



2013 Annual Approved Budget
City of Duluth, Minnesota

CITY OF DULUTH

2013 Approved Annual Budget

MAYOR

Don Ness

CITY COUNCILORS

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Jay Fosle

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Dan Hartman

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Emily Larson

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CHIEF ADMINISTRATIVE OFFICER

David Montgomery

CHIEF FINANCIAL OFFICER

Peggy Spehar



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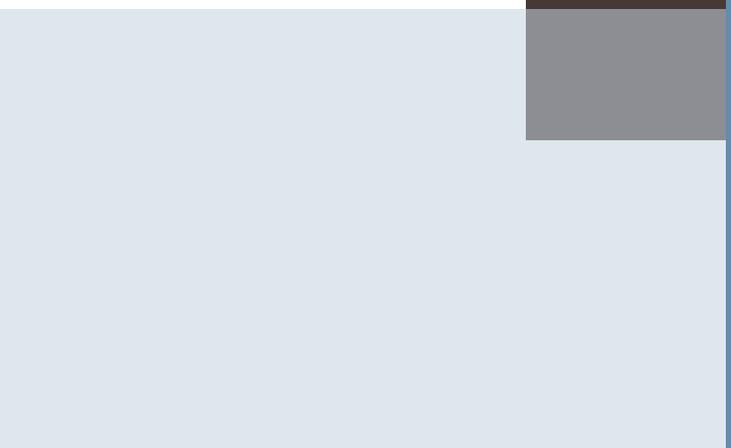
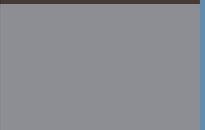
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INTRODUCTION





City of Duluth Finance Department

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January 1, 2013

Members of the Duluth City Council
And Other Interested Parties

Dear Reader,

The Administration's Approved Annual Operating and Capital Budget for the City of Duluth is submitted for your review and use. The budget was completed in accordance with the City's budget policies, city charter and the State of Minnesota's Truth in Taxation laws. The document is intended to provide the Council with a comprehensive format for making decisions on funding sources and program expenditures. As the Council works its way through the review process, the budget serves as a working document ultimately resulting in this final approved budget.

Over the past few years, we have tried to find better ways of doing business in city government. An emphasis on continuous improvement has led to a culture of reform in all areas of the organization – one of which is in how we communicate to our citizens. Use of various platforms has become commonplace in delivering information and the budget is no exception. The use of the city's website to post documents and reports during the budget process has allowed citizens access to "the numbers" as policies and appropriations are being discussed by the City Council. Mayor Don Ness' budget presentation was captured on video and is available on the website. Mayor Ness also delivered his State of the City Speech via youtube with links throughout our city's web community including news stations, the local paper, business organization websites and shared person to person. This practice will lead to more "viewers" and ultimately, a better informed and involved citizenry. The links to these presentations are cited below.

2013 Budget Presentation http://www.duluthmn.gov/mayor/2012_presentations/2013_Budget/index.cfm

2013 State of the City Speech http://www.youtube.com/watch?v=Cfri1a8b1kw&feature=player_embedded

Thank you to all who contributed to the 2013 budget process. Managers, staff and finance personnel are dedicated to developing a budget which meets the needs of administrators, elected officials and of course, the public. Each person who has contributed to this process has our sincere appreciation.

Sincerely,

Cheri Bushman, Manager
Budget and Fiscal Analysis

BUDGET HIGHLIGHTS

BUDGET PROCESS

The Administration's proposed 2013 Annual Operating and Capital Budget for the City of Duluth was submitted to the Council on August 27 for consideration and approval. Following the presentation of the proposed budget, the Council held multiple finance committee hearings with city departments and agencies to discuss priorities. During the review period, the City Council along with the Mayor and the Administration worked steadfastly to craft a budget that reflected the community's priorities measured against available resources. The recommended budget was submitted in accordance with the City's budget policies and the State of Minnesota Truth in Taxation law.

The 2009 State Legislature made significant changes to the **Truth in Taxation law**. The law had required a published notice, public hearing and meetings, which have now been essentially abolished in the current law. The City still must pass a resolution establishing a maximum proposed levy for 2013 to be certified to the County no later than September 15. Proposed levies are then assembled by the County from all taxing jurisdictions to prepare parcel specific notices of proposed property taxes to be mailed out to each property owner between November 10 and November 24. A public hearing no longer needs to be held, but information on the process must be included in the minutes by stating what meeting the Council will be considering the budget and levy. The meeting must be held after November 24 and must allow citizens to speak before the final budget and levy is determined. Cities may, but are not required to determine a final budget and levy at this public comment meeting. The City's Truth in Taxation budget and levy discussion was held on Monday, December 3 at 7:00 p.m. The budget and levy were adopted at the December 17 meeting.

BUDGET CALENDAR

BUDGET TRAINING

If you are in need of training on the New World budget system or need a refresher on "how to" please contact the Budget Office. Sessions will be scheduled as needed/requested.

DEPARTMENT BUDGET DEVELOPMENT AND SUBMISSION

We will be using the City's financial management system, New World, to develop and submit 2013 budget proposals. Instructions will be mailed, as well as available as a document attachment of the Budget Accounts screen in the system. Divisions/Departments are asked to submit staffing requests, expense proposals, and revenue estimates per these instructions. Due dates by fund type are as follows:

July 30	GENERAL FUND DEPARTMENTS
August 6	SPECIAL REVENUE; INTERNAL SERVICE; DEBT; AND CAPITAL FUNDS
August 6	ENTERPRISE FUNDS including utilities; golf; parking and street lighting

ADMINISTRATIVE REVIEW

Week of	General Fund department budget proposals will be reviewed with Administration.
July 23	A template for the meeting will be sent under separate cover.

CAPITAL BUDGETS

July 23	Instructions and packets sent out to departments
August 13	CIP and CEP committee meetings to review five year plan update

MAYOR'S PRESENTATION TO COUNCIL

Aug 27	Proposed levy and budget resolutions on council agenda
Sept 10	Council sets preliminary budget and levy

COUNCIL BUDGET REVIEW

Sept - Nov	Review schedule set by the Finance Committee Chair of the Council
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TRUTH IN TAXATION MEETINGS

Dec 3	Truth in Taxation hearing
Dec 17	Council approves final budget and levy to become effective January 1.

PROPERTY TAX LEVY REVENUES

The City's preliminary and final property tax levy certified to the County was \$19,441,000 or 3.38% over the 2012 levy. The City's levy is \$636,300 more than last year. Of the increase in the levy over 2012, 2.81% represents a tax rate increase for capital projects and debt service in the amount of \$622,000 offset by a reduction of \$92,000 for general operations for a net increase of \$530,000. The balance of \$106,300 of the levy increase will have no impact on the tax rate because it is the result of new growth.

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

2013 APPROVED PROPERTY TAX LEVY					
	2012 Approved Levy	2013 Approved Levy	Change in Levy		% Change in Tax Rate
General Operations Levy					
General Operations	\$ 11,907,700	\$ 11,815,700	\$ (92,000)	(0.49)%	
New Growth	\$ -	\$ 106,300	\$ 106,300	.57%	
Provision for Tax Delinquency	\$ 150,000	\$ 150,000	\$ -		
Total General Operations Levy	\$ 12,057,700	\$ 12,072,000	\$ 87,900	0.08%	-0.49%
Capital Projects Levy					
Debt Service	\$ 6,604,900	\$ 7,161,500	\$ 556,600	2.95%	
Permanent Improvement	\$ 142,100	\$ 207,500	\$ 65,400	0.35%	
Levy with no Tax Rate Impact	\$ 6,747,000	\$ 7,369,000	\$ 622,000	2.39%	3.30%
TOTAL APPROVED TAX LEVY	\$ 18,804,700	\$ 19,441,000	\$ 636,300	3.38%	2.81%

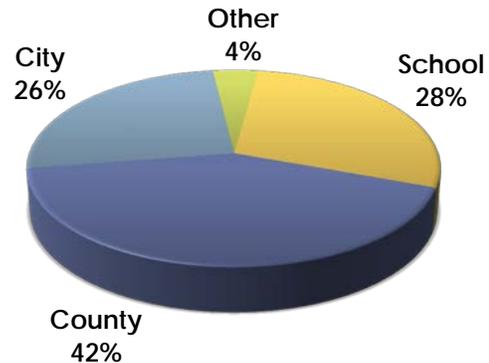
INCREASE IN AVERAGE HOMESTEAD (\$149,100) ANNUAL CITY PROPERTY TAX BILL

2012 City Property Taxes	\$ 473
2013 Property Taxes as Approved	\$ 486
Approved Annual Increase	\$ 13

In addition, the City, on behalf of two special taxing districts approved levy requests as follows: the **Duluth Transit Authority** in the amount of \$1,391,900; and **Parks Fund** in the amount of \$2.6 million as approved in a voter referendum. These levies are separate on the property tax statement and are not included in the city levy.

Property tax bills for Duluth residents are comprised of the taxes levied for the City of Duluth, St. Louis County, the School District; the Parks Fund and several other smaller taxing districts. The City's portion is the smallest portion of the big three at 26% of the total. The chart below shows an average resident's property tax bill with the breakdown by taxing entity.

Taxing Entity	2013 Property Taxes	
City of Duluth	\$ 486	26%
St. Louis County	\$ 799	42%
School District 709	\$ 541	28%
Other Entities	\$ 77	4%
Total Average Bill	\$ 1,903	100%



*Based on Market Value of \$149,100

Answers to other property tax questions you may have...

What is the purpose of the Truth in Taxation Public Hearing?

The truth in taxation hearing is an opportunity for the public to provide comment on the City's proposed budget and property tax levy for the year 2013 prior to its approval.

How do I read my Truth in Taxation Statement I received in the mail?

The statement is a comparison of your actual 2012 tax bill with the proposed tax bill for 2013. The numbers are based on the property tax levy proposals by St. Louis County, the School District, other taxing districts, as well as the City of Duluth. It also factors in any changes in your property's market value and tax rate classification. The County mails these statements out to individual property owners to show the impact of all property tax proposals on a resident's tax.

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

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

What services do property taxes fund?

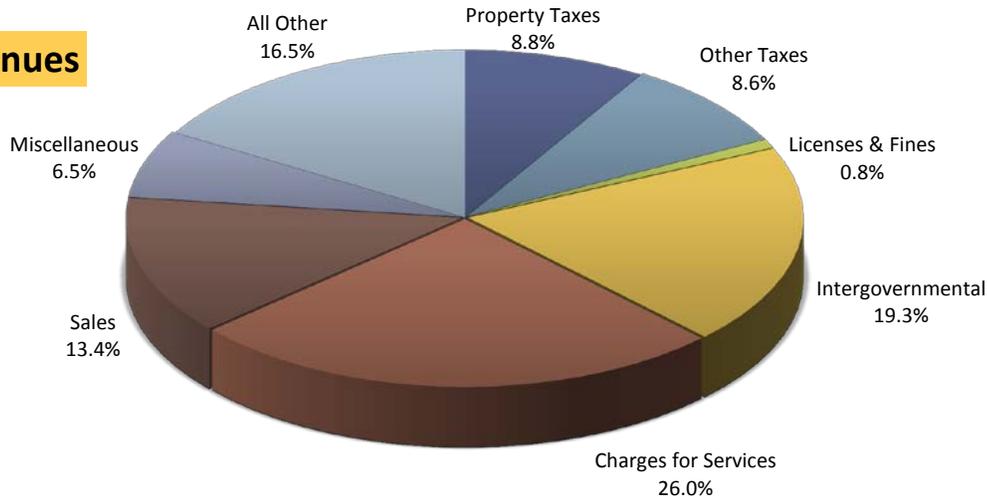
Approximately 1/3 goes to fund debt service on capital improvements, equipment and neighborhood street improvements. The remaining 2/3 goes into the City's General Fund to pay for services such as police, fire, libraries, parks, planning and zoning, and street maintenance. For 2013, the portion of the City's general services paid for with property taxes is \$12.07 million or 16% of the total. To put the amount in perspective, this does not even cover the Fire Department's 2013 funding requirements.

If property taxes only cover 16% of the cost of city services, what other sources of revenue fund the City's General Fund?

The General Fund revenues include over 200 separate sources. The largest single source of revenue is Local Government Aid from the State of Minnesota at \$27.4 million or 37% of the total, followed by Sales Tax at \$12.5 million or 17% of the total.

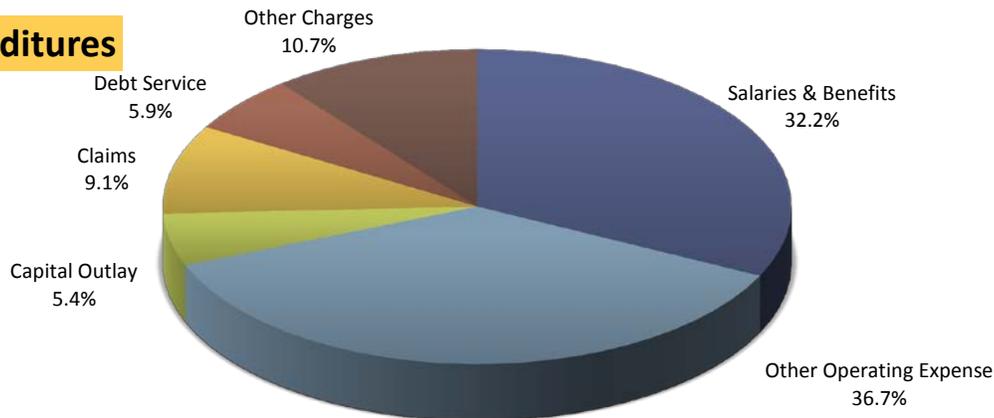
TOTAL APPROVED CITY OF DULUTH BUDGET

2013 Revenues



REVENUES:	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Property Taxes	15,863,136	16,495,926	21,405,300	22,041,000
Other Taxes	21,299,696	22,190,708	21,456,100	21,715,900
Licenses & Fines	2,894,968	2,972,786	3,042,600	2,119,900
Intergovernmental	57,476,063	58,989,542	54,633,387	48,688,400
Charges for Services	59,507,810	59,940,783	60,782,100	65,393,800
Sales	38,455,307	39,967,501	40,558,300	33,717,600
Miscellaneous Revenue	21,656,569	18,098,672	17,021,700	16,459,600
All Other Sources	58,053,201	50,063,627	44,313,101	41,660,000
TOTAL REVENUES	275,206,750	268,719,545	263,212,588	251,796,200

2013 Expenditures



EXPENDITURES	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Salaries & Benefits	72,776,596	74,595,544	77,292,720	79,739,100
Other Operating Expense	88,526,948	91,477,809	100,374,400	90,685,200
Capital Outlay	24,222,852	29,966,233	16,084,600	13,281,000
Claims	18,145,016	20,841,631	21,317,300	22,622,100
Debt Service	20,341,197	16,356,237	15,431,600	14,475,500
Other Charges	39,724,760	37,274,653	32,762,900	26,478,700
TOTAL EXPENDITURES	263,737,369	270,512,107	263,263,520	247,281,600

TOTAL APPROVED CITY OF DULUTH 2013 BUDGET

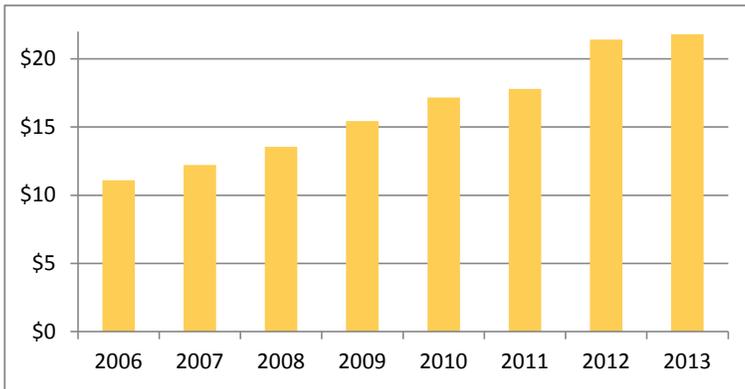
REVENUE COMPARISON	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference 2012/2013
CURRENT PROPERTY TAXES					
General Fund	10,429,104	10,698,787	12,057,800	12,072,000	14,200
Special Revenue Funds	0	0	2,600,000	2,600,000	0
Debt Service Funds	5,041,834	5,406,309	6,605,400	7,161,500	556,100
Capital Project Funds	392,198	390,830	142,100	207,500	65,400
Total Current Property Taxes	<u>15,863,136</u>	<u>16,495,926</u>	<u>21,405,300</u>	<u>22,041,000</u>	<u>635,700</u>
OTHER TAXES					
General Fund	13,512,974	13,991,895	13,940,900	14,560,900	620,000
Special Revenue Funds	<u>7,786,722</u>	<u>8,198,813</u>	<u>7,515,200</u>	<u>7,155,000</u>	<u>(360,200)</u>
Total Other Taxes	<u>21,299,696</u>	<u>22,190,708</u>	<u>21,456,100</u>	<u>21,715,900</u>	<u>259,800</u>
LICENSES & FINES					
General Fund	<u>2,894,968</u>	<u>2,972,786</u>	<u>3,042,600</u>	<u>2,119,900</u>	<u>(922,700)</u>
Total Licenses and Fines	<u>2,894,968</u>	<u>2,972,786</u>	<u>3,042,600</u>	<u>2,119,900</u>	<u>(922,700)</u>
INTERGOVERNMENTAL					
General Fund	34,449,435	34,448,141	34,252,900	33,629,500	(623,400)
Special Revenue Funds	12,248,022	13,720,348	12,418,387	9,480,900	(2,937,487)
Debt Service Funds	10,761	11,298	0	0	0
Capital Project Funds	<u>10,767,845</u>	<u>10,809,755</u>	<u>7,962,100</u>	<u>5,578,000</u>	<u>(2,384,100)</u>
Total Intergovernmental	<u>57,476,063</u>	<u>58,989,542</u>	<u>54,633,387</u>	<u>48,688,400</u>	<u>(5,944,987)</u>
CHARGES FOR SERVICES					
General Fund	5,833,515	5,363,700	5,254,100	5,398,400	144,300
Enterprise Funds	50,340,998	50,974,509	51,970,900	56,051,100	4,080,200
Internal Service Funds	<u>3,333,297</u>	<u>3,602,574</u>	<u>3,557,100</u>	<u>3,944,300</u>	<u>387,200</u>
Total Charges for Services	<u>59,507,810</u>	<u>59,940,783</u>	<u>60,782,100</u>	<u>65,393,800</u>	<u>4,611,700</u>
SALES					
Enterprise Funds	<u>38,455,307</u>	<u>39,967,501</u>	<u>40,558,300</u>	<u>33,717,600</u>	<u>(6,840,700)</u>
Total Sales	<u>38,455,307</u>	<u>39,967,501</u>	<u>40,558,300</u>	<u>33,717,600</u>	<u>(6,840,700)</u>
MISCELLANEOUS REVENUE					
General Fund	2,205,576	2,306,209	1,721,700	1,352,500	(369,200)
Special Revenue Funds	11,583,219	11,774,007	10,715,000	11,217,300	502,300
Debt Service Funds	2,572,332	326,457	276,900	241,700	(35,200)
Capital Project Funds	2,511,606	1,102,753	788,700	128,700	(660,000)
Internal Service Funds	<u>2,783,836</u>	<u>2,589,246</u>	<u>3,519,400</u>	<u>3,519,400</u>	<u>0</u>
Total Miscellaneous Revenue	<u>21,656,569</u>	<u>18,098,672</u>	<u>17,021,700</u>	<u>16,459,600</u>	<u>(562,100)</u>
ALL OTHER SOURCES					
General Fund	5,354,130	5,366,871	4,560,000	4,839,800	279,800
Debt Service Funds	13,248,210	8,742,162	8,884,901	5,736,400	(3,148,501)
Capital Project Funds	10,103,881	9,289,949	5,092,500	5,065,000	(27,500)
Enterprise Funds	11,023,049	8,112,514	6,682,200	5,125,800	(1,556,400)
Internal Service Funds	<u>18,323,931</u>	<u>18,552,131</u>	<u>19,093,500</u>	<u>20,893,000</u>	<u>1,799,500</u>
Total All Other Sources	<u>58,053,201</u>	<u>50,063,627</u>	<u>44,313,101</u>	<u>41,660,000</u>	<u>(2,653,101)</u>
TOTAL REVENUES	275,206,750	268,719,545	263,212,588	251,796,200	(11,416,388)

TOTAL APPROVED CITY OF DULUTH 2013 BUDGET

EXPENDITURE COMPARISON	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference 2012/2013
SALARIES & EMPLOYEE BENEFITS					
General Fund	51,277,420	52,026,536	51,717,800	52,554,600	836,800
Special Revenue Funds	3,028,384	3,604,523	3,612,320	5,389,700	1,777,380
Enterprise Funds	16,699,306	17,115,897	20,021,200	19,575,200	(446,000)
Internal Service Funds	1,771,486	1,848,588	1,941,400	2,219,600	278,200
Total Salaries & Employee Benefits	<u>72,776,596</u>	<u>74,595,544</u>	<u>77,292,720</u>	<u>79,739,100</u>	<u>2,446,380</u>
OTHER OPERATING EXPENSE					
General Fund	18,838,668	20,218,978	22,562,700	21,098,900	(1,463,800)
Special Revenue Funds	3,712,577	4,538,241	5,505,700	3,231,300	(2,274,400)
Enterprise Funds	61,688,518	62,429,357	67,882,800	61,793,400	(6,089,400)
Internal Service Funds	4,287,185	4,291,233	4,423,200	4,561,600	138,400
Total Other Operating Expense	<u>88,526,948</u>	<u>91,477,809</u>	<u>100,374,400</u>	<u>90,685,200</u>	<u>(9,689,200)</u>
CAPITAL OUTLAY					
General Fund	989,912	1,013,427	549,500	319,500	(230,000)
Capital Project Funds	23,232,940	28,952,806	15,535,100	12,961,500	(2,573,600)
Total Capital Outlay	<u>24,222,852</u>	<u>29,966,233</u>	<u>16,084,600</u>	<u>13,281,000</u>	<u>(2,803,600)</u>
CLAIMS					
Internal Service Funds	18,145,016	20,841,631	21,317,300	22,622,100	1,304,800
Total Claims	<u>18,145,016</u>	<u>20,841,631</u>	<u>21,317,300</u>	<u>22,622,100</u>	<u>1,304,800</u>
DEBT SERVICE					
Debt Service Funds	20,341,197	16,356,237	15,431,600	14,475,500	(956,100)
Total Debt Service	<u>20,341,197</u>	<u>16,356,237</u>	<u>15,431,600</u>	<u>14,475,500</u>	<u>(956,100)</u>
OTHER CHARGES					
Special Revenue Funds	33,507,846	30,813,819	26,577,900	20,633,500	(5,944,400)
Enterprise Funds	6,216,914	6,460,834	6,185,000	5,845,200	(339,800)
Total Other Charges	<u>39,724,760</u>	<u>37,274,653</u>	<u>32,762,900</u>	<u>26,478,700</u>	<u>(6,284,200)</u>
TOTAL EXPENDITURES	263,737,369	270,512,107	263,263,520	247,281,600	(15,981,920)

MAJOR REVENUE SOURCE ANALYSIS

Current Property Tax Levy (in millions)

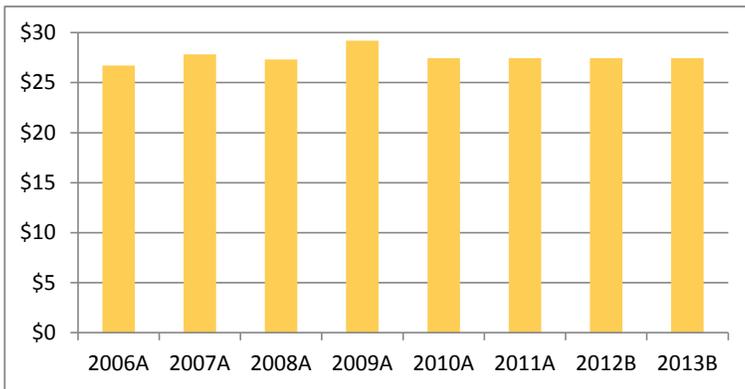


	Market Value in millions	Tax Rate	Tax Levy in millions
2006	\$4,777.463	0.2818	\$11.102
2007	\$5,141.528	0.2293	\$12.208
2008	\$5,414.953	0.2342	\$13.544
2009	\$5,699.385	0.2537	\$15.438
2010	\$5,703.050	0.2661	\$17.176
2011	\$5,494.859	0.2796	\$17.791
2012	\$5,522.005	0.3160	\$21.405
2013	\$5,325.789	0.3308	\$21.811

Description and 2013 Budget

Property taxes are levied against property based on their assessed value and classification in accordance with State Statute. Total market values within the City have been increasing steadily annually until the nationwide housing crisis caught up to the local housing market. The decrease in 2013 over 2012 was the result of a citywide adjustment in property values downward to reflect the current market. The 2013 levy is set at 3.38% higher than 2012 and reflects an overall increase of \$636,300.

Local Government Aid (in millions)



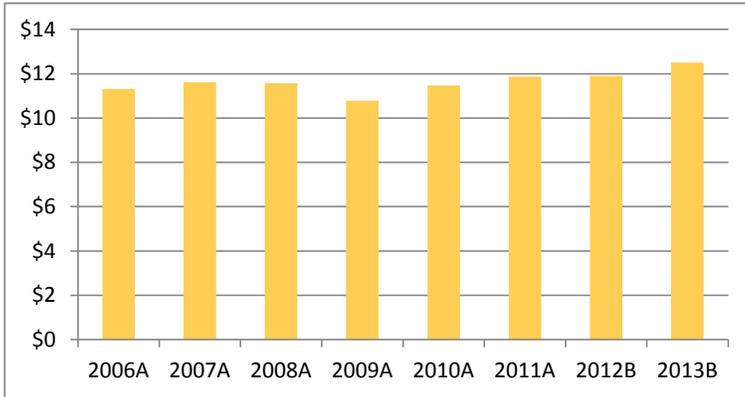
	LGA in millions
2006A	\$26.729
2007A	\$27.840
2008A	\$27.325
2009A	\$29.201
2010A	\$27.437
2011A	\$27.437
2012B	\$27.437
2013B	\$27.437

Description and 2013 Budget

Since its inception in 1971, state aid known as Local Government Aid - LGA has undergone many changes including modifications to the formula affecting payments made after 2008. LGA is distributed using a complex formula that compares a city's needs with its ability to raise revenue. It has become a volatile source of revenue since 2008, when the governor unallotted aid in 2008, 2009 and 2010 and the legislature made additional cuts to the 2010 and 2011 payments. The 2012 allocation remained the same as the prior two years. For 2013, Duluth's LGA would have been reduced \$300,000 per the formula, but the State Legislature restored the cut. LGA continues to be debated with several groups examining the formula yet again, with potential change coming for 2014 and beyond.

MAJOR REVENUE SOURCE ANALYSIS

General Sales Tax

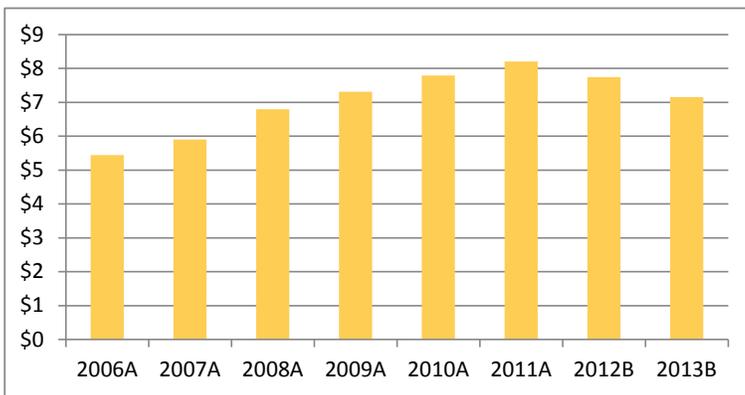


	Sales Tax in millions
2006A	\$11.315
2007A	\$11.606
2008A	\$11.564
2009A	\$10.775
2010A	\$11.466
2011A	\$11.873
2012B	\$11.900
2013B	\$12.500

Description and 2013 Budget

General Sales Tax is a one percent excise tax on gross receipts from retail sales or materials purchased for use in the City of Duluth. The tax collections do not have restrictions on use other than to fund general city services in the General Fund. Many factors have impacted this revenue stream including the State law eliminating the City's ability to charge sales tax on vehicles; the State's taking over as collection agent for Duluth's sales tax; and the economy. For 2013, sales tax will increase 5% over the 2012 budget to more accurately reflect current trends.

Tourism Taxes (in millions)



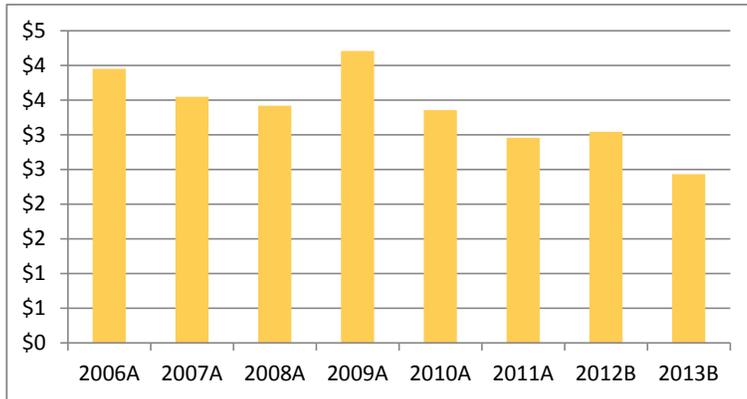
	Tourism Taxes in millions
2006A	\$5.446
2007A	\$5.904
2008A	\$6.799
2009A	\$7.312
2010A	\$7.787
2011A	\$8.199
2012B	\$7.747
2013B	\$7.155

Description and 2013 Budget

Tourism taxes are applied to food and beverage and hotel/motel sales. Revenues are recognized in the Special Revenue Fund 258 and distributed by Council action. There are four specific taxes authorized by the State with varying degrees of appropriating flexibility. In 1998, the State authorized a temporary increase in hotel/motel and the food & beverage tax by 1/2% each to fund an expansion of the Duluth Entertainment and Convention Center. In late 2012, as debt obligations were satisfied, these taxes were allowed to sunset. In 2008, an additional 3/4% was authorized for another DECC expansion. The 2013 budget reflects the full year reduction of the two 1/2% temporary taxes and a projected increase of 4.9% based on current favorable economic indicators.

MAJOR REVENUE SOURCE ANALYSIS

Payment in Lieu of Taxes (in millions)



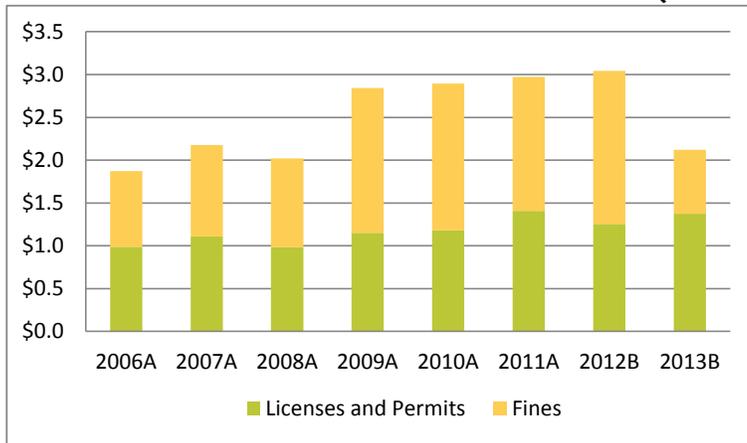
PILOT in millions

2006A	\$3.953
2007A	\$3.548
2008A	\$3.422
2009A	\$4.208
2010A	\$3.357
2011A	\$2.958
2012B	\$3.046
2013B	\$2.436

Description and 2013 Budget

Payment in Lieu of Taxes - PILOT revenue is derived from payments for municipal services provided in lieu of property taxes. The largest source of PILOT revenues is from the municipal gas utility, with a minimal amount from the steam utility. Payments are based on each utility's annual gross receipts. Revenues for 2013 from steam are expected to remain flat over 2012 budget; with gas PILOT revenues to decrease an estimated \$600,000. Yearly fluctuations result from factors related to the prior heating season; natural gas pricing; and customer usage.

General Fund Licenses/Permits and Fines (in millions)



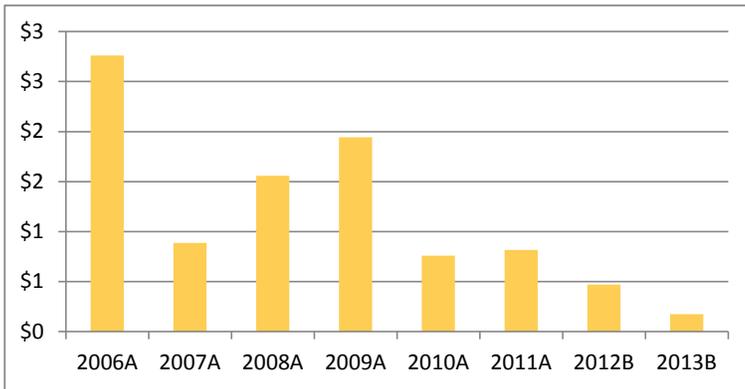
Description and 2013 Budget

These revenues for the city's General Fund represent a wide variety of sources such as licenses, permits, fines, forfeits and fees - the largest single source being liquor licenses. Fees are annually reviewed/modified by the Administration, updated for inflation (2.83% in 2013), and then submitted as a complete package to the City Council for action. This has resulted in fees that are current and more accurately reflect the cost of providing service. In 2013, over 1 million dollars in parking fines were transferred to the Enterprise Parking Fund 505.

	Licenses and Permits	Fines	Total
2006A	\$987,465	\$885,014	\$1,872,479
2007A	\$1,111,727	\$1,065,073	\$2,176,800
2008A	\$985,505	\$1,037,452	\$2,022,957
2009A	\$1,149,268	\$1,692,916	\$2,842,184
2010A	\$1,182,044	\$1,712,924	\$2,894,968
2011A	\$1,407,951	\$1,564,835	\$2,972,786
2012B	\$1,255,100	\$1,787,500	\$3,042,600
2013B	\$1,373,800	\$746,100	\$2,119,900

MAJOR REVENUE SOURCE ANALYSIS

General Fund Earnings on Investments (in millions)

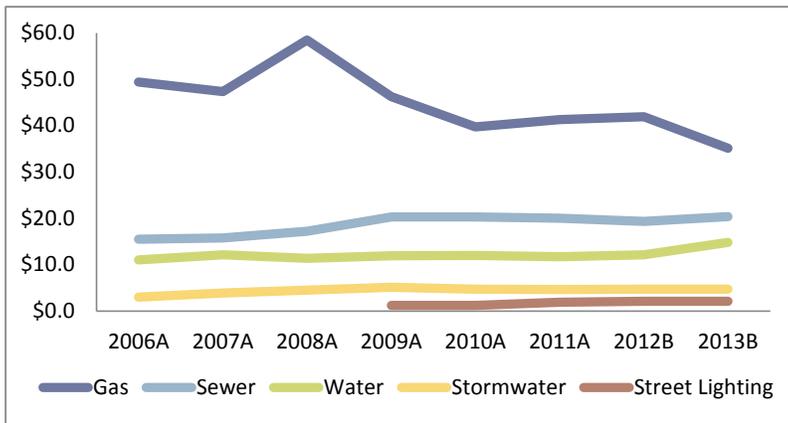


	Earnings in millions
2006A	\$2.762
2007A	\$0.886
2008A	\$1.557
2009A	\$1.944
2010A	\$0.760
2011A	\$0.816
2012B	\$0.470
2013B	\$0.175

Description and 2013 Budget

Earnings on Investments in the General Fund are derived from investing the City's cash. The revenues generated are dependant upon the cash on hand; current interest rates; and the makeup of the portfolio. Estimated earnings for 2013 is based on record setting low interest rates as well as a reduced portfolio due to a policy change on short term borrowing. Prior to 2009, the City sold tax anticipation certificates to aid in cash flow at the beginning of the year. This was necessary to cover expenses until the City received the first of two annual payments of property taxes and LGA. Since then, cash has been tightly managed to avoid this short term borrowing resulting in a smaller portfolio to invest during the year.

Public Utility Operating Revenues (in millions)



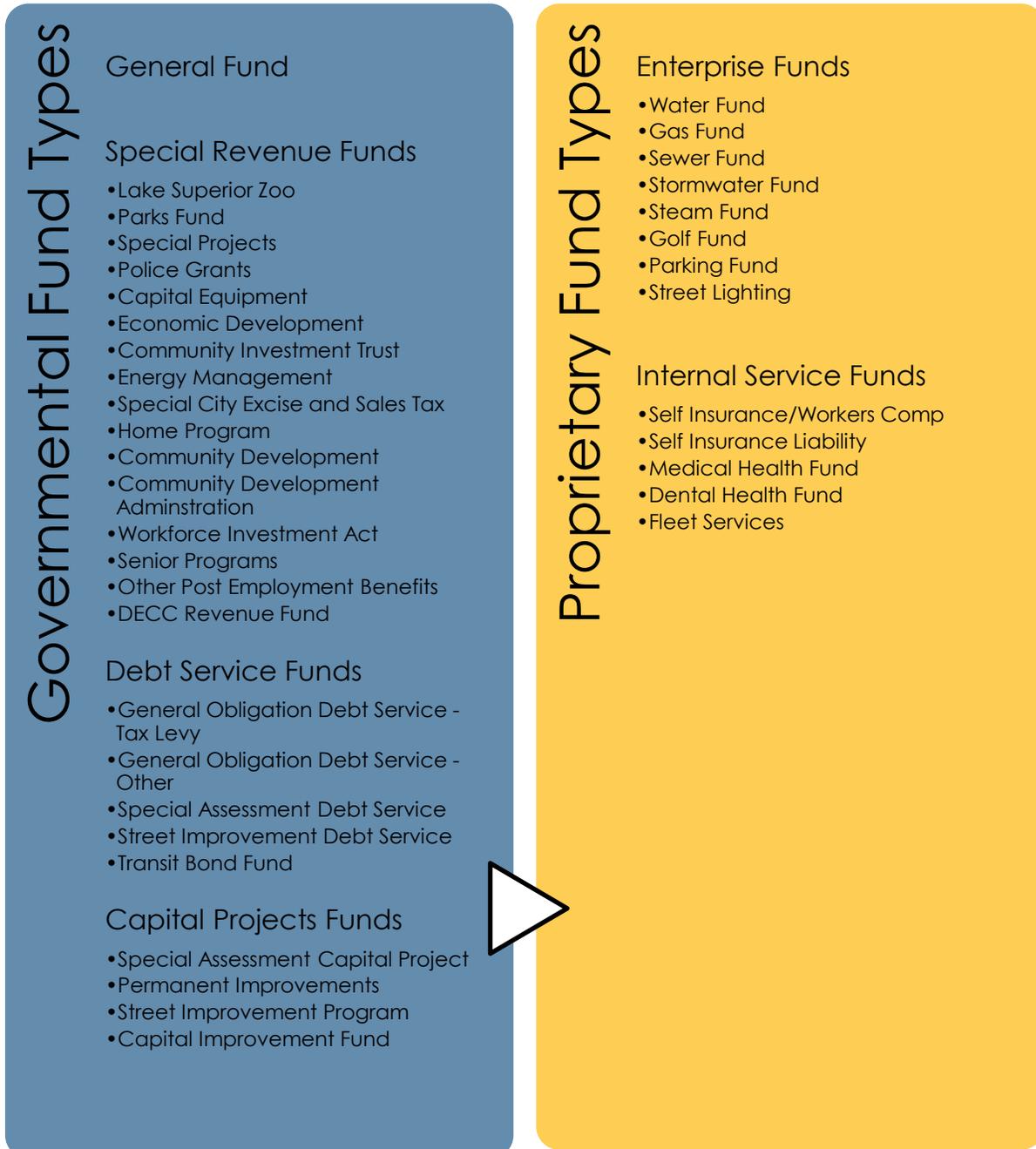
Description and 2013 Budget

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

in millions	Gas	Sewer	Water	Stormwater	Street Lighting	Total
2006A	\$49.396	\$15.499	\$11.008	\$3.005		\$78.908
2007A	\$47.365	\$15.763	\$12.150	\$3.899		\$79.177
2008A	\$58.465	\$17.216	\$11.354	\$4.515		\$91.550
2009A	\$46.257	\$20.312	\$11.945	\$5.149	\$1.209	\$84.872
2010A	\$39.723	\$20.338	\$12.007	\$4.700	\$1.191	\$77.959
2011A	\$41.309	\$20.041	\$11.743	\$4.633	\$1.874	\$79.600
2012B	\$41.945	\$19.335	\$12.145	\$4.721	\$2.135	\$80.281
2013B	\$35.120	\$20.366	\$14.779	\$4.704	\$2.135	\$77.104

CITY OF DULUTH FUND ACCOUNTS

The city's budget is presented and approved as funds. Fund accounting is the methodology used as the standard for governmental entities. For Duluth, the funds that are budgeted are listed below by fund type and fund classification. There are two fund types in the budget: 1) Governmental fund types which are defined as those funds that are used to account for tax supported activities; and 2) Proprietary fund types which focus on the determination of operating income, changes in net assets, financial position and cash flows. Within those two types are the classifications as shown below with the name of the budgeted funds within those classifications also noted. Following this chart is a summary by fund of budgeted expenses and estimated revenues for 2013 as approved.

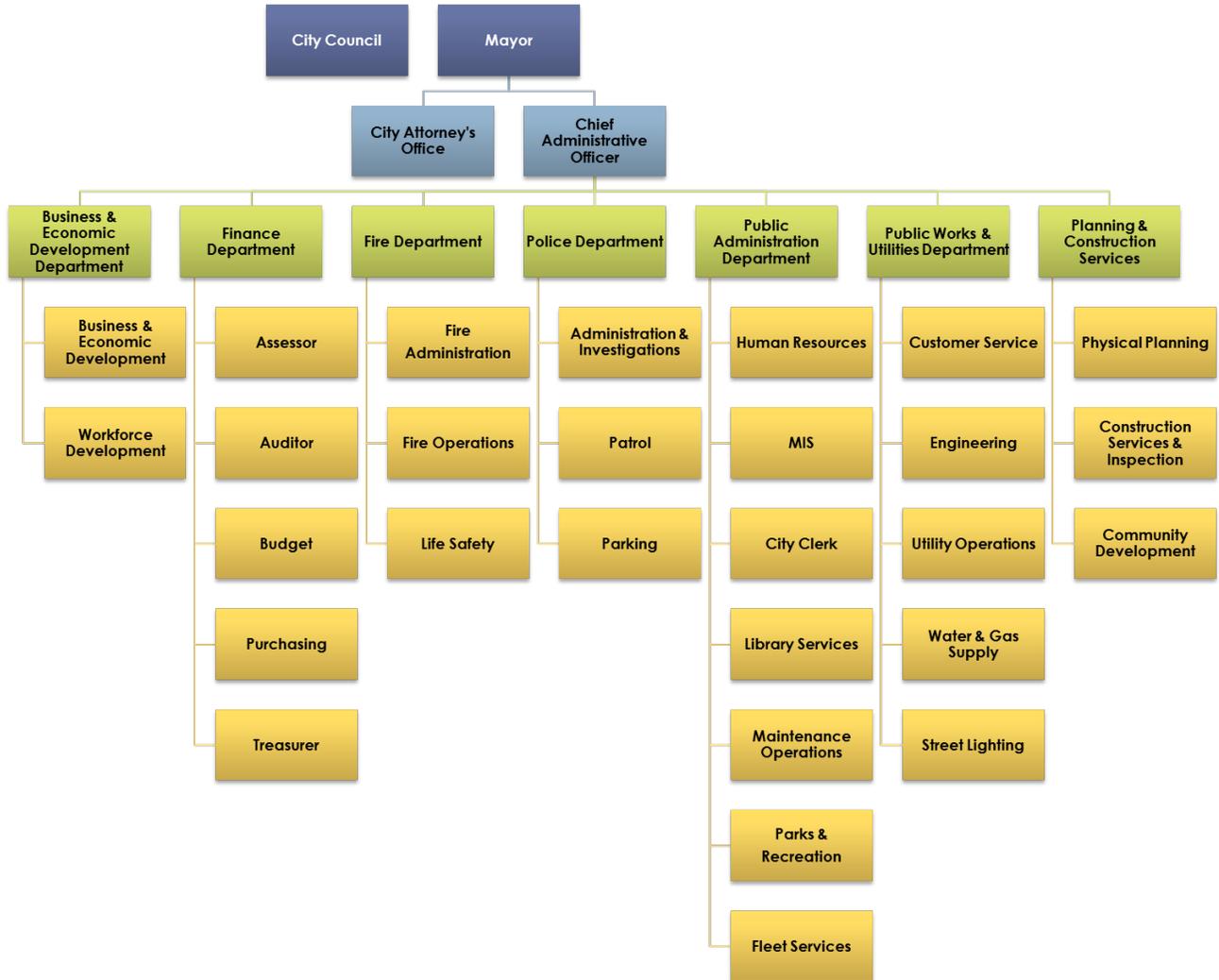


TOTAL APPROVED CITY OF DULUTH 2013 BUDGET

DETAIL BY FUND	Estimated			
	Beg. Balance	Revenues	Expenditures	Balance
GENERAL FUND	5,312,876	73,973,000	73,973,000	5,312,876
SPECIAL REVENUE FUNDS:				
Lake Superior Zoo	(106,500)	1,636,500	1,636,500	(106,500)
Parks Fund	0	2,682,500	2,682,500	0
Special Projects	457,699	734,600	734,600	457,699
Police Grants	42,858	1,353,100	1,353,100	42,858
Capital Equipment	1,572,493	4,600,000	4,600,000	1,572,493
Economic Development	(30,020)	17,100	17,100	(30,020)
Community Investment Trust	22,069,815	105,000	105,000	22,069,815
Energy Management	336,573	75,000	83,000	328,573
Special City Excise and Sales Tax	530,636	7,155,000	7,105,200	580,436
Home Program	0	615,200	615,200	0
Community Development	9,509	3,229,700	3,229,700	9,509
Community Development Administration	0	709,700	709,700	0
Workforce Investment Act	466,175	2,912,900	2,912,900	466,175
Senior Programs	0	425,000	425,000	0
OPEB	29,345,095	1,558,900	402,000	30,501,995
DECC Revenue Fund	1,355,741	2,643,000	2,643,000	1,355,741
TOTAL SPECIAL REVENUE FUNDS:	56,050,074	30,453,200	29,254,500	57,248,774
DEBT SERVICE FUNDS:				
General Obligation Debt Service - Tax Levy	5,818,099	7,400,300	6,702,800	6,515,599
General Obligation Debt Service - Other Sources	2,566,978	4,294,900	3,163,300	3,698,578
Special Assessment Debt Service	2,230,725	910,700	1,094,800	2,046,625
Street Improvement Debt Service	6,990,240	533,700	3,514,600	4,009,340
Transit Bond Fund	3,738	0	0	3,738
TOTAL DEBT SERVICE FUNDS:	17,609,780	13,139,600	14,475,500	16,273,880
CAPITAL PROJECTS FUNDS:				
Special Assessment Capital Project	31,919	8,700	10,000	30,619
Permanent Improvements	2,400,038	7,000,500	7,176,500	2,224,038
Street Improvement Program	1,547,541	2,145,000	3,950,000	(257,459)
Capital Improvement Fund	8,053,216	1,825,000	1,825,000	8,053,216
TOTAL CAPITAL PROJECTS FUNDS:	12,032,714	10,979,200	12,961,500	10,050,414
INTERNAL SERVICE FUNDS:				
Self Insurance - Worker's Compensation	1,394,629	720,800	1,093,400	1,022,029
Self Insurance - Liability	1,799,621	315,400	705,800	1,409,221
Medical Health Fund	3,597,528	22,626,200	22,622,100	3,601,628
Dental Health Fund	385,089	750,000	806,900	328,189
Fleet Services	(18,620)	3,944,300	4,175,100	(249,420)
TOTAL INTERNAL SERVICE FUNDS:	7,158,247	28,356,700	29,403,300	6,111,647
ENTERPRISE FUNDS ESTIMATED INCOME AND EXPENSE				
		REVENUE	EXPENSE	INCOME/(LOSS)
Water Fund		14,842,400	11,765,000	3,077,400
Gas Fund		35,158,700	35,565,400	(406,700)
Sewer Fund		18,532,700	17,085,000	1,447,700
Clean Water Surcharge Fund		4,267,100	1,519,500	2,747,600
Stormwater Fund		4,704,500	4,368,400	336,100
Steam Fund		8,149,000	8,295,500	(146,500)
Golf Fund		2,013,000	2,076,300	(63,300)
Parking Fund		5,076,400	4,799,300	277,100
Street Lighting Utility		2,150,700	1,739,400	411,300
TOTAL ENTERPRISE FUNDS:	0	94,894,500	87,213,800	7,680,700
TOTAL ALL FUNDS	98,163,691	251,796,200	247,281,600	102,678,291

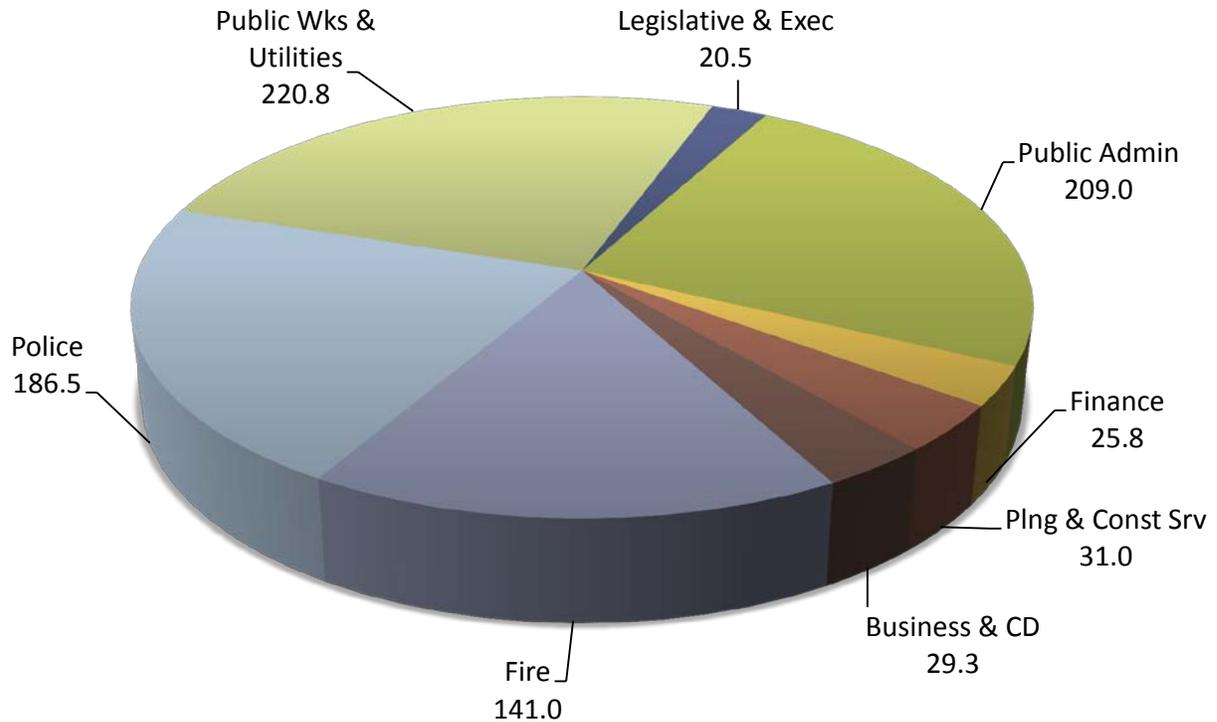
CITY OF DULUTH ORGANIZATION CHART

The City as authorized by City Charter may have up to nine operating departments with divisions as appropriate within those departments. Most city departments are within the General Fund, with a few exceptions that cross fund lines. Following this chart is a summary of FTE's by department and division for 2010 through 2013.



