 Armored Pickup	549	649	600	600
5355 Printing & Copying	100	380	100	100
5356 Copier, Printer Lease & Spplies	-	183	200	200
5401 Building Repair & Maintenance	94	85	-	-
5404 Equipment Repair & Maintenance	138	98	400	300
5409 Fleet Services	-	-	-	-
5427 Credit Card Commission	3,286	4,037	2,500	2,700
5432 Uncollectible Accounts	10,858	(16,441)	5,000	5,000
5441 Other Services & Charges	-	113	500	500
TOTAL	57,144	29,125	50,100	52,600
1940 TOTAL - CUSTOMER SERVICES	194,982	170,667	201,600	208,400

# City of Duluth Minnesota - 2014 Budget

## Utility Operations

535-500-1945

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

Expense Detail	2011 Actual	2012 Actual	2013 Budget	2014 Proposed
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	758,282	766,626	863,400	787,900
5101 Permanent Employees - Overtime	87,929	78,483	90,000	80,000
5118 Meal Allowance	367	1,292	1,000	1,000
TOTAL	846,578	846,401	954,400	868,900
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	57,639	58,503	60,600	55,400
5122 F.I.C.A. Social Security	51,085	50,938	59,100	53,800
5123 F.I.C.A. Medicare	11,946	11,996	13,800	12,600
5124 Health Insurance	101,632	-	-	-
5125 Dental Insurance	5,068	5,331	6,200	5,800
5126 Life Insurance	2,369	2,517	2,900	2,700
5127 Health Care Savings	8,807	15,133	8,700	20,300
5130 Cafeteria Plan Benefits	-	147,850	200,600	198,000
TOTAL	238,546	292,268	351,900	348,600
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	2,762	2,524	1,500	1,500
5201 Computer Supplies/Software	3,300	1,587	1,400	5,600
5202 Audiovisual & Photography	-	142	-	-
5205 Safety & Training Materials	3,820	1,568	3,100	2,300
5210 Plant Operating Supplies	6,396	2,709	12,000	9,500
5212 Motor Fuels	64,856	64,668	54,000	60,000
5218 Uniforms	1,276	1,421	4,100	4,100
5219 Other Miscellaneous Supplies	164	-	-	-
5220 Repair and Maintenance Supplies	3,798	15,006	4,800	5,800
5222 Blacktop	28,203	6,013	12,000	12,000
5224 Gravel and Other Maintenance Materials	30,264	54,170	27,700	27,700
5227 Utility Maintenance Supplies	34,477	122,348	53,000	53,000
5240 Small Tools	1,964	422	5,000	3,600
5241 Small Equipment	29,885	14,560	17,600	17,400
5310 Contract Services	24,737	7,714	16,300	9,300
5320 Data Services	847	367	400	-
5321 Telephone	2,416	2,390	2,300	2,000
5322 Postage	-	-	200	200
5331 Training Expense	13,329	8,272	12,100	8,100
5333 Freight and Delivery Charges	-	-	300	300
5335 Mileage Reimbursement	14,153	14,404	15,000	10,000
5355 Printing & Copying	8,899	5,304	5,500	-
5336 Copier, Printer Lease & Spplies	-	120	500	500
5382 Water /Sewer/Gas	569	561	800	800
5384 Refuse Disposal	11,072	14,020	10,900	10,900
5404 Equipment/Maintenance Repair	9,803	4,800	6,300	6,000
5409 Fleet Services	123,089	125,130	100,000	100,000
5415 Vehicle/Equip Rent	14,639	25,088	7,000	7,000
5419 Other Rentals	2,124	-	-	-
5433 Dues and Subscriptions	550	550	1,000	400
5438 Licenses	-	-	500	500
5441 Other Services & Charges	273	37	31,100	3,400
5443 Board & Meeting Expenses	-	23	-	-
5450 Laundry	8,013	8,778	6,000	6,000
5700 Transfer to General Fund	510,410	498,792	215,000	215,000
TOTAL	956,088	1,003,488	627,400	582,900
1945 TOTAL - UTILITY OPERATIONS	2,041,212	2,142,157	1,933,700	1,800,400