FINANCE COMMITTEE

10-067-O

ORDINANCE NO. _____

AN ORDINANCE SETTING THE BUDGET FOR THE FISCAL YEAR 2011 APPROPRIATION MONIES FOR THE SUPPORT OF THE CITY GOVERNMENT, PUBLIC UTILITIES, AND PUBLIC ENTERPRISE FUNDS AND FOR OTHER PURPOSES.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That in accordance with Section 58 of the 1912 Home Rule Charter of the city of Duluth, and all amendments thereof and laws supplementary thereto, and for the fiscal year beginning January 1 and ending December 31, 2011, the city council hereby budgets, determines and states the amount of money required to meet the principal and interest of maturing obligations comprising the outstanding indebtedness of such city; the amounts of money necessary to be provided for each such fund and each department of such city; and estimates the amount of income from all other sources and revenues, exclusive of taxes upon property, together with the probable amount required to be levied and raised by taxation to defray all expenses and obligations of such city during such fiscal year.

That the monies as so budgeted and hereinafter set forth shall be paid upon the presentation of properly verified vouchers bearing thereon the budget distribution for which such expenditures are to be charged in accordance with the detailed classification of accounts and the explanatory information of such as set forth in ordinance in effect governing same, excepting, however, payments for interest and sinking funds, which shall be paid in the manner set forth in Section 53 of the City Charter.

That any monies received by the several city departments as reimbursement for damages or repairs to city property or work done for others and not anticipated in the original budget may be credited to and added to the appropriate budget item upon approval by the chief administrative officer or their designee.

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

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

Section 2. That the city auditor be authorized to approve the payments of $3,614,400 from the gas and steam public utility funds to the general fund for administrative services; comprised of $3,493,400 or seven percent of the gross revenues of the gas utility fund to the general fund; and $121,000 from public utility steam fund to the general fund.

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

Section 4. That the salaries shall be in accordance with the pay plan in effect as provided by Section 22 of the City Charter, as amended.

Section 5. That the city auditor may create or abolish an accounting fund when required by law or proper accounting procedures.

Section 6. That the city auditor be authorized to make temporary loans to

and from the city's various funds as needed in the conduction of the day-to-day operations of the city.

Section 7. That the appropriations as set forth in this section constitutes the budget of the city of Duluth for the calendar year of 2011.

GENERAL FUND		
110	Legislative and executive - total	$3,464,900
117	Management information systems - total	$2,675,700
121	Public administration - total	$18,638,000
125	Finance - total	$3,244,900
132	Planning and construction services - total	$2,226,400
135	Business and development resources - total	$677,600
150	Fire - total	$13,254,900
160	Police - total	$17,558,600
500	Public works - total	$2,006,400
700	Transfers and other functions - total	$11,200,600
	Total general fund	$74,948,000

PUBLIC ENTERPRISE		
503	Golf fund - total	$1,977,600
505	Parking fund - total	$3,450,200

PUBLIC UTILITIES		
510	Water fund - total	$12,278,600
520	Gas fund - total	$43,376,700
530 and 532	Sewer and clean water fund - total	$18,496,700
535	Stormwater fund - total	$4,219,400
540	Steam fund - total	$7,233,600
550	Street lighting - total	$2,069,500

Section 8. That the chief administrative officer or their designee shall provide the council with a final budget report within three months of the end of

the budget year setting forth the original approved and the modified budgets for each line item included in this ordinance and explaining in narrative form the reasons for any significant differences between the original approved and the modified budgets.

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

The programs funded by state and federal grants shall be reduced or eliminated accordingly if state or federal revenues are reduced or eliminated and another funding source is not secure. Local funding will be available after a full review to determine whether the program should be continued.

Section 10. That this ordinance shall take effect January 1, 2011.

Approved:

Department Director

Approved for presentation to council:

Chief Administrative Officer

Approved as to form:

Attorney

Approved:

Auditor

BUDGET PS:rb 11/29/2010

STATEMENT OF PURPOSE: This resolution establishes the city of Duluth budget and appropriates monies for the operation of city departments. Provisions of this ordinance are in conformance with the Duluth City Charter and Minnesota state law. The ordinance sets the 2011 budget for the city's general fund; the six utility funds of water, gas, sewer, stormwater, steam and street lighting; and the two public enterprise funds of parking and golf. The budgets have been reviewed in a series of finance committee meetings over the past three months.