CITYWIDE PERSONNEL SUMMARY

2013 Permanent FTE's by Department



Department	2010 Budget	2011 Budget	2012 Budget	2013 Approved	Difference 2012/2013
Legislative & Executive	34.00	34.50	34.50	20.50	-14.00
Management Information Syster	24.00	22.00	22.00	0.00	-22.00
Public Administration	179.00	173.00	172.50	209.00	36.50
Finance	31.00	32.00	34.00	25.75	-8.25
Planning & Construction Srvs	32.00	33.00	32.00	31.00	-1.00
Business & Comm Dev Rsrcs	24.00	28.50	28.50	29.25	0.75
Fire Department	140.00	140.00	138.00	141.00	3.00
Police Department	191.00	188.00	188.00	186.50	-1.50
Public Works & Utilities	212.60	217.80	218.20	220.80	2.60
TOTAL	867.60	868.80	867.70	863.80	-3.90

CITYWIDE PERSONNEL SUMMARY

Fulltime, Permanent Positions

Department/Division	2010 Budget	2011 Budget	2012 Budget	2013 Approved
LEGISLATIVE AND EXECUTIVE				
City Council	0.00	0.00	0.00	0.00
Mayor Office	3.00	3.00	3.00	3.00
Administrative Assistant	2.00	2.50	2.50	2.50
Attorney's Office	17.00	17.00	17.00	15.00
Human Resources	11.00	11.00	11.00	0.00
Safety & Training	1.00	1.00	1.00	0.00
DEPARTMENT TOTAL	34.00	34.50	34.50	20.50
MANAGEMENT INFORMATION SYSTEMS				
Management Information Systems	24.00	22.00	22.00	0.00
DEPARTMENT TOTAL	24.00	22.00	22.00	0.00
PUBLIC ADMINISTRATION				
Human Resources				12.00
Management Information Systems				20.00
City Clerk's	7.00	7.00	6.00	8.00
Maintenance Operations	85.20	78.20	76.20	70.50
Library Services	43.50	43.50	48.50	49.00
Parks and Recreation	7.50	7.50	9.00	10.00
Facilities Management	17.40	18.40	13.40	19.00
Fleet Services	17.40	17.40	18.40	18.50
Safety & Training				1.00
Energy Management	1.00	1.00	1.00	1.00
DEPARTMENT TOTAL	179.00	173.00	172.50	209.00
FINANCE				
Budget Office	3.00	4.00	6.00	3.25
Assessor's Office	10.00	9.00	10.00	1.00
Auditor's Office	12.00	13.00	12.00	7.50
Purchasing	2.00	2.00	2.00	2.00
Treasurer's Office	4.00	4.00	4.00	12.00
DEPARTMENT TOTAL	31.00	32.00	34.00	25.75
PLANNING & CONSTRUCTION SERVICES				
Physical Planning	6.00	7.00	7.00	7.20
Building Inspection	18.00	19.00	18.00	17.00
Community Development	8.00	7.00	7.00	6.80
DEPARTMENT TOTAL	32.00	33.00	32.00	31.00

CITYWIDE PERSONNEL SUMMARY
Fulltime, Permanent Positions

Department/Division	2010 Budget	2011 Budget	2012 Budget	2013 Approved
BUSINESS & COMM DEV RESOURCES				
Business Development	6.00	6.50	6.50	7.25
Workforce Development	18.00	22.00	22.00	22.00
DEPARTMENT TOTAL	24.00	28.50	28.50	29.25
FIRE DEPARTMENT				
Fire Administration	4.00	4.00	3.00	3.00
Firefighting Operations	127.00	127.00	124.00	124.00
Life Safety	9.00	9.00	11.00	11.00
SAFER Grant	0.00	0.00	0.00	3.00
DEPARTMENT TOTAL	140.00	140.00	138.00	141.00
POLICE DEPARTMENT				
Administration & Investigative	69.00	87.00	86.00	79.50
Patrol	118.00	98.00	99.00	99.00
Parking	4.00	3.00	3.00	8.00
DEPARTMENT TOTAL	191.00	188.00	188.00	186.50
PUBLIC WORKS & UTILITIES				
Public Works Operations				
Director' Office	0.40	0.40	0.40	0.40
Engineering	20.80	21.60	16.60	16.20
Public Works Subtotal	21.20	22.00	17.00	16.60
Utilities Operations				
Water and Gas	124.80	128.20	131.00	133.00
Sewer	38.40	38.40	39.20	40.20
Stormwater	24.20	24.20	26.00	26.00
Street Lighting	4.00	5.00	5.00	5.00
Utilities Subtotal	191.40	195.80	201.20	204.20
DEPARTMENT TOTAL	212.60	217.80	218.20	220.80
TOTAL CITY EMPLOYEES	867.60	868.80	867.70	863.80

2013 HIGHLIGHTS BY FUND

General Fund

Revenue Assumptions - The final approved 2013 General Fund revenue budget of \$73,973,000 is \$857,000 less than the 2012 approved budget. As the national and local economy continue to impact the fiscal health of the City and the State of Minnesota the trend in reducing revenue budget estimates continues into 2013 with the budget set at \$7.4 million or 9% less than four years ago. Major revenue sources in the 2013 General Fund budget include local government aid, other intergovernmental aid and transfers from other funds, sales tax, fines and fees, and earnings on investments.

Given the State's ongoing budget deficits, Duluth's **Local Government Aid (LGA)** has been reduced annually since 2008. Through a process called "unallotment" Duluth's 2008 Local Government Aid was reduced in mid December by a total of \$1.74 million. Following through, LGA was once again reduced by \$1.67 million in 2009; \$5.2 million in 2010; and \$3.5 million in 2011. For 2012 and again in 2013, the State has set LGA level with 2011 actuals. The threat of additional cuts in LGA by the State continues as deficits dominate the discussion of statewide priorities and other commitments weighed against resources. The city continues to monitor state actions. The schedule below shows the changes in revenues by major type along with the assumptions used also noted.

Revenue Bridge Schedule	\$ Variance in Millions		Assumptions
2012 Revenue Budget		\$ 74.830	
Property Tax	\$ 0.014		Value of new construction offset by a shift to PI and debt levy
City Sales Tax	\$ 0.600		Based on 2012 projection
Local Government Aid	\$ -		Certified aid from State
Charges for Services	\$ 0.144		Increased engineering services and administration charges
Licenses and Permits	\$ 0.119		Rental license fees projection
Payment in Lieu of Tax	\$ (0.610)		Based on projected gas sales and lower natural gas prices
Administrative Fines	\$ (0.525)		Net effect of moving parking fines to Parking Fund
Earnings on Investments	\$ (0.295)		Reduced portfolio and lower interest rates
Extra Duty Reimbursement	\$ (0.257)		Moved program to Police Special Revenue Fund
Transfer from CIT Fund	\$ (0.212)		Reduced portfolio and lower interest rates
All Other Revenues	\$ 0.165		All other changes
total revenue changes		\$ (0.857)	
2013 Revenue Budget		\$ 73.973	

Expense Assumptions - As with revenues, the final approved 2013 General Fund budget is \$857,000 less than the 2012 budget. Major program changes include savings from transitioning the Assessor's Office to the County; moving parking enforcement into the Parking Fund; savings in retiree insurance created by implementing a supplemental plan for medicare eligible retirees; and cost savings in operating expenses including energy and salt. On the plus side, health insurance premiums increased 15% over 2012 for actives and non-medicare eligible retirees.

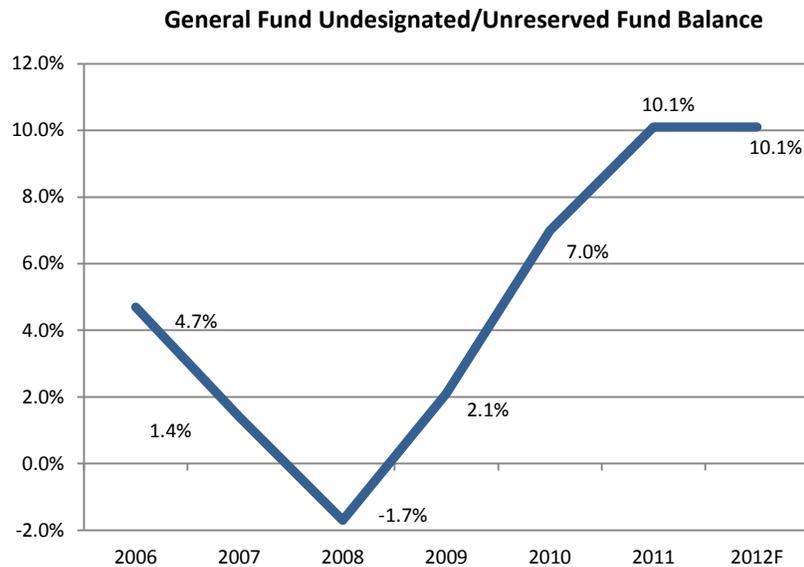
Expense Bridge Schedule	\$ Variance in Millions		Description
2012 Expense Budget		\$ 73.973	
Permanent Salaries	\$ (0.461)		Savings from 8.8 FTE's and cafeteria plan accounting changes netted against contract changes
Transfer of Parking Enforcement	\$ (0.525)		Includes enforcement staff and parking ticket collections
Fire Overtime	\$ 0.127		More accurately reflects actual overtime
Energy Expenses	\$ (0.200)		Savings realized by energy improvements including new windows in City Hall
Police Headquarters	\$ (0.265)		Budget adjusted for actual cost of the new Police Headquarters over estimated costs in 2012
Health Insurance Premiums	\$ 2.741		15% increase in premiums for active and pre-medicare retirees
Medicare Supplement Plan	\$ (1.370)		Savings from implementing a supplemental plan for medicare eligible retirees
Capital Program	\$ (0.229)		Decrease in capital program
All Other Expenses	\$ (0.675)		Efficiencies and cost savings
total expense changes		\$ (0.857)	
2013 Expense Budget		\$ 73.973	

The number of positions decreased 15.8 FTE's over 2012, from 605.1 FTE's to 589.30 FTE's. The changes by department are as follows:

Position Bridge Schedule	Full Time Equivalent Variance	
2012 Fulltime Equivalents (FTE's)		605.1
Legislative & Executive	1.0	
Public Administration	2.4	
Finance	(7.5)	
Planning & Construction Services	(1.0)	
Business & Community Development	-	
Fire Department	-	
Police Department	(2.5)	
Public Works	(0.4)	
Positions transferred to other Funds	(7.8)	
Total Changes in FTE's		(15.8)
2013 Fulltime Equivalents (FTE's)		589.3

General Fund Undesignated/Unreserved Fund Balance - The City has a fiscal policy of maintaining a minimum of five percent (5%) of General Fund expenditures as an **unreserved, undesignated fund balance**, a moderate scenario of seven percent (7%) and an optimum level of ten percent (10%). Based upon the 2013 General Fund budget of \$74 million, the minimum level (5%) would require a fund balance of \$3.7 million.

Fund balance was in the minimum range at year end 2006; followed by two years of consecutive decline with 2008 ending with a negative fund balance of \$1.35 million. As was the case nationally, Duluth saw record revenue deficits coupled with a late December cut in Local Government Aid from the state. Due to the timing of that reduction, the City was not able to put any recovery actions into place before year end.



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

As a result, **fund balance has improved by \$8.95 million since 2008 with an estimated ending 2012 balance of \$7.50 million.** Restoring fund balance continues to be included as an important and necessary part of the budget recovery strategy.

Special Revenue Funds

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

The **OPEB fund** was created in 2007 for the purpose to accumulate resources to be deposited into an irrevocable trust fund for retiree health care costs. The 2007 revenues in the fund included a one-time contribution from the Community Investment Trust Fund in the amount of \$10 million, contributions from the enterprise funds and all grant funds which have employees. There was also a one-time transfer from the Group Health Fund in the amount of \$1 million - with \$500,000 of that returned to the Group Health Fund in 2008. Property taxes have been levied in 2008 and 2009 based on the value of retiring tax increment finance districts. By Council Resolution, if estimated Gas Utility Payments in Lieu of Tax exceed inflation, the difference must be transferred into the OPEB fund. For 2013, contributions will total \$608,900 for an estimated fund balance of \$30.5 million accumulated since inception in 2007.

The **Tourism Tax Fund** provides the accounting for the revenue generated by the different tourism taxes received from food and beverage and hotel/motel receipts. In 2012, due to the fulfillment of bond obligations, .5% of food and beverage and .5% of hotel/motel tax were allowed to sunset. Excluding those taxes, revenue will increase 4.9% over 2012. Funding will remain flat to Visit Duluth, as approved in the latest contract between the City and the agency. The Great Lakes Aquarium will receive an operating subsidy from tourism taxes in the amount of \$350,000. Debt service payments totaling \$3,142,900 funded by the tourism tax fund goes toward DECC improvements and Spirit Mountain. The transfer to the General Fund will remain flat, for a total allocation of \$737,900. With the renewal of the Business Improvement District in the downtown area, the City will continue to be a funding partner by allocating \$200,000 of tourism taxes to that program.

Debt Service Funds

These funds account for the payment of long-term principal and interest on the City's bonded debt. The total estimated gross bonded debt carried by the City in 2012 is \$163,903,000. The property tax levy for debt service in 2013 is \$7,161,500. The only property tax supported bond issues proposed for 2013 are for capital equipment and improvements. Debt is discussed in greater detail in the Debt Service Section of the document.

Capital Project Funds

The Capital Project Funds account for the Street Improvement Program, Special Assessment and Permanent Improvement Projects, and the Capital Improvement Fund. For 2013, a total of \$12.96 million in improvements are planned. Funding will come from intergovernmental contributions from the State of Minnesota and Federal grants; assessments; and bond proceeds.

The Street Improvement Fund accounts for the revenues and expenditures of the 25-year Street Rehabilitation Program. The fund was financed through interest on the Community Investment Fund (where proceeds from the Fond du Lac Casino Agreement are deposited), assessments against benefitting properties, and the increase in tax levy due to new construction. Beginning in 2009, funding was shifted to a direct transfer from the Community Investment Trust Fund's principal and from assessments. For 2013, that funding plan has been put on hold until the litigation with the Fond du Lac Tribe casino agreement is complete. The City is hopeful the case

will be resolved this year. The Street Improvement Program will continue with \$2.14 million in improvements funded from the utilities and assessments.

The balance of capital improvements scheduled for 2013 are funded in the Permanent Improvement Fund and the Capital Improvement Fund for a total \$8.83 million. All projects are detailed in the separate capital improvement plan found in this document.

Enterprise Funds

Enterprise Funds account for the expenditures of the municipal utilities of Water, Gas, Sewer, Stormwater, Steam; and the Golf Division of the Parks and Recreation Department: the Parking Enterprise Fund; and the Street Lighting Fund. Rates are reviewed annually during budget time - with increases approved by the City Council through resolution.

The **Golf Enterprise Fund** accounts for the expenses and revenues associated with municipal golf in the city. The golf fund continues without a subsidy from the General Fund in order to maintain the current level of operations. For 2013, the city will once again contract out the operation of the two municipal golf courses.

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

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

Internal Service Funds

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

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

CITY PLANNING PROCESSES

The City of Duluth has several planning processes in place – some have been used for many years such as the capital budget and plan, while others are new such as departmental business plans. The eventual goal is to provide citizens, elected officials, managers and staff with the tools and information needed to assess the effectiveness and value of services provided by the City. The budget process utilizes some of the processes to develop the financial plan for the coming year. Outlined below is a brief description of each of the planning processes currently used by the City of Duluth.

Comprehensive Capital Budget and Plan - One of the City's ongoing priorities is to produce a five-year capital improvement plan, leading to a comprehensive proposal for the budget. The objective of this project is threefold: to provide short and long-range capital planning; to coordinate capital planning efforts among all city departments; and to respond to bond rating agency recommendations to implement a comprehensive planning process. The five-year plan is included in a separate tabbed section of the budget document.

Department Business Plans - Beginning in 2010, the City implemented a comprehensive business planning process in each department. The purpose of the plan is three-fold: 1) to provide a tool for communicating with the citizens of Duluth what each department's "business" is and how effective it is in delivering value to its customers; 2) to give decision-makers a broader context for making policy and funding decisions about department programs and services; and 3) to give managers the opportunity and responsibility to critically analyze major business practices; quantify performance; identify issues and opportunities. In other words, to demonstrate how the department's business is currently performing measured against its own past performance, goals, and the business of its peers by benchmarking against others. The department business plans are updated every other year; and are included in a separate tabbed section of the "on-line" budget document. If the reader is interested, the plans can be found at the City of Duluth's website.

Five Year Financial Planning – A comprehensive five year financial plan is scheduled to be presented in 2013 and will include financial trends; benchmarking financial performance against other communities; and a five year forecast of revenues and expenses. This process will complement the strategic planning already in place for the purpose of fund balance recover and budget sustainability and stability.

Citizen Surveys – the City has contracted with International Cities Management Association (ICMA) to perform a third National Citizens survey to measure citizen opinion on a variety of issues and services provided by the City of Duluth. Results of those surveys can be found on the City of Duluth's website.

Performance Measurement and Management – a team from all departments have been working on implementing performance measurement and management standards and metrics. Data is collected over the year and is analyzed as a starting point in this important process. In addition, a study group comprised of a cross section of citizens met with an independent consultant to discuss performance issues and communication methodology of the City. These results are also available on the City's website.

FINANCIAL POLICIES

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

These policies cover the following areas:

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

Operating Budget Policy

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

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

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

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

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

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

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

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

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

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

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

Scope of Budget –

- The operating budget will describe major goals to be achieved, and services and programs to be delivered, within the confines of funding levels.
- The budget will provide for the adequate maintenance of capital facilities and equipment and for their orderly replacement within the confines of available revenue resources.
- The budget process will include input from the Administration, City staff, elected officials, and citizens alike by providing budgetary information in a meaningful, useful format in a timely manner.
- Staffing will be reported as full-time equivalents (FTE's) in order to more easily reflect City staffing levels by department.
- The budget will provide for adequate levels to fund the current year's PERA contribution.
- Where possible, the City will integrate performance measurement and productivity indicators with the budget.

- A contingency account will be maintained in the annual operating budget to provide for unexpected expenditures of a non-recurring nature or to meet unexpected increases in service delivery costs.
- The Finance Department will publish the proposed and final approved budgets in accordance with the Home Rule Charter and State Law.
- Annually, the City will submit its Budget to the Government Finance Officers Association (GFOA) to determine its eligibility for the GFOA's Distinguished Budget Presentation Award.
- The City Chief Administrative Officer is deemed the budget officer of the City. He or she will administer policies and procedures necessary to ensure consistency of application of City policies between departments.

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

Revenue Policy

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

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

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

The City will maintain a comprehensive list of all sources of revenues. Schedules and formulas will be reviewed and updated annually to assure continued appropriateness. The City will make every effort to refrain from using one-time sources of revenue to balance the operating budget. Property Taxes - The City will maintain sound appraisal procedures and practices to equitably reflect current property values. Reassessments will be made of all property at least every seven years.

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

Enterprise Service Fees - The City will establish user charges and set fees for services for each of its enterprise funds: water, sewer, gas, parking, golf, street lighting and storm water, at a level that fully supports all direct and indirect operating, capital, reserve, working capital and debt

service costs of the activities. Overhead expenses and general government services provided to the enterprise activities shall be included as indirect costs. Rates will be set such that these enterprise funds are not in a cash deficit during the year. Cash flow requirements to adequately defray bond retirement and capital outlay will be a determinant in the development of user charges. Transfers from an enterprise fund to the General Fund may only be done as authorized through the annual budget process.

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

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

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

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

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

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

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

Capital Budget Policy

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

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

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

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

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

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

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

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

Permanent street improvements will be financed primarily by the City's share of revenues generated from the operations of the Fond-du-Luth Casino owned and operated by the Fond du Lac Band of Lake Superior Chippewa.

Debt Management Policy

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

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

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

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

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

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

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

Bond Specifics:

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

General Obligation Revenue Bonds - The City issues general obligation revenue bonds to finance assets associated with its primary enterprise businesses including storm water and sanitary sewers, water and gas utilities, golf, street lighting and parking ramps. Financial feasibility of capital projects is reviewed each year, including a review of the cash basis pro formas for these funds. Five-year business plans detailing projected operating costs and prior debt obligations are reviewed as well as revenue performance and rate setting analysis to ensure that adequate bond coverage ratios are achieved.

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

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

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

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

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

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

Reserve Policy

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

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

In the event a balance larger than the "optimum" amount exists, the excess monies will be committed to capital improvements as identified in the Five Year Capital Improvement Plan and will be considered a one-time source of financing for these or other projects, or it may be used to fund OPEB or other designated need.

Appropriate operating contingency reserves shall be maintained in enterprise funds to provide for business interruption costs and other unanticipated expenditures of a non-recurring nature. Appropriate capital fund reserves shall also be maintained for emergency improvements relating to new regulations, or emergency needs for capital repair or replacement. For all other funds, appropriate balances shall be maintained reflecting the nature of the accounts, such as:

- Enterprise Funds - The appropriate balance shall be maintained to ensure adequate maintenance reserves, cash flow balancing requirements and legal restrictions. Where cost-effective access to capital markets is available and debt financing is regularly used, replacement balances shall not be maintained so current consumers are not required to pay for future facilities. The City shall strive to maintain a minimum cash balance in its Enterprise Funds equal to approximately three months of operating expense, as circumstance and economic conditions allow.
- Internal Service Funds - The appropriate balance shall be maintained to ensure adequate maintenance reserves, cash flow balancing requirements and legal restrictions.

Use of Fund Balances – If at all feasible, available fund balances will not be used for ongoing operating expenditures, unless a determination has been made that available balances are in excess of required guidelines and that plans have been established to address any future operating budget shortfalls. Emphasis shall be placed on one-time uses that achieve future operating cost reductions. Fund balance is the cumulative years' excess or deficit of all revenues and expense. In the case of proprietary funds, this is termed unrestricted net assets. For the purposes of the budget document, revenue and expense activity includes bond proceeds and debt service.

Annual Review - An annual review of cash flow requirements and appropriate fund balances shall be undertaken to determine whether modifications are appropriate for the reserve policy.

Investment Policy

The objective of the Investment Policy is to ensure that revenues received by the City are promptly recorded and deposited in designated depositories. If not immediately required for the payment of obligations, revenues shall be placed in authorized investments. Funds shall be deposited only in the types of investment instruments authorized by the City's Investment Policy, Minnesota Statutes, Chapter 118A, or City Council resolutions. Investments by the City shall conform to the following investment principles:

Authority and oversight - Management responsibility for the City's investment program is delegated to the City Treasurer. The Investment Committee advises the Treasurer on investment activities. The Investment Committee meets at least quarterly and includes the following persons:

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

Safety - Safety of principal is the City's foremost objective. Each investment transaction shall seek to first ensure that capital losses are avoided, whether from securities defaults or from erosion of market value.

Liquidity - The City's investments shall be structured to provide liquidity to meet its obligations in a timely manner without loss of principal.

Yield - The investment portfolio shall be designed to attain a market-average rate of return through budgetary and economic cycles, taking into account the City's investment risk constraints, cash flow characteristics, and safety of principal.

Diversification - The City shall diversify its investments to minimize the risk of loss resulting from over-concentration of assets in a specific maturity, a business sector (excluding U.S. Treasuries), a specific issuer or a specific class of securities.

Maintaining the Public Trust - The investment program shall be designed and managed with professionalism worthy of the public trust. The best investment vehicles for the City's objectives shall be sought through competitive processes. Investment officials shall avoid any transaction that might impair public confidence in City government.

Standard of Care - The "prudent person" standard shall be applied in the context of managing the overall investment portfolio. Investment officers, acting in accordance with fiduciary standards and written procedures, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments. **Internal Controls and Safekeeping** - The City Chief Financial Officer shall establish a written system of internal controls. To protect against potential fraud and embezzlement, assets of the City shall be secured through third party custody and other safekeeping procedures. The City shall authorize the custodian financial institution to utilize security lending to maximize return on investments. Bearer instruments shall be held only through third party institutions. Investment officials shall be bonded.

Reporting - When presenting a financial report to the Council, the City will include an investment report describing the characteristics of the portfolio, including a summary of recent market conditions, investment performance and investment strategies.

General -

- The City will make a cash-flow analysis of all funds on a regular basis. Disbursement, collection, and deposit of all funds will be scheduled to insure maximum investment capabilities;
- When permitted by law, the City will pool cash from several different funds for investment purposes to maximize potential earnings; and
- The City will analyze market conditions and potential investments to maximize its yield, while maintaining the integrity and safety of the principal.

Accounting Policy

The objective of the Accounting Policy is to ensure that all financial transactions of the City and its boards, commissions, and agencies conform to the City Charter, Minnesota statutes, grant requirements, the principles of sound financial management and generally accepted accounting principles.

Accounting Standards - The City shall establish and maintain accounting systems according to the generally accepted accounting principles (GAAP), which are set by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB). The central system shall be used for financial transactions of all City departments, boards, and independent agencies.

The City's accounting system will be organized and operated on a fund basis. Each fund is a distinct self-balancing accounting entity. The various fund types maintained by the City can be classified into fund categories as follows:

- Governmental
 - General
 - Special Revenue
 - Debt Service
 - Capital Projects
- Propriety
 - Enterprise
 - Internal Service
- Fiduciary
 - Pension Trust and Agency

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

Disclosure and Monitoring - Full disclosure is provided in all financial statements and bond representations. Financial systems are maintained to monitor expenditures and revenues on a daily, monthly, and year end basis. A Comprehensive Annual Financial Report (CAFR) is published by the City within six months of the following year. The CAFR will be posted on the City's website.

The Minnesota State Auditor will audit the City's financial statements annually and render an opinion.

The City will develop and maintain a policy and procedure manual covering accounting practices and controls.

Annually, the City will submit its CAFR to the Government Finance Officers Association (GFOA) to determine its eligibility for the GFOA's Certificate of Achievement for Excellence in Financial Reporting.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Duluth
Minnesota**

For the Fiscal Year Beginning

January 1, 2011

Linda C. Danson Jeffrey R. Egan

President

Executive Director

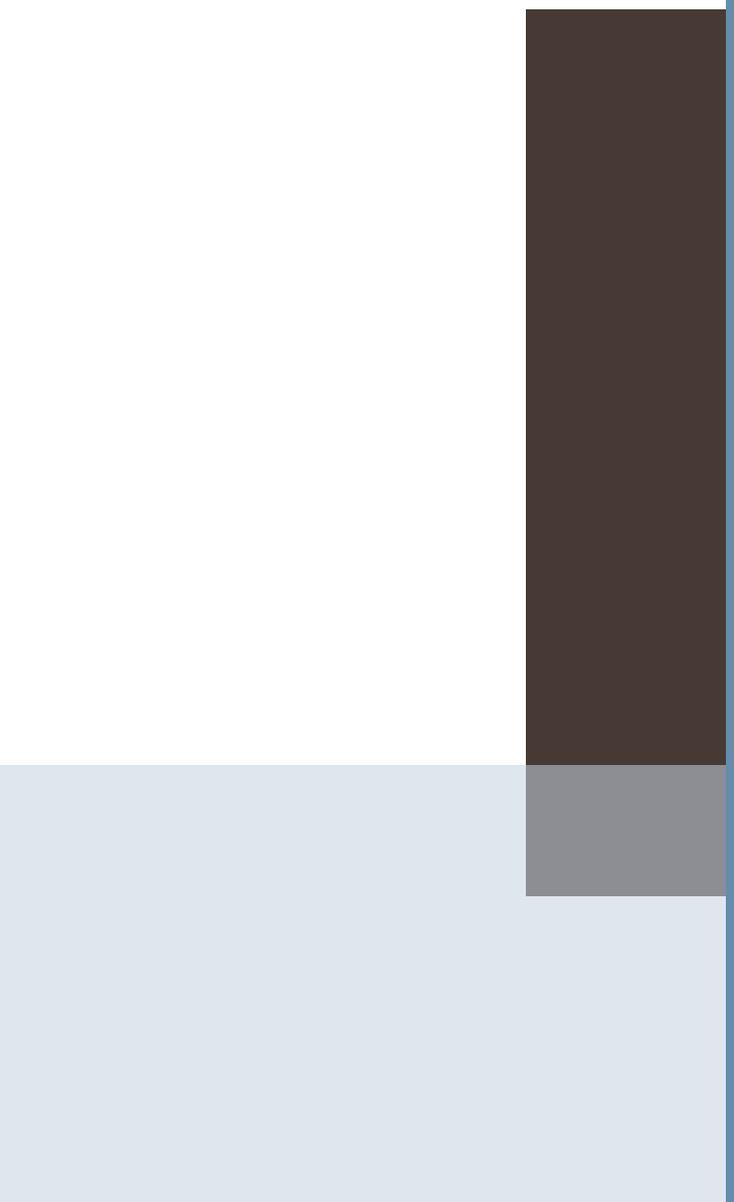
Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Distinguished Budget Presentation to the City of Duluth, Minnesota, for its annual budget for the fiscal year beginning January 1, 2011. We are currently waiting award notification on our 2012 budget.

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

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

APPROPRIATIONS



General Fund

General Fund

Departments

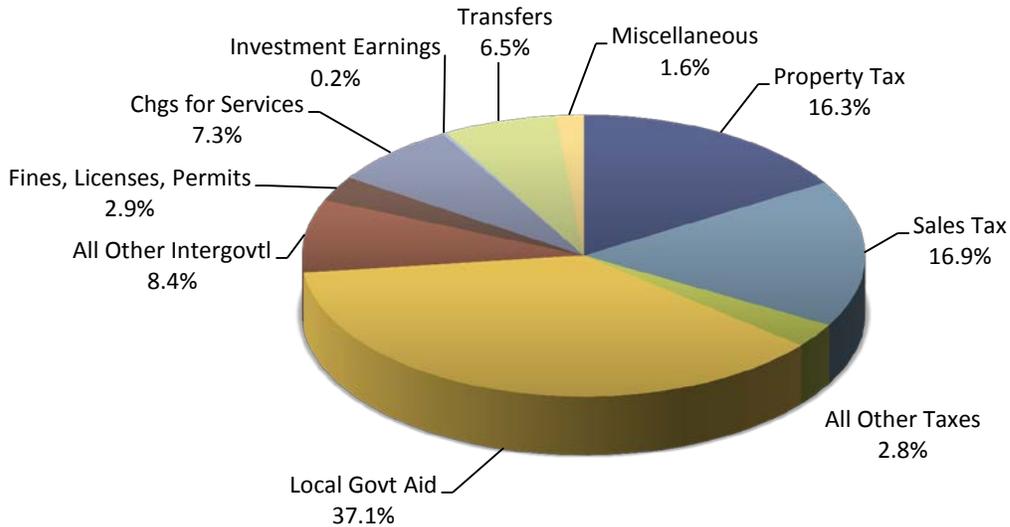
Legislative & Executive
 Public Administration
 Finance Department
 Planning & Construction Svcs
 Business Development
 Fire Department
 Police Department
 Public Works
 Transfers & Other Functions

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

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

	2010 Actual	2011 Actual	2012 Approved	2013 Approved
REVENUES				
Property Tax				
Current Property Taxes	10,186,693	10,375,029	11,828,900	11,815,700
New Growth			78,900	106,300
Delinquent Property Taxes	242,411	323,758	150,000	150,000
City Sales Tax	11,465,685	11,872,641	11,900,000	12,500,000
All Other Taxes	2,047,289	2,119,254	2,040,900	2,060,900
Local Government Aid	27,437,478	27,449,555	27,437,000	27,437,000
All Other Intergovernmental	7,011,957	6,998,586	6,815,900	6,192,500
Licenses and Fines	2,894,968	2,972,786	3,042,600	2,119,900
Charges for Services	5,833,515	5,363,700	5,254,100	5,398,400
Earnings on Investments	760,825	815,831	469,600	174,600
Transfers from Other Funds	5,354,130	5,004,755	4,560,000	4,839,800
Miscellaneous	1,444,751	1,852,494	1,252,100	1,177,900
Total Revenues	74,679,702	75,148,389	74,830,000	73,973,000
EXPENDITURES				
Permanent Salaries	37,477,546	37,247,513	37,842,900	36,856,800
Premium Pay	1,828,063	2,247,391	1,090,000	1,102,000
Other Wages	389,237	540,904	287,800	404,100
Employee Benefits	11,582,574	11,990,728	12,497,100	14,191,700
Supplies	3,453,980	4,028,333	3,803,900	3,662,200
Other Services & Charges	7,803,400	8,526,339	9,557,800	8,755,600
Utilities	1,063,943	1,151,002	1,401,000	1,251,000
Retiree Insurance	6,517,345	6,513,304	7,800,000	7,430,100
Capital	989,912	1,013,427	549,500	319,500
Total Expenditures	71,106,000	73,258,941	74,830,000	73,973,000

GENERAL FUND APPROVED REVENUES Percent of Total by Major Category



Property Tax - Current & Delinquent	\$	12,072,000
City Sales Tax	\$	12,500,000
All Other Taxes	\$	2,060,900
Local Government Aid	\$	27,437,000
All Other Intergovernmental	\$	6,192,500
Licenses and Fines	\$	2,119,900
Charges for Services	\$	5,398,400
Earnings on Investments	\$	174,600
Transfers from Other Funds	\$	4,839,800
Miscellaneous	\$	1,177,900
TOTAL 2013 REVENUES	\$	73,973,000

This graph shows the major categories of revenues expressed as a percent of total General Fund revenues estimated for budget fiscal year 2013. The City's policy of maintaining a diverse revenue base is reflected in the categories of revenues listed above, with almost 200 separate budgeted sources of revenue detailed within the Revenue Source Summary that follows this graph. Although, the City does have a wide variety of revenues, the reader will note the City's relative dependence on Local Government Aid, which constitutes 37.1% of all General Fund revenues. For this reason, Local Government Aid is monitored closely at the State Legislature.

City of Duluth Minnesota - 2013 Budget

General Fund Revenues	2010 Actual	2011 Actual	2012 Approved	2013 Approved
CATEGORY 10 - TAXES				
4005 Current Property Tax	10,186,693	10,375,029	11,828,900	11,815,700
New Growth			78,900	106,300
4010 Delinquent Property Tax	242,411	323,758	150,000	150,000
4015 Mobile Home Tax	40,890	43,763	39,200	44,000
4040 City Sales Tax	11,465,685	11,872,641	11,900,000	12,500,000
4050 Charitable Gambling Tax	48,137	49,378	48,000	45,000
4070 MN Power Franchise Fee	1,100,000	1,100,000	1,100,000	1,100,000
4071 Cable Franchise Fee	809,982	814,153	831,200	815,300
4072 No. MN Utility Franchise Fee	7,397	8,642	7,400	8,600
4080 Forfeit Tax Sale	15,102	72,958	15,100	28,000
4090 Other Taxes	25,781	30,360		20,000
TOTAL TAXES	23,942,078	24,690,682	25,998,700	26,632,900
CATEGORY 20 - LICENSES AND PERMITS				
4101 Liquor License	404,813	420,257	385,000	405,000
4102 Beer License	14,032	14,474	14,000	14,000
4105 Hotel License	7,107	6,782	6,500	6,500
4106 Garbage Collection	12,276	15,904	14,000	14,000
4107 Horse & Carriage	888	525	700	700
4108 Emergency Wrecker License	7,691	6,800	5,000	5,000
4109 Gas Station License	10,262	9,076	8,500	8,500
4111 Pawnbroker License	1,089	1,107	1,300	1,300
4112 Peddler's License	594	2,006	500	500
4113 Precious Metal Dealer	2,783	3,260	1,200	1,200
4114 Pet Shop License	1,892	1,731	1,200	1,200
4117 Massage Parlor	6,732	8,126	5,000	5,000
4118 Cigarette License	13,936	14,144	15,000	15,000
4119 Motor Vehicle - Dealer	4,215	4,654	4,400	4,400
4119 Motor Vehicle - Rental	1,764	1,792	1,600	1,600
4120 Taxi Permit	12,344	12,303	5,300	5,300
4121 Coin Operating Device	12,130	19,455	9,000	9,000
4122 Pool & Bowling	1,616	2,896	2,000	2,000
4124 Tree Service Contractor				700
4150 Pet License	26,864	29,204	18,000	18,000
4151 Fill Permits	4,178	10,739	1,200	1,200
4152 Excavation Permits	18,235	19,660	15,000	15,000
4153 Multiple Dwell License-3 or more	108,419	126,895	135,000	140,000
4153 Multiple Dwell License-1 or 2 units	352,902	544,158	445,000	595,000
4154 Commercial Use/Occupancy	89,196	58,069	90,000	65,000
4155 Special Event Permit				3,000
4170 Misc. Perm. & Licenses	66,086	73,934	70,700	35,700
TOTAL LICENSE AND PERMITS	1,182,044	1,407,951	1,255,100	1,373,800

City of Duluth Minnesota - 2013 Budget

General Fund Revenues	2010 Actual	2011 Actual	2012 Approved	2013 Approved
CATEGORY 30 - INTERGOVERNMENTAL				
4209 Misc. Federal Grants	38,586	79,182	20,000	
4220 State of Minnesota	50,000	100,436		
4220 State of MN Performance Measurement Reimb			12,000	12,000
4221 Local Government Aid	27,437,478	27,449,555	27,437,000	27,437,000
4222 State Property Tax Aid	22,086	21,965		
4225 Ski Trail Reimbursement	5,000	3,472	5,000	5,000
4226 Snowmobile Trail Grants	13,925	20,925	18,000	18,000
4227 Police Training Reimbursement	51,827	55,036	50,000	50,000
4230 PERA Aid	124,428	124,428	124,400	124,400
4232 State Insurance Premium	1,569,087	1,580,030	1,600,000	1,600,000
4240 Municipal State Aid - Maintenance	1,164,496	1,606,208	1,451,800	1,451,800
4260 St. Louis County	161,017	161,017	161,000	165,900
4261 ISD 709	365,434	211,000	212,000	211,000
4262 Housing & Redevelopment Authority	29,165	-	56,000	59,100
4270 Other Grants	-	16,750	-	-
4300 HRA in Lieu of Taxes	43,293	44,473	43,700	43,700
4300 Ordean Foundation	16,086	16,086	16,000	16,000
4731 Gas Utility in Lieu of Taxes	3,236,527	2,778,918	2,900,000	2,289,600
4732 Steam Utility in Lieu of Taxes	121,000	178,660	146,000	146,000
TOTAL INTERGOVERNMENTAL	34,449,435	34,448,141	34,252,900	33,629,500
CATEGORY 40 - CHARGES FOR SERVICES				
4301 Zoning Appeals Fees	6,060	1,560	6,000	6,000
4303 Use Permit - Flood & Wetlands	1,612	2,184	5,000	5,000
4304 Special Use - Flood & Wetlands	2,151	(156)	2,000	2,000
4305 Variances - Flood & Wetlands	588		2,500	2,500
4307 Planning/Zoning Fees	20,965	62,098	25,000	60,000
4310 Assessment Cost Services	737	63,827	28,500	28,500
4311 Assessment Certification Fees	31,059	26,926	25,000	25,000
4312 Abatement Processing	4,875	3,275	6,000	6,000
4313 Garbage Handling Fees	11,072	11,328	10,000	10,000
4315 Stormwater Administrative Service	170,000	170,000	170,000	170,000
4315 Sewer Administrative Service	330,700	330,700	330,700	330,700
4315 Steam Administrative Service	49,500	49,500	49,500	49,500
4315 DECC Administrative Service	25,000	25,000	25,000	25,000
4315 DTA Administrative Service	10,300	10,300	10,300	10,300
4315 Grant Administration Services	86,529	91,341	46,300	77,500
4315 Airport Administrative Service	32,400	58,000	58,000	58,000
4315 DEDA Administrative Service	365,000	365,000	365,000	365,000
4315 Public Utility Admin Service	927,700	927,700	927,700	829,300

City of Duluth Minnesota - 2013 Budget

General Fund Revenues	2010 Actual	2011 Actual	2012 Approved	2013 Approved
Category 40 - Charges for Services continued				
4315 Fleet Administrative Service	108,200	108,200	108,200	108,200
4315 Golf Administrative Service	66,800	66,800	66,800	66,800
4315 Group Health Admin Service	250,000	250,000	250,000	255,000
4315 Self Insurance Admin Service	283,200	283,200	283,200	283,200
4315 Spirit Mt. Administrative Service	37,700	37,700	37,700	37,700
4315 Parking Administrative Service	23,300	23,300	23,300	23,300
4315 Street Lighting System Administrative Service				59,000
4320 MIS Services	1,159	3,092	1,500	5,200
4322 Animal Shelter Fees	20,215	15,758	20,000	20,000
4323 Garnishment Fees	270	285	100	100
4324 Miscellaneous Services	4,829	4,142	1,400	1,400
4325 Radio Services	6,500	6,500	6,500	6,500
4326 Criminal History Checks	912	714	2,000	2,000
4328 Pawnbroker Transaction Charge	58,654	56,677	50,000	50,000
4329 False Alarm Fees & Penalties	10,114	17,704	5,000	10,000
4339 Fire Physical Assessment		8,700		
4340 Fire Protection Services	4,200	5,742	4,200	4,200
4341 Hydrant Maintenance Service	30,000	30,000	30,000	30,000
4350 Inspection Services	900	130	4,000	4,000
4351 Building Inspection Fees	1,797,013	1,392,354	1,400,000	1,400,000
4352 Plumbing Inspection Fees	176,596	157,076	180,000	180,000
4353 Electric Inspection Fees	202,333	178,287	190,000	190,000
4354 HVAC-R Inspection Fees	169,999	156,391	150,000	150,000
4355 Signs Inspection Fees	10,673	13,535	10,500	10,500
4356 House Moving Inspection Fees	6,572	16,274	5,000	5,000
4357 Mobile Home Inspection Fees	781	1,054	2,000	2,000
4359 CAF Administrative Fee	21,980	4,369	15,000	15,000
4360 Vacant Building Fee	5,220	6,400	1,200	5,000
4361 RZP Registration Fee	11,868	11,954	14,000	14,000
4370 Engineering Services	447,279	308,779	300,000	400,000
TOTAL CHARGES FOR SERVICES	5,833,515	5,363,700	5,254,100	5,398,400
CATEGORY 50 - FINES AND FORFEITS				
4470 License Penalties	15,276	9,462	8,000	8,000
4471 Library Fines	90,285	89,961	90,000	90,000
4472 Parking Fines	1,056,817	911,204	1,025,000	-
4473 Court Fines	550,546	554,208	664,500	648,100
TOTAL FINES AND FORFEITS	1,712,924	1,564,835	1,787,500	746,100

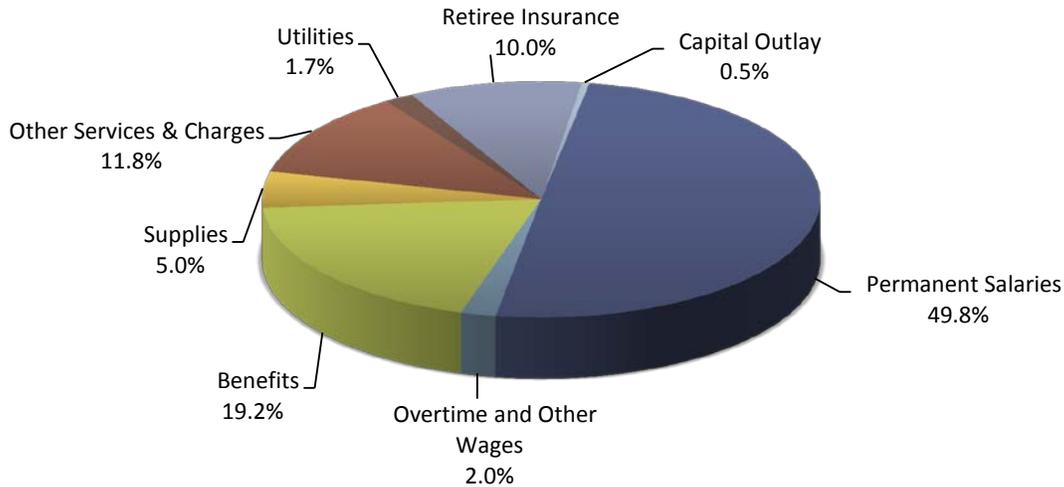
City of Duluth Minnesota - 2013 Budget

General Fund Revenues	2010 Actual	2011 Actual	2012 Approved	2013 Approved
CATEGORY 60 - SPECIAL ASSESSMENTS				
4500 Assessments	67,619	60,509	110,200	109,300
4500 Assessments - Service Charge	306,969	307,613	300,000	300,000
4501 Assessments - Penalty & Interest	35,122	32,235	30,800	30,800
TOTAL SPECIAL ASSESSMENTS	409,710	400,357	441,000	440,100
CATEGORY 70 - MISCELLANEOUS				
4601 Earnings on Investments	760,825	815,831	469,600	174,600
4620 Telecommunications Space Rental	7,702	9,354	8,400	10,000
4622 Rent of Buildings	108,695	107,396	98,100	77,000
4623 Rent of Land	5,886	5,913	5,900	5,900
4624 Rent of Equipment	(94)	-	300	300
4626 Indian Point Campground	36,447	35,394	35,000	-
4627 Concessions & Commissions	8,906	11,317	9,500	9,000
4631 Media Sales	30,019	27,665	34,400	32,600
4636 Sale of Materials	6,453	5,153	2,000	4,000
4639 Sale of Equipment	38,051	78,866	100,000	100,000
4640 Sale of Land	48,250	151,122	50,000	200,000
4644 Miscellaneous Sales	99,734	122,089	62,200	79,700
4650 Salary Reimbursement	30,677	10,508	20,000	20,000
4651 Extra Duty Employment Reimbursement	256,754	274,931	257,000	-
4654 Other Reimbursements	154,345	206,944	74,500	130,500
4660 Gifts & Donations	16,337	37,395	4,700	4,700
4680 Damages Recovered	26,060	583	-	15,000
4700 Other Sources	438	2,185	47,600	47,600
4701 2% Retention Surtax	1,645	1,515	1,500	1,500
TOTAL MISCELLANEOUS	1,637,130	1,904,161	1,280,700	912,400
CATEGORY 80 - OTHER FINANCING SOURCES				
4730 Transfer from Special Revenue	110,294	75,571	500,000	400,000
4730 Transfer from Tourism Tax Fund	745,422	747,639	737,900	737,900
4730 Transfer from Comm Invest Fund	1,286,262	881,189	317,000	105,000
4730 Transfer from Police Grant Funds	825,029	822,448	691,800	683,600
4730 Transfer from Public Utility Funds	918,226	955,507	860,600	860,600
4730 Transfer from Parking Fund	1,382,500	1,464,700	1,352,700	1,952,700
4730 Transfer from Permanent Improvement	86,397	19,460	100,000	100,000
4998 Prior Year Revenue	158,736	402,048		
TOTAL OTHER FINANCING SOURCES	5,512,866	5,368,562	4,560,000	4,839,800
GENERAL FUND TOTAL	74,679,702	75,148,389	74,830,000	73,973,000

City of Duluth Minnesota - 2013 Budget

GENERAL FUND APPROVED EXPENSES

Percent of Total by Major Category



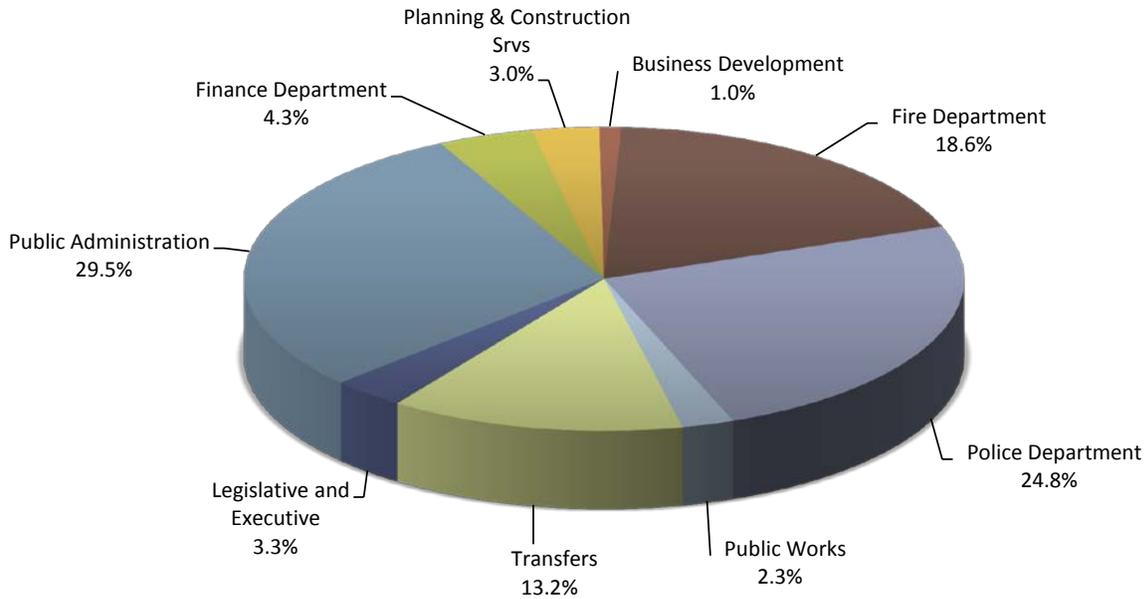
Permanent Salaries	\$	36,856,800
Overtime and Other Wages	\$	1,506,100
Benefits	\$	14,191,700
Supplies	\$	3,662,200
Other Services & Charges	\$	8,755,600
Utilities	\$	1,251,000
Retiree Insurance	\$	7,430,100
Capital Outlay	\$	319,500

TOTAL 2013 EXPENDITURES \$ 73,973,000

This graph shows the General Fund budget by expense category. The largest single category of expense is Permanent Salaries at 49.8% of all expenses. When the cost of benefits, overtime and other wages is added, the total is 71% of all budgeted expenses. Other Services and Charges comprises 11.8% of the total; followed by Retiree Insurance at 10%; Supplies at 5%; Utilities at 1.7%; and Capital Outlay in the General Fund at .5% of the total expenses.

GENERAL FUND APPROVED EXPENSES

Percent of Total by Department



Legislative and Executive	\$	2,443,000
Public Administration	\$	21,802,200
Finance Department	\$	3,166,400
Planning & Construction Svcs	\$	2,232,300
Business Development	\$	724,800
Fire Department	\$	13,766,500
Police Department	\$	18,333,300
Public Works	\$	1,726,800
Transfers	\$	9,777,700

TOTAL 2013 EXPENDITURES	\$	73,973,000
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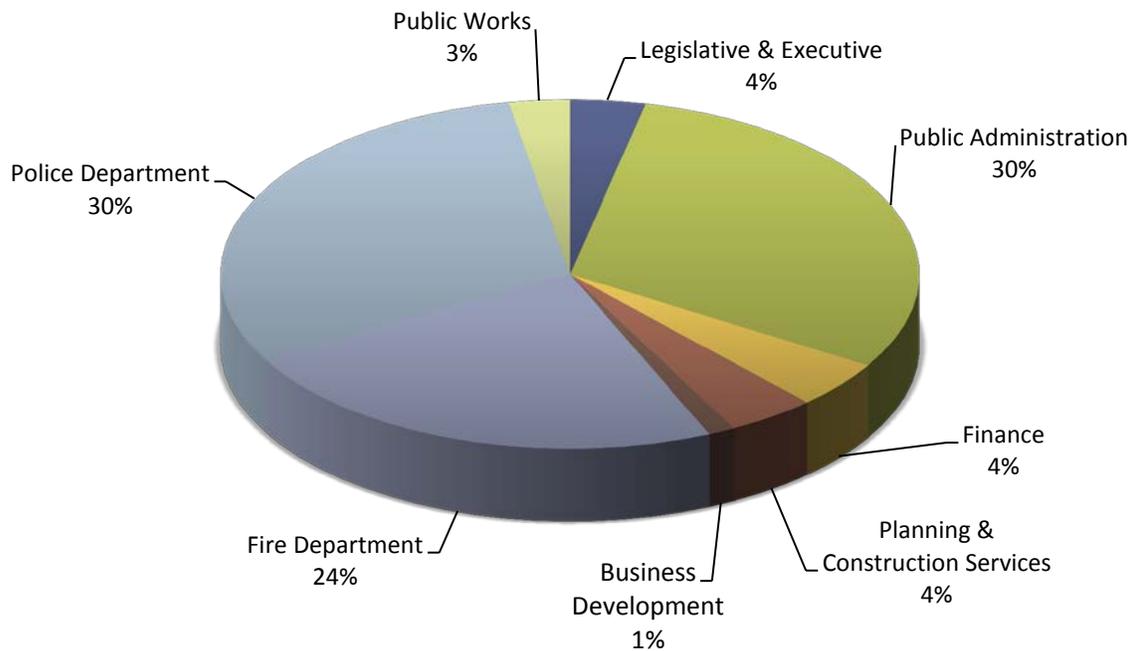
This graph shows the General Fund Departmental budgets as a percent of the total General Fund expenditures for budget fiscal year 2013. The largest category of expense is public safety with the Police and Fire Departments comprising 43.4% of the total; followed by the Public Administration Department which includes Maintenance Operations, City Clerk, Library, Human Resources, and the past department of Management Information Systems at 29.5%. The Transfers Department comprises 13.2% of the total. The remaining five departments totaled together are 13.9%, with no department exceeding 5%.

General Fund - 2013 Approved Expense Budget

General Fund Expenses	Permanent		Temporary		Other	Capital	TOTAL
	Salaries	Overtime	Salaries	Benefits	Expense	Outlay	
LEGISLATIVE AND EXECUTIVE							
City Council	0	0	90,000	6,500	46,800	0	143,300
Mayor's Office	185,600	0	0	64,200	14,600	0	264,400
Chief Administrative Officer	192,200	0	0	66,500	10,600	0	269,300
Attorney's Office	1,305,000	0	0	412,100	43,900	5,000	1,766,000
DEPARTMENT TOTAL	1,682,800	0	90,000	549,300	115,900	5,000	2,443,000
PUBLIC ADMINISTRATION							
Human Resources	775,400	0	15,000	293,800	57,900	0	1,142,100
Management Info Systems	1,241,200	20,000	23,400	487,200	731,900	0	2,503,700
City Clerk's	517,900	1,000	60,000	208,100	48,500	0	835,500
Maintenance Operations	3,528,200	167,000	50,000	1,556,200	4,251,800	0	9,553,200
Library Services	2,566,500	1,000	71,000	921,200	324,600	264,500	4,148,800
Facilities Management	944,800	25,000	10,000	356,300	2,282,800	0	3,618,900
DEPARTMENT TOTAL	9,574,000	214,000	229,400	3,822,800	7,697,500	264,500	21,802,200
FINANCE							
Budget Office	292,000	0	0	72,200	5,100	0	369,300
Assessor's Office	87,200	0	0	32,400	375,000	0	494,600
Auditor's Office	532,500	11,000	0	235,900	320,800	0	1,100,200
Purchasing	129,500	0	9,000	58,400	10,800	0	207,700
Treasurer's Office	703,900	0	0	228,300	62,400	0	994,600
DEPARTMENT TOTAL	1,745,100	11,000	9,000	627,200	774,100	0	3,166,400
PLANNING & CONST. SRVS.							
Physical Planning	474,700	0	0	161,800	68,500	0	705,000
Const. Srvs & Inspection	989,000	9,000	0	358,600	170,700	0	1,527,300
DEPARTMENT TOTAL	1,463,700	9,000	0	520,400	239,200	0	2,232,300
BUSINESS DEVELOPMENT							
	484,400	0	0	155,400	85,000	0	724,800
FIRE DEPARTMENT							
Fire Administration	271,200	0	0	65,600	78,500	0	415,300
Fire Operations	8,194,300	395,000	0	3,208,500	509,700	0	12,307,500
Life Safety	666,500	10,000	0	272,100	95,100	0	1,043,700
DEPARTMENT TOTAL	9,132,000	405,000	0	3,546,200	683,300	0	13,766,500
POLICE DEPARTMENT							
Police Admin/Investigation	5,252,200	110,000	57,700	2,048,200	1,499,400	0	8,967,500
Patrol Division	6,451,300	273,000	0	2,505,500	136,000	0	9,365,800
DEPARTMENT TOTAL	11,703,500	383,000	57,700	4,553,700	1,635,400	0	18,333,300
PUBLIC WORKS							
Director's Office	37,000	0	0	8,800	800	0	46,600
Transportation Engineering	1,034,300	80,000	18,000	407,900	140,000	0	1,680,200
DEPARTMENT TOTAL	1,071,300	80,000	18,000	416,700	140,800	0	1,726,800
TRANSFERS							
	0	0	0	0	9,727,700	50,000	9,777,700
DEPARTMENT TOTAL	0	0	0	0	9,727,700	50,000	9,777,700
2013 Approved General Fund	36,856,800	1,102,000	404,100	14,191,700	21,098,900	319,500	73,973,000

City of Duluth Minnesota - 2013 Budget

General Fund Personnel Summary



Department	2012 Approved	2013 Approved
Legislative & Executive	33.50	20.50
Management Information Systems	22.00	0.00
Public Administration	144.10	178.50
Finance	34.00	25.75
Planning & Construction Services	25.00	24.20
Business & Community Development	6.50	7.25
Fire Department	138.00	138.00
Police Department	185.00	178.50
Public Works	17.00	16.60
TOTAL	605.10	589.30

City of Duluth Minnesota - 2013 Budget

General Fund Personnel Summary

	2012 Approved	2013 Approved	Difference	Narrative
LEGISLATIVE/EXECUTIVE				
City Council	0.00	0.00	0.00	
Mayor	3.00	3.00	0.00	
Chief Administrative Officer	2.50	2.50	0.00	
City Attorney	17.00	15.00	-2.00	Transferred Claims Adjuster to Finance; and EEO Officer to HR
Human Resources	11.00	0.00	-11.00	Moved to Public Administration Department
Department Total	33.50	20.50	-13.00	
MANAGEMENT INFORMATION SYSTEMS				
Mgmt Information Systems	22.00	0.00	-22.00	Moved to Public Administration Department
Department Total	22.00	0.00	-22.00	
PUBLIC ADMINISTRATION				
Human Resources	0.00	12.00	12.00	Moved from Legislative/Executive dept., added EEO Officer
Mgmt Information Systems	0.00	20.00	20.00	Moved from own Dept, reduced 2 vacant positions
City Clerk	6.00	8.00	2.00	Increased 2 Clerical
Maintenance Operations	76.20	70.50	-5.70	Transferred 6 janitorial staff to Facilities Management
Library Services	48.50	49.00	0.50	Added .5 Volunteer Coordinator
Facilities Management	13.40	19.00	5.60	Transferred 2 radio shop to Police, increased 2 Maintenance Workers, and 6 janitorial staff
Department Total	144.10	178.50	34.40	
FINANCE				
Finance Administration	6.00	3.25	-2.75	Share .75 Contract Admin with Business Develop, transfer 1 to Treasurer and 1 clerical to Parks
Assessor	10.00	1.00	-9.00	Transferred 5 to County, 2 to Treasurer, reduced 2
Auditor	12.00	7.50	-4.50	Eliminated .5 Payroll Specialist, transferred 4 to Treasurers
Purchasing	2.00	2.00	0.00	
Treasurer	4.00	12.00	8.00	Added 1 from Finance Admin, 2 from Assessor, 4 from Auditor, 1 from Attorneys
Department Total	34.00	25.75	-8.25	
PLANNING & CONSTRUCTION SERVICES				
Physical Planning	7	7.2	0.20	Add .7 Director and share clerical with CD
Construction Svcs & Inspection	18	17	-1.00	Reduce 1 clerical
Department Total	25	24.2	-0.80	
BUSINESS AND COMMUNITY DEVELOPMENT				
Business & Comm Develop.	6.50	7.25	0.75	Reduce Financial Analyst and Mgr. Real Property, Add 2 Business Developers and .75 Contract Admin
Department Total	6.50	7.25	0.75	
FIRE				
Fire Administration	3.00	3.00	0.00	Added 3 firefighters to new Public Safety Fund - not shown in General Fund.
Firefighting Operations	124.00	124.00	0.00	
Life Safety	11.00	11.00	0.00	
Department Total	138.00	138.00	0.00	
POLICE				
Police Administration/Patrol	185.00	178.50	-6.50	Transfer 6 to Parking Fund, increase 2 Radio Shop from Maintenance, reduce 2.5 clerical
Department Total	185.00	178.50	-6.50	
PUBLIC WORKS				
Director's Office	0.40	0.40	0.00	
Engineering	16.60	16.20	-0.40	Eliminated .4 clerical
Department Total	17.00	16.60	-0.40	
TOTAL GENERAL FUND FTE'S	605.10	589.30	-15.80	

Legislative and Executive Department

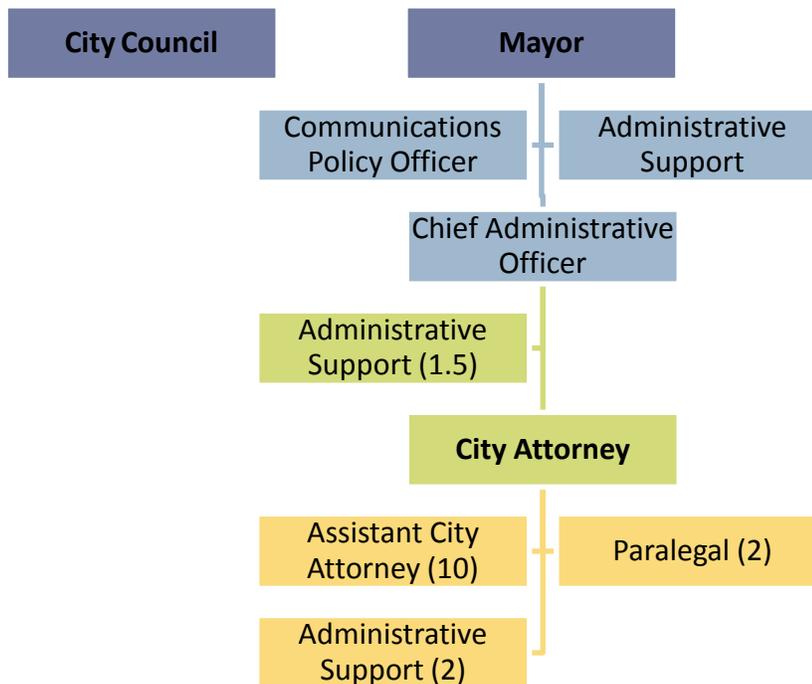
Mission and Vision

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

Structure

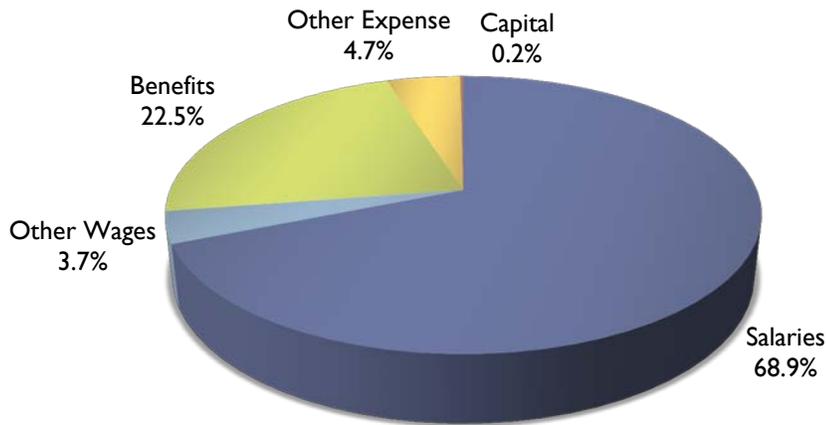
The divisions in this department are responsible for the legislative activity pursuant to City Charter; administration of the organization; enforcement and execution of city ordinances; and legal defense of the city.

Legislative & Executive Department Organization Chart



City of Duluth Minnesota - 2013 Budget

Legislative & Executive Department 2013 Approved Budget by Expense Category



Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Permanent Salaries	1,795,567	1,676,417	1,818,900	1,682,800	(136,100)
Overtime	803	977	-	-	-
Other Wages	91,445	92,383	90,000	90,000	-
Total Personal Services	1,887,815	1,769,777	1,908,900	1,772,800	(136,100)
Benefits	462,914	474,121	502,500	549,300	46,800
Other Expense	120,282	87,924	120,300	115,900	(4,400)
Capital Outlay	7,040	5,222	5,000	5,000	-
Department Total	2,478,051	2,337,044	2,536,700	2,443,000	(93,700)

Expenditures by Division	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
City Council	141,753	117,146	143,300	143,300	-
Mayor's Office	220,409	186,913	286,600	264,400	(22,200)
Chief Admin Officer	250,831	259,043	264,400	269,300	4,900
Attorney's Office	1,865,058	1,773,942	1,842,400	1,766,000	(76,400)
Department Total	2,478,051	2,337,044	2,536,700	2,443,000	(93,700)

	2010	2011	2012	2013	Difference
Budgeted FTE's	22.00	22.50	22.50	20.50	(2.00)

City of Duluth Minnesota - 2013 Budget

City Council

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

Budgeted FTE's	2010	2011	2012	2013	Difference
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There are no fulltime, permanent employees assigned to this division.

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	-	-	-	-	-
Overtime	-	-	-	-	-
Other Wages	90,414	90,939	90,000	90,000	-
Total Salaries	90,414	90,939	90,000	90,000	-
Benefits	6,422	6,522	6,500	6,500	-
Other Expense					
Materials & Supplies	2,357	-	2,800	2,800	-
Services	27,751	6,386	32,000	32,000	-
Utilities & Maintenance	88	-	800	800	-
Other	14,721	13,299	11,200	11,200	-
Total Other Expense	44,917	19,685	46,800	46,800	-
Division Total	141,753	117,146	143,300	143,300	-

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail		2010	2011	2012	2013
		Actual	Actual	Budget	Approved
City Council - 110-110-1101					
PERSONAL SERVICES					
5103	Other Wages	90,414	90,939	90,000	90,000
	TOTAL	90,414	90,939	90,000	90,000
EMPLOYEE BENEFITS					
5121	PERA Retirement	1,916	1,499	1,500	1,500
5122	FICA - Social Security	3,202	3,719	3,700	3,700
5123	FICA - Medicare	1,304	1,304	1,300	1,300
	TOTAL	6,422	6,522	6,500	6,500
OTHER EXPENDITURES					
5200	Office Supplies	0	0	1,000	1,000
5201	Computer Supplies/Software	0	0	1,000	1,000
5202	Audiovisual & Photography	2,115	0	500	500
5219	Other Miscellaneous Supplies	242	0	300	300
5319	Other Professional Services	10,750	0	10,000	10,000
5331	Travel/Training	948	602	12,000	12,000
5355	Printing & Copying	16,053	5,784	10,000	10,000
5404	Equipment/Machinery Repair & Mtc	88	0	800	800
5433	Dues & Subscription	1,152	2,974	1,000	1,000
5441	Other Services & Charges	10,051	8,264	8,000	8,000
5443	Board & Meeting Expenses	3,518	2,061	2,200	2,200
	TOTAL	44,917	19,685	46,800	46,800
DIVISION TOTAL		141,753	117,146	143,300	143,300

City of Duluth Minnesota - 2013 Budget

Mayor's Office

The Mayor's Office provides leadership and direction to the Executive Branch of city government. The Mayor serves as chief executive officer of the city, provides leadership to the community and serves as the identifiable representative of the city. The Mayor's Office provides policy initiatives to the City Council to help direct the vision of the community.

Budgeted FTE's	2010	2011	2012	2013	Difference
Mayor	1.0	1.0	1.0	1.0	-
1105 Comm/Policy Officer	-	1.0	1.0	1.0	-
135 Public Info Coordinator	1.0	-	-	-	-
6 Senior Secretary Spec.	1.0	-	-	-	-
126 Information Technician	-	1.0	1.0	1.0	-
Division Total	3.0	3.0	3.0	3.0	-

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	157,880	130,756	211,500	185,600	(25,900)
Overtime	-	-	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	157,880	130,756	211,500	185,600	(25,900)
Benefits	42,218	36,956	60,500	64,200	3,700
Other Expense					
Materials & Supplies	2,864	1,825	1,700	1,700	-
Services	9,298	8,813	5,100	5,100	-
Utilities & Maintenance	-	-	-	-	-
Other	8,149	8,563	7,800	7,800	-
Total Other Expense	20,311	19,201	14,600	14,600	-
Division Total	220,409	186,913	286,600	264,400	(22,200)

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Mayor's Office - 110-110-1102				
PERSONAL SERVICES				
5100 Permanent Salaries	157,880	130,756	211,500	185,600
5101 Premium Pay	0	0	0	0
5103 Other Wages	0	0	0	0
TOTAL	157,880	130,756	211,500	185,600
EMPLOYEE BENEFITS				
5121 PERA Retirement	8,524	6,897	14,600	13,000
5122 FICA - Social Security	9,616	7,714	13,100	11,500
5123 FICA - Medicare	2,249	1,804	3,100	2,700
5124 Medical Insurance	18,835	17,885	26,000	0
5125 Dental Insurance	1,136	1,072	1,200	1,200
5126 Life Insurance	420	390	500	500
5127 Health Care Savings Plan (HCSP)	1,438	1,194	2,000	1,800
5130 Cafeteria Plan Benefits	0	0	0	33,500
TOTAL	42,218	36,956	60,500	64,200
OTHER EXPENDITURES				
5200 Office Supplies	1,493	1,151	1,000	1,000
5202 Audiovisual & Photography	572	572	0	0
5219 Other Miscellaneous Supplies	799	102	500	500
5241 Small Equip-Office/Operating	0	0	200	200
5320 Data Services	558	246	0	0
5322 Postage	0	0	100	100
5331 Travel/Training	3,141	3,656	3,000	3,000
5355 Printing & Copying	5,599	4,911	2,000	2,000
5433 Dues & Subscription	398	459	300	300
5441 Other Services & Charges	1,291	969	1,500	1,500
5443 Board & Meeting Expenses	1,460	900	1,000	1,000
5444 Mayor's Contingent Account	5,000	6,235	5,000	5,000
TOTAL	20,311	19,201	14,600	14,600
DIVISION TOTAL: MAYOR'S OFFICE	220,409	186,913	286,600	264,400

City of Duluth Minnesota - 2013 Budget

Chief Administrative Officer

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

Budgeted FTE's	2010	2011	2012	2013	Difference
Res Chief Admin Officer	1.0	1.0	1.0	1.0	-
9 Executive Assistant	-	1.0	1.0	1.0	-
129 Admin Info Specialist	1.0	-	-	-	-
126 Information Technician	-	0.5	0.5	0.5	-
Division Total	2.0	2.5	2.5	2.5	-

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	189,372	191,952	196,000	192,200	(3,800)
Overtime	709	977	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	190,081	192,929	196,000	192,200	(3,800)
Benefits	48,615	53,716	57,800	66,500	8,700
Other Expense					
Materials & Supplies	2,552	712	2,000	2,000	-
Services	5,483	8,671	2,300	2,300	-
Utilities & Maintenance	-	-	300	300	-
Other	4,100	3,015	6,000	6,000	-
Total Other Expense	12,135	12,398	10,600	10,600	-
Division Total	250,831	259,043	264,400	269,300	4,900

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010	2011	2012	2013
	Actual	Actual	Budget	Approved
Chief Administrative Officer - 110-110-1103				
PERSONAL SERVICES				
5100 Permanent Salaries	189,372	191,952	196,000	192,200
5101 Premium Pay	709	977	0	0
5103 Other Wages	0	0	0	0
TOTAL	190,081	192,929	196,000	192,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	12,213	13,571	13,600	13,700
5122 FICA - Social Security	11,050	11,175	12,200	11,900
5123 FICA - Medicare	2,678	2,707	2,800	2,800
5124 Medical Insurance	19,275	22,552	25,900	0
5125 Dental Insurance	1,296	1,440	1,000	1,000
5126 Life Insurance	397	450	500	500
5127 Health Care Savings Plan (HCSP)	1,706	1,821	1,800	1,900
5130 Cafeteria Plan Benefits	0	0	0	34,700
TOTAL	48,615	53,716	57,800	66,500
OTHER EXPENDITURES				
5200 Office Supplies	2,408	616	1,000	1,000
5201 Computer Supplies/Software	0	0	500	500
5219 Other Miscellaneous Supplies	144	96	500	500
5331 Travel/Training	495	3,460	2,000	2,000
5404 Equipment/Machinery Repair & Mtc	0	0	300	300
5418 Vehicle/Equip Lease (Long-term)	4,988	5,211	300	300
5433 Dues & Subscription	0	(25)	500	500
5435 Books & Pamphlets	0	0	500	500
5441 Other Services & Charges	3,235	1,411	4,000	4,000
5443 Board & Meeting Expenses	865	1,629	1,000	1,000
TOTAL	12,135	12,398	10,600	10,600
DIVISION TOTAL	250,831	259,043	264,400	269,300

City of Duluth Minnesota - 2013 Budget

City Attorney's Office

Provides legal advice and services, as needed, to the City and related agencies. For 2013, the EEO Compliance Officer will be transferred to to the Human Resources division, and the Claims Adjuster will be assigned to the Finance Department.

Budgeted FTE's	2010	2011	2012	2013	Difference
Res City Attorney	1.0	1.0	1.0	1.0	-
5 Assistant Attorney	10.0	10.0	10.0	10.0	-
10 Claims Adjuster	1.0	1.0	1.0	-	(1.0)
131 Paralegal	2.0	2.0	2.0	2.0	-
Res EEO Compliance Officer	1.0	1.0	1.0	-	(1.0)
6 Sr Secretarial Spec	1.0	1.0	1.0	1.0	-
129 Admin Legal Assistant	-	1.0	1.0	1.0	-
126 Information Technician	1.0	-	-	-	-
Division Total	17.0	17.0	17.0	15.0	(2.0)

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	1,448,315	1,353,709	1,411,400	1,305,000	(106,400)
Overtime	94	-	-	-	-
Other Wages	1,031	1,444	-	-	-
Total Salaries	1,449,440	1,355,153	1,411,400	1,305,000	(106,400)
Benefits	365,659	376,927	377,700	412,100	34,400
Other Expense					
Materials & Supplies	4,935	4,448	4,200	4,200	-
Services	11,769	11,475	10,600	10,600	-
Utilities & Maintenance	295	-	500	500	-
Other	25,920	20,717	33,000	28,600	(4,400)
Total Other Expense	42,919	36,640	48,300	43,900	(4,400)
Capital Outlay	7,040	5,222	5,000	5,000	-
Division Total	1,865,058	1,773,942	1,842,400	1,766,000	(76,400)

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail		2010	2011	2012	2013
City Attorney's Office - 110-110-1104		Actual	Actual	Budget	Approved
PERSONAL SERVICES					
5100	Permanent Salaries	1,448,315	1,353,709	1,411,400	1,305,000
5101	Premium Pay	94	0	0	0
5103	Other Wages	1,031	1,444	0	0
	TOTAL	1,449,440	1,355,153	1,411,400	1,305,000
EMPLOYEE BENEFITS					
5121	PERA Retirement	90,012	87,780	98,200	93,200
5122	FICA - Social Security	86,907	81,584	87,500	80,900
5123	FICA - Medicare	20,625	19,110	20,500	18,900
5124	Medical Insurance	112,859	117,371	136,700	0
5125	Dental Insurance	6,704	6,520	6,500	6,000
5126	Life Insurance	3,030	2,925	3,100	2,700
5127	Health Care Savings Plan (HCSP)	45,522	61,637	25,200	12,300
5130	Cafeteria Plan Benefits	0	0	0	198,100
	TOTAL	365,659	376,927	377,700	412,100
OTHER EXPENDITURES					
5200	Office Supplies	4,935	4,448	4,000	4,000
5241	Small Equip-Office/Operating	0	0	200	200
5304	Legal Services	3,379	2,951	3,000	3,000
5331	Travel/Training	6,215	7,084	5,400	5,400
5335	Local Mileage Reimbursement	1,922	1,236	2,000	2,000
5355	Printing & Copying	253	204	200	200
5404	Equipment/Machinery Repair & Mtc	295	0	500	500
5418	Vehicle/Equip Lease (Long-term)	2,699	2,099	4,000	4,000
5433	Dues & Subscription	22,629	17,980	21,000	21,000
5441	Other Services & Charges	592	638	8,000	3,600
	TOTAL	42,919	36,640	48,300	43,900
CAPITAL OUTLAY					
	Library Materials	7,040	5,222	5,000	5,000
	TOTAL	7,040	5,222	5,000	5,000
DIVISION TOTAL		1,865,058	1,773,942	1,842,400	1,766,000

City of Duluth Minnesota - 2013 Budget

General Fund Revenue Detail	2010	2011	2012	2013
City Attorney's Office - 110-110-1104	Actual	Actual	Budget	Approved
REVENUE SOURCE				
4209 Miscellaneous Federal Grants	19,380	14,820	20,000	
4644 Miscellaneous Fees, Sales, Services	5,820	7,194		
4654 Other Reimbursements	3,715	1,129		
4730 Transfer from Police Grant Fund	67,488	78,169	88,000	
DIVISION TOTAL	96,403	101,312	108,000	-

Public Administration Department

Mission and Vision

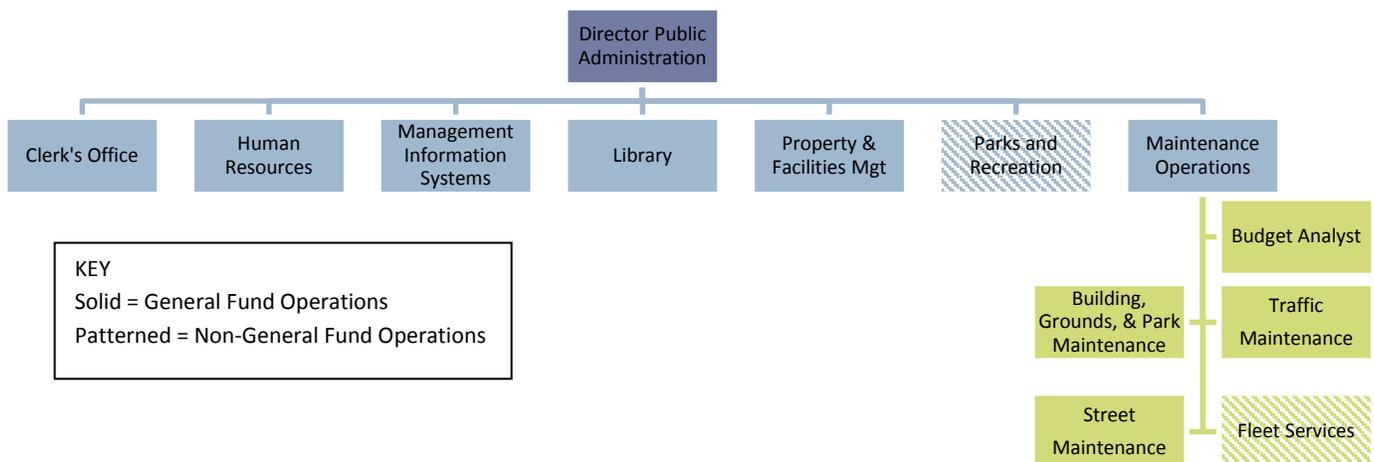
While the Department of Public Administration has a disparate number of services and responsibilities, the department has a common mission and vision to provide the quality services expected by Duluth citizens and visitors. Specifically, each division has created its own mission and vision statements describing the unique nature of their operations. These may be found in their respective business plans.

Structure

The department was originally formed in 2008 by transferring staff and operations that were previously in separate departments (Library, Parks & Recreation), located in Administration (City Clerk), or in Public Works (Maintenance Operations) into one department. The purpose of the restructure (at that time) was to reduce the number departments and department directors in an effort to streamline city government and to better utilize staff and resources. Changes for 2013 include moving the Street Lighting Utility to Public Works, moving Human Resources from Administration and Management Information Systems from its own department into this Department. In 2013, Property & Facilities will be reorganized to become its own division. The Internal Service Fund – Fleet Services also reports to Public Administration.

The department's general fund operation for 2013 is organized into six divisions: City Clerk's Office, Human Resources, Management Information Services, Maintenance Operations, Library and Property & Facilities Management. The divisions have direct contact with the public on a daily basis, administering services that citizens expect from city government. Our responsibility is to provide the best services in the most efficient, cost effective manner. Our focus is on providing exceptional service at all times.

Public Administration Organization Chart



City of Duluth Minnesota - 2013 Budget

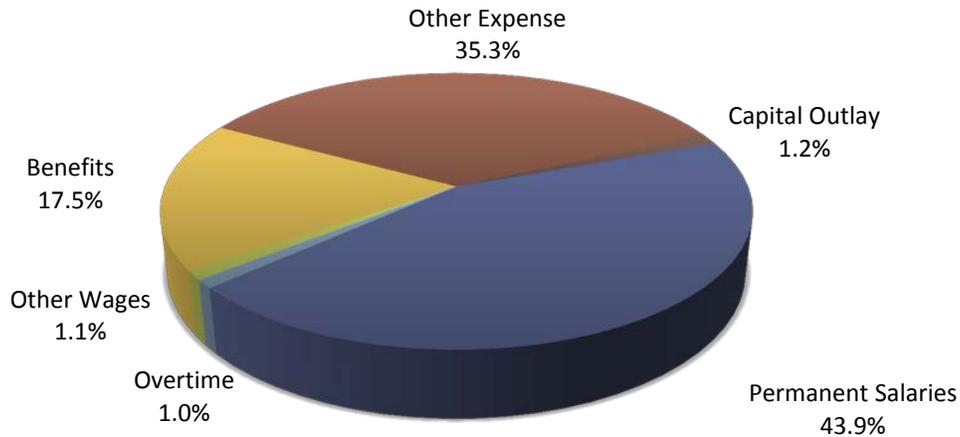
2013 Goals and Objectives

Listed below are a sample of the goals and objectives for the department. Each division has prepared its own comprehensive list which may be found in their respective business plans in the Business Plan section of the book.

Goal	Objective	Tactics	Measurement
Voting equipment upgrade	Provide Instant Runoff Voting and regular ballot voting for citizens	Statewide legislation State purchasing contract	Voter ease of operation
Build upon foundation of full-time hours at all three library locations by restoring and enhancing library services at Main Library and branches	Redesign and update website Implement regular storytimes at branches Expand programs and special events at Main Library	1. Create staff team to work with MIS on website redesign and maintenance 2. Develop system for YS staff to share storytime plans and materials; Ensure adequate branch staffing for project 3. Expand Kaleidoscope, author visits, and semi-annual reading programs	Measure change in website hits after redesign and publicity Storytime program attendance, outcome stories Program attendance statistics, outcome stories
Continue to improve communication by the Parks Division by improving the Parks website.	Add links to partner organizations. Develop park map similar to trail map. Add more pictures, virtual tours, and improved maps. Maintain data. Become the "go to" website for citywide recreation and sport opportunities.	1. Determine partners, obtain permissions; work with MIS to accomplish. 2. Work with MIS to develop. 3. Obtain pictures, virtual tours, and maps from staff and volunteers; work with MIS to install. 4. Determine system for staff. 5. Coordinate efforts with Friends of the Parks and other agencies.	Number of links added. Successful additions to website. No outdated information and data remaining on the website for more than one week; new information added before start date. Positive customer feedback.
Complete a Mini-Master Plan for Hartley Park	Develop a long-range plan for Hartley Park that includes the Nature Center, trails, invasive species management, programming, and wayfinding.	1. Develop RFP for a consultant to do the Mini-Master Plan; interview and hire. 2. Work with consultant to identify the appropriate organizations and stakeholders. 3. Participate in public meetings. 4. Participate with consultant with internal staff meetings. 5. Review the draft and final plan. 6. Assist consultant with presentation of plan	Completed plan document. Support of Plan by Hartley Nature Center Board. Parks Commission support and City Council approval of the Plan. Development of implementation guidelines for the Plan, including financing.
Maintenance Projects <ul style="list-style-type: none"> - Continue flood repair projects on streets, parks, trails, and streams - Complete City Hall elevator replacement - Renovate Enger Park bathroom building - Longview tennis court re-surfacing - Cap 3 miles of streets and crack seal 100 miles of streets - Plant 1,000 boulevard and park trees 			

City of Duluth Minnesota - 2013 Budget

Public Administration Department 2013 Approved Budget by Expense Category



Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Permanent Salaries	9,464,739	9,601,891	9,572,600	9,574,000	1,400
Overtime	232,626	211,694	223,000	214,000	(9,000)
Other Wages	258,719	415,771	147,800	229,400	81,600
Total Personal Services	9,956,084	10,229,356	9,943,400	10,017,400	74,000
Benefits	2,876,394	3,004,087	3,232,300	3,822,800	590,500
Other Expense	7,001,661	7,824,250	8,064,800	7,697,500	(367,300)
Capital Outlay	312,534	335,150	264,500	264,500	-
Department Total	20,146,673	21,392,843	21,505,000	21,802,200	297,200

Expenditures by Division	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Human Resources	763,025	917,146	1,052,500	1,142,100	89,600
MIS	1,660,489	2,004,887	2,571,600	2,503,700	(67,900)
City Clerk	699,811	703,606	656,400	835,500	179,100
Maintenance Operations	9,406,981	9,842,139	9,655,400	9,553,200	(102,200)
Library Services	3,601,682	3,663,185	4,051,700	4,148,800	97,100
Parks & Recreation	689,233	799,745	0	0	-
Facilities Management	3,325,452	3,462,135	3,517,400	3,618,900	101,500
Department Total	20,146,673	21,392,843	21,505,000	21,802,200	195,700

	2010	2011	2012	2013	Difference
Budgeted FTE's	199.40	189.60	177.10	178.50	1.40

City of Duluth Minnesota - 2013 Budget

Human Resources

Provide human resources management and labor relations support services to the operating departments. The division also provides worker's compensation claims handling, loss control, and Human Rights ordinance compliance.

Budgeted FTE's	2010	2011	2012	2013	Difference
1140 Mgr, Human Resources	1.0	1.0	1.0	1.0	-
Res EEO Compliance Officer				1.0	
137 Personnel Tech II	1.0	-			-
136 Employee Benefits Spec	1.0	-	-	-	-
131 Personnel Analyst	3.0	1.0			-
127 HR Assistant	-	1.0	2.0	2.0	-
121 Clerical Support Tech	2.0	-	-	-	-
11 Labor Relations Spec.	-	1.0	-	-	-
11 Sr HR Generalist	-	1.0	1.0	1.0	-
10A Employee Benefit Admin	-	1.0	1.0	1.0	-
10 HR Generalist	-	1.0	3.0	3.0	-
10 Employee Benefits Rep	-	1.0	1.0	1.0	-
9 HR Technician	-	2.0	2.0	2.0	-
9 Employee Benefits Tech	2.0	-	-	-	-
6 Sr Secretarial Specialist	1.0	1.0	-	-	-
Division Total	11.0	11.0	11.0	12.0	-

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	567,171	657,223	705,100	775,400	70,300
Overtime	1,946	1,899	-	-	-
Other Wages	581	6,818	15,000	15,000	-
Total Salaries	569,698	665,940	720,100	790,400	70,300
Benefits	156,833	217,053	226,500	293,800	67,300
Other Expense					
Materials & Supplies	5,237	5,461	11,000	11,000	-
Services	10,820	9,682	73,900	25,900	(48,000)
Utilities & Maintenance	-	-	4,500	4,500	-
Other	20,437	19,010	16,500	16,500	-
Total Other Expense	36,494	34,153	105,900	57,900	(48,000)
Division Total	763,025	917,146	1,052,500	1,142,100	89,600

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010	2011	2012	2013
Human Resources - 110-121-1106	Actual	Actual	Budget	Approved
PERSONAL SERVICES				
5100 Permanent Salaries	567,171	657,223	705,100	775,400
5101 Premium Pay	1,946	1,899	0	0
5103 Other Wages	581	6,818	15,000	15,000
TOTAL	569,698	665,940	720,100	790,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	37,080	44,556	48,500	50,400
5122 FICA - Social Security	34,246	39,611	44,600	49,000
5123 FICA - Medicare	8,009	9,264	10,400	11,500
5124 Medical Insurance	66,552	86,164	110,300	0
5125 Dental Insurance	4,260	5,704	4,200	4,600
5126 Life Insurance	1,650	1,875	2,000	2,000
5127 Health Care Savings Plan (HCSP)	5,036	29,879	6,500	19,400
5130 Cafeteria Plan Benefits	0	0	0	156,900
TOTAL	156,833	217,053	226,500	293,800
OTHER EXPENDITURES				
5200 Office Supplies	4,685	5,376	6,000	6,000
5201 Computer Supplies/Software	502	0	2,000	2,000
5219 Other Miscellaneous Supplies	50	85	3,000	3,000
5319 Other Professional Services	5,992	0	57,000	9,000
5321 Phone Service	0	0	900	900
5331 Travel/Training	3,525	5,669	5,000	5,000
5355 Printing & Copying	1,303	4,013	11,000	11,000
5404 Equipment/Machinery Repair & Mtc	0	0	4,500	4,500
5418 Vehicle/Equip Lease (Long-term)	6,609	8,738	6,000	6,000
5433 Dues & Subscription	3,477	4,037	3,000	3,000
5435 Books & Pamphlets	0	0	2,500	2,500
5441 Other Services & Charges	5,746	5,102	5,000	5,000
5446 Tuition Reimbursement	4,605	1,133	0	0
TOTAL	36,494	34,153	105,900	57,900
DIVISION TOTAL	763,025	917,146	1,052,500	1,142,100

City of Duluth Minnesota - 2013 Budget

Management Information Services

Provides services for city departments and authorities in the area of financial accounting, payroll, special assessments, sales tax, purchasing, building inspections, city clerk, utility billing/receivables, and assessor's data base. Serves as a clearinghouse for personal computer questions, configurations, installations, in addition as advisors in most software and hardware acquisitions and local area (LAN) development. Mapping and geographical information (GIS) development is also a major program.

Budgeted FTE's	2010	2011	2012	2013	Difference
1145 Chief Info Officer	-	1.0	-	-	-
1135 Mgr, Appl Dev/Desktop	1.0	1.0	1.0	2.0	1.0
1125 Manager, IT	-	2.0	2.0	1.0	(1.0)
1085 Assistant Manager, MIS	1.0	-	-	-	-
138 Sr System Admin	-	1.0	-	-	-
137 Sr Programmer Analyst	3.0	2.0	2.0	2.0	-
137 Various Administrators	4.0	5.0	6.0	4.0	(2.0)
136 Programmer Analyst	2.0	2.0	3.0	3.0	-
131 Graphics Coordinator	1.0	1.0	1.0	1.0	-
133 GIS Specialist	2.0	2.0	2.0	2.0	-
133 Mobile App Specialist	1.0	1.0	-	-	-
133 Prgm/Web Devlpmnt	1.0	-	-	-	-
131 Support Analyst	5.0	3.0	4.0	3.0	(1.0)
32 Project Coordinator	1.0	-	-	-	-
129 Help Desk Technician	-	-	-	1.0	1.0
129 Quality Analyst	1.0	-	-	-	-
126 Information Technician	1.0	1.0	1.0	1.0	-
Division Total	24.0	22.0	22.0	20.0	(2.0)

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	1,087,583	999,813	1,332,500	1,241,200	(91,300)
Overtime	9,961	26,275	19,000	20,000	1,000
Other Wages	2,679	13,218	-	23,400	23,400
Total Salaries	1,100,223	1,039,306	1,351,500	1,284,600	(66,900)
Benefits	313,077	288,235	411,900	487,200	75,300
Other Expense					
Materials & Supplies	97,558	344,909	363,500	428,000	64,500
Services	85,292	245,203	360,700	206,900	(153,800)
Utilities & Maintenance	63,266	87,234	77,200	89,000	11,800
Other	1,073	-	6,800	8,000	1,200
Total Other Expense	247,189	677,346	808,200	731,900	(76,300)
Division Total	1,660,489	2,004,887	2,571,600	2,503,700	(67,900)

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010	2011	2012	2013
Management Information Systems - 110-121-1107	Actual	Actual	Budget	Approved
PERSONAL SERVICES				
5100 Permanent Salaries	1,087,583	999,813	1,332,500	1,241,200
5101 Premium Pay	9,961	26,275	19,000	20,000
5103 Other Wages	2,679	13,218	0	23,400
TOTAL	1,100,223	1,039,306	1,351,500	1,284,600
EMPLOYEE BENEFITS				
5121 PERA Retirement	70,789	67,535	92,900	91,000
5122 FICA - Social Security	65,432	62,177	83,800	79,600
5123 FICA - Medicare	15,303	14,542	19,600	18,600
5124 Medical Insurance	139,966	124,221	185,400	0
5125 Dental Insurance	6,277	5,758	8,100	7,400
5126 Life Insurance	2,942	2,700	3,800	3,500
5127 Health Care Savings Plan (HCSP)	12,368	11,302	18,300	29,800
5130 Cafeteria Plan Benefits	0	0	0	257,300
TOTAL	313,077	288,235	411,900	487,200
OTHER EXPENDITURES				
5200 Office Supplies	1,302	4,913	1,800	2,500
5201 Computer Supplies/Software	91,040	332,867	352,700	421,000
5203 Paper/Stationery/Forms	3,216	2,900	4,000	2,000
5241 Small Equip-Office/Operating	2,000	4,229	5,000	2,500
5309 MIS Services	4,297	686	700	1,000
5319 Other Professional Services	18,853	185,798	139,500	26,000
5320 Data Services	39,500	42,000	122,000	140,400
5321 Phone Service	358	4,384	6,000	11,000
5331 Travel/Training	20,962	9,178	25,000	25,000
5335 Local Mileage Reimbursement	445	641	1,500	1,500
5355 Printing & Copying	877	2,516	66,000	2,000
5404 Equipment/Machinery Repair & Mtc	63,266	87,234	77,200	89,000
5433 Dues & Subscription	1,073	0	6,800	8,000
TOTAL	247,189	677,346	808,200	731,900
DIVISION TOTAL	1,660,489	2,004,887	2,571,600	2,503,700

City of Duluth Minnesota - 2013 Budget

General Fund Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Management Information Systems - 110-121-1107				
REVENUE SOURCE				
4310 Assessment Cost Services	47	3,841	1,500	1,500
4320 MIS Services	1,159	3,092	1,500	5,200
DIVISION TOTAL	1,206	6,933	3,000	6,700

City of Duluth Minnesota - 2013 Budget

City Clerk

Secretary to the City Council, Charter Commission, Alcohol, Gambling and Tobacco Commission and the Mayor's Appointment Advisory Committee. Maintains the Official Proceedings and the Legislative Code. Administers the information management program (records retention and records center). Performs the required functions of Municipal Clerk, as required by law, in the areas of elections, voter registration and issuance of licenses.

Budgeted FTE's	2010	2011	2012	2013	Difference
1165 Director, Public Admin	1.0	1.0	1.0	1.0	-
1100 City Clerk	1.0	1.0	1.0	1.0	-
1055 Assistant City Clerk	1.0	1.0	1.0	1.0	-
09 Executive Assistant	-	-	-	1.0	1.0
129 Admin Info Specialist	2.0	3.0	2.0	2.0	-
126 Information Tech	2.0	1.0	1.0	1.0	-
120 Clerical Technician			-	1.0	1.0
Division Total	7.0	7.0	6.0	8.0	2.0

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	474,596	436,310	425,100	517,900	92,800
Overtime	1,504	493	1,000	1,000	-
Other Wages	58,527	55,187	60,000	60,000	-
Total Salaries	534,627	491,990	486,100	578,900	92,800
Benefits	135,261	146,823	138,800	208,100	69,300
Other Expense					
Materials & Supplies	5,144	4,958	4,600	4,600	-
Services	8,797	21,645	12,000	24,000	12,000
Utilities & Maintenance	8,368	9,002	10,000	10,000	-
Other	7,614	29,188	4,900	9,900	5,000
Total Other Expense	29,923	64,793	31,500	48,500	17,000
Division Total	699,811	703,606	656,400	835,500	179,100

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
City Clerk - 110-121-1211				
PERSONAL SERVICES				
5100 Permanent Salaries	474,596	436,310	425,100	517,900
5101 Premium Pay	1,504	493	1,000	1,000
5103 Other Wages	58,527	55,187	60,000	60,000
TOTAL	534,627	491,990	486,100	578,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	29,968	30,033	29,600	41,300
5122 FICA - Social Security	28,567	26,407	30,200	35,900
5123 FICA - Medicare	6,767	6,262	7,000	8,400
5124 Medical Insurance	56,379	58,713	64,800	0
5125 Dental Insurance	2,516	2,464	2,300	3,100
5126 Life Insurance	1,175	1,155	1,100	1,400
5127 Health Care Savings Plan (HCSP)	9,889	21,789	3,800	4,800
5130 Cafeteria Plan Benefits	0	0	0	113,200
TOTAL	135,261	146,823	138,800	208,100
OTHER EXPENDITURES				
5200 Office Supplies	4,121	4,247	2,100	2,100
5201 Computer Supplies/Software	643	711	500	500
5219 Other Miscellaneous Supplies	380	0	2,000	2,000
5331 Travel/Training	671	582	2,000	2,000
5355 Printing & Copying	8,126	21,063	10,000	20,000
5356 Copier, Printer Lease & Supplies				2,000
5404 Equipment/Machinery Repair & Mtc	8,368	9,002	10,000	10,000
5412 Building Rental	980	900	1,000	1,000
5433 Dues & Subscription	2,230	631	400	400
5441 Other Services & Charges	4,404	27,657	3,500	8,500
TOTAL	29,923	64,793	31,500	48,500
DIVISION TOTAL	699,811	703,606	656,400	835,500

City of Duluth Minnesota - 2013 Budget

General Fund Revenue Detail		2010	2011	2012	2013
City Clerk - 110-121-1211		Actual	Actual	Budget	Approved
REVENUE SOURCE					
4101	Liquor License	404,813	420,257	385,000	405,000
4102	Beer License	14,032	14,474	14,000	14,000
4105	Hotel License	7,107	6,782	6,500	6,500
4106	Garbage Collection	12,276	15,904	14,000	14,000
4107	Horse & Carriage	888	525	700	700
4108	Emergency Wrecker License	7,691	6,800	5,000	5,000
4109	Gas Station License	10,262	9,076	8,500	8,500
4111	Pawnbroker License	1,089	1,107	1,300	1,300
4112	Peddler's License	594	2,006	500	500
4113	Precious Metal Dealer	2,783	3,260	1,200	1,200
4114	Pet Shop License	553	640	500	500
4115	Dog & Cat Hospitals License	969	646	300	300
4116	Dog Kennels License	370	445	400	400
4117	Massage Parlor	6,732	8,126	5,000	5,000
4118	Cigarette License	13,936	14,144	15,000	15,000
4119	Motor Vehicle - Dealer	4,215	4,654	4,400	4,400
4119	Motor Vehicle - Rental	1,764	1,792	1,600	1,600
4120	Taxi Permit	12,344	12,303	5,300	5,300
4121	Coin Operating Device	12,130	19,452	9,000	9,000
4122	Pool & Bowling	1,616	2,896	2,000	2,000
4124	Tree Service Contractor License				700
4150	Pet License	26,864	29,204	18,000	18,000
4155	Special Event Permit				3,000
4170	Misc. Permits & Licenses	4,590	5,813	700	700
4307	Planning/Zoning Fees	12,854	350		
4470	License Penalties	15,276	9,462	8,000	8,000
4644	Miscellaneous Sales	29,062	71,182	20,000	42,000
4654	Other Reimbursements				57,000
4700	Other Sources	39		47,600	47,600
DIVISION TOTAL		604,849	661,300	574,500	677,200

City of Duluth Minnesota - 2013 Budget

Maintenance Operations

Maintenance Operations Division consists of the following functions: Traffic Maintenance; Street Maintenance; and Park Maintenance. Fleet Services, which is outside the General Fund, is another maintenance function that reports to this division.

Budgeted FTE's	2010	2011	2012	2013	Difference
1135 Mgr, Fleet/Mtce Ops	0.6	0.6	0.6	0.75	0.2
1080 St Mtce Supervisor	1.0	3.0	2.0	2.00	-
1080 City Forester	1.0	1.0	-	-	-
1075 Spvsr FacOptn/Traf/Bldgs	1.0	3.0	3.0	3.00	-
32 Mtc Optns Leadwkr	5.0	1.0	1.0	1.00	-
30 Athletic Turf Coordntor	1.0	-	-	-	-
27 Heavy Equip Operator	32.0	27.0	27.0	27.00	-
27 Park Mtceworker	11.0	12.0	12.0	12.00	-
27 Traffic Mtceperson	4.0	4.0	3.0	3.00	-
22 Maintenanceworker	9.0	18.0	20.0	21.00	1.0
25 Janitorial Supervisor	2.0	2.0	2.0	-	(2.0)
16 Mtce Worker Helper	8.0	-	-	-	-
133 Budget Analyst	0.6	0.6	0.6	0.75	0.2
121/122 Janitor I and II	9.0	6.0	5.0	-	(5.0)
Division Total	85.2	78.2	76.2	70.5	(5.7)

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	3,635,369	3,743,346	3,805,500	3,528,200	(277,300)
Overtime	204,197	173,665	152,000	167,000	15,000
Other Wages	157,673	285,280	-	50,000	50,000
Total Salaries	3,997,239	4,202,291	3,957,500	3,745,200	(212,300)
Benefits	1,203,089	1,257,746	1,357,800	1,556,200	198,400
Other Expense					
Materials & Supplies	2,090,609	2,273,507	2,140,800	1,983,600	(157,200)
Services	116,912	119,447	134,800	103,900	(30,900)
Utilities & Maintenance	1,103,240	1,245,260	1,262,500	1,409,400	146,900
Other	895,892	725,641	802,000	754,900	(47,100)
Total Other Expense	4,206,653	4,363,855	4,340,100	4,251,800	(88,300)
Capital Outlay	-	18,247	-	-	-
Division Total	9,406,981	9,842,139	9,655,400	9,553,200	(102,200)

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Maintenance Operations - 110-121-1217				
PERSONAL SERVICES				
5100 Permanent Salaries	3,635,369	3,743,346	3,805,500	3,528,200
5101 Premium Pay	204,197	173,665	152,000	167,000
5103 Other Wages	157,673	285,280	0	50,000
TOTAL	3,997,239	4,202,291	3,957,500	3,745,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	252,588	264,059	268,400	263,800
5122 FICA - Social Security	241,006	252,364	245,300	232,200
5123 FICA - Medicare	56,356	59,021	57,300	54,300
5124 Medical Insurance	565,188	597,841	685,400	0
5125 Dental Insurance	27,650	28,962	29,300	27,100
5126 Life Insurance	12,992	13,568	13,900	12,700
5127 Health Care Savings Plan (HCSP)	47,309	41,931	58,200	54,300
5130 Cafeteria Plan Benefits	0	0	0	911,800
TOTAL	1,203,089	1,257,746	1,357,800	1,556,200
OTHER EXPENDITURES				
5200 Office Supplies	4,970	3,232	3,100	3,500
5201 Computer Supplies/Software	2,853	9,432	5,500	7,800
5202 Audiovisual & Photography	295	19	200	500
5205 Safety & Training Materials	6,144	8,320	4,300	5,300
5210 Plant/Operating Supplies	5,081	6,417	5,500	5,500
5211 Cleaning/Janitorial Supplies	54,178	79,951	63,300	43,300
5212 Motor Fuels	359,252	429,716	390,000	410,000
5218 Uniforms	13,753	17,945	16,400	15,200
5219 Other Miscellaneous Supplies	76,851	28,652	25,900	25,900
5220 Repair & Maintenance Supplies	9,444	16,993	13,900	13,900
5222 Blacktop	299,596	360,415	317,500	317,500
5223 Salt & Sand	972,062	983,934	969,000	819,000
5224 Gravel & Other Mtce Materials	144,070	114,668	165,200	165,200
5225 Park/Landscape Materials	62,228	75,469	50,000	50,000
5226 Sign & Signal Materials	55,806	74,463	79,000	79,000
5228 Painting Supplies	6,171	8,695	6,600	6,600
5240 Small Tools	11,880	17,719	9,400	9,400
5241 Small Equip-Office/Operating	5,975	37,467	16,000	6,000
5305 Medical Svcs/Testing Fees	0	0	1,300	1,300
5310 Contract Services	61,880	71,331	77,400	50,000
5320 Data Services	2,647	2,541	2,900	2,900
5321 Phone Service	5,097	5,805	4,200	4,200

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Maintenance Operations - 110-120-1217 continued				
5331 Travel/Training	4,362	6,566	8,000	8,500
5335 Local Mileage Reimbursement	39,855	32,309	40,000	36,000
5355 Printing & Copying	3,071	895	1,000	1,000
5384 Refuse Disposal	56,221	71,561	51,500	51,500
5404 Equipment/Machinery Repair & Mtc	2,865	923	16,000	4,000
5409 Fleet Services Charges	1,044,154	1,172,776	1,195,000	1,353,900
5412 Building Rental	263,841	214,461	225,300	225,300
5415 Vehicle/Equip Rent (Short-term)	401,803	26,020	29,000	29,000
5418 Vehicle/Equip Lease (Long-term)	143,564	392,957	404,300	401,900
5419 Other Rentals	26,901	24,938	28,300	28,300
5433 Dues & Subscription	501	148	1,000	1,000
5435 Books & Pamphlets	0	0	200	200
5438 Licenses	0	341	700	700
5441 Other Services & Charges	25,529	22,289	83,200	28,500
5454 Contract Tree Services	33,753	44,487	30,000	40,000
TOTAL	4,206,653	4,363,855	4,340,100	4,251,800
CAPITAL OUTLAY				
5580 Capital Equipment	0	18,247	0	0
TOTAL	0	18,247	0	0
DIVISION TOTAL	9,406,981	9,842,139	9,655,400	9,553,200

City of Duluth Minnesota - 2013 Budget

General Fund Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Maintenance Operations - 110-121-1217				
REVENUE SOURCE				
4220 State of Minnesota		600		
4225 Ski Trails Grant	5,000	3,472	5,000	5,000
4226 Snowmobile Trails Grant	13,925	20,925	18,000	18,000
4240 Municipal State Aid - Maintenance	1,164,496	1,606,208	1,451,800	1,451,800
4260 St. Louis County	131,017	131,017	131,000	131,000
4636 Sale of Scrap	5,540	5,135	1,500	4,000
4654 Other Reimbursements	31,370	30,170	31,000	31,000
4680 Damages Recovered	623	583		
4730 Transfer from Special Revenue	289,210	262,200	262,200	300,000
4730 Transfer from Permanent Improvement	86,397	19,460	100,000	100,000
4730 Transfer from Public Utilities	918,226	825,507	860,600	860,600
DIVISION TOTAL	2,645,804	2,905,277	2,861,100	2,901,400

City of Duluth Minnesota - 2013 Budget

Library Services

The division offers assistance and advisory service to people of all ages in using the Library's resources of print, media, and online collections to meet their informational, educational, and cultural needs.

Budgeted FTE's	2010	2011	2012	2013	Difference
1105 Mgr, Library Services	1.0	1.0	1.0	1.0	-
1075 Library Supervisor			3.0	3.0	
136 Librarian III	5.0	5.0	2.0	1.0	(1.0)
133 Librarian II	4.0	4.0	4.0	5.0	1.0
131 Volunteer Coordinator				0.5	0.5
128 Librarian I	11.0	11.0	13.0	13.5	0.5
128 Sr. Library Tech	6.0	6.0	6.0	4.0	(2.0)
124 Library Technician	16.5	15.5	19.5	21.0	1.5
119 Library Assistant II	-	1.0	-	-	-
Division Total	43.5	43.5	48.5	49.0	0.5

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	2,285,872	2,308,778	2,556,000	2,566,500	10,500
Overtime	920	395	1,000	1,000	-
Other Wages	22,078	49,752	72,800	71,000	(1,800)
Total Salaries	2,308,870	2,358,925	2,629,800	2,638,500	8,700
Benefits	655,364	671,023	831,300	921,200	89,900
Other Expense					
Materials & Supplies	45,680	38,709	39,500	37,600	(1,900)
Services	36,621	39,073	24,000	25,400	1,400
Utilities & Maintenance	50,505	51,650	49,500	50,000	500
Other	192,108	186,902	213,100	211,600	(1,500)
Total Other Expense	324,914	316,334	326,100	324,600	(1,500)
Capital Outlay	312,534	316,903	264,500	264,500	-
Division Total	3,601,682	3,663,185	4,051,700	4,148,800	97,100

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Library Services - 110-121-1218				
PERSONAL SERVICES				
5100 Permanent Salaries	2,285,872	2,308,778	2,556,000	2,566,500
5101 Premium Pay	920	395	1,000	1,000
5103 Other Wages	22,078	49,752	72,800	71,000
TOTAL	2,308,870	2,358,925	2,629,800	2,638,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	149,003	155,802	172,900	177,900
5122 FICA - Social Security	140,907	143,258	163,000	163,600
5123 FICA - Medicare	32,954	33,504	38,100	38,300
5124 Medical Insurance	288,791	289,266	366,400	0
5125 Dental Insurance	16,448	16,192	18,200	18,600
5126 Life Insurance	7,800	7,800	8,700	8,800
5127 Health Care Savings Plan (HCSP)	19,461	25,201	64,000	41,200
5130 Cafeteria Plan Benefits	0	0	0	472,800
TOTAL	655,364	671,023	831,300	921,200
OTHER EXPENDITURES				
5200 Office Supplies	13,619	10,843	10,000	10,000
5201 Computer Supplies/Software	329	2,671	1,000	500
5211 Cleaning/Janitorial Supplies	3,945	5,018	5,000	5,000
5212 Motor Fuels	1,337	1,712	1,500	1,500
5219 Other Miscellaneous Supplies	18,529	14,799	16,000	17,000
5220 Repair & Maintenance Supplies	1,745	2,044	1,000	1,500
5241 Small Equip-Office/Operating	6,176	1,622	5,000	2,100
5319 Other Professional Services	9,928	9,058	2,000	5,000
5321 Phone Service	11,625	11,741	11,000	11,000
5322 Postage	7,073	7,564	6,000	5,000
5355 Printing & Copying	4,709	6,250	1,500	900
5384 Refuse Disposal	3,286	4,460	3,500	3,500
5404 Equipment/Machinery Repair & Mtc	49,008	46,038	48,000	48,000
5409 Fleet Services Charges	1,497	5,612	1,500	2,000
5412 Building Rental	128,552	128,299	136,000	140,000
5413 Library Materials/Svcs Rental	57,080	54,299	67,000	67,000
5418 Vehicle/Equip Lease (Long-term)	0	0	5,500	0
5433 Dues & Subscription	100	100	100	100
5441 Other Services & Charges	6,376	4,204	4,500	4,500
TOTAL	324,914	316,334	326,100	324,600
CAPITAL OUTLAY				
5590 Library Materials	312,534	316,903	264,500	264,500
TOTAL	312,534	316,903	264,500	264,500
DIVISION TOTAL	3,601,682	3,663,185	4,051,700	4,148,800

City of Duluth Minnesota - 2013 Budget

General Fund Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Library Services - 110-121-1218				
REVENUE SOURCE				
4220 State of Minnesota Operating			5,000	
4261 ISD 709	1,000			
4471 Library Fines	90,285	89,961	90,000	90,000
4622 Rent of Buildings	1,730	3,065	2,500	2,500
4631 Media Sales	10,760	12,957	15,200	15,200
4644 Miscellaneous Sales	3,786	3,356	7,500	3,500
4654 Other Reimbursements	53,520	53,898	47,002	
4730 Transfer from Special Revenue	38,709	38,131		
DIVISION TOTAL	199,790	201,368	167,202	111,200

City of Duluth Minnesota - 2013 Budget

Parks and Recreation Services

A referendum creating a dedicated property tax levy for Parks and Recreation was approved by the citizens of Duluth in 2011. A new fund was created (205) and can be found in the Special Revenue Funds section.

Budgeted FTE's	2010	2011	2012	2013	Difference
1130 Mgr, Parks and Rec	1.0	1.0			-
1075 Mgr, Golf Division	1.0	1.0			-
135 Public Info Coor	1.0	1.0			-
129 Special Events Coor.	1.0	1.0			-
124 Sr. Center Coor	1.5	1.5			-
28 Trails Coordinator	-	-			-
26 Recreation Specialist	1.0	1.0			-
129 Admin Info Specialist	1.0	1.0			-
Division Total	7.5	7.5	-	-	-

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	460,715	515,050			
Overtime	-	-			
Other Wages	2,112	2,252			
Total Salaries	462,827	517,302			
Benefits	134,994	147,511			
Other Expense					
Materials & Supplies	12,968	19,122			
Services	57,545	48,535			
Utilities & Maintenance	3,289	6,635			
Other	17,610	60,640			
Total Other Expense	91,412	134,932			
Division Total	689,233	799,745			

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Parks and Recreation - 110-121-1219				
PERSONAL SERVICES				
5100 Permanent Salaries	460,715	515,050		
5101 Premium Pay	0	0		
5103 Other Wages	2,112	2,252		
TOTAL	462,827	517,302		
EMPLOYEE BENEFITS				
5121 PERA Retirement	31,007	34,598		
5122 FICA - Social Security	28,051	31,085		
5123 FICA - Medicare	6,560	7,270		
5124 Medical Insurance	56,674	60,950		
5125 Dental Insurance	2,880	3,168		
5126 Life Insurance	1,350	1,485		
5127 Health Care Savings Plan (HCSP)	8,472	8,955		
TOTAL	134,994	147,511		
OTHER EXPENDITURES				
5200 Office Supplies	1,234	1,917		
5202 Audiovisual & Photography	0	0		
5211 Cleaning/Janitorial Supplies	6,242	2,987		
5212 Motor Fuels	257	610		
5218 Uniforms	0	883		
5219 Other Miscellaneous Supplies	5,235	4,220		
5241 Small Equip-Office/Operating	0	8,505		
5319 Other Professional Services	23,400	19,050		
5320 Data Services	286	504		
5321 Phone Service	2,646	2,132		
5331 Travel/Training	2,613	762		
5335 Local Mileage Reimbursement	2,295	2,492		
5355 Printing & Copying	4,314	3,374		
5384 Refuse Disposal	21,991	20,221		
5404 Equipment/Machinery Repair & Mtc	1,346	1,033		
5409 Fleet Services Charges	1,943	5,602		
5418 Vehicle/Equip Lease (Long-term)	0	1,161		
5419 Other Rentals	4,409	3,418		
5433 Dues & Subscription	2,981	3,590		
5441 Other Services & Charges	10,022	52,422		
5443 Board & Meeting Expenses	198	49		
TOTAL	91,412	134,932		
DIVISION TOTAL	689,233	799,745		

City of Duluth Minnesota - 2013 Budget

General Fund Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Parks & Recreation - 110-121-1219				
REVENUE SOURCE				
4170 Misc. Permits & Licenses	29,490	34,150	30,000	
4270 Grants		8,955		
4622 Rent of Buildings	14,245	18,265	13,000	
4626 Indian Point Campground	36,447	35,394	35,000	
4627 Concessions & Commissions	20	2,664	500	
4644 Miscellaneous Sales	140	170	500	
4654 Other Reimbursements	695	615	1,000	
DIVISION TOTAL	81,037	100,213	80,000	

City of Duluth Minnesota - 2013 Budget

Facilities Management

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

Budgeted FTE's	2010	2011	2012	2013	Difference
1135 Mgr, Fleet/Mtce Ops	0.2	0.2	0.2	-	(0.2)
1115 City Architect	1.0	1.0	-	-	-
1075 Spvsr Facilities Operations	1.0	1.0	1.0	1.00	-
133 Budget Analyst	0.2	0.2	0.2	-	(0.2)
33 Facilities Project Specialist	-	1.0	1.0	1.00	-
22 Maintenanceworker	1.0	1.0	1.0	3.00	2.0
31 Master Plumber/Elect	2.0	2.0	1.0	1.00	-
29 Trades Positions	6.0	7.0	5.0	5.00	-
26 Building Mtceperson	3.0	3.0	1.0	1.00	-
33 Elec Tech Leadworker	1.0	1.0	1.0	-	(1.0)
31 Electronics Technician	1.0	1.0	1.0	-	(1.0)
25 Janitorial Supervisor	-	-	-	1.00	1.0
121/122 Janitor I and II	-	-	-	5.00	5.0
7 Admin Sec Specialist	1.0	-	1.0	1.00	-
Division Total	17.4	18.4	13.4	19.0	5.6

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	953,433	941,371	748,400	944,800	196,400
Overtime	14,098	8,967	50,000	25,000	(25,000)
Other Wages	15,069	3,264	-	10,000	10,000
Total Salaries	982,600	953,602	798,400	979,800	181,400
Benefits	277,776	275,696	266,000	356,300	90,300
Other Expense					
Materials & Supplies	470,561	490,912	412,000	399,100	(12,900)
Services	277,413	371,999	316,100	314,600	(1,500)
Utilities & Maintenance	1,098,557	1,183,306	1,423,000	1,273,000	(150,000)
Other	218,545	186,620	301,900	296,100	(5,800)
Total Other Expense	2,065,076	2,232,837	2,453,000	2,282,800	(170,200)
Division Total	3,325,452	3,462,135	3,517,400	3,618,900	101,500

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail		2010	2011	2012	2013
Facilities Management - 110-121-1222		Actual	Actual	Budget	Approved
PERSONAL SERVICES					
5100	Permanent Salaries	953,433	941,371	748,400	944,800
5101	Premium Pay	14,098	8,967	50,000	25,000
5103	Other Wages	15,069	3,264	0	10,000
	TOTAL	982,600	953,602	798,400	979,800
EMPLOYEE BENEFITS					
5121	PERA Retirement	63,030	64,079	54,800	67,900
5122	FICA - Social Security	59,737	57,448	49,500	60,700
5123	FICA - Medicare	13,970	13,435	11,600	14,200
5124	Medical Insurance	119,680	122,396	123,800	0
5125	Dental Insurance	6,250	6,369	5,100	7,300
5126	Life Insurance	2,905	2,893	2,400	3,400
5127	Health Care Savings Plan (HCSP)	12,204	9,076	18,800	14,700
5130	Cafeteria Plan Benefits	0	0	0	188,100
	TOTAL	277,776	275,696	266,000	356,300
OTHER EXPENDITURES					
5200	Office Supplies	5,158	4,868	7,500	5,000
5201	Computer Supplies/Software	1,500	56	3,000	3,000
5202	Audiovisual & Photography	0	0	3,000	0
5205	Safety & Training Materials	3,353	3,117	7,500	7,500
5211	Cleaning/Janitorial Supplies	1,099	675	1,500	31,500
5212	Motor Fuels	17,611	18,615	20,000	20,000
5215	Shop Materials	9,568	26,513	25,000	25,000
5218	Uniforms	2,158	5,540	7,500	7,500
5219	Other Miscellaneous Supplies	21,951	21,706	20,000	20,000
5220	Repair & Maintenance Supplies	359,689	347,876	275,000	200,000
5228	Painting Supplies	15,546	15,474	17,000	44,600
5240	Small Tools	18,736	13,986	20,000	20,000
5241	Small Equip-Office/Operating	14,192	32,486	5,000	15,000
5309	Technology Services	0	6,583	0	0
5310	Contract Services	16,173	95,436	81,600	81,600
5319	Other Professional Services	98,904	116,689	88,000	88,000
5321	Phone Service	151,825	141,055	130,000	130,000
5331	Travel/Training	3,888	6,226	6,000	6,000

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail		2010	2011	2012	2013
		Actual	Actual	Budget	Approved
Facilities Management - 110-121-1222 continued					
5335	Local Mileage Reimbursement	3,991	4,716	7,500	5,000
5355	Printing & Copying	2,632	1,294	3,000	1,000
5356	Copier, Printer Lease & Supplies	0	0	0	3,000
5381	Electricity	516,396	521,274	593,000	543,000
5382	Water, Gas & Sewer	399,408	457,512	650,000	500,000
5384	Refuse Disposal	34,614	32,304	22,000	22,000
5385	Oil	5,367	7,126	8,000	8,000
5386	Steam	142,772	165,090	150,000	200,000
5399	Skywalk Expenses	16,513	13,206	30,000	30,000
5401	Bldg/Structure Repair & Mtc	119,687	108,899	150,000	150,000
5404	Equipment/Machinery Repair & Mtc	1,738	960	8,000	10,000
5409	Fleet Services Charges	36,678	34,384	50,000	55,100
5411	Land Rental/Easements	2,026	2,087	0	0
5415	Vehicle/Equip Rent (Short-term)	8,157	4,923	7,000	5,000
5418	Vehicle/Equip Lease (Long-term)	7,678	5,616	15,000	10,000
5433	Dues & Subscription	1,542	756	2,200	1,500
5435	Books & Pamphlets	0	845	300	300
5438	Licenses	1,092	3,779	10,200	5,000
5441	Other Services & Charges	20,564	8,341	25,800	25,800
5450	Laundry	2,870	2,824	3,400	3,400
	TOTAL	2,065,076	2,232,837	2,453,000	2,282,800
DIVISION TOTAL		3,325,452	3,462,135	3,517,400	3,618,900

City of Duluth Minnesota - 2013 Budget

General Fund Revenue Detail	2010	2011	2012	2013
Facilities Management - 110-121-1222	Actual	Actual	Budget	Approved
REVENUE SOURCE				
4620 Telecommunication Rental Fees	7,702	9,354	8,400	10,000
4622 Rent of Buildings	92,720	86,066	82,600	74,500
4623 Rent of Land	5,886	5,913	5,900	5,900
4627 Concessions & Commissions	8,886	8,653	9,000	9,000
4644 Miscellaneous Sales	243	881	2,700	2,700
4654 Other Reimbursements	41,658	54,204	40,000	40,000
4730 Transfer from Special Revenue	50,000	50,000	50,000	50,000
4730 Transfer from Enterprise Funds		12,500		
4730 Transfer from Public Utilities		130,000		
DIVISION TOTAL	207,095	357,571	198,600	192,100

Finance Department

Mission and Vision

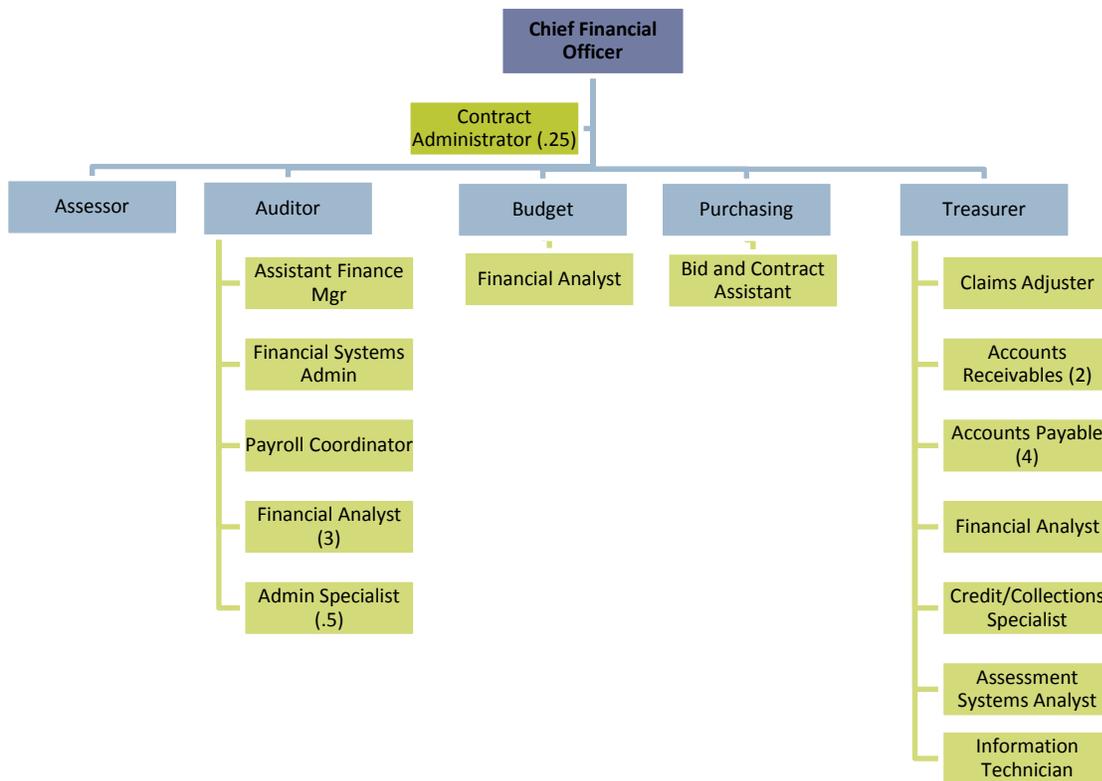
It is the Finance Department's mission to support the City of Duluth's citizens, elected officials and employees by professionally fulfilling its duties of reporting, accounting, buying, billing, safeguarding and disseminating City financial assets and information in a cost effective manner. We accomplish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

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

Structure

Five budgeted divisions comprise the Finance Department. A manager leads each area, supported by at least one other staff member. The Finance Department receives its funding from the General Fund, with the exception of one grant accountant funded by the Community Development division.

Finance Department Organization Chart



City of Duluth Minnesota - 2013 Budget

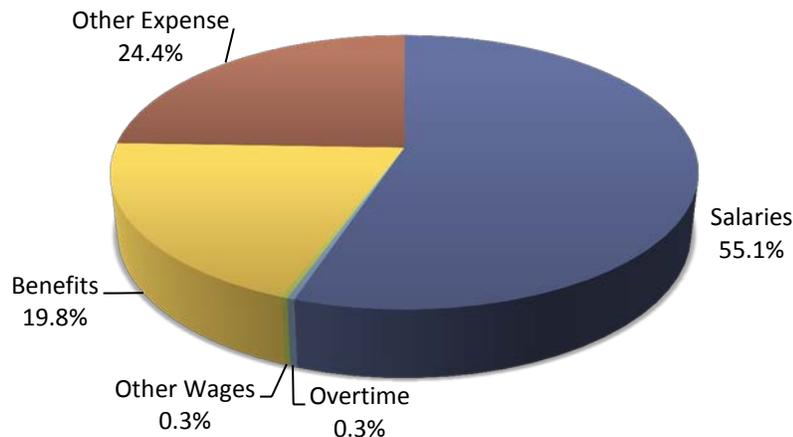
2013 Goals and Objectives

Goal	Objective	Tactics	Measurement
Goal # 1			
Find a funding solution to the City's OPEB obligation.	Enhance the City's long-term financial health by reducing its obligation for retiree healthcare.	<ol style="list-style-type: none"> 1. Explore alternative funding mechanisms. 2. Evaluate retiree health plan specifications and adjust where able. 	Funding plan is in place.
Goal # 2			
Administer the FEMA reimbursement process	To fully secure reimbursement of eligible expenses related to the 2012 flood.	<ol style="list-style-type: none"> 1. Working with departments, ensure that all project worksheets are submitted in a timely and accurate fashion to FEMA. 2. Once submitted and accepted, follow through with reimbursement requests as appropriate. 3. Provide timely reports as requested. 	Flood recovery activities are fully funded. Accounting methods and reporting produce clean audits.
Goal #3			
Implement and improve financial systems.	Eliminate reliance on old mainframe systems; implement new applications that will increase efficiencies and reporting capabilities; and improve data.	<ol style="list-style-type: none"> 1. Finance defines problems, needs & goals. 2. Recruit I/T to help scope projects. 3. Create project plans. 4. Identify and deploy resources. 5. Create project plans and implement. 	Were projects completed? Did they produce expected results? i.e efficiency, data retrieval, reporting capabilities

City of Duluth Minnesota - 2013 Budget

Finance Department

2013 Approved Budget by Expense Category



Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Permanent Salaries	1,991,980	2,042,156	2,145,100	1,745,100	(400,000)
Overtime	19,742	19,288	17,500	11,000	(6,500)
Other Wages	13,413	10,494	9,000	9,000	-
Total Personal Services	2,025,135	2,071,938	2,171,600	1,765,100	(406,500)
Benefits	575,684	603,217	723,000	627,200	(95,800)
Other Expense	322,490	349,790	453,400	774,100	320,700
Capital Outlay	-	-	-	-	-
Department Total	2,923,309	3,024,945	3,348,000	3,166,400	(181,600)

Expenditures by Division	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Budget Office	354,392	447,511	435,700	369,300	(66,400)
Assessor's Office	769,017	723,280	888,100	494,600	(393,500)
Auditor's Office	1,331,208	1,382,128	1,420,100	1,100,200	(319,900)
Purchasing	181,511	193,868	188,000	207,700	19,700
Treasurer's Office	287,181	278,158	416,100	994,600	578,500
Department Total	2,923,309	3,024,945	3,348,000	3,166,400	(181,600)

Budgeted FTE's	2010	2011	2012	2013	Difference
	31.0	32.0	34.0	25.75	(8.25)

City of Duluth Minnesota - 2013 Budget

Budget Office

Through the Chief Financial Officer the division provides direction to the department and the city in all financial matters. For 2013, the Contract Administrator position will be shared with the Business and Economic Development department, and a clerical position was transferred to the Parks Department.

Administration for all city departments and performs the staff function relative to budget planning, development, forecasting and maintenance.

Budgeted FTE's	2010	2011	2012	2013	Difference
1150 Chief Financial Officer	1.0	1.0	1.0	1.0	-
1105 Manager, Fiscal Analysis	1.0	1.0	1.0	1.0	-
136 Financial Analyst	1.0	1.0	1.0	1.0	-
135 Contract Administrator	-	1.0	1.0	0.25	(0.8)
135 Credit/Collections Admin	-	-	1.0	-	(1.0)
129 Admin Info Specialist	-	-	1.0	-	(1.0)
Division Total	3.0	4.0	6.0	3.25	(2.8)

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	264,755	317,680	336,100	292,000	(44,100)
Overtime	509	-	-	-	-
Other Wages	13,413	10,494	-	-	-
Total Salaries	<u>278,677</u>	<u>328,174</u>	<u>336,100</u>	<u>292,000</u>	<u>(44,100)</u>
Benefits	72,787	87,218	90,900	72,200	(18,700)
Other Expense					
Materials & Supplies	1,005	805	600	2,000	1,400
Services	130	27,897	6,600	1,600	(5,000)
Utilities & Maintenance	-	-	-	-	-
Other	1,793	3,417	1,500	1,500	-
Total Other Expense	<u>2,928</u>	<u>32,119</u>	<u>8,700</u>	<u>5,100</u>	<u>(3,600)</u>
Division Total	354,392	447,511	435,700	369,300	(66,400)

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Budget Office - 110-125-1212				
PERSONAL SERVICES				
5100 Permanent Salaries	264,755	317,680	336,100	292,000
5101 Premium Pay	509	0	0	0
5103 Other Wages	13,413	10,494	0	0
TOTAL	278,677	328,174	336,100	292,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	17,657	20,463	30,600	20,300
5122 FICA - Social Security	16,695	19,719	26,900	18,100
5123 FICA - Medicare	3,904	4,612	6,300	4,300
5124 Medical Insurance	27,233	32,445	19,600	0
5125 Dental Insurance	1,120	1,440	2,300	1,200
5126 Life Insurance	525	675	1,100	600
5127 Health Care Savings Plan (HCSP)	5,653	7,864	4,100	2,600
5130 Cafeteria Plan Benefits	0	0	0	25,100
TOTAL	72,787	87,218	90,900	72,200
OTHER EXPENDITURES				
5200 Office Supplies	460	805	100	1,500
5201 Computer Supplies/Software	545	0	500	500
5306 Collection Services	0	27,183	5,000	0
5331 Travel/Training	130	531	1,000	1,000
5355 Printing & Copying	0	183	600	600
5433 Dues & Subscription	427	2,800	500	500
5434 Grants & Awards	550	550	600	600
5435 Books & Pamphlets	132	0	200	200
5441 Other Services & Charges	684	67	200	200
TOTAL	2,928	32,119	8,700	5,100
DIVISION TOTAL	354,392	447,511	435,700	369,300

City of Duluth Minnesota - 2013 Budget

City Assessor's Office

City Assessor's Office is responsible for valuing and reclassifying all real estate and personal property in the City of Duluth for the purpose of the property tax and in accordance with Minnesota State Statutes. All taxpayers are notified annually of the value and class assessed to their taxable parcels. The division also must explain and defend property valuations and classifications at the local and county boards of review and in tax court. Assessments for street improvements, sidewalks, utilities and solid waste are processed by staff. Tax analysis and projections are prepared for city departments.

Budgeted FTE's	2010	2011	2012	2013	Difference
1135 City Assessor	1.0	1.0	1.0	1.0	-
129 Assessment Sys Analyst	1.0	1.0	1.0	-	(1.0)
134 Appraiser Specialist	6.0	5.0	7.0	-	(7.0)
132 Office Coordinator	1.0	1.0	-	-	-
126 Information Technician	1.0	1.0	1.0	-	(1.0)
Division Total	10.0	9.0	10.0	1.0	(9.0)

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	565,614	535,017	593,400	87,200	(506,200)
Overtime	3,886	6,528	6,500	-	(6,500)
Other Wages	-	-	-	-	-
Total Salaries	569,500	541,545	599,900	87,200	(512,700)
Benefits	165,160	157,094	218,900	32,400	(186,500)
Other Expense					
Materials & Supplies	2,165	3,247	5,700	-	(5,700)
Services	9,062	7,324	18,000	-	(18,000)
Utilities & Maintenance	3,789	4,639	9,000	-	(9,000)
Other	19,341	9,431	36,600	375,000	338,400
Total Other Expense	34,357	24,641	69,300	375,000	305,700
Division Total	769,017	723,280	888,100	494,600	(393,500)

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
City Assessor's Office - 110-125-1213				
PERSONAL SERVICES				
5100 Permanent Salaries	565,614	535,017	593,400	87,200
5101 Premium Pay	3,886	6,528	6,500	0
5103 Other Wages	0	0	0	0
TOTAL	569,500	541,545	599,900	87,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	37,560	36,645	43,600	6,300
5122 FICA - Social Security	33,953	32,198	38,200	5,400
5123 FICA - Medicare	7,941	7,530	9,000	1,300
5124 Medical Insurance	73,440	68,760	116,500	0
5125 Dental Insurance	3,456	3,296	4,000	400
5126 Life Insurance	1,620	1,545	1,900	200
5127 Health Care Savings Plan (HCSP)	7,190	7,120	5,700	800
5130 Cafeteria Plan Benefits	0	0	0	18,000
TOTAL	165,160	157,094	218,900	32,400
OTHER EXPENDITURES				
5200 Office Supplies	1,332	1,305	100	0
5201 Computer Supplies/Software	0	0	700	0
5202 Audiovisual & Photography	119	291	700	0
5212 Motor Fuels	714	1,651	4,200	0
5331 Travel/Training	2,763	3,858	8,400	0
5335 Local Mileage Reimbursement	3,250	1,030	2,000	0
5355 Printing & Copying	3,049	2,436	7,600	0
5409 Fleet Services Charges	3,789	4,639	9,000	0
5418 Vehicle/Equip Lease (Long-term)	5,420	5,342	8,000	0
5419 Other Rentals	0	0	200	0
5433 Dues & Subscription	3,334	3,758	4,200	0
5435 Books & Pamphlets	0	0	200	0
5438 Licenses	418	275	800	0
5441 Other Services & Charges	10,169	56	23,200	375,000
TOTAL	34,357	24,641	69,300	375,000
DIVISION TOTAL	769,017	723,280	888,100	494,600

City of Duluth Minnesota - 2013 Budget

General Fund Revenue Detail	2010	2011	2012	2013
City Assessor's Office - 110-125-1213	Actual	Actual	Budget	Approved
REVENUE SOURCE				
4310 Assessment Cost Services	150	18,200		
4312 Abatement Processing Fees	4,875	3,275	6,000	6,000
4324 Miscellaneous Services	4,375	3,854	1,000	1,000
4631 Media Sales	-	-	2,500	2,500
DIVISION TOTAL	9,400	25,329	9,500	9,500

City of Duluth Minnesota - 2013 Budget

City Auditor

Properly audits, accounts and records accounting and payroll transactions in accordance with the city charter, city code and Governmental Accounting and Financial Reporting standards. Responsibilities include processing payroll, grant reporting, and monitoring internal controls over city assets, contracts and records. The office annually prepares the comprehensive annual financial report which is audited by the Minnesota Office of the State Auditor. For 2013, the accounts payable function has been moved to the City Treasurer's Office.

Budgeted FTE's	2010	2011	2012	2013	Difference
1115 City Auditor	1.0	1.0	1.0	1.0	-
1085 Asst City Auditor	-	1.0	-	-	
1085 Financial Systems Admin	-	-	1.0	1.0	
1085 Asst City Treasurer	-	-	-	1.0	1.0
10 Payroll Coordinator	1.0	1.0	1.0	1.0	-
136 Financial Analyst	5.0	4.0	4.0	3.0	(1.0)
129 Financial Specialist	4.0	4.0	4.0	-	(4.0)
129 Admin Specialist	1.0	2.0	1.0	0.5	(0.5)
Division Total	12.0	13.0	12.0	7.5	(4.5)

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	832,518	855,488	811,700	532,500	(279,200)
Overtime	15,168	12,760	11,000	11,000	-
Other Wages	-	-	-	-	-
Total Salaries	847,686	868,248	822,700	543,500	(279,200)
Benefits	241,734	261,086	293,900	235,900	(58,000)
Other Expense					
Materials & Supplies	8,525	8,221	14,700	8,000	(6,700)
Services	221,438	222,994	277,200	301,200	24,000
Utilities & Maintenance	214	476	300	300	-
Other	11,611	21,103	11,300	11,300	-
Total Other Expense	241,788	252,794	303,500	320,800	17,300
Division Total	1,331,208	1,382,128	1,420,100	1,100,200	(319,900)

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010	2011	2012	2013
City Auditor's Office - 110-125-1214	Actual	Actual	Budget	Approved
PERSONAL SERVICES				
5100 Permanent Salaries	832,518	855,488	811,700	532,500
5101 Premium Pay	15,168	12,760	11,000	11,000
5103 Other Wages	0	0	0	0
TOTAL	847,686	868,248	822,700	543,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	51,379	54,806	54,300	39,200
5122 FICA - Social Security	50,068	50,975	47,600	33,700
5123 FICA - Medicare	11,709	11,921	11,100	7,900
5124 Medical Insurance	108,068	110,538	167,000	0
5125 Dental Insurance	4,992	5,232	4,600	2,900
5126 Life Insurance	2,265	2,340	2,200	1,300
5127 Health Care Savings Plan (HCSP)	13,253	25,274	7,100	17,200
5130 Cafeteria Plan Benefits	0	0	0	133,700
TOTAL	241,734	261,086	293,900	235,900
OTHER EXPENDITURES				
5200 Office Supplies	7,272	5,690	11,700	5,000
5203 Paper/Stationery/Forms	1,253	2,531	3,000	3,000
5301 Auditing Services	111,391	114,199	125,000	125,000
5309 MIS Services	98,729	105,032	113,300	137,300
5331 Travel/Training	8,840	1,706	36,400	36,400
5355 Printing & Copying	2,478	2,057	2,500	2,500
5404 Equipment/Machinery Repair & Mtc	214	476	300	300
5418 Vehicle/Equip Lease (Long-term)	10,468	8,227	9,000	9,000
5433 Dues & Subscription	938	1,783	1,300	1,300
5435 Books & Pamphlets	0	123	500	500
5441 Other Services & Charges	205	10,970	500	500
TOTAL	241,788	252,794	303,500	320,800
DIVISION TOTAL	1,331,208	1,382,128	1,420,100	1,100,200

City of Duluth Minnesota - 2013 Budget

General Fund Revenue Detail		2010	2011	2012	2013
City Auditor's Office - 110-125-1214		Actual	Actual	Budget	Approved
REVENUE SOURCE					
4005	Current Property Tax	10,186,693	10,375,029	11,907,800	11,922,000
4010	Delinquent Property Tax	178,698	309,252	150,000	150,000
4015	Mobile Home Tax	40,890	43,763	39,200	44,000
4070	MN Power Franchise Fee	1,100,000	1,100,000	1,100,000	1,100,000
4071	Cable Franchise Fee	809,982	814,153	831,200	815,300
4072	No. MN Utility Franchise Fee	7,397	8,642	7,400	8,600
4080	Forfeit Tax Sale	15,102	72,958	15,100	28,000
4090	Other Taxes	25,781	30,360		20,000
4220	State of MN Perf Measurement Reimb		12,000	12,000	12,000
4221	Local Government Aid	27,437,478	27,437,555	27,437,000	27,437,000
4222	State Property Tax Aid	22,086	21,965		
4230	PERA Aid	124,428	124,428	124,400	124,400
4300	HRA in Lieu of Taxes	43,283	44,473	43,700	43,700
4300	Ordean Foundation	16,086	16,086	16,000	16,000
4310	Assessment Cost Services	210	12,675	2,000	2,000
4315	Stormwater Administrative Service	170,000	170,000	170,000	170,000
4315	Sewer Administrative Service	330,700	330,700	330,700	330,700
4315	Steam Administrative Service	49,500	49,500	49,500	49,500
4315	DECC Administrative Service	25,000	25,000	25,000	25,000
4315	DTA Administrative Service	10,300	10,300	10,300	10,300
4315	Grant Administration Services	86,529	91,341	46,300	77,500
4315	Airport Administrative Service	32,400	58,000	58,000	58,000
4315	DEDA Administrative Service	365,000	365,000	365,000	365,000
4315	Public Utility Admin Service	927,700	927,700	927,700	829,300
4315	Fleet Administrative Service	108,200	108,200	108,200	108,200
4315	Golf Administrative Service	66,800	66,800	66,800	66,800
4315	Group Health Admin Service	250,000	250,000	250,000	255,000
4315	Self Insurance Admin Service	283,200	283,200	283,200	283,200
4315	Spirit Mt. Administrative Service	37,700	37,700	37,700	37,700
4315	Parking Administrative Service	23,300	23,300	23,300	23,300
4315	Street Lighting System Utility	-	-	-	59,000
4472	Administrative Fines	1,056,817	911,204	1,025,000	-
4473	Court Fines	550,546	554,208	664,500	648,100
4500	Assessments	54,184	51,540	54,000	53,100
4501	Assessments - Penalty & Interest	30,951	30,160	30,800	30,800
4602	Interest on Temporary Loans	4,663	17,731	4,600	4,600
4700	Other Sources	47	2,395	-	-
4730	Transfer from CIT Fund	9,066	-	9,000	-
4730	Transfer from Parking Fund	1,382,500	1,452,200	1,352,700	1,952,700
4731	Gas Utility in Lieu of Taxes	3,236,527	2,778,918	2,900,000	2,289,600
4732	Steam Utility in Lieu of Taxes	121,000	178,660	146,000	146,000
4998	Prior Year Revenue	89,311	402,048		
DIVISION TOTAL		49,310,055	49,599,144	50,624,100	49,596,400

City of Duluth Minnesota - 2013 Budget

City Purchasing

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

Budgeted FTE's	2010	2011	2012	2013	Difference
1100 Purchasing Agent	1.0	1.0	1.0	1.0	-
129 Bid & Contract Assistant	1.0	1.0	1.0	1.0	-
Division Total	2.0	2.0	2.0	2.0	-

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	131,641	140,245	116,700	129,500	12,800
Overtime	179	-	-	-	-
Other Wages	-	-	9,000	9,000	-
Total Salaries	131,820	140,245	125,700	138,500	12,800
Benefits	43,245	46,216	53,100	58,400	5,300
Other Expense					
Materials & Supplies	2,280	1,831	700	2,300	1,600
Services	90	1,233	2,000	2,000	-
Utilities & Maintenance	-	-	-	-	-
Other	4,076	4,343	6,500	6,500	-
Total Other Expense	6,446	7,407	9,200	10,800	1,600
Division Total	181,511	193,868	188,000	207,700	19,700

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
City Purchasing Office - 110-125-1215				
PERSONAL SERVICES				
5100 Permanent Salaries	131,641	140,245	116,700	129,500
5101 Premium Pay	179	0	0	0
5103 Other Wages	0	0	9,000	9,000
TOTAL	131,820	140,245	125,700	138,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	8,825	9,618	9,100	9,400
5122 FICA - Social Security	7,773	8,295	8,400	8,600
5123 FICA - Medicare	1,818	1,940	1,900	2,000
5124 Medical Insurance	22,468	23,798	31,300	0
5125 Dental Insurance	768	858	800	800
5126 Life Insurance	360	402	400	400
5127 Health Care Savings Plan (HCSP)	1,233	1,305	1,200	1,200
5130 Cafeteria Plan Benefits	0	0	0	36,000
TOTAL	43,245	46,216	53,100	58,400
OTHER EXPENDITURES				
5200 Office Supplies	2,280	1,831	400	2,000
5201 Computer Supplies/Software	0	0	300	300
5331 Travel/Training	50	0	0	0
5340 Advertising & Promotion	0	811	1,500	1,500
5355 Printing & Copying	40	422	500	500
5418 Vehicle/Equip Lease (Long-term)	3,624	3,798	4,500	4,500
5433 Dues & Subscription	213	0	1,000	1,000
5441 Other Services & Charges	239	545	1,000	1,000
TOTAL	6,446	7,407	9,200	10,800
DIVISION TOTAL	181,511	193,868	188,000	207,700

City of Duluth Minnesota - 2013 Budget

City Treasurer

The Treasury has custody of all city funds, assures their effective use and security and provides organizational cash management, investment services and banking relations. The division administers and collects authorized local taxes, files required State and Federal Taxes, manages other tax collection records, and is the public source for per parcel assessment debt. The accounts payable and collection functions are moving to this division in 2013.

Budgeted FTE's	2010	2011	2012	2013	Difference
1100 City Treasurer	1.0	1.0	1.0	1.0	-
1085 Asst City Treasurer	1.0	1.0	1.0	-	(1.0)
10 Claims Adjuster	-	-	-	1.0	1.0
136 Financial Analyst	-	-	-	1.0	1.0
135 Credit/Collections Admin	-	-	-	1.0	1.0
129 Assessment Sys Analyst	-	-	-	1.0	1.0
129 Admin Financial Spec.	2.0	2.0	2.0	6.0	4.0
126 Information Technician	-	-	-	1.0	1.0
Division Total	4.0	4.0	4.0	12.0	8.0

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	197,452	193,726	287,200	703,900	416,700
Overtime	-	-	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	197,452	193,726	287,200	703,900	416,700
Benefits	52,758	51,603	66,200	228,300	162,100
Other Expense					
Materials & Supplies	1,373	1,067	200	1,500	1,300
Services	-	594	6,000	6,000	-
Utilities & Maintenance	-	-	500	500	-
Other	35,598	31,168	56,000	54,400	(1,600)
Total Other Expense	36,971	32,829	62,700	62,400	(300)
Division Total	287,181	278,158	416,100	994,600	578,500

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
City Treasurer's Office - 110-125-1216				
PERSONAL SERVICES				
5100 Permanent Salaries	197,452	193,726	287,200	703,900
5101 Premium Pay	0	0	0	0
5103 Other Wages	0	0	0	0
TOTAL	197,452	193,726	287,200	703,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	12,983	13,172	18,500	48,900
5122 FICA - Social Security	12,220	11,954	16,600	43,700
5123 FICA - Medicare	2,858	2,795	3,900	10,200
5124 Medical Insurance	18,039	17,103	22,600	0
5125 Dental Insurance	1,184	1,152	1,500	4,800
5126 Life Insurance	555	540	700	2,100
5127 Health Care Savings Plan (HCSP)	4,919	4,887	2,400	6,500
5130 Cafeteria Plan Benefits	0	0	0	112,100
TOTAL	52,758	51,603	66,200	228,300
OTHER EXPENDITURES				
5200 Office Supplies	1,373	1,067	200	1,500
5331 Travel/Training	0	0	2,000	2,000
5355 Printing & Copying	0	594	4,000	4,000
5404 Equipment/Machinery Repair & Mtc	0	0	500	500
5430 Bank Charges	35,414	30,999	55,000	53,400
5433 Dues & Subscription	109	114	500	500
5441 Other Services & Charges	75	55	500	500
TOTAL	36,971	32,829	62,700	62,400
DIVISION TOTAL	287,181	278,158	416,100	994,600

City of Duluth Minnesota - 2013 Budget

General Fund Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
City Treasurer's Office - 110-125-1216				
REVENUE SOURCE				
4040 City Sales Tax	11,465,685	11,872,641	11,900,000	12,500,000
4050 Charitable Gambling Tax	48,137	49,378	48,000	45,000
4310 Assessment Cost Services	330	29,110	25,000	25,000
4311 Assessment Certificate Fee	31,059	26,925	25,000	25,000
4313 Garbage Handling Fee	11,072	11,328	10,000	10,000
4323 Garnishment Fees	270	75	100	100
4601 Earning on Investments	756,162	815,831	465,000	170,000
4644 Miscellaneous Fees	2,826	2,466	1,000	1,000
4730 Transfer from Tourism Taxes	85,022	87,239	77,500	94,000
DIVISION TOTAL	12,400,563	12,894,993	12,551,600	12,870,100

Planning & Construction Services Department

Mission and Vision

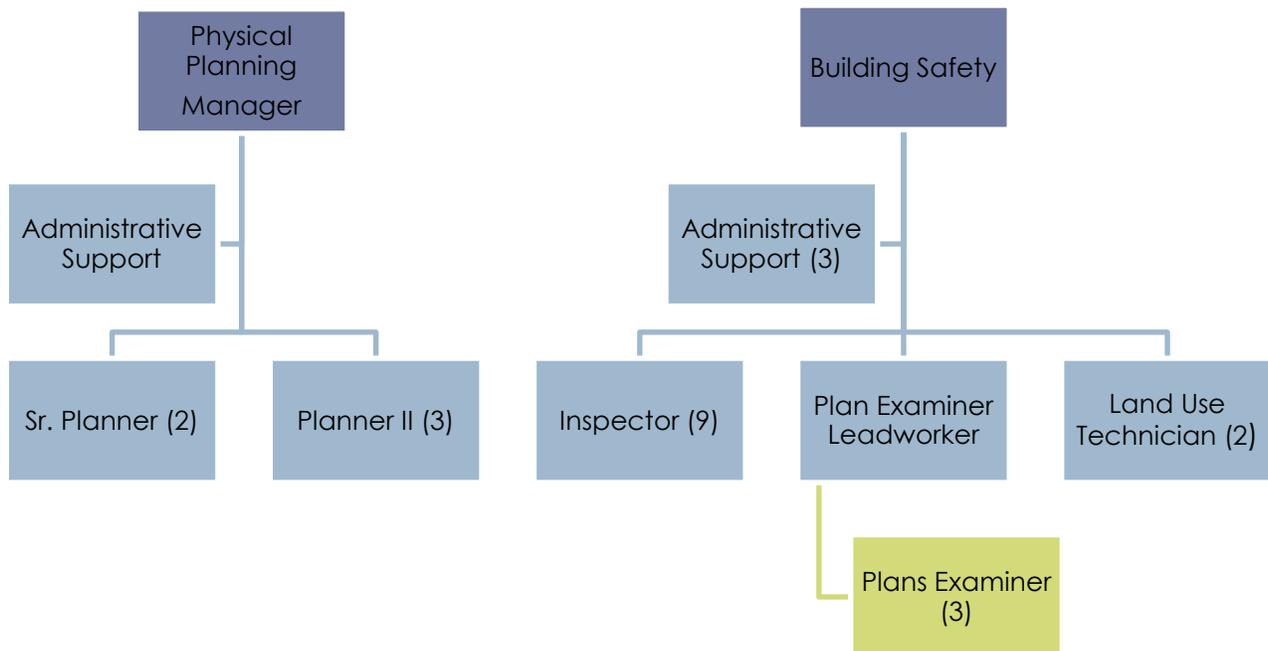
The Planning and Construction Services Department consists of the Planning Division and the Construction Services Division and the Community Development Division all working together to make the City of Duluth a desirable and safe place to live by developing and implementing community development plans,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

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

Structure

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

Planning & Construction Services Organization Chart



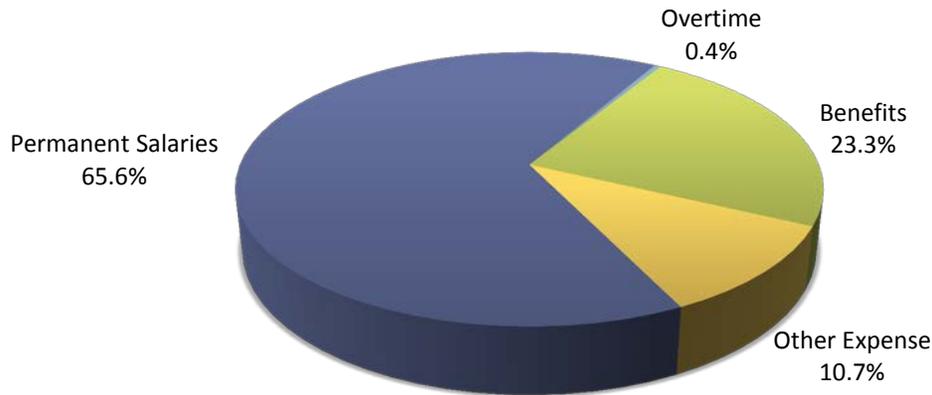
City of Duluth Minnesota - 2013 Budget

2013 Goals and Objectives

Goal	Objective	Tactics	Measurement
Continue to implement the Unified Development Code – the UDC	Process land use applications.	Assist customers to develop or redevelop their property.	# of zoning applications that are completed prior to the State mandated review time line
Streamline Permitting process and continue implementation of One Stop Shop	Review and improve procedures for permit review to improve efficiencies	Conduct process and flow analysis to achieve efficiencies within the process Update UDC to achieve redevelopment goals	# of permits and plan reviews that exceed base performance measure
Implement the Comprehensive Land Use Plan	Bring existing zoning into compliance with the Comprehensive Plan. Prepare Small area plans.	2010 – 2013 – UDC Rezoning process Implement Small Area Plans	All of the City is rezoned to match Comprehensive Plan Small Area Plans are implemented
Update the Comprehensive Land Use Plan	Revise and modify the Comprehensive Plan every 10 years (current comp plan was adopted in 2006).	Initiate update process in 2014/2015 for completion in 2016 Develop strategies for Comp. Plan from Economic Development Strategic Plan Include citywide transportation element	# of participants in process. Recommended adoption of Comprehensive Plan by Planning Commission and City Council.
Implement the Consolidated Plan	Invest funds to achieve strategic community development goals	Provide safe and decent affordable housing Improve the economic self-sufficiency of low income persons Meet basic needs for persons who are homeless	# of units rehabilitated or created # of persons who increase their incomes # of persons served

Planning & Construction Services Department

2013 Approved Budget by Expense Category



Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Permanent Salaries	1,417,279	1,458,405	1,394,400	1,463,700	69,300
Overtime	17,825	17,113	9,000	9,000	-
Other Wages	1,475	450	-	-	-
Total Personal Services	1,436,579	1,475,968	1,403,400	1,472,700	69,300
Benefits	428,689	448,610	489,000	520,400	31,400
Other Expense	312,518	307,140	280,500	239,200	(41,300)
Capital Outlay	-	-	-	-	-
Department Total	2,177,786	2,231,718	2,172,900	2,232,300	59,400

Expenditures by Division	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Planning	554,637	692,076	731,500	705,000	(26,500)
Construction Srv&Inspect	1,623,149	1,539,642	1,441,400	1,527,300	85,900
Department Total	2,177,786	2,231,718	2,172,900	2,232,300	59,400

	2010	2011	2012	2013	Difference
Budgeted FTE's	24.0	26.0	25.0	24.2	(0.8)

City of Duluth Minnesota - 2013 Budget

Planning

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

Budgeted FTE's	2010	2011	2012	2013	Difference
1150 Dir, Plng & Develop.	1.0	-	-	0.7	0.7
1135 Mgr, Physical Planning	-	-	1.0	-	(1.0)
1080 Land Use Supervisor	1.0	1.0	-	1.0	1.0
136 Senior Planner	2.0	1.0	2.0	2.0	-
133 Planner II	2.0	4.0	3.0	3.0	-
129 Admin Info Specialist	-	1.0	1.0	0.5	(0.5)
Division Total	6.0	7.0	7.0	7.2	0.2

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	346,093	437,325	415,800	474,700	58,900
Overtime	842	3,408	-	-	-
Other Wages	1,475	450	-	-	-
Total Salaries	348,410	441,183	415,800	474,700	58,900
Benefits	100,931	140,669	145,700	161,800	16,100
Other Expense					
Materials & Supplies	5,690	10,860	8,000	8,000	-
Services	86,530	84,870	147,000	45,500	(101,500)
Utilities & Maintenance	9,976	8,748	9,000	9,000	-
Other	3,100	5,746	6,000	6,000	-
Total Other Expense	105,296	110,224	170,000	68,500	(101,500)
Division Total	554,637	692,076	731,500	705,000	(26,500)

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Planning - 110-132-1301				
PERSONAL SERVICES				
5100 Permanent Salaries	346,093	437,325	415,800	474,700
5101 Premium Pay	842	3,408	0	0
5103 Other Wages	1,475	450	0	0
TOTAL	348,410	441,183	415,800	474,700
EMPLOYEE BENEFITS				
5121 PERA Retirement	22,884	29,770	29,600	33,400
5122 FICA - Social Security	20,844	26,301	26,200	29,400
5123 FICA - Medicare	4,875	6,151	6,200	6,900
5124 Medical Insurance	45,921	58,378	69,600	0
5125 Dental Insurance	2,176	2,752	2,700	2,800
5126 Life Insurance	1,020	1,290	1,300	1,300
5127 Health Care Savings Plan (HCSP)	3,211	16,027	10,100	4,500
5130 Cafeteria Plan Benefits	0	0	0	83,500
TOTAL	100,931	140,669	145,700	161,800
OTHER EXPENDITURES				
5200 Office Supplies	3,456	4,561	5,000	5,000
5201 Computer Supplies/Software	1,631	6,289	2,000	2,000
5241 Small Equip-Office/Operating	603	10	1,000	1,000
5310 Contract Services	0	46,808	101,500	0
5319 Other Professional Services	78,057	29,900	35,000	35,000
5321 Phone Service	543	0	500	500
5322 Postage	0	0	1,000	1,000
5331 Travel/Training	0	3,647	7,000	7,000
5335 Local Mileage Reimbursement	0	0	500	500
5355 Printing & Copying	7,930	4,515	1,500	1,500
5404 Equipment/Machinery Repair & Mtc	0	266	2,500	2,500
5418 Vehicle/Equip Lease (Long-term)	9,976	8,482	6,500	6,500
5419 Other Rentals	0	125	300	300
5433 Dues & Subscription	2,403	2,845	3,500	3,500
5435 Books & Pamphlets	58	228	200	200
5441 Other Services & Charges	0	1,836	1,000	1,000
5443 Board & Meeting Expenses	639	712	1,000	1,000
TOTAL	105,296	110,224	170,000	68,500
DIVISION TOTAL	554,637	692,076	731,500	705,000

City of Duluth Minnesota - 2013 Budget

General Fund Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Planning - 110-132-1301				
REVENUE SOURCE				
4220 State of Minnesota	40,000			
4307 Planning/Zoning Fees	8,111	61,748	25,000	60,000
4631 Media Sales				200
4644 Miscellaneous Sales	46,145	1,205		
4654 Other Reimbursements		46,808	56,500	
DIVISION TOTAL	94,256	109,761	81,500	60,200

City of Duluth Minnesota - 2013 Budget

Construction Services & Inspection

Supervised by the Building Official, this division handles all construction permitting, inspection, plan review, zoning, housing code enforcement, waste compliance, and demolition processing. Building safety's primary concern is public safety through education, review and enforcement.

Budgeted FTE's	2010	2011	2012	2013	Difference
1085 Permit Process Supervisor	-	-	-	1.0	1.0
36 Lead Construction Inspect	-	-	-	1.0	1.0
31 Electrical Inspector	2.0	2.0	2.0	2.0	-
31 Plumbing Inspector	2.0	2.0	2.0	2.0	-
31 Construction Inspector	4.0	4.0	4.0	3.0	(1.0)
31 HVAC Inspector	1.0	1.0	1.0	1.0	-
32 Plans Exam Leadworker	1.0	1.0	1.0	1.0	-
29 Plans Examiner	2.0	3.0	3.0	2.0	(1.0)
28 Land Use Technician	2.0	2.0	2.0	2.0	-
30 Zoning Coordinator	1.0	1.0	-	-	-
129 Admin Information Spec	1.0	1.0	1.0	1.0	-
126 Information Technician	2.0	2.0	2.0	1.0	(1.0)
Division Total	18.0	19.0	18.0	17.0	(1.0)

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	1,071,186	1,021,080	978,600	989,000	10,400
Overtime	16,983	13,705	9,000	9,000	-
Other Wages	-	-	-	-	-
Total Salaries	1,088,169	1,034,785	987,600	998,000	10,400
Benefits	327,758	307,941	343,300	358,600	15,300
Other Expense					
Materials & Supplies	16,999	24,218	34,700	34,700	-
Services	27,170	20,682	28,500	28,500	-
Utilities & Maintenance	16,162	25,414	13,600	15,800	2,200
Other	13,076	13,907	33,700	31,700	(2,000)
Building Demolition	133,815	112,695	-	60,000	60,000
Total Other Expense	207,222	196,916	110,500	170,700	60,200
Division Total	1,623,149	1,539,642	1,441,400	1,527,300	85,900

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Construction Services & Inspection - 110-132-1304				
PERSONAL SERVICES				
5100 Permanent Salaries	1,071,186	1,021,080	978,600	989,000
5101 Premium Pay	16,983	13,705	9,000	9,000
5103 Other Wages	0	0	0	0
TOTAL	1,088,169	1,034,785	987,600	998,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	72,710	69,386	71,600	70,200
5122 FICA - Social Security	65,320	61,885	63,700	61,900
5123 FICA - Medicare	15,276	14,473	14,900	14,500
5124 Medical Insurance	154,363	140,975	167,700	0
5125 Dental Insurance	7,168	6,825	6,900	6,500
5126 Life Insurance	3,360	3,203	3,200	3,100
5127 Health Care Savings Plan (HCSP)	9,561	11,194	15,300	9,300
5130 Cafeteria Plan Benefits	0	0	0	193,100
TOTAL	327,758	307,941	343,300	358,600
OTHER EXPENDITURES				
5200 Office Supplies	5,143	5,170	5,000	5,000
5202 Audiovisual & Photography	0	80	300	300
5205 Safety & Training Materials	549	625	900	900
5212 Motor Fuels	10,153	15,800	25,000	25,000
5219 Other Miscellaneous Supplies	727	1,325	900	900
5241 Small Equip-Office/Operating	427	1,218	2,600	2,600
5321 Phone Service	0	0	4,000	4,000
5331 Travel/Training	16,301	12,534	15,000	15,000
5335 Local Mileage Reimbursement	4,442	1,489	3,000	3,000
5355 Printing & Copying	6,427	6,659	6,500	6,500
5404 Equipment/Machinery Repair & Mtc	1,204	1,335	1,600	1,600
5409 Fleet Services Charges	14,958	24,079	12,000	14,200
5418 Vehicle/Equip Lease (Long-term)	10,149	8,953	10,000	10,000
5427 Credit Card Commissions	0	396	0	0
5433 Dues & Subscription	1,258	1,631	2,000	2,000
5435 Books & Pamphlets	1,562	935	5,000	4,000
5441 Other Services & Charges	55	1,977	16,500	15,500
5443 Board & Meeting Expenses	52	15	200	200
5453 Building Demolition	133,815	112,695	0	60,000
TOTAL	207,222	196,916	110,500	170,700
DIVISION TOTAL	1,623,149	1,539,642	1,441,400	1,527,300

City of Duluth Minnesota - 2013 Budget

General Fund Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Construction Services & Inspection - 110-132-1304				
REVENUE SOURCE				
4151 Fill Permits	4,178	10,738	1,200	1,200
4301 Zoning Appeals Fees	6,060	1,200	6,000	6,000
4303 Use Permit - Flood & Wetlands	1,612	2,184	5,000	5,000
4304 Special Use - Flood & Wetlands	2,151	(156)	2,000	2,000
4305 Variances - Flood & Wetlands	588	-	2,500	2,500
4350 Inspection Services	900	130	4,000	4,000
4351 Building Inspection Fees	1,797,013	1,392,354	1,400,000	1,400,000
4352 Plumbing Inspection Fees	176,596	157,076	180,000	180,000
4353 Electric Inspection Fees	202,333	178,287	190,000	190,000
4354 HVAC-R Inspection Fees	169,999	156,391	150,000	150,000
4355 Signs Inspection Fees	10,673	13,535	10,500	10,500
4356 House Moving Inspection Fee		16,274		
4357 Mobile Home Inspection Fees	781	1,054	2,000	2,000
4359 CAF Administrative Fee	21,980	4,369	15,000	15,000
4361 RZP Registration Fee	11,868	11,954	14,000	14,000
4500 Assessments	13,434	8,969	55,000	55,000
4501 Assessments - Penalty & Interest	1,740	890	1,200	1,200
4631 Media Sales	1,828	1,176	3,700	3,700
4644 Miscellaneous Sales	1,635	-	500	500
4680 Damages or Losses Recovered	13,254	-		
4701 2% Retention Surtax	1,644	1,515	1,500	1,500
DIVISION TOTAL	2,440,267	1,957,940	2,044,100	2,044,100

Business & Economic Development

Mission and Vision

The Mission of the Business & Economic Development Department is to strategically invest resources contributing to the prosperity, sustainable growth and development of the City of Duluth. The Business & Economic Development Department combines the resources of two inter-related business, economic and workforce divisions into one department that fuels economic development in the City.

Business Development creates a supportive business environment by leveraging public and private investments that support business retention and growth.

Workforce development receives funding from federal and state sources to operate employment and training programs and provide tools necessary for career development.

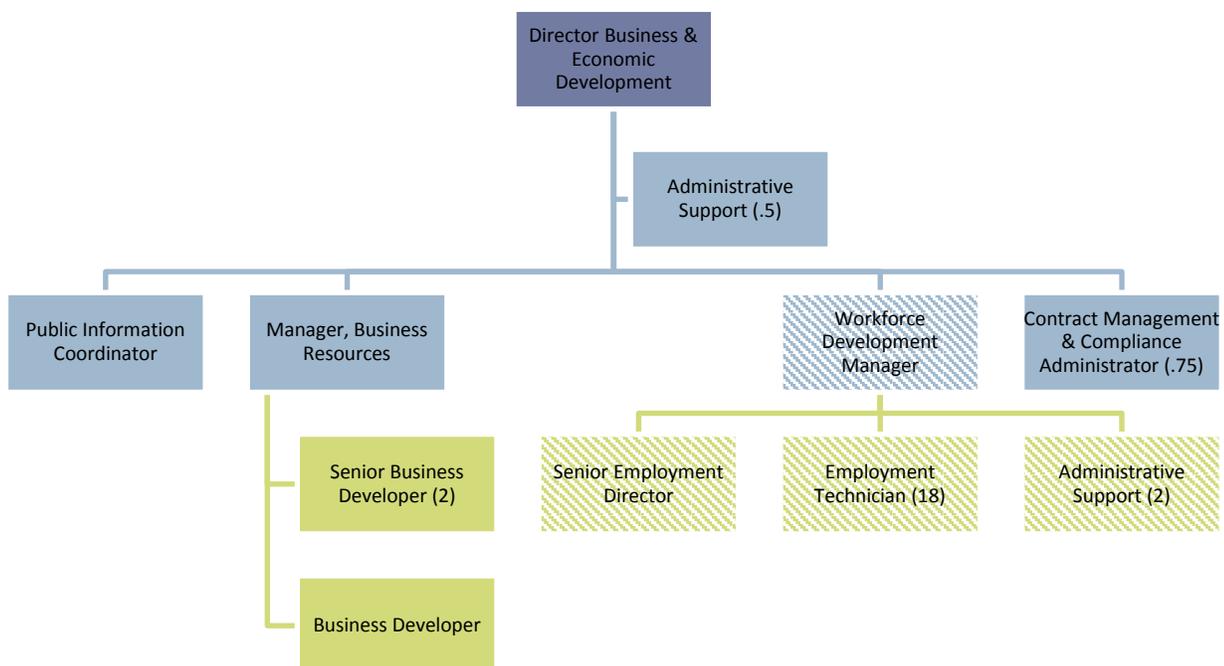
In order to accomplish our Mission, we:

- Encourage business growth and job creation by facilitating access to City services and investing in private development.
- Support tax base growth and effective land use by facilitating private access to publicly-owned land and assembling an inventory of development sites to meet future growth needs.
- Invest in infrastructure development and the redevelopment of challenged sites by attracting appropriate State and Federal investment to our community.
- Manage City and Economic Development Authority assets, land and buildings.
- Advocate for progressive development policies at Local, State and Federal levels.

Structure

The Business & Economic Development Department is comprised of two divisions – one in the General Fund which is Business Development; and one in the Special Revenue Fund which is Workforce Development. The Department Director also serves as the Executive Director of the Duluth Economic and Development Authority or DEDA.

Business & Economic Development Organization Chart



KEY
 Solid = General Fund Operations
 Pattern = Non-General Fund

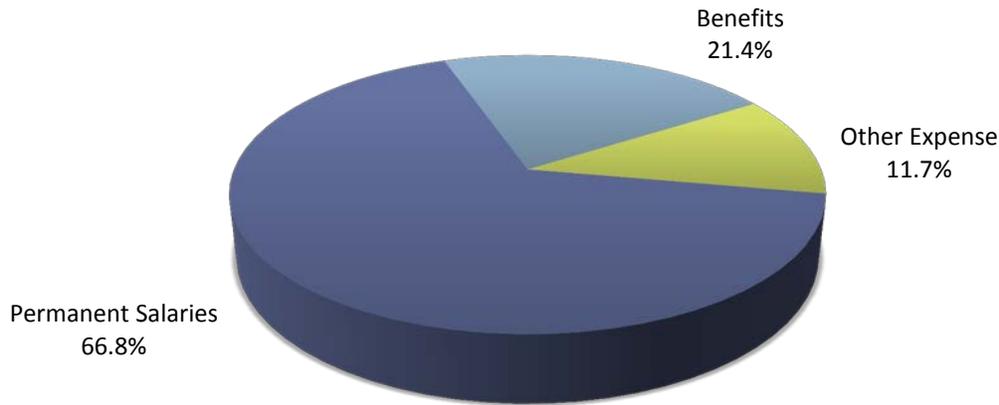
City of Duluth Minnesota - 2013 Budget

2013 Goals and Objectives

Goal	Outcome and Results	Output	Measurement
Promote and facilitate development and redevelopment within the industrial, commercial and housing sectors.	Leverage for other public and private funding sources. Professional talent recruitment.	Apply for no less than 5 grants. No less than 3 funded. 10 companies assisted. 10 properties identified and reviewed. No less than one sale closed.	Identify appropriate grant funding sources. Apply for 5 grants annually, and receive funding for at least 3. Identify and assist up to 10 companies annually with expansion activities. Annually identify and internally review 10 City or DEDA owned properties for potential sale, transfer or preservation. Lead sales process.

Business & Economic Development Department

2013 Approved Budget by Expense Category



Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Permanent Salaries	419,459	445,716	425,300	484,400	59,100
Overtime	135	820	-	-	-
Other Wages	-	-	-	-	-
Total Personal Services	419,594	446,536	425,300	484,400	59,100
Benefits	96,467	118,869	119,100	155,400	36,300
Other Expense	23,320	38,636	41,400	85,000	43,600
Capital Outlay	-	-	-	-	-
Department Total	539,381	604,041	585,800	724,800	139,000

Budgeted FTE's	2010	2011	2012	2013	Difference
	6.0	6.5	6.5	7.25	0.75

City of Duluth Minnesota - 2013 Budget

Business and Economic Development

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

Budgeted FTE's	2010	2011	2012	2013	Difference
1145 Dir., Business & ED	1.0	1.0	1.0	1.0	-
1125 Business Dev Manager	1.0	1.0	1.0	1.0	-
1135 Property Manager	1.0	1.0	1.0	-	(1.0)
1080 Supervisor, Real Property	1.0	1.0	1.0	-	(1.0)
138 Sr Business Developer	-	-	-	2.0	2.0
136 Financial Analyst	-	1.0	1.0	-	(1.0)
135 Business Developer	-	-	-	1.0	1.0
135 Contract Administrator	-	-	-	0.75	0.75
135 Public Info Coordinator	-	1.0	1.0	1.0	-
129 Admin Info Specialist	1.0	-	-	-	-
126 Information Tech	1.0	0.5	0.5	0.5	-
Division Total	6.0	6.5	6.5	7.25	0.75

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	419,459	445,716	425,300	484,400	59,100
Overtime	135	820	0	0	-
Other Wages	0	0	0	0	-
Total Salaries	419,594	446,536	425,300	484,400	59,100
Benefits	96,467	118,869	119,100	155,400	36,300
Other Expense					
Materials & Supplies	2,219	1,071	3,500	3,500	-
Services	15,184	31,767	27,800	71,400	43,600
Utilities & Maintenance	0	0	0	0	-
Other	5,917	5,798	10,100	10,100	-
Total Other Expense	23,320	38,636	41,400	85,000	43,600
Division Total	539,381	604,041	585,800	724,800	139,000

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Business & Economic Development - 110-135-1310				
PERSONAL SERVICES				
5100 Permanent Salaries	419,459	445,716	425,300	484,400
5101 Premium Pay	135	820	0	0
5103 Other Wages	0	0	0	0
TOTAL	419,594	446,536	425,300	484,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	24,129	30,795	35,900	34,100
5122 FICA - Social Security	25,590	27,382	31,900	30,000
5123 FICA - Medicare	5,985	6,404	7,500	7,000
5124 Medical Insurance	28,553	40,549	35,300	0
5125 Dental Insurance	1,552	2,048	2,500	2,500
5126 Life Insurance	727	960	1,200	1,200
5127 Health Care Savings Plan (HCSP)	9,931	10,731	4,800	4,700
5130 Cafeteria Plan Benefits	0	0	0	75,900
TOTAL	96,467	118,869	119,100	155,400
OTHER EXPENDITURES				
5200 Office Supplies	2,219	1,071	3,500	3,500
5319 Other Professional Service	10,593	25,421	10,000	53,600
5321 Phone Service	932	859	3,000	3,000
5331 Travel/Training	1,096	2,320	8,000	8,000
5335 Local Mileage Reimbursement	831	1,743	2,900	2,900
5355 Printing & Copying	1,732	1,424	3,900	3,900
5418 Vehicle/Equip Lease (Long-term)	2,346	2,619	3,000	3,000
5433 Dues & Subscription	1,070	897	1,700	1,700
5441 Other Services & Charges	1,218	856	3,000	3,000
5443 Board & Meeting Expenses	1,283	1,426	2,400	2,400
TOTAL	23,320	38,636	41,400	85,000
DIVISION TOTAL	539,381	604,041	585,800	724,800

City of Duluth Minnesota - 2013 Budget

General Fund Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Business & Economic Development - 110-135-1310				
REVENUE SOURCE				
4644 Miscellaneous Sales	0	30,419	24,000	24,000
DIVISION TOTAL	0	30,419	24,000	24,000

Fire Department

Mission and Vision

“Dedicated to save life and property by safeguarding our citizens through progressive building inspection, fire prevention, public education, responding to emergencies, and adapting to meet the changing needs of our community.”

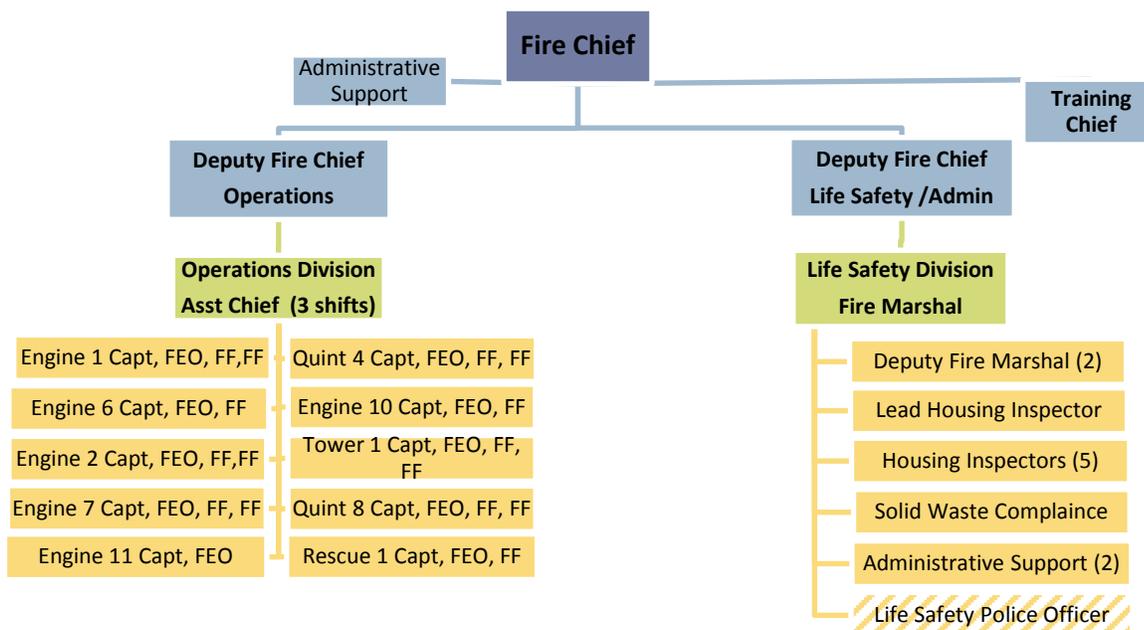
For over 140 years, the Duluth Fire Department has been responding to meet the public safety needs of our community. We provide this service through a well-trained staff, up-to-date and well-maintained equipment, and our ability to adapt to the changing emergency response expectations of our citizens. While our mission to save life and property has remained consistent over the department’s history, how we carry out our mission and what type services we provide have significantly changed. There has been an increase in demand for services such as EMS, Hazmat, specialized rescue, code enforcement, emergency management, and quality of life services. Utilization of services has steadily increased, with a noted jump of 300% in emergency calls in the last two decades. The trend of increased dependency on emergency services and the utilization of programs are major drivers of the services provided and how resources are allocated.

Structure

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

- *Fire, EMS, Hazmat, and Rescue Emergency Response
- *Fire Code Management and Inspection
- *Housing Code and Rental Licensing
- *Nuisance Abatement – Quality of life programs
- *Public Safety & School Fire Safety Programs
- *Fire and Arson Investigation
- * Emergency Management and Preparedness

Fire Department Organization Chart



City of Duluth Minnesota - 2013 Budget

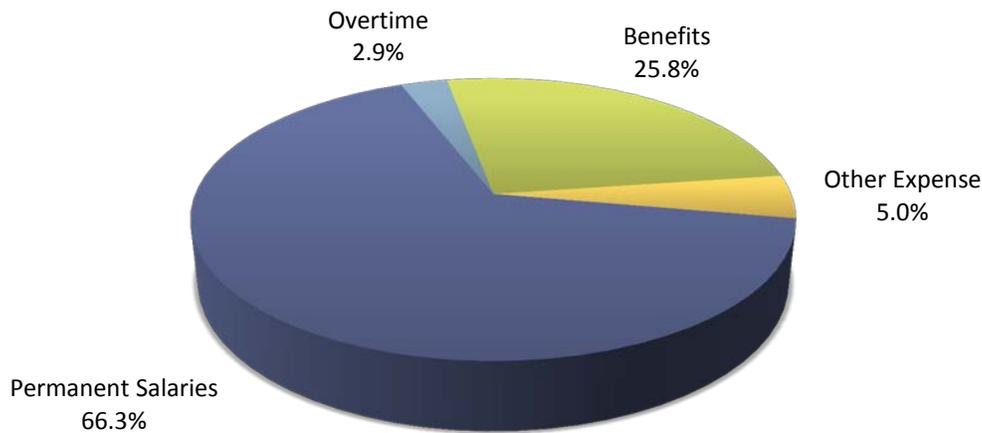
2013 Goals and Objectives

Goal	Objective	Tactics	Measure
Reduce risk to employees	Reduce firefighter injuries	<ul style="list-style-type: none"> * Review all fire fighter accidents and make recommendations * Review all vehicle accidents and make recommendations 	<ul style="list-style-type: none"> * # of firefighter injuries * # of firefighters that receive an annual health review * # of Fire Department vehicle accidents * # of workdays lost due to injury
Strengthen the workforce	Recruit and retain a diverse workforce	<ul style="list-style-type: none"> * Review procedures for fire fighter recruiting and testing to be used for future hiring * Work with HR and Human Rights office to increase under represented population candidate pool 	<ul style="list-style-type: none"> * % of applicants for Fire Fighter that are women * % of applicants that are from under represented population * % of workforce that are women * % of workforce that are from under represented population
	Prepare employees for leadership positions	<ul style="list-style-type: none"> * Encourage officers to attend college courses until they complete a four-year fire-related degree. Examine funding 	<ul style="list-style-type: none"> * % of workforce that continue their education * % of workforce who receive an annual performance review
	Improve employer-employee relationships	<ul style="list-style-type: none"> * Increase department wide communications * Give job satisfaction survey to all employees 	<ul style="list-style-type: none"> * % increase in employee job satisfaction * Job evaluations
Provide good value to the taxpayers	<p>Capture revenue from sources outside the General Fund</p> <p>Costs Savings in employee back to work program</p> <p>Implement Study Recommendations</p>	<ul style="list-style-type: none"> * Apply for all available grant funds to hire and train personnel as well as purchase new equipment * Work with medical provider to have fire fighters return to work as soon as possible * ISO visit and update * Continuing Department Reorganization 	<ul style="list-style-type: none"> * Value of grants obtained vs. the annual budget. * % of revenue derived from housing inspection revenue * % of revenue derived from commercial inspection program * Numbers of days employees are off due to injuries/illnesses * Actual savings due to rig station and rig reduction
Planning	Implement remaining Fire Department Study recommendations	<ul style="list-style-type: none"> * Strengthen Management Structure of the department * Consolidate Station 11 & 4 * Expand and improve performance measures 	<ul style="list-style-type: none"> * Evaluate progress through incident data, staff evaluation, and public input * Measure employee satisfaction through employee evaluations

City of Duluth Minnesota - 2013 Budget

Fire Department

2013 Approved Budget by Expense Category



Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Permanent Salaries	9,189,528	9,017,410	9,091,100	9,132,000	40,900
Overtime	615,425	881,226	277,500	405,000	127,500
Other Wages	-	-	-	-	-
Total Personal Services	9,804,953	9,898,636	9,368,600	9,537,000	168,400
Benefits	2,926,818	3,102,284	2,964,100	3,546,200	582,100
Other Expense	577,227	647,819	774,900	683,300	(91,600)
Capital Outlay	-	-	-	-	-
Department Total	13,308,998	13,648,739	13,107,600	13,766,500	658,900

Expenditures by Division	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Fire Administration	450,911	480,690	405,000	415,300	10,300
Fire Operations	12,193,051	12,346,994	11,648,400	12,307,500	659,100
Life Safety	665,036	821,055	1,054,200	1,043,700	(10,500)
Department Total	13,308,998	13,648,739	13,107,600	13,766,500	658,900

	2010	2011	2012	2013	Difference
Budgeted FTE's	140.0	140.0	138.0	138.0	-

City of Duluth Minnesota - 2013 Budget

Fire Administration

The Fire Chief and Deputy Chief make up the administration division. Together, they manage the department. This includes the creation and implementation of policies, budgets, long term planning, and emergency operations. The fire chief is the Duluth emergency manager and is responsible for all emergency functions and emergency preparedness.

Budgeted FTE's	2010	2011	2012	2013	Difference
1145 Fire Chief	1.0	1.0	1.0	1.0	-
1130 Deputy Fire Chief	1.0	1.0	1.0	1.0	-
129 Admin Info Specialist	1.0	1.0	1.0	1.0	-
126 Information Specialist	1.0	1.0	-	-	-
Division Total	4.0	4.0	3.0	3.0	-

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	315,775	314,646	265,600	271,200	5,600
Overtime	2,273	992	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	318,048	315,638	265,600	271,200	5,600
Benefits	84,660	84,871	61,000	65,600	4,600
Other Expense					
Materials & Supplies	19,481	19,792	28,500	24,900	(3,600)
Services	16,468	18,457	8,300	17,300	9,000
Utilities & Maintenance	547	2,577	5,100	4,500	(600)
Other	11,707	39,355	36,500	31,800	(4,700)
Total Other Expense	48,203	80,181	78,400	78,500	100
Division Total	450,911	480,690	405,000	415,300	10,300

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Fire Administration - 110-150-1501				
PERSONAL SERVICES				
5100 Permanent Salaries	315,775	314,646	265,600	271,200
5101 Premium Pay	2,273	992	0	0
5103 Other Wages	0	0	0	0
TOTAL	318,048	315,638	265,600	271,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	35,893	36,240	33,100	34,100
5122 FICA - Social Security	6,150	6,048	3,400	3,400
5123 FICA - Medicare	1,438	1,414	800	800
5124 Medical Insurance	28,337	28,337	19,600	0
5125 Dental Insurance	1,536	1,536	1,200	1,200
5126 Life Insurance	720	720	500	500
5127 Health Care Savings Plan (HCSP)	10,586	10,576	2,400	2,400
5130 Cafeteria Plan Benefits	0	0	0	23,200
TOTAL	84,660	84,871	61,000	65,600
OTHER EXPENDITURES				
5200 Office Supplies	2,031	1,786	3,700	2,500
5202 Audiovisual & Photography	106	0	200	200
5210 Plant/Operating Supplies	1,680	2,787	2,400	2,000
5211 Cleaning/Janitorial Supplies	7,157	7,646	7,500	7,500
5212 Motor Fuels	0	985	5,000	5,000
5219 Other Miscellaneous Supplies	3,575	3,524	4,500	2,500
5220 Repair & Maintenance Supplies	777	676	1,600	1,600
5228 Painting Supplies	499	446	700	700
5229 Ground Mtc Supplies	13	66	200	200
5240 Small Tools	0	145	200	200
5241 Small Equip-Office/Operating	3,643	1,731	2,500	2,500
5321 Phone Service	9,154	9,197	3,000	8,000
5322 Postage	502	615	400	500
5331 Travel/Training	200	5,208	2,400	4,300
5335 Local Mileage Reimbursement	4,396	1,061	0	0
5355 Printing & Copying	2,216	2,376	2,500	2,000
5356 Copier, Printer Lease & Supplies	0	0	0	2,500
5400 Misc Repair & Mtc Service	279	1,737	3,100	2,500
5401 Bldg/Structure Repair & Mtc	268	840	2,000	2,000
5418 Vehicle/Equip Lease (Long-term)	3,599	1,500	4,500	0
5433 Dues & Subscription	1,734	2,122	2,000	2,500
5440 Emergency Management	3,045	31,946	25,000	25,000
5441 Other Services & Charges	829	1,287	2,000	1,500
5443 Board & Meeting Expenses	0	0	500	300
5490 Donations to Civic Organizations	2,500	2,500	2,500	2,500
TOTAL	48,203	80,181	78,400	78,500
DIVISION TOTAL	450,911	480,690	405,000	415,300

City of Duluth Minnesota - 2013 Budget

General Fund Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Fire Administration - 110-150-1501				
REVENUE SOURCE				
4220 State of Minnesota	50,000	1,200		
4232 State Insurance Premium	379,537	429,514	425,000	425,000
4339 Fire Physical Assessment		8,700		
4340 Fire Protection Services	4,200	5,742	4,200	4,200
4341 Hydrant Maintenance Services	30,000	30,000	30,000	30,000
4624 Rent of Equipment	(94)	-	300	300
4644 Miscellaneous Sales	4,365	6,661	6,000	6,000
4654 Other Reimbursements	2,460	3,028	2,500	2,500
4660 Gifts and Donations	4,490	2,995	4,700	4,700
4730 Transfer from Special Revenue	12,129			
DIVISION TOTAL	487,087	487,840	472,700	472,700

City of Duluth Minnesota - 2013 Budget

Fire Operations

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

Budgeted FTE's	2010	2011	2012	2013	Difference
233 Assistant Chief	3.0	3.0	3.0	3.0	-
231 Training Officer	1.0	1.0	1.0	1.0	-
228 Captain	36.0	36.0	36.0	36.0	-
227 Equipment Operator	39.0	39.0	39.0	39.0	-
226 Firefighter	48.0	48.0	45.0	45.0	-
Division Total	127.0	127.0	124.0	124.0	-

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	8,396,643	8,129,213	8,157,800	8,194,300	36,500
Overtime	601,824	862,435	270,000	395,000	125,000
Other Wages	-	-	-	-	-
Total Salaries	8,998,467	8,991,648	8,427,800	8,589,300	161,500
Benefits	2,693,901	2,831,584	2,667,600	3,208,500	540,900
Other Expense					
Materials & Supplies	157,159	196,232	179,500	168,500	(11,000)
Services	31,479	48,201	86,100	80,100	(6,000)
Utilities & Maintenance	270,026	240,759	249,400	228,100	(21,300)
Other	42,019	38,570	38,000	33,000	(5,000)
Total Other Expense	500,683	523,762	553,000	509,700	(43,300)
Division Total	12,193,051	12,346,994	11,648,400	12,307,500	659,100

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Fire Operations - 110-150-1502				
PERSONAL SERVICES				
5100 Permanent Salaries	8,396,643	8,129,213	8,157,800	8,194,300
5101 Premium Pay	601,824	862,435	270,000	395,000
5103 Other Wages	0	0	0	0
TOTAL	8,998,467	8,991,648	8,427,800	8,589,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	1,198,596	1,218,797	1,157,300	1,186,400
5122 FICA - Social Security	0	0	0	0
5123 FICA - Medicare	107,294	113,849	122,200	124,500
5124 Medical Insurance	1,097,521	1,070,774	1,245,500	0
5125 Dental Insurance	48,800	47,118	47,600	47,600
5126 Life Insurance	22,680	21,914	22,300	22,300
5127 Health Care Savings Plan (HCSP)	219,010	246,132	72,700	119,400
5130 Cafeteria Plan Benefits	0	0	0	1,708,300
5137 Fire Pension Contribution	0	113,000	0	0
TOTAL	2,693,901	2,831,584	2,667,600	3,208,500
OTHER EXPENDITURES				
5205 Safety & Training Materials	2,889	5,087	7,500	8,000
5210 Plant/Operating Supplies	3,733	3,869	4,000	2,500
5212 Motor Fuels	55,300	70,338	70,000	55,000
5218 Uniforms	11,794	13,986	10,000	15,000
5219 Other Miscellaneous Supplies	19,189	16,624	25,000	25,000
5220 Repair & Maintenance Supplies	3,810	1,604	3,000	3,000
5241 Small Equip-Office/Operating	60,444	84,724	60,000	60,000
5305 Medical Svcs/Testing Fees	3,165	0	10,000	10,000
5319 Other Professional Services	3,273	19,100	40,000	40,000
5320 Data Services	7,142	10,274	17,500	17,500
5321 Phone Service	11,262	12,229	12,000	7,000
5322 Postage	80	0	600	600
5384 Refuse Disposal	6,557	6,598	6,000	5,000
5409 Fleet Services Charges	270,026	240,759	249,400	228,100
5441 Other Services & Charges	4,564	1,986	6,000	6,000
5446 Tuition Reimbursement	17,933	16,909	15,000	12,000
5450 Laundry	19,522	19,675	17,000	15,000
TOTAL	500,683	523,762	553,000	509,700
DIVISION TOTAL	12,193,051	12,346,994	11,648,400	12,307,500

City of Duluth Minnesota - 2013 Budget

Life Safety

Supervised by the Fire Marshal, this division is responsible for code enforcement, fire investigation, public education, prosecution, fire inspections, permitting, complaints, and plan review.

Budgeted FTE's	2010	2011	2012	2013	Difference
233 Fire Marshal	1.0	1.0	1.0	1.0	-
230 Deputy Fire Marshal	2.0	2.0	2.0	2.0	-
32 Lead Housing Inspector	1.0	1.0	1.0	1.0	-
29 Housing Inspector	3.0	3.0	4.0	4.0	-
28 Solid Waste Compliance	1.0	1.0	1.0	1.0	-
129 Admin Information Spec	1.0	1.0	1.0	1.0	-
126 Information Specialist	-	-	1.0	1.0	-
Division Total	9.0	9.0	11.0	11.0	-

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	477,110	573,551	667,700	666,500	(1,200)
Overtime	11,328	17,799	7,500	10,000	2,500
Other Wages	-	-	-	-	-
Total Salaries	488,438	591,350	675,200	676,500	1,300
Benefits	148,257	185,829	235,500	272,100	36,600
Other Expense					
Materials & Supplies	12,842	12,779	15,800	17,200	1,400
Services	10,632	20,502	25,500	32,200	6,700
Utilities & Maintenance	-	80	5,400	12,400	7,000
Other	4,867	10,515	96,800	33,300	(63,500)
Total Other Expense	28,341	43,876	143,500	95,100	(48,400)
Division Total	665,036	821,055	1,054,200	1,043,700	(10,500)

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Life Safety - 110-150-1503				
PERSONAL SERVICES				
5100 Permanent Salaries	477,110	573,551	667,700	666,500
5101 Premium Pay	11,328	17,799	7,500	10,000
5103 Other Wages	0	0	0	0
TOTAL	488,438	591,350	675,200	676,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	46,972	57,922	63,600	65,900
5122 FICA - Social Security	16,055	20,459	27,000	26,700
5123 FICA - Medicare	6,461	7,116	9,800	9,800
5124 Medical Insurance	63,035	84,094	123,000	0
5125 Dental Insurance	2,720	3,521	4,200	4,200
5126 Life Insurance	1,275	1,651	2,000	2,000
5127 Health Care Savings Plan (HCSP)	11,739	11,066	5,900	6,600
5130 Cafeteria Plan Benefits	0	0	0	156,900
TOTAL	148,257	185,829	235,500	272,100
OTHER EXPENDITURES				
5200 Office Supplies	815	2,763	1,000	3,000
5202 Audiovisual & Photography	427	241	1,700	1,700
5205 Safety & Training Materials	93	783	1,100	1,100
5212 Motor Fuels	10,778	7,096	10,000	9,000
5219 Other Miscellaneous Supplies	230	1,505	1,600	2,000
5241 Small Equipment-Office Operating	499	391	400	400
5321 Phone Service	0	0	2,000	2,200
5331 Travel/Training	5,312	13,532	13,000	15,000
5335 Local Mileage Reimbursement	5,278	4,583	9,000	5,000
5355 Printing & Copying	42	2,387	1,500	5,000
5356 Copier, Printer Lease & Supplies	0	0	0	5,000
5400 Misc Repair & Mtc Service	0	0	400	400
5409 Fleet Services Charges	0	80	5,000	12,000
5418 Vehicle/Equip Lease (Long-term)	498	6,783	0	0
5433 Dues and Subscriptions	0	200	300	500
5435 Books & Pamphlets	898	1,473	3,000	2,500
5441 Other Services and Charges	32	885	33,200	30,000
5443 Board & Meeting Expenses	0	0	300	300
5446 Tuition Reimbursement	0	360	0	0
5453 Building Demolition	0	0	60,000	0
5459 Fire Safety Education Account	3,439	814	0	0
TOTAL	28,341	43,876	143,500	95,100
DIVISION TOTAL	665,036	821,055	1,054,200	1,043,700

City of Duluth Minnesota - 2013 Budget

General Fund Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Life Safety - 110-150-1503				
REVENUE SOURCE				
4153 Multiple Dwelling License - 3 or more	108,419	126,895	135,000	140,000
4153 Multiple Dwelling License - 1 or 2	352,902	544,158	445,000	595,000
4154 Commercial Use/Occupancy Permit	89,196	58,069	90,000	65,000
4356 House Moving Inspection Fee	6,572	0	5,000	5,000
4360 Vacant Building Fee	5,220	6,400	1,200	5,000
4680 Damages or Losses Recovered				15,000
DIVISION TOTAL	562,309	735,522	676,200	825,000

Police Department

Mission and Vision

The Mission of the Duluth Police Department is to provide the highest level of service through partnerships and problem solving in a professional, ethical, and timely manner. The Duluth Police Department strives to provide quality, consistent, impartial police services to the diverse population and visitors to the city; build communities where all people feel safe and trust the City’s public safety professionals and systems; deliver consistently high quality city services at a good value to our taxpayers and provide a safe environment in which to live, work, and visit.

Structure

The department consists of approximately 150 sworn police officers and a support staff of about 35 employees. Crime prevention, detection and investigation are the primary duties of the department. The department is divided into two divisions, each managed by a Deputy Chief.

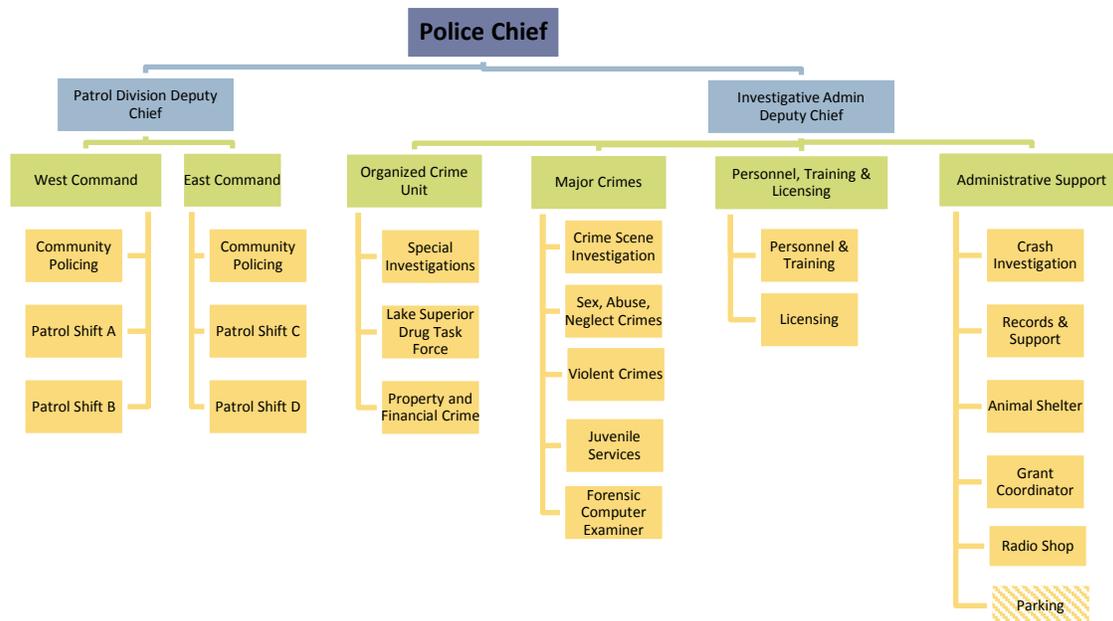
The **Investigative/Administrative Division** contains all investigative units and administrative functions. There are currently four lieutenants assigned to this division, which consists of the following units;

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

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

- Patrol shifts
- Community Policing
- Canine Units
- Traffic Enforcement

Police Department Organization Chart



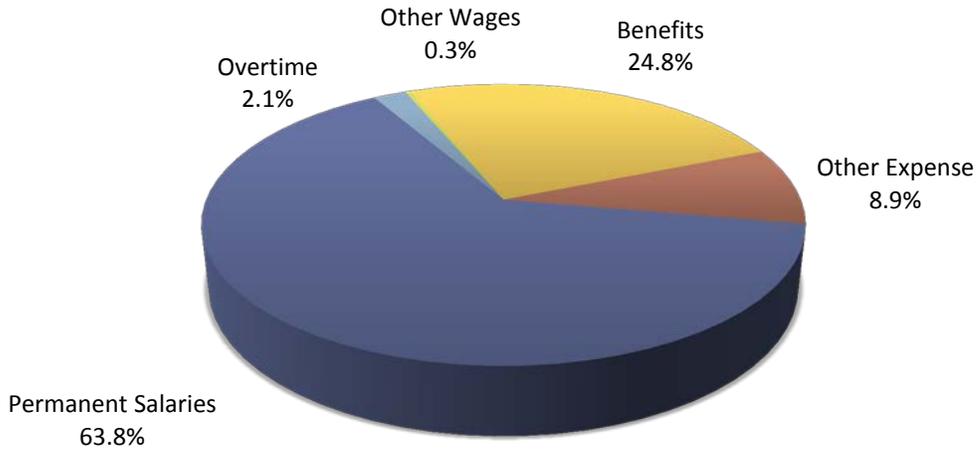
2013 Goals and Objectives

Goal	Objective	Tactics	Measurement
Succession Planning	To ensure a smooth transition for critical positions due to an increase in retirements	Identify, guide, mentor, develop and train future department leaders	Qualified and trained pool of exceptional candidates ready to step into their next role
Repair or replace current records management system (RMS)	To improve usability and functionality of our RMS system	Determine options, costs, fixes and what is best for the department. Fully engage and communicate with staff. Utilize the Chief's Advisory Council and Records Manager to lead the effort	Duplication issues, system responsiveness, functionality and usability improved to meet the needs of a progressive, busy urban police department
Staff more efficiently	Staff according to call loads and problem areas	Utilize data to determine busiest times and problem areas to prevent crime and disorder	Decrease in crime and disorder
Prevent crime utilizing real time data and intelligence	Create an intelligence unit using existing staff and increase the use and accessibility of analysts	Build a new unit by reassigning existing analysts with input from staff Train staff on how analysts can further assist with investigations and reduction of crime and disorder	Improved investigations and police response to problem through the use of intelligence and crime analysis
Increase the use of volunteers throughout all areas of the department	Increase the amount of tasks completed Monitor cameras Assist units/bureaus as needed	Utilized administrative resources to background, train and assign volunteers Consider a part time volunteer coordinator position to assist	Increased number of volunteers assisting the department

City of Duluth Minnesota - 2013 Budget

Police Department

2013 Approved Budget by Expense Category



Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Permanent Salaries	11,959,890	11,781,453	12,033,600	11,703,500	(330,100)
Overtime	871,196	1,046,551	483,000	383,000	(100,000)
Other Wages	15,475	16,900	-	57,700	57,700
Total Personal Services	12,846,561	12,844,904	12,516,600	12,144,200	(372,400)
Benefits	3,828,483	3,853,517	4,101,500	4,553,700	452,200
Other Expense	1,160,076	1,256,314	1,926,700	1,635,400	(291,300)
Capital Outlay	-	-	-	-	-
Department Total	17,835,120	17,954,735	18,544,800	18,333,300	(211,500)

Expenditures by Division	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Admin & Investigation	7,301,793	8,633,191	9,085,900	8,967,500	(118,400)
Patrol	10,533,327	9,321,544	9,458,900	9,365,800	(93,100)
Department Total	17,835,120	17,954,735	18,544,800	18,333,300	(211,500)

Budgeted FTE's	2009	2010	2011	2012	Difference
Budgeted FTE's	187.0	185.0	185.0	178.5	(6.5)

City of Duluth Minnesota - 2013 Budget

Police Administration and Investigation

This division is responsible for administrative functions of the department including training and development; clerical and records support; fleet, technology and facilities management. In addition, the division is responsible for investigating crime in the areas of violent crime, financial property crimes, family crimes, crime scene investigation, drug and gang related activities.

Budgeted FTE's	2010	2011	2012	2013	Difference
1160 Chief of Police	1.0	1.0	1.0	1.0	-
1130 Deputy Chief	2.0	2.0	2.0	2.0	-
1100 Lieutenant	3.0	4.0	4.0	4.0	-
328 Sergeant	8.0	11.0	11.0	11.0	-
327 Police Investigator	25.0	34.0	35.0	35.0	-
1090 Police Records & Tech Mgr				1.0	1.0
133 Sr Police Records Tech				2.0	2.0
131 Grant Writer	1.0	1.0	1.0	1.0	-
132 Police Records Coord.	1.0	1.0	1.0	-	(1.0)
129 Admin Info Specialist	3.0	3.0	3.0	2.0	(1.0)
128 Police Records Tech II				5.0	5.0
126 Information Technician	13.0	12.0	12.0	5.0	(7.0)
124 Police Records Tech I				1.0	1.0
121 Clerical Support Tech	4.0	5.0	3.5	-	(3.5)
32 Budget Analyst	1.0	1.0	1.0	1.0	-
33 Elec Tech Leadworker				1.0	1.0
31 Electronics Technician				1.0	1.0
30 Animal Shelter Leadwrkr	1.0	1.0	1.0	1.0	-
24 Animal Shelter Tech	1.0	2.0	1.5	1.5	-
131 Criminal Intell Analyst	-	2.0	2.0	2.0	-
22 Evidence Technician	-	2.0	2.0	2.0	-
18 Parking Monitor	5.0	5.0	5.0	-	(5.0)
Division Total	69.0	87.0	86.0	79.5	(6.5)

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	4,575,313	5,417,650	5,403,300	5,252,200	(151,100)
Overtime	223,010	390,903	110,000	110,000	-
Other Wages	15,475	16,900	-	57,700	57,700
Total Salaries	4,813,798	5,825,453	5,513,300	5,419,900	(93,400)
Benefits	1,444,756	1,714,804	1,786,100	2,048,200	262,100
Other Expense					
Materials & Supplies	327,670	368,393	374,500	360,000	(14,500)
Services	133,728	128,308	140,000	150,000	10,000
Utilities & Maintenance	432,282	454,868	541,700	560,100	18,400
Other	149,559	141,365	730,300	429,300	(301,000)
Total Other Expense	1,043,239	1,092,934	1,786,500	1,499,400	(287,100)
Division Total	7,301,793	8,633,191	9,085,900	8,967,500	(118,400)

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Police Admin & Investigations - 110-160-1610				
PERSONAL SERVICES				
5100 Permanent Salaries	4,575,313	5,417,650	5,403,300	5,252,200
5101 Premium Pay	223,010	300,955	110,000	110,000
5102 Extra Duty Employment	0	89,948	0	0
5103 Other Wages	15,475	16,900	0	57,700
TOTAL	4,813,798	5,825,453	5,513,300	5,419,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	537,702	681,521	655,500	674,300
5122 FICA - Social Security	94,331	85,016	99,600	86,800
5123 FICA - Medicare	66,453	80,997	79,900	78,600
5124 Medical Insurance	629,509	719,956	856,400	0
5125 Dental Insurance	27,618	32,064	33,000	30,300
5126 Life Insurance	12,946	15,119	15,500	14,200
5127 Health Care Savings Plan (HCSP)	76,197	100,131	46,200	52,600
5130 Cafeteria Plan Benefits	0	0	0	1,111,400
TOTAL	1,444,756	1,714,804	1,786,100	2,048,200
OTHER EXPENDITURES				
5200 Office Supplies	16,485	24,214	24,000	24,000
5201 Computer Supplies/Software	4,145	2,563	2,000	2,000
5202 Audiovisual & Photography	402	251	2,000	2,000
5211 Cleaning/Janitorial Supplies	1,426	32	7,500	500
5212 Motor Fuels	266,531	307,360	305,000	301,200
5214 Food for Animals	3,846	372	6,000	4,000
5218 Uniforms	9,216	9,779	10,000	9,100
5219 Other Miscellaneous Supplies	7,943	9,581	6,000	5,200
5220 Repair & Maintenance Supplies	11,872	10,616	9,000	9,000
5241 Small Equip-Office/Operating	5,804	3,625	3,000	3,000
5305 Medical Svcs/Testing Fees	605	8,896	19,500	19,500
5319 Other Professional Services	16,866	16,680	30,000	30,000
5320 Data Services	2,326	5,536	2,500	4,500
5321 Phone Service	93,661	88,567	71,000	71,000
5322 Postage	140	324	1,000	1,000
5331 Travel/Training	6,460	2,711	5,000	5,000
5335 Local Mileage Reimbursement	5,600	0	2,000	0
5355 Printing & Copying	2,536	1,952	3,000	3,000
5356 Copier, Printer Lease & Supplies	0	0	0	10,000

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Police Admin & Investigations - 110-160-1610 continued				
5384 Refuse Disposal	5,534	3,642	6,000	6,000
5401 Bldg/Structure Repair & Mtc	7,750	300	11,700	11,700
5404 Equipment/Machinery Repair & Mtc	108,261	147,503	175,000	155,100
5409 Fleet Services Charges	316,271	307,065	355,000	393,300
5411 Land Rental/Easements	0	1,000	1,000	1,000
5412 Building Rental	13,796	13,796	11,000	0
5418 Vehicle/Equip Lease (Long-term)	30,150	30,080	15,000	0
5433 Dues & Subscription	2,820	2,928	2,500	4,000
5435 Books & Pamphlets	170	1,226	1,500	0
5437 Automated Pawn System	28,948	21,254	22,500	22,500
5438 Licenses	2,685	6,242	5,500	5,500
5441 Other Services & Charges	22,458	9,206	38,000	28,000
5443 Board & Meeting Expenses	801	975	800	800
5448 Police Training	47,731	49,194	65,000	65,000
5460 New Police Station Expenses	0	2,964	565,000	300,000
5490 Donations to Civic Organizations	0	2,500	2,500	2,500
TOTAL	1,043,239	1,092,934	1,786,500	1,499,400
DIVISION TOTAL	7,301,793	8,633,191	9,085,900	8,967,500

City of Duluth Minnesota - 2013 Budget

General Fund Revenue Detail		2010	2011	2012	2013
		Actual	Actual	Budget	Approved
Police Admin & Investigations - 110-160-1610					
REVENUE SOURCE					
4209	Federal Grant	19,206	63,157		
4220	State of Minnesota	37,635	45,924		
4227	Police Training Reimbursement	51,827	55,037	50,000	50,000
4232	State Insurance Premium	1,189,549	1,150,516	1,175,000	1,175,000
4260	St. Louis County	30,000	30,000	30,000	34,900
4261	ISD 709	364,434	211,000	212,000	211,000
4262	Housing & Redevelopment Authority	29,165		56,000	59,100
4322	Animal Shelter Fees	20,215	15,758	20,000	20,000
4325	Radio Services	6,500	6,500	6,500	6,500
4326	Criminal History Checks	912	714	2,000	2,000
4328	Pawnbroker Transaction Surcharge	58,654	56,677	50,000	50,000
4329	False Alarm Fees & Penalties	10,114	17,704	5,000	10,000
4631	Media Sales	4,708	4,566	5,000	5,000
4650	Salaries Reimbursement	30,677	10,508	20,000	20,000
4651	Extra Duty Employment Reimbursement	256,754	274,931	257,000	
4654	Other Reimbursements	1,631	7,972		
4660	Gifts and Donations	4,191	4,500		
4730	Transfer from Tourism Taxes	198,200	198,200	198,200	236,900
4730	Transfer from Police Grant Fund	757,541	667,040	531,800	506,200
4730	Transfer from Police Grant Fund - OT		77,239	72,000	177,400
DIVISION TOTAL		3,071,913	2,897,943	2,690,500	2,564,000

City of Duluth Minnesota - 2013 Budget

Police Patrol

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

Budgeted FTE's	2010	2011	2012	2013	Difference
1100 Lieutenant	7.0	6.0	6.0	6.0	-
328 Sergeant	12.0	10.0	10.0	10.0	-
327 Police Investigator	29.0	19.0	19.0	19.0	-
326 Police Officer	66.0	63.0	64.0	64.0	-
131 Crime Intel Analyst	2.0	-	-	-	-
22 Evidence Technician	2.0	-	-	-	-
Division Total	118.0	98.0	99.0	99.0	-

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	7,384,577	6,363,803	6,630,300	6,451,300	(179,000)
Overtime	648,186	655,648	373,000	273,000	(100,000)
Other Wages	-	-	-	-	-
Total Salaries	8,032,763	7,019,451	7,003,300	6,724,300	(279,000)
Benefits	2,383,727	2,138,713	2,315,400	2,505,500	190,100
Other Expense					
Materials & Supplies	83,287	147,255	105,000	105,000	-
Services	-	-	-	-	-
Utilities & Maintenance	-	-	-	-	-
Other	33,550	16,125	35,200	31,000	(4,200)
Total Other Expense	116,837	163,380	140,200	136,000	(4,200)
Division Total	10,533,327	9,321,544	9,458,900	9,365,800	(93,100)

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Police Patrol - 110-160-1620				
PERSONAL SERVICES				
5100 Permanent Salaries	7,384,577	6,363,803	6,630,300	6,451,300
5101 Premium Pay	491,246	536,734	273,000	273,000
5102 Extra Duty Employment	156,940	118,914	100,000	0
5103 Other Wages	0	0	0	0
TOTAL	8,032,763	7,019,451	7,003,300	6,724,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	1,073,242	972,366	964,300	949,100
5122 FICA - Social Security	6,576	1,040	0	0
5123 FICA - Medicare	107,406	92,122	101,600	97,500
5124 Medical Insurance	949,757	826,377	1,018,000	0
5125 Dental Insurance	41,248	35,615	38,000	37,200
5126 Life Insurance	19,425	16,591	17,800	17,500
5127 Health Care Savings Plan (HCSP)	186,073	194,602	175,700	140,800
5130 Cafeteria Plan Benefits	0	0	0	1,263,400
TOTAL	2,383,727	2,138,713	2,315,400	2,505,500
OTHER EXPENDITURES				
5205 Safety & Training Materials	1,216	1,917	1,500	1,500
5211 Cleaning/Janitorial Supplies	1,454	14,018	15,000	15,000
5214 Food for Animals	0	0	0	0
5217 Ammunition	30,645	34,824	40,000	40,000
5218 Uniforms	38,864	79,669	30,000	30,000
5219 Other Miscellaneous Supplies	5,381	14,697	16,000	16,000
5241 Small Equip-Office/Operating	5,727	2,130	2,500	2,500
5415 Vehicle/Equip Rent (Short-term)	0	0	4,200	0
5441 Other Services & Charges	16,525	5,428	6,000	6,000
5448 Police Training	17,025	10,697	25,000	25,000
TOTAL	116,837	163,380	140,200	136,000
DIVISION TOTAL	10,533,327	9,321,544	9,458,900	9,365,800

Public Works & Utilities Department – General Fund

Mission and Vision

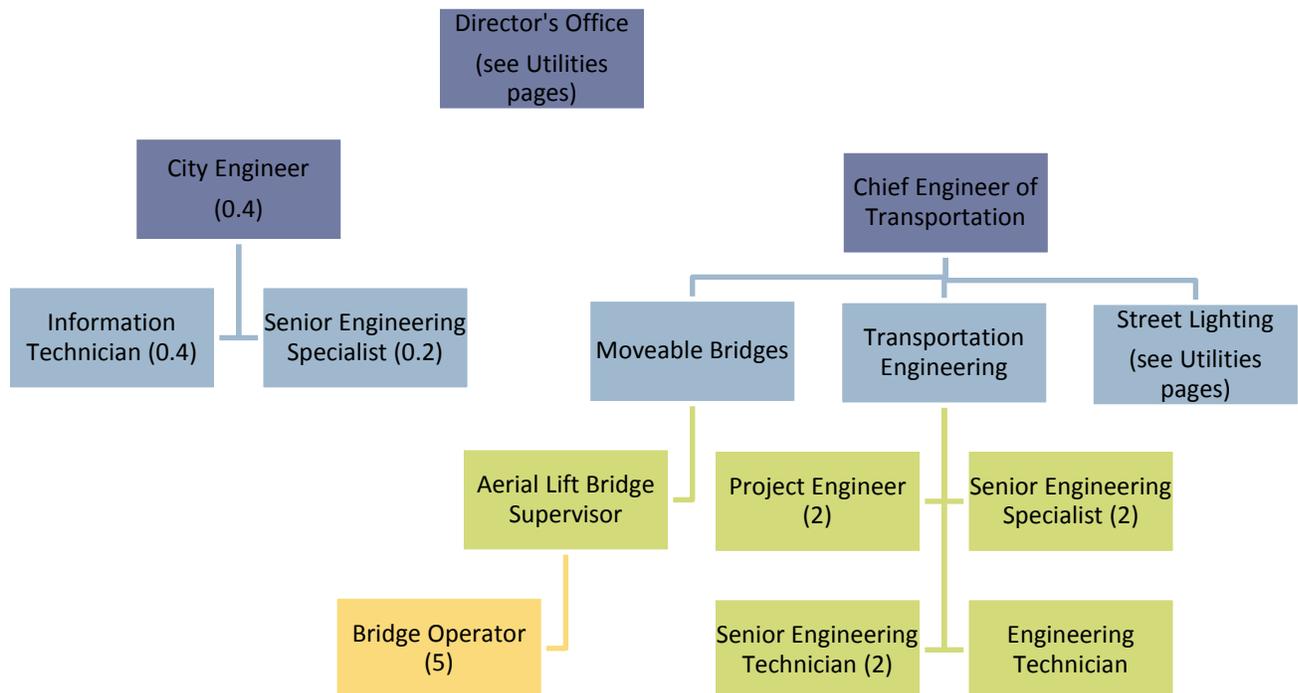
The mission of the Public Works and Utilities Department is to provide: professional engineering services, and water, sanitary sewer, natural gas, storm water, and street lighting utilities to Duluth's businesses and residents in a safe, cost-effective and environmentally sound manner through skilled, safety oriented and customer focused employees. The General Fund provides Transportation Engineering services and moveable bridge operations in the Public Works and Utilities Department.

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

Structure

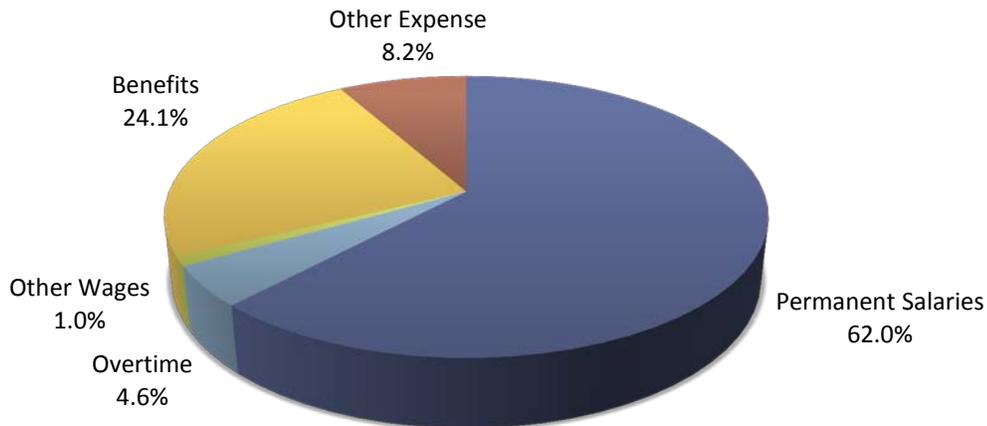
The General fund portion of Public Works and Utilities Department is located entirely within the Engineer Division and broken down into two primary areas of responsibility: Transportation Engineering and Moveable Bridges.

Public Works & Utilities Department – General Fund Organization Chart



Public Works & Utilities - General Operations

2013 Approved Budget by Expense Category



Expenditures by Category	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Permanent Salaries	1,239,104	1,224,065	985,600	1,071,300	85,700
Overtime	70,311	69,722	80,000	80,000	-
Other Wages	8,710	4,906	41,000	18,000	(23,000)
Total Personal Services	1,318,125	1,298,693	1,106,600	1,169,300	62,700
Benefits	387,125	386,023	383,600	416,700	33,100
Other Expense	155,588	152,781	164,600	140,800	(23,800)
Capital Outlay	-	-	-	-	-
Department Total	1,860,838	1,837,497	1,654,800	1,726,800	72,000

Expenditures by Division	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Director's Office	46,246	45,072	47,800	46,600	(1,200)
Engineering	1,814,592	1,792,425	1,607,000	1,680,200	73,200
Department Total	1,860,838	1,837,497	1,654,800	1,726,800	72,000

	2010	2011	2012	2013	Difference
Budgeted FTE's	21.2	22.0	17.0	16.6	(0.4)

City of Duluth Minnesota - 2013 Budget

Director's Office

The Director's Office provides leadership and management for the Public Works and Utilities Department. This division represents the cost of this function in the General Fund.

Budgeted FTE's	2010	2011	2012	2013	Difference
Director	0.2	0.2	0.2	0.2	-
32 Project Coordinator	0.2	0.2	0.2	0.2	-
Division Total	0.4	0.4	0.4	0.4	-

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	36,823	35,875	37,600	37,000	(600)
Overtime	203	244	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	37,026	36,119	37,600	37,000	(600)
Benefits	8,640	8,593	9,300	8,800	(500)
Other Expense					
Materials & Supplies	376	104	200	200	-
Services	28	75	500	400	(100)
Utilities & Maintenance	-	-	-	-	-
Other	176	181	200	200	-
Total Other Expense	580	360	900	800	(100)
Division Total	46,246	45,072	47,800	46,600	(1,200)

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Public Works Director - 110-500-1900				
PERSONAL SERVICES				
5100 Permanent Salaries	36,823	35,875	37,600	37,000
5101 Premium Pay	203	244	0	0
5103 Other Wages	0	0	0	0
TOTAL	37,026	36,119	37,600	37,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	2,451	2,562	2,500	2,300
5122 FICA - Social Security	2,125	2,221	2,200	2,300
5123 FICA - Medicare	525	520	500	500
5124 Medical Insurance	2,281	2,576	3,500	0
5125 Dental Insurance	154	164	200	100
5126 Life Insurance	72	75	100	100
5127 Health Care Savings Plan (HCSP)	1,032	475	300	400
5130 Cafeteria Plan Benefits	0	0	0	3,100
TOTAL	8,640	8,593	9,300	8,800
OTHER EXPENDITURES				
5200 Office Supplies	226	88	100	100
5241 Small Equip-Office/Operating	150	16	100	100
5321 Phone Service	0	0	200	100
5331 Travel/Training	0	75	300	300
5335 Local Mileage Reimbursement	28	0	0	0
5433 Dues & Subscription	176	181	200	200
TOTAL	580	360	900	800
DIVISION TOTAL	46,246	45,072	47,800	46,600

City of Duluth Minnesota - 2013 Budget

Engineering

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

Budgeted FTE's	2010	2011	2012	2013	Difference
1140 City Engineer	0.4	0.4	0.4	0.4	-
1125 Chief Eng Transportation	1.0	1.0	1.0	1.0	-
1075 Lift Bridge Supervisor	1.0	1.0	1.0	1.0	-
27 Bridge Operator	9.0	9.0	5.0	5.0	-
129 Admin Info Specialist	0.6	0.6	0.6	0.4	(0.2)
126 Information Technician	0.2	0.4	0.4	-	(0.4)
36 Transportation Engineer	-	1.0	-	-	-
36 Project Engineer	2.0	2.0	2.0	2.0	-
34 Sr. Engineering Spec.	2.0	2.0	2.0	2.2	0.2
31 Sr. Engineering Tech.	3.6	3.2	3.2	3.2	-
28 Engineering Technician	1.0	1.0	1.0	1.0	-
Division Total	20.8	21.6	16.6	16.2	(0.4)

Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Personal Services					
Permanent Salaries	1,202,281	1,188,190	948,000	1,034,300	86,300
Overtime	70,108	69,478	80,000	80,000	-
Other Wages	8,710	4,906	41,000	18,000	(23,000)
Total Salaries	1,281,099	1,262,574	1,069,000	1,132,300	63,300
Benefits	378,485	377,430	374,300	407,900	33,600
Other Expense					
Materials & Supplies	72,444	48,433	53,700	51,800	(1,900)
Services	26,264	42,197	29,700	41,900	12,200
Utilities & Maintenance	9,859	18,785	28,900	34,100	5,200
Other	46,441	43,006	51,400	12,200	(39,200)
Total Other Expense	155,008	152,421	163,700	140,000	(23,700)
Division Total	1,814,592	1,792,425	1,607,000	1,680,200	73,200

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Engineering - 110-500-1930				
PERSONAL SERVICES				
5100 Permanent Salaries	1,202,281	1,188,190	948,000	1,034,300
5101 Premium Pay	70,108	69,478	80,000	80,000
5103 Other Wages	8,710	4,906	41,000	18,000
TOTAL	1,281,099	1,262,574	1,069,000	1,132,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	84,256	86,528	78,300	78,900
5122 FICA - Social Security	76,396	74,950	70,000	70,200
5123 FICA - Medicare	17,866	17,528	16,400	16,400
5124 Medical Insurance	172,908	172,685	183,500	0
5125 Dental Insurance	7,571	7,352	6,400	6,200
5126 Life Insurance	3,549	3,511	3,000	2,900
5127 Health Care Savings Plan (HCSP)	15,939	14,876	16,700	13,500
5130 Cafeteria Plan Benefits	0	0	0	219,800
TOTAL	378,485	377,430	374,300	407,900
OTHER EXPENDITURES				
5200 Office Supplies	8,205	6,039	5,200	2,800
5201 Computer Supplies/Software	11,338	11,604	7,200	18,300
5203 Paper/Stationery/Forms	250	204	400	500
5205 Safety & Training Materials	423	1,046	800	800
5211 Cleaning/Janitorial Supplies	413	33	300	300
5212 Motor Fuels	8,115	7,776	23,100	11,600
5219 Other Miscellaneous Supplies	3,103	3,319	300	300
5220 Repair & Maintenance Supplies	22,378	12,979	8,500	8,500
5240 Small Tools	888	748	700	500
5241 Small Equip-Office/Operating	17,331	4,685	2,500	3,500
5242 Survey Equipment and Supplies	0	0	4,700	4,700
5303 Engineering Services	7,615	22,422	12,000	12,000
5319 Other Professional Services	0	200	500	500
5320 Data Services	0	0	400	500
5321 Phone Service	7,054	9,538	6,600	6,700
5322 Postage	224	21	300	300
5331 Travel/Training	8,848	8,193	7,000	12,900

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Engineering - 110-500-1930 continued				
5335 Local Mileage Reimbursement	600	1,007	1,500	1,500
5355 Printing & Copying	1,453	354	800	800
5356 Copier, Printer Lease & Supplies	0	0	0	6,100
5384 Refuse Disposal	470	462	600	600
5404 Equipment/Machinery Repair & Mtc	2,093	3,252	18,900	19,500
5409 Fleet Services Charges	7,766	15,533	10,000	14,600
5418 Vehicle/Equip Lease (Long-term)	6,196	2,886	2,500	0
5433 Dues & Subscription	1,193	1,430	1,500	1,700
5435 Books & Pamphlets	356	420	700	700
5438 Licenses	542	0	500	0
5441 Other Services & Charges	1,548	2,491	10,000	8,600
5450 Laundry	856	605	1,200	1,200
5455 Pedestrian Bridge Operations	35,750	35,174	35,000	0
TOTAL	155,008	152,421	163,700	140,000
DIVISION TOTAL	1,814,592	1,792,425	1,607,000	1,680,200

City of Duluth Minnesota - 2013 Budget

General Fund Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Engineering - 110-500-1930				
REVENUE SOURCE				
4152 Excavation Permits	18,235	19,660	15,000	15,000
4170 Miscellaneous Permits	32,006	33,971	40,000	35,000
4324 Miscellaneous Services	454	288	400	400
4370 Engineering Services	447,279	308,779	300,000	400,000
4631 Media Sales	8,972	7,521	8,000	6,000
4636 Sale of Scrap	902	0	500	
4654 Other Reimbursements	17,897	736		
4730 Transfer from Tourism Taxes	105,000	105,000	105,000	57,000
DIVISION TOTAL	630,745	475,955	468,900	513,400

City of Duluth Minnesota - 2013 Budget

General Fund Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Transfers and Other Functions				
This department is a reporting agency that accounts for transfers to other funds and for miscellaneous activities and services that are not directly attributable or easily distributed to operating departments.				
EXPENDITURES				
Citywide Dues & Lobbying	84,956	89,668	78,000	78,000
Citywide Communications	113,998	102,676	141,000	141,000
Miscellaneous	242,346	537,258	200,000	180,000
Civic Events and Awards	84,434	99,213	85,000	85,000
Business Improvement Dist.	308,379	309,818	300,000	300,000
Public Access Television	162,000	162,000	162,000	182,000
Sales Tax Administration	121,607	117,252	125,000	125,000
Parking Fine Administration	170,308	140,058	150,000	
Capital Program - CIP	353,575	541,192		
Facility Maintenance Program	177,908	112,545	230,000	
Capital Program - CEP	138,855	19,318	50,000	50,000
Community Inv Trust Projects	176,950	181,550	180,900	174,800
Unemployment Compensation	34,300	31,080	85,000	50,000
Benefits Administration	48,883	170,447	50,000	100,000
Retiree Insurance	6,517,345	6,513,304	7,800,000	7,430,100
Accruals	0	0	380,000	381,800
Self Insurance Contribution	1,100,000	1,100,000	1,100,000	500,000
Department Total	9,835,844	10,227,379	11,116,900	9,777,700

City of Duluth Minnesota - 2013 Budget

General Fund Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
Transfers and Other Functions				
REVENUE SOURCE				
4010 Delinquent Property Tax	63,713	14,505		
4500 Assessments - Service Charge	309,400	308,797	300,000	300,000
4639 Sale of Equipment	38,051	78,866	100,000	100,000
4640 Sale of Land	48,250	151,122	50,000	200,000
4644 Miscellaneous Sales	6,430			
4654 Other Reimbursements	1,751	7,243		
4660 Gifts and Donations	2,500	21,013		
4680 Damages Recovered	12,183			
4730 Transfer from Special Revenue	32,440	-	500,000	400,000
4730 Transfer from Tourism Taxes	45,006	120,680	45,000	
4730 Transfer from CIT Fund	1,277,196	881,189	308,000	105,000
DEPARTMENT TOTAL	1,836,920	1,583,415	1,303,000	1,105,000

Special Revenue Funds

City of Duluth Minnesota - 2013 Budget

Special Revenue Funds

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

Funds

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

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	72,391,666	63,760,822	58,497,408	56,050,074
REVENUES				
Taxes	7,786,722	8,198,813	10,115,200	9,755,000
Intergovernmental	12,248,022	13,720,348	12,418,387	9,480,900
Miscellaneous	11,583,219	11,774,007	10,715,000	11,217,300
TOTAL REVENUES	<u>31,617,963</u>	<u>33,693,168</u>	<u>33,248,587</u>	<u>30,453,200</u>
EXPENSES				
Personal Services	3,028,384	3,604,523	3,612,320	5,389,700
Other Services and Charges	3,712,576	4,538,241	5,505,700	3,231,300
Transfers	19,875,221	16,379,932	12,297,700	7,894,100
Miscellaneous	13,632,625	14,433,887	14,280,200	12,739,400
TOTAL EXPENSES	<u>40,248,807</u>	<u>38,956,582</u>	<u>35,695,920</u>	<u>29,254,500</u>
FUND BALANCE - DECEMBER 31	63,760,822	58,497,408	56,050,075	57,248,774

City of Duluth Minnesota - 2013 Budget

Lake Superior Zoological Gardens

200

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

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	142,677	142,488	(106,500)	(106,500)
REVENUES				
Intergovernmental, State of MN	200,000	160,000	160,000	160,000
Admissions	683,709	696,618	713,000	696,000
Concessions & Commissions, Misc	219,258	208,043	220,000	208,000
Gifts and Donations	2,620	2,585	2,000	2,500
Other Sources	71,807	134,418	80,000	60,000
Transfer from Tourism Tax	520,000	520,000	520,000	510,000
TOTAL REVENUES	<u>1,697,394</u>	<u>1,721,664</u>	<u>1,695,000</u>	<u>1,636,500</u>
EXPENSES				
Contract Services	2,296	1,666	5,000	1,600
Contract Services, Zoo Personnel	850,912	921,227	850,000	921,200
Contract Services, Op Expenses	831,938	871,535	830,000	703,200
Capital Outlay	2,103	165,556		
Bank Charges	10,334	10,668	10,000	10,500
TOTAL EXPENSES	<u>1,697,583</u>	<u>1,970,652</u>	<u>1,695,000</u>	<u>1,636,500</u>
FUND BALANCE - DECEMBER 31	142,488	(106,500)	(106,500)	(106,500)

City of Duluth Minnesota - 2013 Budget

Parks Fund

205

Special Revenue fund established to account for property tax monies received that are to be used for City parks as Approved by the citizens of Duluth on a special referendum.

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1			0	0
REVENUES				
Property Tax Levy			2,600,000	2,600,000
Licenses and Permits				34,000
Miscellaneous				48,500
TOTAL REVENUES			<u>2,600,000</u>	<u>2,682,500</u>
EXPENSES				
Personal Services			1,041,500	1,162,100
Other Services and Charges			406,000	462,900
Supplies			34,400	233,400
Miscellaneous			108,100	104,100
Capital Outlay			1,010,000	720,000
TOTAL EXPENSES			<u>2,600,000</u>	<u>2,682,500</u>
FUND BALANCE - DECEMBER 31			0	0

BUDGETED FTE'S	2010	2011	2012	2013
1130 Manager, Parks & Recreation			1	1
1070 Operations Coordinator			1	1
135 Public Information Coordinator			1	1
131 Volunteer Coordinator			0.5	0.5
129 Special Events Coordinator			1.5	1.5
129 Admin Information Specialist			1	1
124 Senior Center Coordinator			1	1
28 Trails Coordinator			1	1
26 Recreation Specialist			1	1
22 Maintenance Worker			0	1
Division Total			9	10

City of Duluth Minnesota - 2013 Budget

Special Projects

210

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

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	494,558	359,474	457,699	457,699
REVENUES				
Intergovernmental	159,965	1,618,415	53,500	210,300
Miscellaneous	319,978	457,769	221,300	524,300
Transfers In	0	24,735		
TOTAL REVENUES	<u>479,943</u>	<u>2,100,919</u>	<u>274,800</u>	<u>734,600</u>
EXPENSES				
Personal Services	18,115	931,720	26,000	222,700
Personal Services - Police Extra Duty Pay				320,000
Other Services and Charges	133,788	255,987	132,200	94,900
Transfers	77,854	179,419		
Miscellaneous	97,797	214,503	116,600	97,000
Capital Equipment	287,473	421,065		
TOTAL EXPENSES	<u>615,027</u>	<u>2,002,694</u>	<u>274,800</u>	<u>734,600</u>
FUND BALANCE - DECEMBER 31	359,474	457,699	457,699	457,699

BUDGETED FTE'S	2010	2011	2012	2013
226 Firefighter				3
Division Total				3

City of Duluth Minnesota - 2013 Budget

Police Special Grants

215

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

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	26,595	47,140	42,858	42,858
REVENUES				
Intergovernmental	1,389,438	1,268,580	842,700	1,223,100
Miscellaneous	1,155		1,000	
Felony Forfeitures	115,480	114,103	130,300	130,000
TOTAL REVENUES	<u>1,506,073</u>	<u>1,382,683</u>	<u>974,000</u>	<u>1,353,100</u>
EXPENSES				
Other Services and Charges	267,325	334,990	200,000	355,900
Transfer to General Fund	825,029	822,448	603,800	748,200
Miscellaneous	358,845	229,527	78,200	212,400
Capital Equipment	34,329		92,000	36,600
TOTAL EXPENSES	<u>1,485,528</u>	<u>1,386,965</u>	<u>974,000</u>	<u>1,353,100</u>
FUND BALANCE - DECEMBER 31	47,140	42,858	42,858	42,858

City of Duluth Minnesota - 2013 Budget

Capital Equipment

250

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

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	2,172,484	1,592,081	1,572,493	1,572,493
REVENUES				
Other Reimbursements	164	87		
Earnings on Investments	14,074	17,882		
Bond Proceeds	2,295,000	3,175,717	4,698,000	4,600,000
TOTAL REVENUES	<u>2,309,238</u>	<u>3,193,686</u>	<u>4,698,000</u>	<u>4,600,000</u>
EXPENSES				
Bond Issuance Costs	27,864	34,622	100,000	180,700
Capital Equipment - Nonrolling	744,440	1,683,086	2,022,000	2,037,000
Capital Equipment - Rolling	2,117,337	1,495,566	2,576,000	2,382,300
TOTAL EXPENSES	<u>2,889,641</u>	<u>3,213,274</u>	<u>4,698,000</u>	<u>4,600,000</u>
FUND BALANCE - DECEMBER 31	1,592,081	1,572,493	1,572,493	1,572,493

City of Duluth Minnesota - 2013 Budget

Economic Development

255

Fund accounts for monies received from the U.S. Department of Housing and Urban Development Action Grant Program, and monies received for bond service fees from the issuance of Industrial Revenue Bonds. Such monies are to be used for the revitalization of the economy of the City of Duluth.

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	64,150	55,944	(27,220)	(30,020)
REVENUES				
Intergovernmental Revenues	367,325	1,177,839	2,696,200	
Transfer from DEDA	13,579			
Other Reimbursements		14,239		
Other Miscellaneous	11,149	16,584	16,600	17,100
TOTAL REVENUES	<u>392,053</u>	<u>1,208,662</u>	<u>2,712,800</u>	<u>17,100</u>
EXPENSES				
Economic Development	108,929	1,291,826	2,215,600	
Transfer to Capital Projects Funds	291,330		500,000	17,100
TOTAL EXPENSES	<u>400,259</u>	<u>1,291,826</u>	<u>2,715,600</u>	<u>17,100</u>
FUND BALANCE - DECEMBER 31	55,944	(27,220)	(30,020)	(30,020)

City of Duluth Minnesota - 2013 Budget

Community Investment Fund

256

Fund accounts for monies received from Fond du Luth Casino in accordance with existing agreements with the Fond du Lac Band of Lake Superior Chippewa. As required by ordinance, interest is transferred annually to the general fund, and expenditures require a super majority vote of the city council. Current policy is to pay off existing street improvement debt and finance the street improvement program.

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	47,030,854	34,023,423	25,201,315	22,069,815
REVENUES				
Casino Proceeds/Misc Investment Earnings	973,984	1,241,805	247,000	105,000
TOTAL REVENUES	<u>973,984</u>	<u>1,241,805</u>	<u>247,000</u>	<u>105,000</u>
EXPENSES				
Administration - (annual)	9,066		9,000	
Legal Services	429,483	322,376		
Transfer to Capital Project	6,600,000	6,000,000		
Transfer to Debt Service	5,665,670	2,860,348	3,122,500	
Transfer to General Fund (annual)	1,277,196	881,189	247,000	105,000
TOTAL EXPENSES	<u>13,981,415</u>	<u>10,063,913</u>	<u>3,378,500</u>	<u>105,000</u>
FUND BALANCE - DECEMBER 31	34,023,423	25,201,315	22,069,815	22,069,815

City of Duluth Minnesota - 2013 Budget

Energy Management

257

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

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	352,519	286,839	342,573	336,573
REVENUES				
Intergovernmental Revenues	273,568			
Other Reimbursements	16,064	7,159		
From Public Utility	75,000	75,000	75,000	75,000
TOTAL REVENUES	<u>364,632</u>	<u>82,159</u>	<u>75,000</u>	<u>75,000</u>
EXPENSES				
Personal Services	27,204		80,000	83,000
Other Services & Charges	401,908	26,425		
Miscellaneous	1,200		1,000	
TOTAL EXPENSES	<u>430,312</u>	<u>26,425</u>	<u>81,000</u>	<u>83,000</u>
FUND BALANCE - DECEMBER 31	286,839	342,573	336,573	328,573

BUDGETED FTE'S	2010	2011	2012	2013
33 Energy Coordinator		1	1	1

City of Duluth Minnesota - 2013 Budget

Special City Excise and Sales Tax (Tourism Taxes)

258

Special revenue fund established to account for non-general sales tax monies received from food/beverage and hotel/motel retailers. These food/beverage and hotel/motel taxes will be used for tourism and other related activities, as dictated by state statutes and city ordinances.

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	88,780	354,855	485,536	530,636
REVENUES				
Hotel Motel 3%	1,700,440	1,814,783	1,769,100	1,880,000
Hotel Motel 1%	566,813	604,928	589,700	627,000
Add'l. 2.0% Hotel Motel Tax	1,064,193	1,133,201	1,107,200	1,190,000
Add'l. .5% Hotel Motel Tax	266,048	283,300	149,700	
Food & Beverage Tax 1.0%	1,861,879	1,938,934	1,918,100	1,976,000
Food & Beverage Tax .75%	1,396,409	1,454,200	1,438,600	1,482,000
Food & Beverage Tax .5%	930,940	969,467	542,800	
Reserve for Debt Service			231,900	
TOTAL REVENUES	<u>7,786,722</u>	<u>8,198,813</u>	<u>7,747,100</u>	<u>7,155,000</u>
EXPENSES				
Duluth Entertainment & Convention Center	1,050,022	1,120,629	50,000	86,700
Visit Duluth	1,428,000	1,480,800	1,600,000	1,600,000
Other Promotional Programs			6,000	88,400
Business Improvement District	200,000	200,000	200,000	200,000
Great Lakes Aquarium	269,409	300,000	300,000	350,000
Lake Superior Zoological Gardens	520,000	520,000	520,000	510,000
St. Louis County Heritage & Arts Center	151,800	151,800	151,800	176,800
Public Arts	30,000	30,000	30,000	50,000
Duluth Sister Cities International	20,000	20,000	20,000	30,000
Lake Superior & Mississippi Railroad				20,000
Rail Alliance	48,000	38,000	30,900	12,500
Transfer to General Fund	745,422	747,639	737,900	737,900
Transfer to Capital Projects	160,600	402,330	100,000	100,000
Transfer for Debt Service				
- DECC	2,396,598	2,505,734	3,255,800	2,642,900
- Lake Superior Center	225,796	201,200	199,600	
- Spirit Mountain	275,000	350,000	500,000	500,000
TOTAL EXPENSES	<u>7,520,647</u>	<u>8,068,132</u>	<u>7,702,000</u>	<u>7,105,200</u>
Increase Undesignated Fund Balance			45,100	49,800
FUND BALANCE - DECEMBER 31	354,855	485,536	530,636	580,436

City of Duluth Minnesota - 2013 Budget

Home Program

260

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

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	0	0	(49,987)	0
REVENUES				
Home Grant	747,359	908,194	837,587	615,200
TOTAL REVENUES	<u>747,359</u>	<u>908,194</u>	<u>837,587</u>	<u>615,200</u>
EXPENSES				
Tenant Based Rental Assistance	6,552	107,801	107,900	85,900
CHDO Program	303,675	377,036		200,300
Home Ownership Program	386,299	415,511	251,600	
Rehabilitation			287,600	229,000
Administration	50,833	57,832	140,500	100,000
TOTAL EXPENSES	<u>747,359</u>	<u>958,181</u>	<u>787,600</u>	<u>615,200</u>
FUND BALANCE - DECEMBER 31	0	(49,987)	0	0

City of Duluth Minnesota - 2013 Budget

Community Development

262

Special Revenue fund established to account for monies received from the U.S. Department of Housing and Urban Development (HUD) as a grantee under the Community Development Program. These monies are to be expended for projects considered necessary for the renewal revitalization of targeted eligible neighborhoods and low and moderate income households. 2013 budget figures represent preliminary estimates only, awaiting the allocation of HUD funds.

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	11,002	(41,366)	9,509	9,509
REVENUES				
State of Minnesota	73,957	783,929	611,000	
Community Development Block Grant	2,990,315	2,760,926	2,567,900	2,235,600
Emergency Shelter Grant	131,070	116,073	172,000	222,400
CDBG-R (ARRA)	381,624	25,340	10,000	
HPRP	527,512	560,417	16,300	
Neighborhood Stabilization	902,293	561,331	347,100	2,000
EPA Showcase Grant		36,232	166,700	166,700
Lead Remediation Grant		185,376	580,000	425,000
State Legacy Grant		225,000		178,000
Miscellaneous reimbursements	1,062	9,983		
TOTAL REVENUES	<u>5,007,833</u>	<u>5,264,607</u>	<u>4,471,000</u>	<u>3,229,700</u>
EXPENSES				
Economic Development	302,714	424,229	385,200	336,800
Housing	2,392,021	2,494,324	2,468,400	1,400,900
Physical Improvements	547,303	517,807	513,600	514,800
Public Service Projects	1,103,972	1,121,159	560,200	336,700
Program Administration	714,191	656,213	543,600	640,500
TOTAL EXPENSES	<u>5,060,201</u>	<u>5,213,732</u>	<u>4,471,000</u>	<u>3,229,700</u>
FUND BALANCE - DECEMBER 31	(41,366)	9,509	9,509	9,509

City of Duluth Minnesota - 2013 Budget

Community Development Administration

265

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

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	0	0	0	0
REVENUES				
Community Development Block Grant	506,396	489,517	493,800	623,800
Home CDBG-R (ARRA)	50,161	41,709	53,900	57,200
HPRP	19,773	19,349	30,000	
Neighborhood Stabilization	23,036	17,293	20,000	
Lead Paint Abatement Grant	43,845	45,345	50,000	2,000
Emergency Shelter Grant	5,185	3,629	13,000	16,700
TOTAL REVENUES	<u>648,396</u>	<u>624,218</u>	<u>670,700</u>	<u>709,700</u>
EXPENSES				
Personal Services	608,293	550,454	563,900	604,000
OPEB		25,300	9,200	9,200
Other Services and Charges	40,103	48,464	97,600	96,500
TOTAL EXPENSES	<u>648,396</u>	<u>624,218</u>	<u>670,700</u>	<u>709,700</u>
FUND BALANCE - DECEMBER 31	0	0	0	0

	2010	2011	2012	2013
BUDGETED FTE'S				
1150 Director, Planning & Const Services				0.33
1085 Manager, CD/Housing	1	1	1	1
136 Senior Planner	2	2	2	2
133 Planner II	4	3	3	3
126 Information Technician	1	1	1	0.5
Division Total	8	7	7	6.83

City of Duluth Minnesota - 2013 Budget

Workforce Investment Act

268

Special Revenue fund which accounts for monies received through the Minnesota Department's of Economic Security and Trade, Economic Development, and Human Services to provide workforce development services for unemployed and underemployed persons. The 2013 budget figures represent preliminary estimates only and are subject to change as grants are appropriated by the State and Approved by the City Council.

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	357,792	385,120	466,175	466,175
REVENUES				
Miscellaneous	7,783	5,730		5,000
Food Stamp Employment				216,000
MFIP	1,060,897	1,060,036	896,000	863,600
Federal Grant	1,092,889	984,461	689,300	1,568,200
Federal Grant - ARRA	421,775			
State Grant	341,682	255,296	252,700	260,100
TOTAL REVENUES	2,925,026	2,305,523	1,838,000	2,912,900
EXPENSES				
Personal Services	1,860,988	1,580,521	1,079,100	2,538,400
OPEB		75,900	45,200	34,500
Other Services and Charges	1,036,710	568,047	713,700	340,000
TOTAL EXPENSES	2,897,698	2,224,468	1,838,000	2,912,900
FUND BALANCE - DECEMBER 31	385,120	466,175	466,175	466,175
BUDGETED FTE'S				
1085 Mgr, Employment & Training	1	1	1	1
134 Sr Comm Service Emp Dir	1	1	1	1
131 Employment Technician	14	18	18	18
126 Information Technician	2	2	2	2
Division Total	18	22	22	22

City of Duluth Minnesota - 2013 Budget

Senior Programs

270

Special Revenue fund which accounts for monies received through the Minnesota Department of Economic Security and the National Council of Senior Citizens under Title V of the Older Americans Act to provide useful part-time employment for low-income elderly and to improve community services where needed.

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	0	0	(72,080)	0
REVENUES				
Senior Employment Program - State	120,037	99,992	237,400	300,000
Senior Aides Program - Federal	319,254	308,693	611,300	125,000
ARRA - Sr. Empl. Program	98,666			
TOTAL REVENUES	<u>537,957</u>	<u>408,685</u>	<u>848,700</u>	<u>425,000</u>
EXPENSES				
Personal Services	513,784	465,927	776,620	425,000
Other Services and Charges	24,173	14,837		
TOTAL EXPENSES	<u>537,957</u>	<u>480,765</u>	<u>776,620</u>	<u>425,000</u>
FUND BALANCE - DECEMBER 31	0	(72,080)	0	0

City of Duluth Minnesota - 2013 Budget

Other Post Employment Benefits - OPEB

280

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

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	20,847,892	25,690,642	28,819,295	29,345,095
REVENUES				
Property Tax Levy				
Investment Earnings	740,151	826,617	800,000	950,000
Change in Fair Value	1,804,657	125,286		
Transfer from Special Revenue Funds (Grants)			52,500	43,700
Contributions- Employer	2,300,000	2,178,463	175,300	565,200
TOTAL REVENUES	4,844,808	3,130,366	1,027,800	1,558,900
EXPENSES				
Administrative Expenses	2,058	1,713	2,000	2,000
Transfer to General Fund			500,000	400,000
TOTAL EXPENSES	2,058	1,713	502,000	402,000
FUND BALANCE - DECEMBER 31	25,690,642	28,819,295	29,345,095	30,501,995

City of Duluth Minnesota - 2013 Budget

DECC Revenue Fund

281

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

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	802,363	864,182	1,355,741	1,355,741
REVENUES				
Earnings on Investments	136	0	100	100
Other Reimbursements	0	466,984		
Transfer from Special Revenue Funds	1,396,409	1,454,200	2,531,000	2,642,900
TOTAL REVENUES	<u>1,396,545</u>	<u>1,921,184</u>	<u>2,531,100</u>	<u>2,643,000</u>
EXPENSES				
Transfer to Debt Service	<u>1,334,726</u>	<u>1,429,625</u>	<u>2,531,100</u>	<u>2,643,000</u>
TOTAL EXPENSES	<u>1,334,726</u>	<u>1,429,625</u>	<u>2,531,100</u>	<u>2,643,000</u>
FUND BALANCE - DECEMBER 31	864,182	1,355,741	1,355,741	1,355,741

Debt Service Funds

City of Duluth Minnesota - 2013 Budget

Debt Service Funds

Funds

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

Debt Service Funds account for the accumulation of resources for, and the payment of long term principal, interest and related costs. The City is meeting all of its debt service policy statements as outlined in the budget summary in the Introduction Section of the document.

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	18,612,250	19,144,190	17,274,179	17,609,780
REVENUES				
Taxes	5,041,834	5,406,309	6,605,400	7,161,500
Intergovernmental	10,761	11,298		
Special Assessments	2,117,134	1,735,627	1,612,900	1,441,500
Miscellaneous	2,572,332	326,457	276,900	241,700
Other Financing Sources	11,131,076	7,006,535	7,272,001	4,294,900
TOTAL REVENUES	<u>20,873,137</u>	<u>14,486,226</u>	<u>15,767,201</u>	<u>13,139,600</u>
EXPENSES				
Debt Service Payments	19,287,100	15,748,886	14,481,600	13,704,000
Miscellaneous	1,054,097	607,351	950,000	771,500
TOTAL EXPENSES	<u>20,341,197</u>	<u>16,356,237</u>	<u>15,431,600</u>	<u>14,475,500</u>
FUND BALANCE - DECEMBER 31	19,144,190	17,274,179	17,609,780	16,273,880

City of Duluth Minnesota - 2013 Budget

Debt Service Funds Narrative

2012 DEBT STATUS

The ratio of net direct bonded debt to assessed and market valuations, and the amount of bonded debt per capita are useful indicators of the City's debt position. Net direct bonded debt is considered to be tax supported, and is levied by taking the gross bonded debt of the City and subtracting allowable deductions for various revenue, tax increment, and special assessment issues. Estimated net direct bonded debt as of December 31, 2012 as it pertains to the City of Duluth is estimated as follows:

Total Gross Bonded Debt		\$163,903,000
Less:		
City Revenue Bonds	\$	565,000
City - general obligation bonds paid by parking revenues		11,550,000
City - general obligation bonds paid by other revenues		42,555,000
Tax Abatement Bonds		7,315,000
Utility bonds paid from Enterprise Funds		28,760,000
Special assessment bonds		24,968,028
Net Direct Bonded Debt		<u>\$48,189,972</u>

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

<u>Year</u>	<u>Amount (in Thousands)</u>	<u>Percent of Market Value</u>	<u>Dollars Per Capita</u>
2013	\$48,190	1.0	\$559
2012	\$41,874	0.7	\$485
2011	\$40,949	0.7	\$471
2010	\$41,410	0.7	\$476
2009	\$22,420	0.4	\$258
2008	\$28,986	0.5	\$333
2007	\$29,284	0.6	\$337
2006	\$26,802	0.6	\$308
2005	\$19,208	0.5	\$221
2004	\$21,365	0.6	\$245
2003	\$23,037	0.7	\$265

The preceding table used an estimated tax capacity value of \$60,593,551 an Assessor's estimated taxable market value of \$4,836,987,300 and a population of 86,265, as reported in the 2010 census.

City of Duluth Minnesota - 2013 Budget

Debt Service Funds Narrative

During 2012, the City of Duluth will issue an estimated \$42,630,000 in bonds and retire \$41,090,000 in bond principal. The 2013 issues consist of a \$4,600,000 bond for capital equipment purchases; \$1,900,000 for capital improvements; \$5,000,000 for water improvements; \$1,300,000 for trail improvements; and \$8,600,000 for a proposed corporate tower project.

The following table provides more detailed information concerning the changes in debt which will occur during 2012, and also the anticipated 2013 issues.

	<u>2012 ISSUED</u>	<u>2012 RETIRED</u>	<u>ANTICIPATED ISSUE</u>
General Obligation	\$10,925,000	\$7,534,052	\$7,800,000
Special Assessment	6,905,000	12,530,948	
Revenue		295,000	
Revenue & General Obligation	<u>24,800,000</u>	<u>20,730,000</u>	<u>13,600,000</u>
 Total Issued/Retired in 2012 and anticipated Issues for 2013	 <u>\$42,630,000</u>	 <u>\$41,090,000</u>	 <u>\$21,400,000</u>

Bonds funded by Other Financing Sources:

<u>General Fund Debt Requirements</u>	<u>Issue Date</u>	<u>Outstanding 12/31/12</u>	<u>Debt Requirements</u>
SIP-1998 Project Year (refunding)	12/19/06	872,000	454,300
SIP-1999 Project Year (refunding)	12/9/2009	1,262,400	446,400
SIP-2000 Project Year (refunding)	12/19/06	1,313,300	356,600
SIP-2003 Project Year	9/01/03	2,185,000	361,200
SIP-2004 Project Year	9/01/04	2,360,000	343,200
SIP-2005 Project Year	10/01/05	2,300,000	304,000
SIP-2006 Project Year	9/07/06	1,955,000	235,000
SIP-2007 Project Year	12/13/07	1,435,000	164,900
SIP-2008 Project Year	8/7/2008	1,350,000	<u>160,300</u>

Funded by Community Investment Fund

\$2,825,900

City of Duluth Minnesota - 2013 Budget

Debt Service Funds Narrative

<u>Transfer from Special Revenue Funds</u>	<u>Issue Date</u>	<u>Outstanding 12/31/11</u>	<u>Debt Requirements</u>
Duluth Entertainment Center	8/21/08	40,515,000	2,642,900
Spirit Mountain	2/23/12	7,055,000	500,000
Funded by Tourism Taxes			<u>\$3,142,900</u>
<u>Funded by Others</u>			
Seaway Port - Airpark	9/01/04	580,000	84,400
Airport - Cirrus	2/01/02	1,560,000	388,400
Airport	5/24/12	7,650,000	623,300
Spirit Mountain	2/23/12	7,055,000	15,900
Funded by Others			<u>1,112,000</u>
<u>Transfer from Debt Service Funds</u>			
Lakewalk Homes	10/01/05	260,000	40,000
Funded by General Obligation Debt			<u>40,000</u>

City of Duluth Minnesota - 2013 Budget

Debt Service Funds Narrative

The following tables provide specific information relative to the 2012 status of the debt service funds of the City. The appropriation budgets of each specific debt fund follow this presentation.

<u>General Obligation Bonds:</u>	<u>Issue</u>	<u>Outstanding</u>	
	<u>Date</u>	<u>12/31/2012</u>	<u>2013 Levy Requirements</u>
West Michigan St.	12/19/09	317,000	147,500
Lakewalk Homes	10/01/05	260,000	55,200
Aerial Lift Bridge	8/07/08	1,085,000	183,800
DEDA - Cirrus	4/20/07	0	12,200
Medical District Parking Ramp	12/20/05	7,371,200	757,400
Police Station	12/17/09	18,485,000	1,419,500
Equipment	12/07/08	1,070,000	568,200
Equipment	12/17/09	1,580,000	557,000
Equipment	11/23/2010	1,850,000	477,700
Equipment	11/29/2011	3,095,000	660,200
Equipment	2012	3,518,000	735,600
Capital Improvement Projects	3/01/04	195,000	103,400
Capital Improvement Projects	6/01/05	470,000	166,700
Capital Improvement Projects	9/07/06	440,000	123,400
Capital Improvement Projects	12/13/07	740,000	164,200
Capital Improvement Projects	12/07/08	1,130,000	212,600
Capital Improvement Projects	11/23/2010	1,990,000	254,500
Capital Improvement Projects	11/29/2011	1,870,000	221,400
TOTAL DEBT SERVICE			6,820,500
5% Additional required by law (1)			341,000
NET DEBT LEVY - Total required by taxation			7,161,500

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

City of Duluth Minnesota - 2013 Budget

General Obligation Debt Fund - Tax Levy

310

This Debt Service Fund is for the payment of tax levy supported general obligation bonds issued by the City.

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	3,652,605	4,023,707	4,964,098	5,818,099
REVENUES				
Current Property Taxes	4,834,511	5,294,720	6,604,900	7,161,500
Delinquent Property Taxes	126,004	109,564		
State Property Tax Aid	10,590	11,298		
Other Sources	183,586	321,824	273,800	238,800
Transfer from General Fund		250,000		
Transfer from Debt Service			181,301	
Transfer from Capital Project		4,167		
TOTAL REVENUES	5,154,691	5,991,573	7,060,001	7,400,300
EXPENSES				
Debt Service Payments:				
Bond Principal	2,825,000	3,063,095	4,014,100	4,568,300
Bond Interest	1,068,918	1,388,676	1,430,000	1,370,800
Other Expenditures:				
Other	57,239			
Transfer to SA Debt Service	59,368	182,091		
Transfer to Enterprise Fund	756,100	399,100	754,900	757,400
Transfer to DEDA	11,845			
Bond Fees	5,119	18,220	7,000	6,300
TOTAL EXPENSES	4,783,589	5,051,182	6,206,000	6,702,800
FUND BALANCE - DECEMBER 31	4,023,707	4,964,098	5,818,099	6,515,599

City of Duluth Minnesota - 2013 Budget

General Obligation Debt Fund - Other Sources

320

This debt service fund accounts for the payment of general obligation bonds issued by the City which are tax increment and revenue supported debt. Excluded from this fund are utility bonds and special assessment bonds.

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	2,765,545	1,811,139	2,002,078	2,566,978
REVENUES				
Sale of Bonds	1,850,000			
Transfer from Special Revenue -				
Lake Superior Center	196,800	201,200	199,600	
DECC Expansion and Parking	720,000	720,400	724,800	
DECC Improvement	1,334,726	1,429,625	2,531,000	2,642,900
Spirit Mountain				500,000
Other	144,352			
Transfer from Capital Projects -				
DECC Improvement	650,012	854,105		
Transfer from Debt Service -				
Lakewalk Homes	49,909	41,775	50,000	40,000
Funded by Others -				
Airport				623,300
Spirit Mountain				15,900
Seaway Port - Airpark	86,002	83,876	83,900	84,400
Airport - Cirrus	374,237	378,948	378,900	388,400
TOTAL REVENUES	5,406,038	3,709,929	3,968,200	4,294,900
EXPENSES				
Bond Principal	1,995,000	1,380,000	1,270,000	795,000
Bond Interest	2,371,203	2,136,890	2,098,200	2,365,500
Bond Discount/Issuance	27,264			
Payment to Escrow	1,820,000			
Transfer to GO Debt Service			34,000	
Other	144,352			
Fiscal Agents	2,625	2,100	1,100	2,800
TOTAL EXPENSES	6,360,444	3,518,990	3,403,300	3,163,300
FUND BALANCE - DECEMBER 31	1,811,139	2,002,078	2,566,978	3,698,578

City of Duluth Minnesota - 2013 Budget

Special Assessment Debt Service

325

This Debt Service Fund accounts for the accumulation of resources and the payment of principal, interest and related costs on special assessment bonds issued by the City.

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	1,637,476	1,827,946	2,295,525	2,230,725
REVENUES				
Construction Assessments	1,094,942	1,064,353	1,028,000	909,900
Construction Assessments with Taxes	268,698			
Earnings on Investments	834	1,614	600	800
Sale of Bonds	2,340,000			
Bond Premium	44,356			
Transfer from Debt Service Funds	59,368	182,091		
TOTAL REVENUES	<u>3,808,198</u>	<u>1,248,058</u>	<u>1,028,600</u>	<u>910,700</u>
EXPENSES				
Bond Principal	891,100	576,905	890,900	916,700
Bond Interest	333,787	203,574	200,700	176,300
Payment to Escrow	2,335,250			
Bond Discount/Issuance	44,832			
Fiscal Agents	1,916		1,800	1,800
Transfer to Capital Projects	10,843			
TOTAL EXPENSES	<u>3,617,728</u>	<u>780,479</u>	<u>1,093,400</u>	<u>1,094,800</u>
FUND BALANCE - DECEMBER 31	1,827,946	2,295,525	2,230,725	2,046,625

City of Duluth Minnesota - 2013 Budget

Street Improvement Debt Service

330

This Debt Service Fund accounts for the accumulation of resources and the payment of principal, interest, and related costs on street improvement bonds issued by the City.

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	10,327,656	11,251,070	7,861,940	6,990,240
REVENUES				
Construction Assessments	753,494	671,274	584,900	531,600
Earnings on Investments	3,556	3,019	2,500	2,100
Transfer from Special Revenue	5,665,670	2,860,348	3,122,500	
TOTAL REVENUES	<u>6,422,720</u>	<u>3,534,641</u>	<u>3,709,900</u>	<u>533,700</u>
EXPENSES				
Fiscal Agent Fees	4,340	4,025	3,900	3,200
Bond Principal	4,272,900	5,890,000	3,735,000	2,795,000
Bond Interest	1,222,066	1,029,746	842,700	716,400
TOTAL EXPENSES	<u>5,499,306</u>	<u>6,923,771</u>	<u>4,581,600</u>	<u>3,514,600</u>
FUND BALANCE - DECEMBER 31	11,251,070	7,861,940	6,990,240	4,009,340

City of Duluth Minnesota - 2013 Budget

Transit Bond

345

This Debt Service Fund is for the payment of interest payments and principal payments for bonds issued by the City for the Duluth Transit System.

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	228,968	230,328	150,538	3,738
REVENUES				
Current Property Taxes	79,033	2,025		
Delinquent Property Taxes	2,286		500	
State Property Tax Aid	171			
TOTAL REVENUES	<u>81,490</u>	<u>2,025</u>	<u>500</u>	<u>0</u>
EXPENSES				
Interest Expense	4,780			
Fees & Commissions	350			
Bond Redemption	75,000	80,000		
Transfer to GO Debt Service		1,815	147,300	
TOTAL EXPENSES	<u>80,130</u>	<u>81,815</u>	<u>147,300</u>	<u>0</u>
FUND BALANCE - DECEMBER 31	230,328	150,538	3,738	3,738

Capital Project Funds

City of Duluth Minnesota - 2013 Budget

Capital Projects Funds

Funds

Special Assessment Capital
 Permanent Improvements
 DECC Capital Improvement
 Street Improvement Program
 Capital Improvement Fund

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

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	20,399,343	20,941,933	13,582,414	12,032,714
REVENUES				
Taxes	392,198	390,830	142,100	207,500
Intergovernmental	10,767,845	10,809,755	7,962,100	5,578,000
Miscellaneous	2,511,606	1,102,753	788,700	128,700
Other Financing Sources	10,103,881	9,289,949	5,092,500	5,065,000
TOTAL REVENUES	<u>23,775,530</u>	<u>21,593,287</u>	<u>13,985,400</u>	<u>10,979,200</u>
EXPENSES				
Current	85,120	84,732	50,000	
Capital Outlay	23,147,820	28,868,074	15,485,100	12,961,500
TOTAL EXPENSES	<u>23,232,940</u>	<u>28,952,806</u>	<u>15,535,100</u>	<u>12,961,500</u>
FUND BALANCE - DECEMBER 31	20,941,933	13,582,414	12,032,714	10,050,414

City of Duluth Minnesota - 2013 Budget

Special Assessment Capital Project

410

Capital Project fund established to account for improvements which are financed by special assessments. The 2013 budget figures represent preliminary estimates only.

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	(442)	27,486	23,719	31,919
REVENUES				
Assessment Collections	17,058	9,340	8,200	8,700
Earnings on Investments	27	15		
Transfer from Debt Service	10,843	6,380		
TOTAL REVENUES	<u>27,928</u>	<u>15,735</u>	<u>8,200</u>	<u>8,700</u>
EXPENSES				
Improvements Other Than Buildings		19,502		10,000
TOTAL EXPENSES	<u>0</u>	<u>19,502</u>	<u>0</u>	<u>10,000</u>
FUND BALANCE - DECEMBER 31	27,486	23,719	31,919	30,619

City of Duluth Minnesota - 2013 Budget

Permanent Improvement

411

Minnesota State Laws 1971, Chapter 824 - Authorizing the City to levy an amount not to exceed .04836 percent of the tax capacity of the City to pay the cost of local improvements which will not sustain a special assessment.

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	1,770,925	1,463,537	3,107,938	2,400,038
REVENUES				
Current Property Taxes	381,693	381,812	142,100	207,500
Delinquent Property Taxes	10,505	9,018		
Miscellaneous Federal Grants	5,607,908	3,137,267		1,400,000
State of Minnesota	1,511,413	2,576,527	250,000	
State Property Tax Aid	828	808		
Municipal State Aid	2,547,357	4,779,695	4,130,000	4,178,000
Other Share of Improvements	2,034,005		280,000	
Transfer from Special Assessment			440,000	
Public Utility Funds			856,000	1,215,000
TOTAL REVENUES	12,093,709	10,885,127	6,098,100	7,000,500
EXPENSES				
Buildings and Structures	2,624,906			
Improvements Other Than				
Buildings	9,689,794	9,214,886	6,746,000	7,116,500
Transfer to General Fund	86,397	19,460	60,000	60,000
Transfer to Special Assessment		6,380		
TOTAL EXPENSES	12,401,097	9,240,726	6,806,000	7,176,500
FUND BALANCE - DECEMBER 31	1,463,537	3,107,938	2,400,038	2,224,038

* Actual amounts reflect all GASB required adjustments related to revenue recognition, such as timing and availability, while budget amounts are based on the year a project begins.

City of Duluth Minnesota - 2013 Budget

Street Improvement Program

440

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

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	(371,929)	884,041	2,397,541	1,547,541
REVENUES				
Public Utility			1,415,000	2,025,000
Investment Earnings	46,814	34,290	500	
Transfer from Special Revenue	6,600,000	6,029,785		
Assessment Collections	197,853	692,305	500,000	120,000
TOTAL REVENUES	<u>6,844,667</u>	<u>6,756,380</u>	<u>1,915,500</u>	<u>2,145,000</u>
EXPENSES				
Improvements Other than Buildings	5,543,753	5,209,420	2,765,500	3,950,000
Transfer to General Fund	0	33,460		
Transfer to Debt Service	44,944	0		
TOTAL EXPENSES	<u>5,588,697</u>	<u>5,242,880</u>	<u>2,765,500</u>	<u>3,950,000</u>
FUND BALANCE - DECEMBER 31	884,041	2,397,541	1,547,541	(257,459)

City of Duluth Minnesota - 2013 Budget

Capital Improvement

450

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

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	19,000,789	18,566,869	8,053,216	8,053,216
REVENUES				
State of Minnesota	538,823	0	556,000	
Federal Grant	561,516	315,458	3,026,100	
Gifts and Donations		113,860		
Earnings on Investments	215,849	252,943		
Transfer from General Fund	20,000	143,505		
Transfer from Special Revenue	230,600	412,226		
Transfer from DEDA	1,001,944	744,931		
Bond Proceeds	2,175,000	1,870,000	2,381,500	1,825,000
Premium on bonds	65,494	83,122		
TOTAL REVENUES	<u>4,809,226</u>	<u>3,936,045</u>	<u>5,963,600</u>	<u>1,825,000</u>
CAPITAL OUTLAY EXPENDITURES				
Transfer to Debt Service		4,167		
Bond Issuance Costs	40,176	47,105	50,000	
Capital Improvements	5,202,970	14,398,426	5,913,600	1,825,000
TOTAL EXPENSES	<u>5,243,146</u>	<u>14,449,698</u>	<u>5,963,600</u>	<u>1,825,000</u>
FUND BALANCE - DECEMBER 31	18,566,869	8,053,216	8,053,216	8,053,216

Enterprise Funds

City of Duluth Minnesota - 2013 Budget

Golf Fund

503

The Golf Fund is a self supporting enterprise fund which accounts for the operation of Enger Park and Lester Park, the City's two municipal 27 hole golf courses.

The major source of revenue is user fees through daily admissions, season passes, and concession sales.

Estimated Revenues/Expenses	2010 Actual	2011 Actual	2012 Budget	2013 Approved
REVENUE				
Operating	1,954,605	1,860,077	2,013,000	2,013,000
Non-Operating	12,816	(29,065)	-	-
	1,967,421	1,831,012	2,013,000	2,013,000
EXPENSES				
Personal Services	110	102	-	-
Supplies	52,632	68,996	60,000	60,000
Other Services and Charges	1,441,433	1,366,474	1,445,600	1,445,600
Utilities	46,991	47,294	41,500	41,500
Depreciation and Amortization	137,217	217,224	214,000	211,000
Cost of Sales	307,970	301,190	310,000	310,000
Improvements - Non-Capital	3,218	-	-	-
Debt Service - Interest	17,061	25,802	23,600	8,200
	2,006,632	2,027,082	2,094,700	2,076,300
ESTIMATED OPERATING INCOME / (LOSS)	(39,211)	(196,070)	(81,700)	(63,300)

City of Duluth Minnesota - 2013 Budget

Golf Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2013 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	(1,000,000)
Estimated Net Income (Loss)	(63,300)
<u>Other Sources</u>	
Depreciation	211,000
Bond Amortization	<u>0</u>
Total Other Sources	<u>147,700</u>
<u>Other Uses</u>	
Bond Principal Payments	<u>0</u>
Total Other Uses	<u>0</u>
ESTIMATED BUDGETARY YEAR END CASH BALANCE	<u><u>(852,300)</u></u>

City of Duluth Minnesota - 2013 Budget

Lester Golf Course

503

Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
OPERATING REVENUES:				
4440 Daily Admission	268,809	251,828	275,000	275,000
4441 Unlimited Season - Golf	47,450	50,700	205,000	205,000
4441 Family Season	42,875	34,060		
4441 Restricted Season	57,904	67,050		
4441 Junior Unlimited	19,470	16,847		
4441 College Season	12,800	19,285		
4441 Patron Card	14,700	14,060		
4442 Motor Cart	136,438	131,121	140,000	140,000
4443 Driving Range Fees	26,056	25,797	28,000	28,000
4444 Other Rentals	2,546	5,604	4,500	4,500
4627 Concessions & Commissions	251,859	233,124	250,000	250,000
TOTAL OPERATING REVENUES	880,907	849,476	902,500	902,500
NON-OPERATING REVENUES				
4601 Earnings on Investments	9	9		
4639 Loss on Sale of Equipment		(17,132)		
TOTAL NON-OPERATING REVENUES	9	(17,123)	-	-
TOTAL REVENUE - LESTER	880,916	832,353	902,500	902,500

City of Duluth Minnesota - 2013 Budget

Enger Golf Course

503

Operating Revenue Detail		2010 Actual	2011 Actual	2012 Budget	2013 Approved
OPERATING REVENUES:					
4440	Daily Admission	337,881	307,380	345,000	345,000
4441	Unlimited Season - Golf	81,250	70,200	265,000	265,000
4441	Family Season	39,900	32,180		
4441	Restricted Season	74,120	77,875		
4441	Junior Unlimited	21,239	17,025		
4441	College Season	21,966	23,495		
4441	Patron Card	20,475	16,650		
4442	Motor Cart	168,068	166,681	175,000	175,000
4443	Driving Range Fees	43,008	39,550	46,000	46,000
4444	Other Rentals	3,256	5,596	4,500	4,500
4622	Rent of Buildings	395	1,565		
4627	Concessions & Commissions	262,140	252,404	275,000	275,000
TOTAL OPERATING REVENUES		1,073,698	1,010,601	1,110,500	1,110,500
NON-OPERATING REVENUES					
4601	Earnings on Investments	9	9		
4639	Loss on Sale of Equipment		(11,951)		
4644	Misc. Fees, Sales & Services, Donation	12,798	0		
TOTAL NON-OPERATING REVENUES		12,807	(11,942)	-	-
TOTAL REVENUE - ENGER		1,073,698	1,010,601	1,110,500	1,110,500

City of Duluth Minnesota - 2013 Budget

Lester Golf Course

503-400-LSTR

Operating Expense Detail

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
OTHER EXPENDITURES				
5133 Life Insurance	55	51		
5212 Motor Fuels	25,408	31,446	27,500	27,500
5285 Food & Beverage for Resale	60,840	60,652	65,000	65,000
5286 Golf Merchandise for Resale	109,456	93,135	95,000	95,000
5310 Contract Services	634,192	577,963	640,000	640,000
5321 Telephone	834	876	800	800
5381 Electricity	11,840	10,875	10,500	10,500
5384 Refuse Disposal	3,219	2,687	2,500	2,500
5385 Oil	6,392	8,473	6,000	6,000
5415 Equipment Rental	35,562	35,851	35,600	35,600
5420 Depreciation	60,028	99,540	98,100	100,000
5427 Credit Card Commissions	10,311	9,413	10,000	10,000
5441 Other Services & Charges	1,629	(982)	1,500	1,500
5493 Cost Allocation Charges	33,400	33,400	33,400	33,400
5611 Bond Interest	7,414	5,097	2,500	-
5614 Capital Lease Interest	1,027	7,492	8,900	3,900
5622 Bond Cost Amortization	2,925	2,925	2,700	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	1,004,532	978,894	1,040,000	1,031,700
TOTAL - LESTER	1,004,532	978,894	1,040,000	1,031,700

City of Duluth Minnesota - 2013 Budget

Enger Golf Course

503-400-ENGR

Operating Expense Detail

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
OTHER EXPENDITURES				
5133 Life Insurance	55	51		
5212 Motor Fuels	27,224	37,550	32,500	32,500
5284 Liquor Purchases	13,016	12,317	15,000	15,000
5285 Food & Beverage for Resale	83,643	81,728	85,000	85,000
5286 Golf Merchandise for Resale	41,015	53,358	50,000	50,000
5310 Contract Services	643,058	629,650	640,000	640,000
5321 Telephone	834	876	800	800
5381 Electricity	23,237	20,916	20,000	20,000
5384 Refuse Disposal	2,303	3,351	2,500	2,500
5385 Oil	-	992		
5415 Equipment Rental	35,562	35,851	35,600	35,600
5420 Depreciation	71,339	111,834	110,500	111,000
5427 Credit Card Commissions	13,016	11,510	12,500	12,500
5441 Other Services & Charges	(365)	(1,334)	2,000	2,000
5493 Cost Allocation Charges	33,400	33,400	33,400	33,400
5611 Bond Interest	7,414	5,097	2,500	
5614 Capital Lease Interest	1,206	8,116	9,700	4,300
5622 Bond Cost Amortization	2,925	2,925	2,700	
5580 Capital Equipment	3,218	-		
TOTAL	1,002,100	1,048,188	1,054,700	1,044,600
TOTAL - ENGER	1,002,100	1,048,188	1,054,700	1,044,600

City of Duluth Minnesota - 2013 Budget

Parking Fund

505

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

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

Estimated Income and Expense	2010 Actual	2011 Actual	2012 Budget	2013 Approved
REVENUES				
Operating Revenue	2,563,215	2,567,129	2,610,000	2,810,800
Non-Operating	1,687,798	869,364	1,236,100	2,265,600
	<u>4,251,013</u>	<u>3,436,493</u>	<u>3,846,100</u>	<u>5,076,400</u>
EXPENSES				
Personal Services	148,025	161,557	159,300	504,300
Supplies	47,316	74,047	126,500	119,300
Other Services and Charges	283,800	276,616	335,100	861,900
Utilities	154,555	155,603	165,000	165,100
Depreciation and Amortization	512,309	512,035	505,300	500,300
Improvements - Non-Capital	138,267	115,540	72,500	135,200
Debt Service - Interest	673,058	637,165	599,700	560,500
Transfers Out	1,382,500	1,452,200	1,452,700	1,952,700
	<u>3,339,830</u>	<u>3,384,763</u>	<u>3,416,100</u>	<u>4,799,300</u>
ESTIMATED OPERATING INCOME (LOSS)	911,183	51,730	430,000	277,100

BUDGETED FTE'S	2010	2011	2012	2013
1100 Parking Manager	0	0	0	1
121 Clerical Support Technician				1
24 Parking Ramp Leadworker	1	1	1	1
18 Parking Monitors				5
22 Maintenance Worker	0	0	1	0
15 Parking Ramp Attendant	3	3	1	0
Division Total	4	4	3	8

City of Duluth Minnesota - 2013 Budget

Parking Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2012 Projected	2013 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	4,359,469	3,720,934
Estimated Operating Income (Loss)	59,221	277,100
<u>Other Sources</u>		
Depreciation	495,200	483,400
Bond Amortization	16,900	16,900
Total Other Sources	512,100	500,300
<u>Other Uses</u>		
Bond Principal Payments	790,000	825,000
Bond Interest Paid	19,856	20,600
Capital Improvements	400,000	
Total Other Uses	1,209,856	845,600
ESTIMATED BUDGETARY YEAR END CASH BALANCE	<u>3,720,934</u>	<u>3,652,734</u>

City of Duluth Minnesota - 2013 Budget

Parking Fund

505

Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
OPERATING REVENUES:				
4371 Parking Meter Revenues	777,558	796,839	775,000	881,900
4373 Transient Parking	868,555	889,707	905,000	1,016,900
4374 Contract Parking	916,765	880,583	930,000	912,000
TOTAL OPERATING REVENUE	2,562,878	2,567,129	2,610,000	2,810,800
NON-OPERATING REVENUES:				
4472 Administrative Parking Fines				1,025,000
4601 Earnings on Investments	771	680		
4680 Damages or Losses Recovered	337	-		
4730 Transfer from Capital Projects	449,815	-		
4730 Transfer in from DEDA	481,112	469,584	481,200	483,200
4730 Transfer in from Debt Service	756,100	399,100	754,900	757,400
TOTAL NON-OPERATING REVENUES	1,688,135	869,364	1,236,100	2,265,600
TOTAL REVENUE	4,251,013	3,436,493	3,846,100	5,076,400

City of Duluth Minnesota - 2013 Budget

Parking Administration

505-015-1479

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular				125,200
5101 Permanent Employees - Overtime				-
5103 Temporary Employees - Regular				-
TOTAL				<u>125,200</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.				8,900
5122 F.I.C.A. Social Security				7,800
5123 F.I.C.A. Medicare				1,800
5124 Health Insurance				-
5125 Dental Insurance				800
5126 Life Insurance				400
5127 Health Care Savings Plan				1,200
5130 Cafeteria Plan Benefits				25,700
TOTAL				<u>46,600</u>
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies				2,000
5307 Admin/Management Fees				39,400
5321 Phone Service				700
5335 Mileage Reimbursement				400
5441 Other Services and Charges				7,000
TOTAL				<u>49,500</u>
2512 TOTAL - ADMINISTRATION				221,300

City of Duluth Minnesota - 2013 Budget

Technology Center Parking Ramp

505-015-1480-2510

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	54,809	57,914	58,500	
5101 Permanent Employees - Overtime	1,526	1,332	2,500	
5103 Temporary Employees - Regular	-	3,996		
TOTAL	<u>56,335</u>	<u>63,242</u>	<u>61,000</u>	
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,121	3,923	4,100	
5122 F.I.C.A. Social Security	3,421	3,847	3,800	
5123 F.I.C.A. Medicare	800	900	900	
5124 Health Insurance	8,314	8,552	8,600	
5125 Dental Insurance	560	544	600	
5126 Life Insurance	263	270	300	
5127 Health Care Savings Plan	415	483	500	
5141 Unemployment Compensation		1,276		
TOTAL	<u>16,894</u>	<u>19,795</u>	<u>18,800</u>	
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	12,912	9,646	5,000	
5220 Repair & Maintenance Supplies	1,699	3,689	1,000	
5310 Contract Services				150,200
5319 Other Professional Service	417	661	5,000	
5320 Data Services	875	900	900	
5321 Phone Service	1,135	352	100	
5335 Mileage Reimbursement	238	223	100	
5381 Electricity	48,637	45,680	50,000	50,000
5382 Water, Gas & Sewer	2,357	2,781	2,000	2,000
5384 Refuse Disposal	840	864	800	100
5386 Steam	9,364	10,328	8,000	8,000
5404 Equipment Maintenance/Repair	2,796	3,138	4,000	1,100
5405 Parking Lot Maintenance	1,117	2,062	25,000	75,200
5420 Depreciation	171,629	171,629	171,600	173,300
5427 Credit Card commissions	2,849	3,155	1,800	
5441 Other Services and Charges	16,835	11,942	20,000	
5450 Laundry	1,540	2,128	400	
5493 Cost Allocation	4,700	4,700	4,700	4,700
5580 Capital Equipment	-	-	12,500	175,000
5611 Bond Interest	52,756	42,542	32,100	21,300
5620 Fiscal Agents Fees	337	249		
5622 Bond Amortization	8,325	8,414	8,400	8,400
TOTAL	<u>341,358</u>	<u>325,083</u>	<u>353,400</u>	<u>669,300</u>
2510 TOTAL - TECHNOLOGY CENTER RAMP	414,587	408,120	433,200	669,300

City of Duluth Minnesota - 2013 Budget

East Superior Street Parking Ramp

505-015-1480-2511

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
OPERATING EXPENSES				
5220 Repair & Maintenance Supplies	17,673	38,420	30,000	
5310 Admin Management Fees	185,000	200,417	200,000	228,900
5381 Electricity	13,439	16,028	15,000	15,000
5382 Water, Gas & Sewer	1,767	1,933	2,000	2,000
5405 Parking Lot Maintenance	-	5,416	10,000	10,000
5420 Depreciation	39,766	39,766	39,800	39,800
5441 Other Services and Charges	-	100	6,000	
5493 Cost Allocation	4,700	4,700	4,700	4,700
5611 Bond Interest	4,384	3,619	2,600	1,700
5622 Bond Amortization	655	662	700	700
5730 Transfer to General Fund	310,600	303,300	308,700	308,700
TOTAL	<u>577,984</u>	<u>614,361</u>	<u>619,500</u>	<u>611,500</u>
2511 TOTAL - E SUPERIOR ST PARKING RAMP	577,984	614,361	619,500	611,500

City of Duluth Minnesota - 2013 Budget

Medical District Parking Ramp

505-015-1480-2512

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	54,808	57,912	58,500	
5101 Permanent Employees - Overtime	1,526	1,332	2,500	
5103 Temporary Employees - Regular	-	-		
TOTAL	56,334	59,244	61,000	
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,121	3,714	4,000	
5122 F.I.C.A. Social Security	3,420	3,599	3,800	
5123 F.I.C.A. Medicare	800	841	900	
5124 Health Insurance	8,314	8,551	8,500	
5125 Dental Insurance	560	544	600	
5126 Life Insurance	263	270	200	
5127 Health Care Savings Plan	414	482	500	
5141 Unemployment Compensation	-	1,276		
TOTAL	16,892	19,277	18,500	
OPERATING EXPENSES				
5219 Other Miscellaneous Supplies	5,178	7,045	8,000	
5220 Repair & Maintenance Supplies	-	-	3,000	
5310 Contract Services				155,000
5319 Other Professional Service	123	234		
5320 Data Services	825	900	900	
5335 Mileage Reimbursement	213	235	100	
5381 Electricity	47,499	46,373	45,000	45,000
5382 Water, Gas & Sewer	22,317	23,087	35,000	35,000
5404 Equipment Maintenance/Repair	3,744	2,803	4,000	2,000
5405 Parking Lot Maintenance	2,923	6,207	25,000	25,000
5420 Depreciation	227,016	227,016	227,000	227,000
5427 Credit Card commissions	2,347	2,580	1,700	
5441 Other Services and Charges	14,255	10,761	13,100	
5450 Laundry	223	-		
5481 Property Taxes	3,163	3,323	3,500	3,500
5493 Cost Allocation	4,700	4,700	4,700	4,700
5580 Capital Equipment	-	-	12,500	
5611 Bond Interest	615,931	591,103	565,000	537,500
5620 Fiscal Agents Fees	350	350	400	400
5622 Bond Amortization	8,185	7,815	7,800	7,800
5730 Transfer to General Fund	250,000	292,926	262,200	262,200
TOTAL	1,208,992	1,227,458	1,218,900	1,305,100
2512 TOTAL - MEDICAL DISTRICT PARKING RAMP	1,282,218	1,305,979	1,298,400	1,305,100

City of Duluth Minnesota - 2013 Budget

Library and Coney Island Parking Ramps

505-015-1480-2513

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
OPERATING EXPENSES				
5310 Contract Services				84,800
5319 Other Professional Service	1,958	-		
5381 Electricity	9,174	8,529	8,000	8,000
5405 Parking Lot Maintenance	134,228	101,855	25,000	25,000
5420 Depreciation	32,161	32,161	32,200	32,200
5493 Cost Allocation	4,600	4,600	4,600	4,600
5730 Transfer to General Fund	-	-	42,400	42,400
TOTAL	<u>180,163</u>	<u>147,145</u>	<u>112,200</u>	<u>197,000</u>
2513 TOTAL - LIBRARY & CONEY ISLAND PARKING RAMPS	180,163	147,145	112,200	197,000

City of Duluth Minnesota - 2013 Budget

Parking Meters and Enforcement

505-015-1481

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular				216,100
5101 Permanent Employees - Overtime				-
5103 Temporary Employees - Regular				-
TOTAL				<u>216,100</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.				15,000
5122 F.I.C.A. Social Security				13,400
5123 F.I.C.A. Medicare				3,100
5125 Dental Insurance				2,300
5126 Life Insurance				1,100
5127 Health Care Savings Plan				4,300
5130 Cafeteria Plan Benefits				77,200
TOTAL				<u>116,400</u>
OPERATING EXPENSES				
5212 Motor Fuels				7,000
5218 Uniforms				4,500
5219 Other Miscellaneous Supplies	1,329	6,254	4,500	800
5241 Small Equipment	8,526	8,994	75,000	105,000
5310 Contract Services				150,000
5409 Fleet Service Charges	-	1,151	3,000	4,000
5420 Depreciation	24,572	24,572	17,800	11,100
5427 Credit Card Commissions	621	926		
5441 Other Services and Charges	19,806	6,687	8,500	11,200
5493 Cost Allocation	4,600	4,600	4,600	4,600
5580 Capital Equipment				35,000
5730 Transfer to General Fund	821,900	933,587	839,400	1,339,400
TOTAL	<u>881,354</u>	<u>986,771</u>	<u>952,800</u>	<u>1,672,600</u>
2512 TOTAL - METERS & ENFORCEMENT	881,354	986,771	952,800	2,005,100

City of Duluth Minnesota - 2013 Budget

Divisions

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

Public Works & Utilities - Utility Operations

Utility Operations is the utility funds' side of the Department of Public Works and Utilities and 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 customers at the lowest possible cost consistent with maintaining the department as a continuing, self sustaining operation.

	2010	2011	2012	2013	Difference
Budgeted FTE's	187.35	190.75	196.15	199.15	3.00
Expenditures	2010 Actual	2011 Actual	2012 Budget	2013 Approved	Difference
Salaries and Benefits	16,150,619	16,561,084	19,344,200	18,648,500	(695,700)
Supplies	27,606,606	27,739,177	31,651,900	23,953,900	(7,698,000)
Other Services & Charges	17,881,334	18,213,361	17,168,200	16,891,600	(276,600)
Utilities	1,381,238	1,356,774	1,490,000	1,476,200	(13,800)
Depreciation/Amortization	4,286,883	4,443,103	5,293,900	5,416,900	123,000
Grants & Awards	2,133,730	1,819,772	2,080,000	2,080,000	-
Improvements -Non-Capital	261,459	410,424	410,000	404,900	(5,100)
Debt Service - Interest	1,225,745	1,078,263	1,208,600	1,120,300	(88,300)
Debt Service - Other	58,384	23,944	31,300	33,500	2,200
Capital Lease Interest	336,252	318,019	306,600	278,000	(28,600)
Total Operating	71,322,250	71,963,921	78,984,700	70,303,800	(8,680,900)
Non-Operating	21,235,682	24,876,772	16,765,700	16,703,100	(62,600)
Total Appropriation Budget	92,557,932	96,840,693	95,750,400	87,006,900	(8,743,500)

Public Works & Utilities Department – Utilities

Mission and Vision

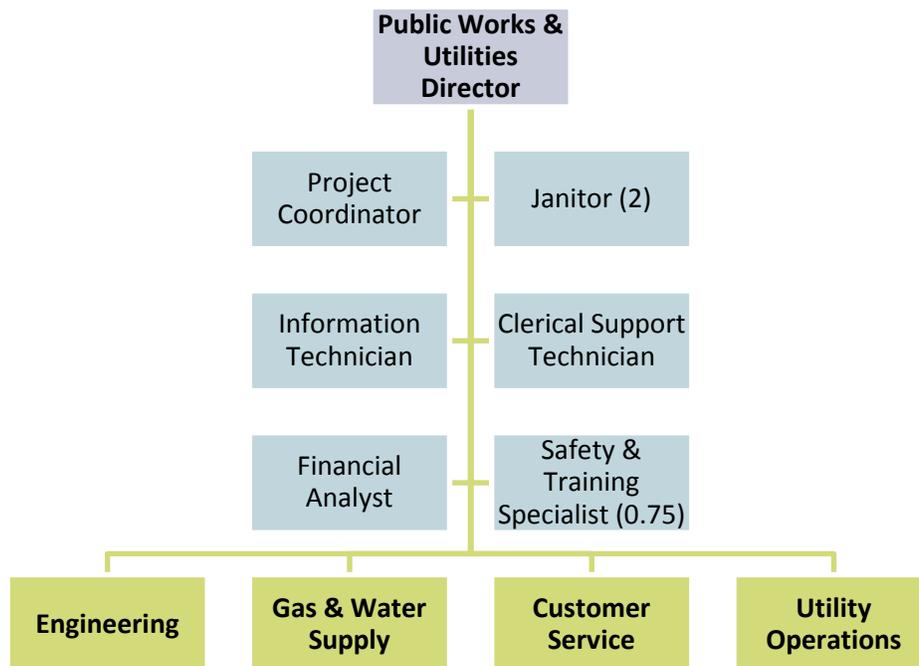
The mission of the Public Works and Utilities Department is to provide: professional engineering services, and water, sanitary sewer, natural gas, storm water, and street lighting utilities to Duluth's businesses and residents in a safe, cost effective and environmentally sound manner through skilled, safety oriented and customer focused employees. The Utilities side of this department accounts for the operations of the City's utilities of Water, Gas, Sewer and Stormwater budgeted as Enterprise Funds. A separate street lighting utility pays for all aspects of Duluth street lights and traffic signals.

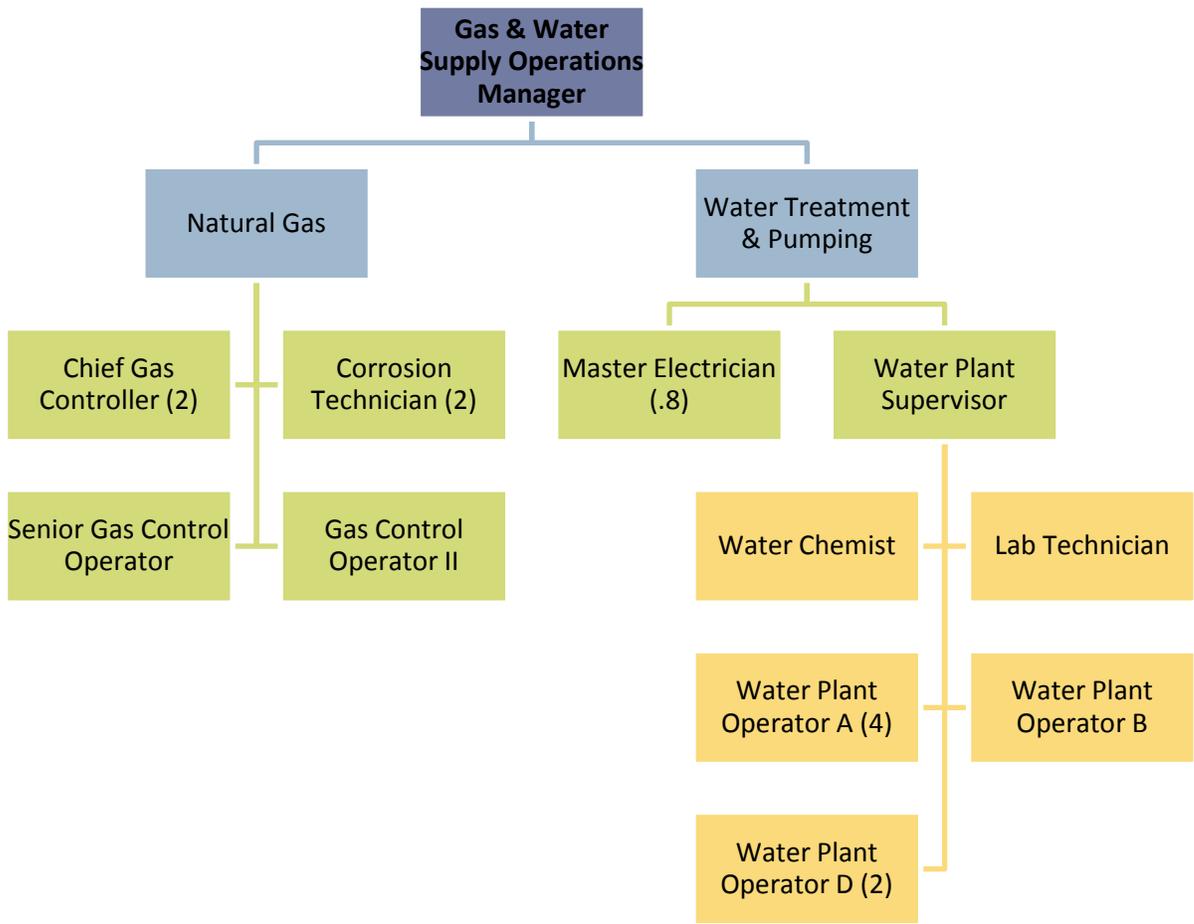
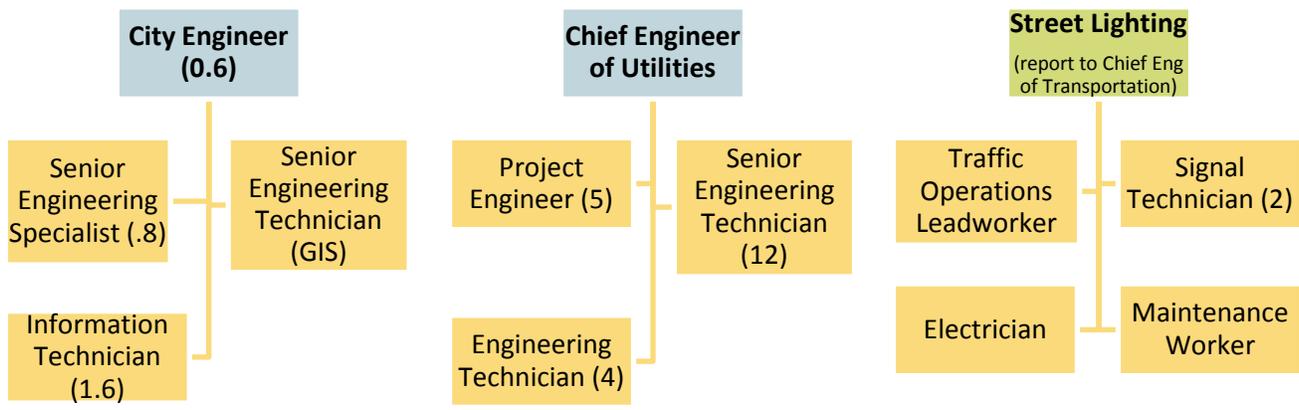
The Department's vision is to become a functionally integrated organization operating at optimum efficiencies and providing cost-effective and reliable service for all Duluthians.

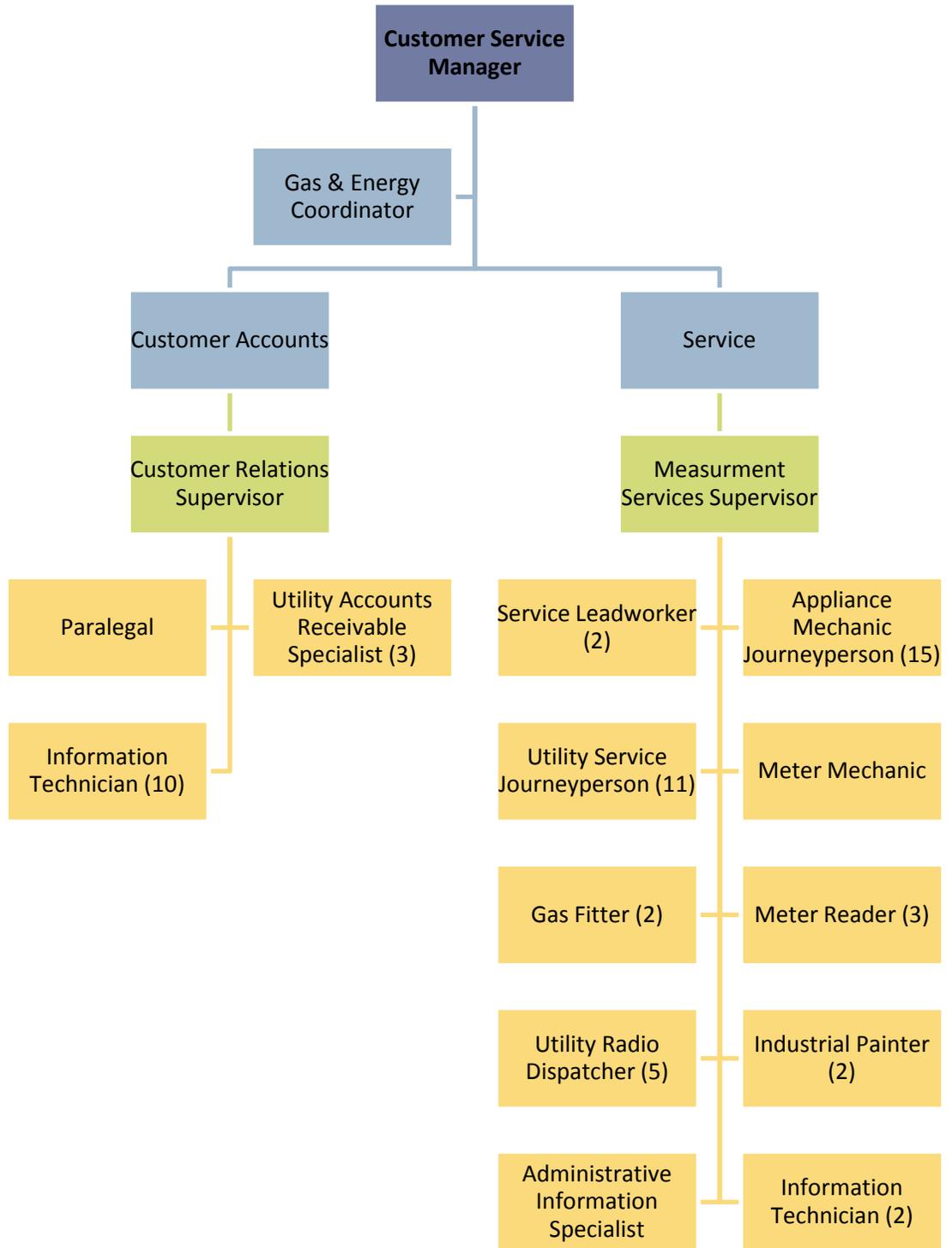
Structure

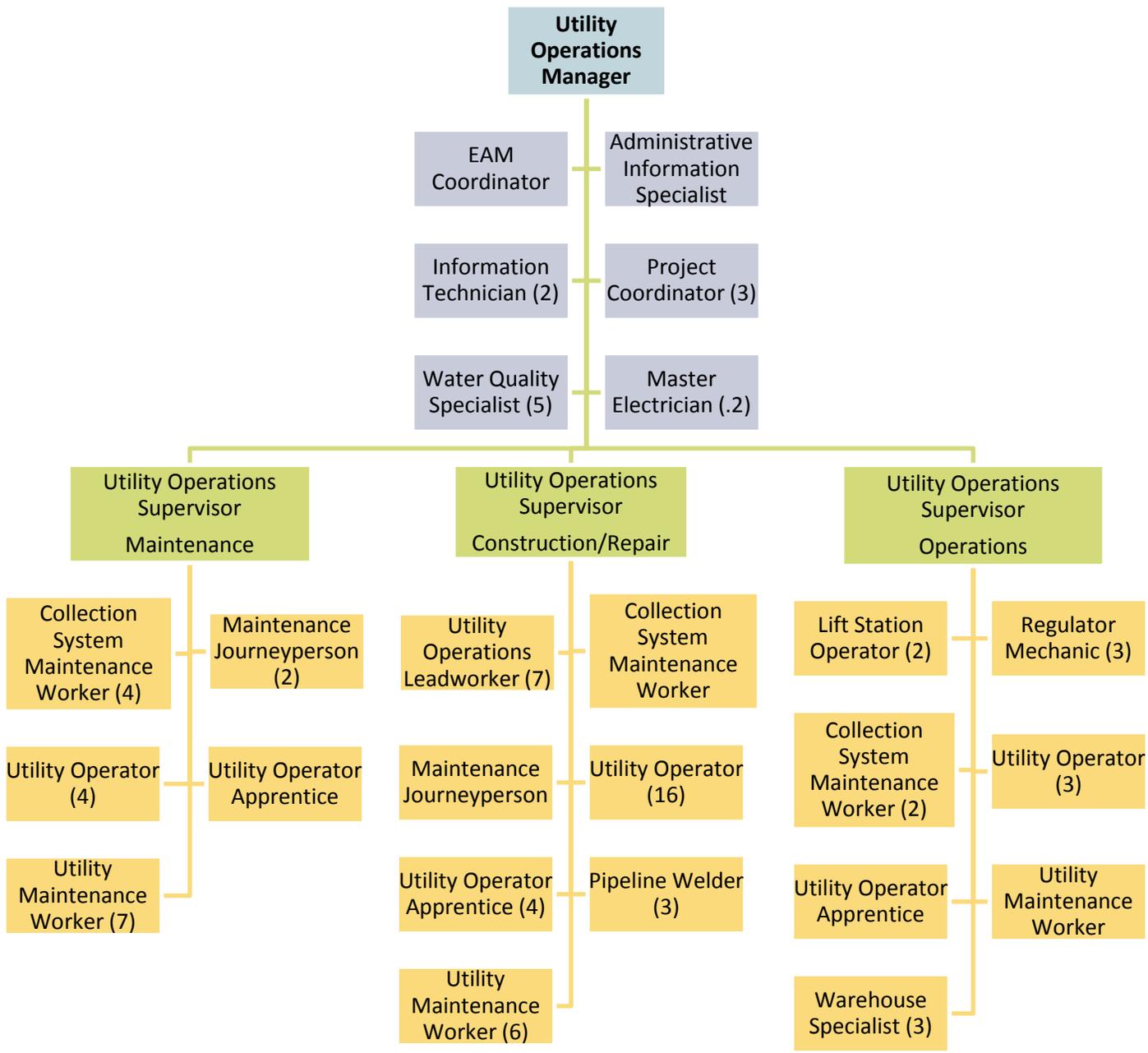
The utilities portion of the Public Works and Utilities Department is broken into four separate divisions that span across four different utility funds: Water, Gas, Sewer and Stormwater. The street lighting utility is managed by the transportation section of the Engineering Division (See Public Works and Utilities – General Fund pages).

Public Works & Utilities Department – Utilities Organization Charts









Five-Year Goals & Objectives

In order to achieve our vision, the department has six major goals:

- **Elimination of Sanitary Sewer Overflows:** The City of Duluth is currently on track to eliminate sanitary sewer overflows by the end of 2016. This will require the continued effort between the City and all the residents of Duluth. Together we will eliminate overflows by the disconnection of footing drains and the installation of sump pumps, removal of house traps, private service line rehabilitation, and the construction of 5 storage tanks. Currently, the City is ahead of the required timeline requirements of the Consent Decree
- **Implement an Enterprise Asset Management (EAM) program:** EAM has been active in Utility Operations for the past two year. It has given the department the ability to more accurately track internal work orders, track citizen work requests, conduct preventive and predictive maintenance, and fully modernize warehouse operations. The EAM program has been used on remote construction sites by wireless computers. In the future, the Department will implement the EAM program in the Customer Service Division, Engineering Division, Aerial Lift Bridge and potentially other Departments throughout the City.
- **Decrease the Number of Water Main Breaks:** The number of water main breaks continues to grow on an annual basis. If left unchecked, the number of breaks could reach over 300 per year by 2020. The Department has implemented a capital projects program in which we will replace the worst water mains in the City and decrease the number of breaks to a manageable number.
- **Infrastructure Repair/Replacement:** The Public Works and Utilities Department has a fairly aggressive infrastructure replacement and repair plan. The plan is ongoing and typically involves projects such as water reservoir rehabilitation, water booster station upgrades, water line replacement, sanitary sewer replacement or lining, and bridge reconstruction. Natural gas customers continue to be added to the system as the costs for other fuel sources continues to grow. Outdated portions of the gas system are replaced on an annual basis.
- **Duluth Public Utilities Commission (DPUC):** The utility funds make up over half of the City's annual budget, yet due to time constraints during the budget approval process, they previously received very little discussion prior to budget approval. The DPUC is now fully functioning and now working on short-term and long-term plans that will ensure that Duluth's utilities are maintained and replaced in a cost effective manner.
- **Utility Customer Service Electronic Billing:** The Customer Service Division will begin the process of implementing an electronic billing and payment option to its customers. This will take the place of the current paper and mail billing system. This new option will also let customers view their historical data and make other changes on-line.

Major Issues and Recommended Solutions

The main issue within the department is the condition and age of the infrastructure and the insufficient funding for their replacement.

- **Insufficient Funding:** The costs for supplies and services for road and utility construction continues to rise but funding levels have not kept pace. This has lead to sacrificing infrastructure improvements for annual operations and maintenance costs. If this current trend keeps up the utilities will become an entirely reactionary organization responding to emergencies with no regard to improving the infrastructure.
- **Aging Infrastructure:** The age of the infrastructure is another major concern within Public Works and Utilities and is directly related to utility revenue. The older a particular part of the infrastructure is, more money and personnel are needed to maintain it. A large portion of all City of Duluth infrastructure (roads, sanitary sewers, storm sewers, water mains) are relatively old and have reached the end of their useful life. Approximately 50% of City pipes are over 80 years old. We must balance between large capital projects that will replace this aging system and keeping taxes and utility rates to a reasonable level. The current approach is to have a limited capital replacement schedule and perform emergency maintenance as necessary. The problem with this approach is that it is more costly in the long term. In addition, we will never be able to catch up to the requirements of replacing the systems at the current funding levels. However, it is most likely impractical to increase taxes and utility rates to a level that will support large-scale replacement projects.
- **Solutions:** The department must continue to find more efficient ways to operate, using technology and sharing resources across division lines. In addition, the department must actively pursue innovative funding strategies to upgrade our infrastructure, which will reduce the stress on our internal budget and staff. The Duluth Public Utilities Commission will play a large role in guiding the utilities into the future by establishing rates that will meet the long-term requirements of the City's infrastructure while balancing the financial resources of the rate payers. Modest rate increases that are dedicated solely to capital projects will be a key feature in tackling this problem. A long term funding strategy for road construction will need to be identified. This critical task will need to be coordinated concurrently with utility funding strategies.

City of Duluth Minnesota - 2013 Budget

Utility Operations Personnel Summary

		2010	2011	2012	2013
		BUDGET	BUDGET	BUDGET	APPROVED
1165	Director of Public Works & Utilities	0.80	0.80	0.80	0.80
1140	City Engineer	0.60	0.60	0.60	0.60
1130	Chief Engineer - Utilities	1.00	1.00	1.00	1.00
1115-1130	Manager, Customer Service	1.00	1.00	1.00	1.00
1115-1130	Manager, Utility Operations	1.00	1.00	1.00	1.00
1115-1130	Operations Mgr, W&G Supply	1.00	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	1.00
1075	Water Plant Supervisor	1.00	1.00	1.00	1.00
133-136	Geographic Systems Tech	0.80	-	-	-
136	Financial Analyst	-	-	-	1.00
135	Safety & Training Specialist	0.75	0.75	0.75	0.75
132	Utility Accounts Receivable Specialist	2.00	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	1.40
126	Information Technician	16.80	15.60	16.60	16.60
121	Clerical Support Technician	1.00	3.00	2.00	2.00
121	Janitor	-	-	2.00	2.00
36	Project Engineer	4.00	4.00	5.00	5.00
34	Chief Water Plant Operator	1.00	1.00	-	-
34	Senior Engineering Specialist	-	-	0.80	0.80
32	Corrosion Technician	1.00	1.00	1.00	2.00
32	Gas & Energy Coordinator	1.00	1.00	1.00	1.00
32	Project Coordinator	3.80	3.80	2.80	2.80
32	FOG Project Coordinator	-	-	-	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
31	Electrician	-	-	1.00	1.00
31	Pipeline Welder	3.00	3.00	3.00	3.00
31	Senior Engineering Technician	13.40	14.80	12.20	12.20
31	Water Plant Operator A	5.00	4.00	5.00	5.00
31	Water Quality Specialist	7.00	7.00	6.00	5.00

City of Duluth Minnesota - 2013 Budget

Utility Operations Personnel Summary - continued

	2010 BUDGET	2011 BUDGET	2012 BUDGET	2013 APPROVED
30 Appliance Mechanic Journeyperson	16.00	15.00	15.00	15.00
30 Senior Gas Control Operator	1.00	1.00	1.00	1.00
30 Warehouse Specialist	2.00	2.00	3.00	3.00
29 Gas Fitter	1.00	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	2.00	3.00	3.00
28 Collection System Maintenance Worker	5.00	8.00	9.00	9.00
28 EAM Coordinator	-	1.00	1.00	1.00
28 Engineering Technician	-	-	2.20	3.20
28 Gas Control Operator II	1.00	1.00	1.00	1.00
28 Utility Operator	34.00	17.00	17.00	17.00
28 Utility Operator Apprentice	-	14.00	12.00	12.00
28 Utility Service Journeyperson	11.00	11.00	11.00	11.00
28 W&G Maintenance Journey Person	3.00	5.00	6.00	6.00
27 Water Lab Technician	1.00	1.00	1.00	1.00
26 Gas Control Operator I	1.00	1.00	1.00	1.00
26 Utility Radio Dispatcher	6.00	6.00	6.00	5.00
26 Water Plant Operator C	-	1.00	-	-
24 Water Plant Operator D	-	-	1.00	2.00
23 Utility Maintenance Worker	11.00	8.00	9.00	9.00
22 Meter Reader	2.00	3.00	3.00	3.00
DEPARTMENT TOTAL	187.35	190.75	196.15	199.15

City of Duluth Minnesota - 2013 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 2013. Significant categories of expense include: personnel and benefits at 48% of the 2013 total; and the combined categories of Supplies, Utilities, and Other Services and Charges representing 32% of the 2013 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	2010 Actual	2011 Actual	2012 Budget	2013 Approved
REVENUE				
Operating	12,006,506	11,743,509	12,144,600	14,779,100
Non-Operating	37,963	11,379	49,700	63,300
	<u>12,044,469</u>	<u>11,754,888</u>	<u>12,194,300</u>	<u>14,842,400</u>
EXPENSES				
Personal Services	5,066,051	5,251,568	5,724,700	5,656,400
Supplies	1,170,283	1,220,447	1,217,900	1,225,400
Other Services & Charges	1,230,402	1,475,062	1,285,600	1,249,000
Utilities	1,176,390	1,151,790	1,269,400	1,262,900
Depreciation/Amortization	1,414,807	1,414,602	1,571,100	1,597,000
Improvements -Non-Capital	122	68,650	11,300	20,600
Debt Service - Interest	181,524	184,103	215,900	219,900
Debt Service - Other	6,113	5,563	5,500	5,700
Capital Lease Interest	121,051	114,487	110,400	100,100
Transfers	1,032,726	613,646	280,000	428,000
	<u>11,399,469</u>	<u>11,499,918</u>	<u>11,691,800</u>	<u>11,765,000</u>
ESTIMATED OPERATING INCOME (LOSS)	645,000	254,970	502,500	3,077,400
Other Sources of Cash	2,209,938	2,454,254	2,028,400	1,729,600
Other Uses of Cash	<u>(3,438,055)</u>	<u>(4,513,402)</u>	<u>(3,668,600)</u>	<u>(4,184,500)</u>
Increase (Decrease) in Cash	<u>(583,117)</u>	<u>(1,804,178)</u>	<u>(1,137,700)</u>	<u>622,500</u>

City of Duluth Minnesota - 2013 Budget

Water Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2012 Budget	2012 Projected	2013 Approved
ESTIMATED OPERATING INCOME (LOSS)	502,500	2,342,600	3,077,400
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,571,100	1,493,200	1,597,000
Bond Amortization	5,500	5,700	5,700
Other Post Employment Benefits Not Funded	369,800	369,800	-
Due from Other Funds	-	14,516	-
Special Assessment Principal	82,000	186,900	126,900
Total Other Sources of Cash	<u>2,028,400</u>	<u>2,070,116</u>	<u>1,729,600</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	-	840,663	-
Budget Carry-Over for Encumbrances	79,900	351,900	-
Net Project Timing Adjustments	269,100	-	-
Capital Improvements from Current Revenues	420,000	490,600	400,000
Infrastructure Improvements	1,211,000	574,200	2,118,000
Capital Equipment Purchases	317,600	73,100	224,300
Bond Principal Payments	1,182,000	1,089,200	1,245,900
AMR Lease Principal Payments	189,000	189,000	196,300
Total Other Uses of Cash	<u>3,668,600</u>	<u>3,608,663</u>	<u>4,184,500</u>
INCREASE (DECREASE) IN CASH	(1,137,700)	804,053	622,500
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>(185,479)</u>	<u>-</u>	<u>804,053</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>(1,323,179)</u></u>	<u><u>804,053</u></u>	<u><u>1,426,553</u></u>

City of Duluth Minnesota - 2013 Budget

Water Fund

510

Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
OPERATING REVENUES:				
4636 Sale of Scrap	19,792	23,233	12,000	12,000
4680 Damage or Losses Recovered	1,084	-	-	-
4800 Meter Repair	-	6,629	8,000	10,000
4801 Off/On Charge	-	(99)	14,000	14,000
4802 Interest - Customer Accounts	49,777	48,360	40,000	42,000
4805 Reimbursements	14,289	6,805	12,000	8,000
4807 Water Tower Lease	126,809	137,458	135,000	140,000
4809 Miscellaneous Operating	48,773	45,768	10,000	8,000
4810 Metered Water Sales	9,375,990	9,102,381	9,498,800	10,946,600
4811 Water for Resale	1,046,158	1,046,560	1,086,600	1,268,000
4831 Fixed Rate Charges	1,323,834	1,326,414	1,328,200	2,330,500
TOTAL OPERATING REVENUES	12,006,506	11,743,509	12,144,600	14,779,100
NON-OPERATING REVENUES:				
4220 State of Minnesota	1,250	-	-	-
4230 Pera Aid	16,919	16,919	16,900	16,900
4806 Connection Fees	-	2,000	8,000	8,000
4850 Earnings on Investments	885	294	800	400
4851 Interest Income	15,721	(7,602)	24,000	10,000
4853 Gain on Sale of Assets	2,828	(2,363)	-	-
4854 Utility Assessment	360	2,131	-	28,000
TOTAL NON-OPERATING REVENUES	37,963	11,379	49,700	63,300
TOTAL REVENUE	12,044,469	11,754,888	12,194,300	14,842,400

City of Duluth Minnesota - 2013 Budget

Director's Office

510-500-1900

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

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	45,744	46,070	45,700	62,700
5101 Permanent Employees - Overtime	259	400	-	500
TOTAL	46,003	46,470	45,700	63,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,017	3,236	3,100	4,400
5122 F.I.C.A. Social Security	2,682	2,857	2,800	3,900
5123 F.I.C.A. Medicare	656	668	700	900
5124 Health Insurance	3,706	4,000	4,300	-
5125 Dental Insurance	250	260	200	300
5126 Life Insurance	117	120	100	200
5127 Health Care Savings	1,112	567	1,900	600
5130 Cafeteria Plan Benefits	-	-	-	9,800
TOTAL	11,540	11,708	13,100	20,100
OPERATING EXPENSES				
5200 Office Supplies	94	50	100	100
5241 Small Equipment	554	254	200	-
5321 Telephone	201	219	200	100
5331 Training Expense	-	270	300	300
5335 Mileage Reimbursement - Local	28	26	100	100
5441 Other Services and Charges	27	102	-	-
TOTAL	904	921	900	600
1900 TOTAL - DIRECTOR'S OFFICE	58,447	59,099	59,700	83,900

City of Duluth Minnesota - 2013 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	2010 Actual	2011 Actual	2012 Budget	2013 Approved
OPERATING EXPENSES				
5420 Depreciation	1,414,807	1,414,602	1,571,100	1,597,000
5441 Other Services and Charges	-	-	-	-
5535 Improvements (Non-Capital)	122	68,650	11,300	20,600
5540 Equipment (Non-Capital)	-	13,281	-	-
5611 Bond Interest	181,524	184,103	215,900	219,900
5613 Interest from Bond Amortization	1,589	(1,455)	(1,500)	(1,500)
5614 Capital Lease Interest	121,051	114,487	110,400	100,100
5620 Fiscal Agents Fee	939	481	400	600
5622 Bond Amortization	4,524	7,018	7,000	7,200
TOTAL	<u>1,724,556</u>	<u>1,801,167</u>	<u>1,914,600</u>	<u>1,943,900</u>
NON-OPERATING EXPENSES				
5532 Capital Improvements - Bonds	2,451,399	2,916,441	-	-
5533 Capital Improvements - Revenue Financing	923,887	916,949	420,000	400,000
5536 Utility Infrastructure Replacmt Proj	273,730	685,663	1,211,000	2,118,000
5580 Capital Equipment	177,156	344,072	317,600	224,300
TOTAL	<u>3,826,172</u>	<u>4,863,125</u>	<u>1,948,600</u>	<u>2,742,300</u>
1905 TOTAL - CAPITAL	5,550,728	6,664,292	3,863,200	4,686,200

City of Duluth Minnesota - 2013 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, office supplies and utilities.

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	-	3,885	56,200	43,400
TOTAL	-	3,885	56,200	43,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	-	-	3,800	3,000
5122 F.I.C.A. Social Security	-	241	3,500	2,700
5123 F.I.C.A. Medicare	-	56	800	600
5124 Health Insurance	-	-	9,800	-
5125 Dental Insurance	-	-	400	400
5126 Life Insurance	3,922	3,803	200	200
5127 Health Care Savings	-	-	500	400
5130 Cafeteria Plan Benefits	-	-	-	8,900
5134 Other Post Retirement Benefits	(101,658)	(1,373)	369,800	-
5135 Retiree Health Insurance	588,096	530,988	619,800	537,900
5151 Worker's Compensation	116,800	140,700	99,800	61,400
TOTAL	607,160	674,415	1,108,400	615,500
OPERATING EXPENSES				
5200 Office Supplies	330	36	600	500
5201 Computer Supplies/Software	10,592	19,438	23,900	28,600
5205 Safety & Training	595	767	1,000	1,000
5211 Cleaning & Janitorial Supplies	2,839	3,495	2,800	3,000
5219 Other Miscellaneous	4,665	333	-	-
5241 Small Equipment	6,509	3,207	300	500
5301 Auditing Services	3,122	1,797	2,500	2,000
5305 Medical Services/Testing Fees	-	3,552	400	1,000
5310 Contract Services	24,720	2,028	-	-
5312 Lobbyist Fees	1,000	-	-	-
5320 Data Services	2,506	9,230	12,900	12,300
5321 Telephone	11,336	10,849	7,200	11,000
5331 Training Expense	431	1,839	1,200	1,400
5335 Mileage Reimbursement - Local	291	48	100	100
5356 Copier, Printer Lease & Supplies	-	-	-	3,900
5360 Insurance	359,800	412,000	192,700	131,100
5381 Electricity	15,281	16,865	12,000	12,000
5382 Water, Gas & Sewer	26,728	16,478	21,200	20,200
5384 Refuse Disposal	5,068	4,176	3,200	3,200
5401 Building Repair & Maintenance	5,601	6,583	7,500	7,500
5404 Equipment Repair & Maintenance	106	112	-	-
5418 Vehicle/Equipment Lease	4,346	6,046	3,700	-
5441 Other Services & Charges	3,039	7,516	4,600	18,500
5450 Laundry	2,764	3,149	2,000	2,000
5457 Hydrant Maintenance	30,000	30,000	30,000	30,000
5493 Cost Allocation	408,200	408,200	383,200	383,200
5700 Transfer to General Fund	-	57,300	-	-
5700 Transfer to Internal Service Funds	695,100	277,350	-	148,000
TOTAL	1,624,969	1,302,394	713,000	821,000
1915 TOTAL - GENERAL EXPENSE	2,232,129	1,980,694	1,877,600	1,479,900

City of Duluth Minnesota - 2013 Budget

Engineering

510-500-1930

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

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	299,542	298,320	279,400	285,000
5101 Permanent Employees - Overtime	20,569	12,619	20,000	20,000
5103 Temporary Wages	2,061	1,090	3,000	4,500
TOTAL	322,172	312,029	302,400	309,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	21,434	21,411	19,100	20,200
5122 F.I.C.A. Social Security	19,130	18,546	18,600	19,200
5123 F.I.C.A. Medicare	4,474	4,338	4,300	4,500
5124 Health Insurance	39,578	39,435	45,500	-
5125 Dental Insurance	1,837	1,837	1,800	1,800
5126 Life Insurance	861	861	900	800
5127 Health Care Savings	3,070	5,102	3,700	6,800
5130 Cafeteria Plan Benefits	-	-	-	66,400
TOTAL	90,384	91,530	93,900	119,700
OPERATING EXPENSES				
5200 Office Supplies	383	13	800	300
5201 Computer Supplies	6,037	3,841	6,400	11,800
5203 Paper, Stationery and Forms	273	523	200	300
5205 Safety and Training Materials	70	64	200	200
5212 Motor Fuel	4,771	6,229	4,000	5,000
5219 Other Miscellaneous Supplies	978	760	-	-
5240 Small Tools	166	-	500	200
5241 Small Equipment	4,538	5,643	2,400	2,200
5242 Survey Equipment and Supplies	-	-	4,700	4,700
5320 Data Services	-	-	400	500
5321 Telephone	1,760	1,720	1,600	1,600
5322 Postage	-	10	100	100
5331 Training Expenses	1,234	762	4,700	4,800
5335 Mileage Reimbursement	44	50	200	200
5355 Printing and Copying	619	523	900	900
5356 Copier, Printer Lease & Supplies	-	-	-	3,900
5404 Equipment Maintenance Repair	874	292	800	600
5409 Fleet Services	3,481	3,988	5,500	5,500
5418 Vehicle/Equipment Lease	1,549	818	2,500	-
5433 Dues and Subscriptions	259	140	600	600
5435 Books and Pamphlets	142	-	200	200
5438 Licenses	102	-	100	-
5441 Other Services and Charges	887	2,059	5,300	5,300
5486 One Call System	2,647	2,870	2,600	2,600
TOTAL	30,814	30,305	44,700	51,500
1930 TOTAL - ENGINEERING	443,370	433,864	441,000	480,700

City of Duluth Minnesota - 2013 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	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	805,930	772,879	783,900	771,400
5101 Permanent Employees - Overtime	49,594	33,823	52,600	42,000
5103 Temporary Wages	-	-	-	-
5118 Meal Allowance	-	46	-	-
TOTAL	855,524	806,748	836,500	813,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	55,897	54,498	53,300	54,200
5122 F.I.C.A. Social Security	51,245	48,225	51,800	50,400
5123 F.I.C.A. Medicare	12,033	11,279	12,200	11,800
5124 Health Insurance	121,360	118,929	137,900	-
5125 Dental Insurance	5,902	5,603	5,700	5,600
5126 Life Insurance	2,767	2,666	2,700	2,600
5127 Health Care Savings	8,653	8,415	14,500	11,100
5130 Cafeteria Plan Benefits	-	-	-	184,700
TOTAL	257,857	249,615	278,100	320,400
OPERATING EXPENSES				
5200 Office Supplies	11,942	7,716	4,600	4,300
5201 Computer Supplies	1,765	-	400	400
5203 Paper/Stationery	2,352	1,092	2,500	2,300
5212 Motor Fuel	14,021	18,171	26,100	23,100
5218 Uniforms	2,526	3,256	2,500	2,500
5219 Other Miscellaneous Supplies	846	29	-	-
5220 Repair & Maintenance Supplies	14,752	41,101	36,800	44,000
5227 Utility System	117,906	17,348	79,600	65,400
5228 Painting Supplies	1,271	2,633	3,000	3,000
5240 Small Tools	735	637	1,500	1,500
5241 Small Equipment	5,361	7,813	8,500	6,900
5310 Contract Services	18,852	37,279	32,500	32,500
5320 Data Services	2,807	972	-	-
5321 Telephone	2,566	2,766	3,100	3,200
5322 Postage	50,430	46,473	49,200	48,900
5331 Training Expenses	735	1,328	1,700	1,700
5339 Armored Pickup	1,127	1,190	1,200	1,200
5355 Printing & Copying	161	1,709	500	700
5356 Copier, Printer Lease & Supplies	-	-	-	600
5401 Building/Structure Repair & Maint	136	94	-	-
5404 Equipment Maintenance & Repair	7,967	3,297	3,900	4,100
5409 Fleet Services	13,556	10,954	20,800	16,800
5427 Credit Card Commission	5,287	8,264	8,300	8,300
5432 Uncollectible Accounts	(74,516)	94,417	10,000	15,000
5441 Other Services & Charges	843	1,516	2,400	2,400
TOTAL	203,428	310,055	299,100	288,800
1940 TOTAL - CUSTOMER SERVICE	1,316,809	1,366,418	1,413,700	1,422,600

City of Duluth Minnesota - 2013 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	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	1,312,081	1,500,786	1,384,000	1,499,000
5101 Permanent Employees - Overtime	346,925	268,319	325,000	300,000
5103 Temporary Wages	-	-	-	-
5118 Meal Allowance	-	1,005	6,000	3,000
TOTAL	1,659,006	1,770,110	1,715,000	1,802,000
EMPLOYEE BENEFITS				
5121 P.E.R.A.	109,850	119,751	94,600	105,400
5122 F.I.C.A. Social Security	99,277	105,967	106,000	111,500
5123 F.I.C.A. Medicare	23,296	24,824	24,800	26,100
5124 Health Insurance	203,371	216,664	244,800	-
5125 Dental Insurance	8,877	10,018	9,500	10,500
5126 Life Insurance	4,155	4,696	4,500	4,900
5127 Health Care Savings	14,634	16,195	12,400	26,100
5130 Cafeteria Plan Benefits	-	-	-	345,300
5141 Unemployment Compensation	10,071	5,130	-	-
TOTAL	473,531	503,245	496,600	629,800
OPERATING EXPENSES				
5200 Office Supplies	4,587	1,199	3,000	2,000
5201 Computer Supplies/Software	-	2,100	-	-
5205 Safety & Training Materials	10,958	3,044	2,600	2,100
5210 Plant/Operating Supplies	15,638	13,164	9,600	10,300
5212 Motor Fuel	63,500	74,666	70,000	73,000
5215 Shop Materials	2,778	1,654	2,600	2,300
5218 Uniforms	2,954	2,016	4,900	6,000
5219 Other Miscellaneous Supplies	433	47	-	-
5220 Repair & Maintenance Supplies	4,763	2,770	2,500	2,500
5222 Paving Materials	17,028	31,450	25,000	25,000
5224 Gravel & Other Maintenance Mtls	60,681	20,934	70,000	70,000
5227 Utility Maintenance Supply	273,375	355,212	175,000	187,000
5228 Painting Supplies	5	-	300	300
5240 Small Tools	6,187	8,147	5,300	5,300
5241 Small Equipment	19,093	6,722	9,400	10,500
5310 Contract Services	28,958	24,995	28,500	28,500
5320 Data Services	5	523	-	-
5321 Telephone	2,853	2,055	2,200	2,000
5331 Training Expenses	6,417	8,805	8,800	9,000
5333 Freight/Delivery Charges	56	-	-	-
5335 Mileage Reimbursement	4,747	3,794	6,500	5,500
5355 Printing and Copying	1,320	1,861	500	500
5356 Copier, Printer Lease & Supplies	-	-	-	1,000
5382 Water/Sewer/Gas	4,133	6,650	8,000	7,500
5384 Refuse Disposal	11,146	8,863	9,000	9,000
5404 Equipment Maintenance/Repair	-	500	400	400
5409 Fleet Service Charges	99,669	102,296	100,000	100,000
5415 Vehicle/Equipment Rental	483	15,750	3,000	5,000
5419 Other Rentals	9,803	1,197	-	-
5438 License	69	69	500	500
5441 Other Services & Charges	4,476	1,609	5,500	2,000
5450 Laundry	12,262	8,651	8,100	9,700
5700 Transfer to General Fund	337,626	278,996	280,000	280,000
TOTAL	1,006,003	989,739	841,200	856,900
1945 TOTAL - UTILITY OPERATIONS	3,138,540	3,263,094	3,052,800	3,288,700

City of Duluth Minnesota - 2013 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	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	537,368	582,551	556,500	635,400
5101 Permanent Employees - Overtime	35,701	18,152	35,000	20,000
5118 Meal Allowance	-	40	-	-
TOTAL	573,069	600,743	591,500	655,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	37,794	40,859	38,200	45,000
5122 F.I.C.A. Social Security	34,820	35,592	36,700	40,600
5123 F.I.C.A. Medicare	8,143	8,324	8,600	9,500
5124 Health Insurance	77,911	84,104	93,400	-
5125 Dental Insurance	3,386	3,802	3,600	4,300
5126 Life Insurance	1,587	1,782	1,700	2,000
5127 Health Care Savings	6,164	6,607	5,100	5,800
5130 Cafeteria Plan Benefits	-	-	-	156,800
TOTAL	169,805	181,070	187,300	264,000
OPERATING EXPENSES				
5200 Office Supplies	2,515	2,024	2,000	1,000
5210 Plant/Operating Supplies	16,019	17,325	10,000	10,000
5212 Motor Fuel	3,874	4,144	2,500	2,500
5216 Treatment Chemicals	384,006	427,619	512,800	513,000
5218 Uniforms	1,271	2,055	2,300	2,800
5219 Other Miscellaneous Supplies	10,038	7,966	12,000	12,000
5220 Repair & Maintenance Supplies	28,677	72,328	68,000	63,000
5228 Painting Supplies	2,625	1,793	3,000	3,000
5240 Small Tools	4,879	1,123	4,500	3,000
5241 Small Equipment	17,528	3,215	7,000	7,000
5310 Contract Services	1,104	16,717	20,000	20,000
5319 Other Professional Services	25,517	15,518	15,000	50,000
5320 Data Services	797	785	500	5,400
5321 Telephone	2,079	2,288	2,700	2,700
5322 Postage	64	103	200	200
5331 Training Expenses	6,370	5,766	9,100	7,100
5335 Local Mileage Reimbursement	5,392	6,795	4,000	6,000
5355 Printing and Copying	347	386	1,500	1,000
5356 Copier, Printer Lease & Supplies	-	-	-	2,200
5381 Electricity	1,054,886	1,018,638	1,120,000	1,120,000
5382 Water & Sewer	59,148	80,120	96,000	91,000
5400 Misc. Repair & Maintenance	-	-	2,000	-
5401 Building Repair & Maintenance	9,007	2,266	71,200	41,200
5404 Equipment Maintenance/Repair	27,221	51,895	105,000	100,000
5409 Fleet Services	4,031	4,228	5,000	5,000
5433 Dues and Subscriptions	7,062	5,334	5,000	5,000
5438 Licenses	23	23	300	300
5441 Other Services & Charges	63,377	57,995	65,500	65,500
5450 Laundry	4,007	4,200	4,000	4,000
5483 Water Testing Fees	880	1,120	2,500	2,000
TOTAL	1,742,744	1,813,769	2,153,600	2,145,900
1955 TOTAL-WATER TRMT & PMPING	2,485,618	2,595,582	2,932,400	3,065,300

City of Duluth Minnesota - 2013 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 96% of total revenues for 2013. The major category of expense is purchased gas, representing 60% 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	2010 Actual	2011 Actual	2012 Budget	2013 Approved
REVENUE				
Operating Revenues	1,243,526	1,313,925	1,339,500	1,357,700
Gas Sales	38,455,307	39,967,501	40,558,300	33,717,600
Non-Operating Revenues	59,152	58,191	78,800	83,400
	<u>39,757,985</u>	<u>41,339,617</u>	<u>41,976,600</u>	<u>35,158,700</u>
EXPENSES				
Personal Services	6,333,691	6,425,261	7,947,500	7,559,800
Supplies	791,004	797,567	743,500	745,300
Other Services & Charges	4,510,734	4,223,843	4,556,200	4,018,300
Natural Gas Purchases	25,014,748	25,207,873	29,108,100	21,395,800
Utilities	44,326	45,591	47,500	46,200
Depreciation/Amortization	1,219,538	1,240,613	1,337,100	1,369,800
Improvements -Non-Capital	93,335	168,634	6,300	3,100
Debt Service - Interest	366,001	195,807	232,600	185,600
Debt Service - Other	33,046	1,887	7,600	(7,900)
Capital Lease Interest	110,963	104,946	101,100	91,700
Transfers	914,500	609,612	20,000	157,700
	<u>39,431,886</u>	<u>39,021,634</u>	<u>44,107,500</u>	<u>35,565,400</u>
ESTIMATED OPERATING INCOME (LOSS)	326,099	2,317,983	(2,130,900)	(406,700)
Other Sources of Cash	1,699,788	1,278,447	2,227,100	1,551,300
Other Uses of Cash	<u>(4,497,083)</u>	<u>(4,327,489)</u>	<u>(4,138,700)</u>	<u>(4,046,000)</u>
Increase (Decrease) in Cash	<u>(2,471,196)</u>	<u>(731,059)</u>	<u>(4,042,500)</u>	<u>(2,901,400)</u>

City of Duluth Minnesota - 2013 Budget

Gas Fund Estimated Unrestricted Cash Balance

OPERATING FUND	<u>2012 Budget</u>	<u>2012 Projected</u>	<u>2013 Approved</u>
ESTIMATED OPERATING INCOME (LOSS)	(2,130,900)	(581,700)	(406,700)
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,337,100	1,288,700	1,369,800
Bond Amortization	7,600	(7,900)	(7,900)
Other Post Employment Benefits Not Funded	719,100	719,100	-
Due from Other Funds	-	20,287	-
Interfund Loan Receivable	-	107,108	-
Energy Fund Loan Repayment	150,000	150,000	150,000
Special Assessment Principal	13,300	39,400	39,400
Total Other Sources of Cash	<u>2,227,100</u>	<u>2,316,695</u>	<u>1,551,300</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	-	61,500	-
Budget Carry-Over for Encumbrances	144,800	194,200	-
Net Project Timing Adjustments	(33,600)	-	-
Capital Improvements from Current Revenues	2,620,000	1,693,300	2,690,000
Capital Equipment Purchases	378,200	220,300	318,100
Bond Principal Payments	856,000	461,000	858,000
AMR Lease Principal Payment	173,300	173,300	179,900
Total Other Uses of Cash	<u>4,138,700</u>	<u>2,803,600</u>	<u>4,046,000</u>
INCREASE (DECREASE) IN CASH	(4,042,500)	(1,068,605)	(2,901,400)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>1,987,419</u>	<u>1,473,247</u>	<u>404,642</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>(2,055,081)</u></u>	<u><u>404,642</u></u>	<u><u>(2,496,758)</u></u>

City of Duluth Minnesota - 2013 Budget

Gas Fund

520

Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
OPERATING REVENUES:				
4636 Sale of Scrap	666	657	1,500	1,000
4801 Off/On Charge	60,912	69,940	62,000	20,000
4802 Interest Earned on Customer Accts	127,288	136,597	140,000	135,000
4805 Reimbursements	386,024	238,545	280,000	250,000
4809 Miscellaneous Operating Revenue	25,632	102,638	86,000	78,000
4818 Servicing Appliances	235,535	292,763	280,000	280,000
4819 Comfort Policy	357,116	351,377	355,000	375,000
4820 Residential Firm	20,819,659	22,129,714	21,359,800	19,141,400
4822 Comm/Industrial Firm Large	9,701,095	9,839,027	9,995,800	7,915,500
4824 Comm/Industrial Interruptible Large	4,742,939	4,788,958	5,993,000	3,382,600
4827 Gas-Interruptible Transport	50,353	121,408	135,000	218,700
4831 Fixed Rate Charges	3,191,614	3,209,802	3,209,700	3,278,100
TOTAL OPERATING REVENUES	39,698,833	41,281,426	41,897,800	35,075,300
NON-OPERATING REVENUES:				
4220 State of Minnesota	1,250	-	-	-
4230 Pera Aid	23,365	23,365	23,400	23,400
4829 Two Tier Rate	23,818	27,827	46,900	45,000
4850 Earnings on Investments	3,937	2,969	3,500	3,700
4851 Interest Income - Other Sources	2,424	1,662	3,000	1,800
4853 Gain on Sale of Assets	3,388	(7,787)	2,000	2,000
4854 Utility Special Assessments	970	10,155	-	7,500
TOTAL NON-OPERATING REVENUES	59,152	58,191	78,800	83,400
TOTAL REVENUE	39,757,985	41,339,617	41,976,600	35,158,700

City of Duluth Minnesota - 2013 Budget

Director's Office

520-500-1900

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

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	52,881	53,666	53,200	70,900
5101 Permanent Employees - Overtime	304	525	-	500
TOTAL	<u>53,185</u>	<u>54,191</u>	<u>53,200</u>	<u>71,400</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,470	3,735	3,600	5,000
5122 F.I.C.A. Social Security	3,127	3,333	3,300	4,400
5123 F.I.C.A. Medicare	760	780	800	1,000
5124 Health Insurance	4,846	5,140	5,600	-
5125 Dental Insurance	326	336	300	400
5126 Life Insurance	153	156	200	200
5127 Health Care Savings	1,176	635	3,200	700
5130 Cafeteria Plan Benefits				11,300
TOTAL	<u>13,858</u>	<u>14,115</u>	<u>17,000</u>	<u>23,000</u>
OPERATING EXPENSES				
5200 Office Supplies	195	113	100	100
5241 Small Equipment	554	457	200	-
5321 Telephone	278	219	200	100
5331 Training/Travel		-	300	300
5335 Mileage Reimbursement Local	43	-	100	100
5441 Other Services & Charges	27	102		-
TOTAL	<u>1,097</u>	<u>891</u>	<u>900</u>	<u>600</u>
1900 TOTAL - DIRECTOR'S OFFICE	68,140	69,197	71,100	95,000

City of Duluth Minnesota - 2013 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	2010 Actual	2011 Actual	2012 Budget	2013 Approved
OPERATING EXPENSES				
5420 Depreciation	1,219,538	1,240,613	1,337,100	1,369,800
5441 Other Services and Charges	-	3,082	-	-
5535 Improvements (Non-Capital)	93,335	168,634	6,300	3,100
5540 Equipment (Non-Capital)	8,000	22,502	-	-
5611 Bond Interest	366,001	195,807	232,600	185,600
5613 Interest - Bond Amortization	26,324	(5,442)	900	(21,500)
5614 Capital Lease Interest	110,963	104,946	101,100	91,700
5620 Fiscal Agents Fee	948	656	600	600
5622 Bond Amortization	6,722	7,329	6,700	13,600
TOTAL	1,831,831	1,738,127	1,685,300	1,642,900
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue Financing	1,184,839	1,397,352	2,620,000	2,690,000
5580 Capital Equipment	235,065	294,811	378,200	318,100
TOTAL	1,419,904	1,692,163	2,998,200	3,008,100
1905 TOTAL - CAPITAL	3,251,735	3,430,290	4,683,500	4,651,000

City of Duluth Minnesota - 2013 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, office supplies and utilities.

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	6,508	9,618	67,100	53,900
5101 Permanent Employees - Overtime	5	222		
TOTAL	6,513	9,840	67,100	53,900
EMPLOYEE BENEFITS				
5121 P.E.R.A.	345	533	4,600	3,800
5122 F.I.C.A. Social Security	405	608	4,200	3,300
5123 F.I.C.A. Medicare	95	142	1,000	800
5124 Health Insurance	760	1,140	13,000	-
5125 Dental Insurance	51	77	500	400
5126 Life Insurance	4,201	4,019	200	200
5127 Health Care Savings	47	68	600	500
5130 Cafeteria Plan Benefits				14,000
5134 Other Post Retirement Benefits	(146,795)	(225,129)	719,100	-
5135 Retiree Health Insurance	787,277	799,517	930,300	869,400
5151 Worker's Compensation	153,000	186,800	132,500	81,100
TOTAL	799,386	767,775	1,806,000	973,500
OPERATING EXPENSES				
5200 Office Supplies	2,430	4,287	1,800	2,000
5201 Computer Supplies/Software	16,270	30,465	35,600	43,100
5205 Safety & Training	728	2,885	1,100	1,100
5211 Cleaning & Janitorial Supplies	3,435	5,326	2,900	3,200
5241 Small Equipment	14,017	5,721	300	500
5301 Auditing Services	2,229	1,797	3,000	2,000
5305 Medical Services/Testing Fees	6,788	4,318	4,000	4,000
5319 Other Professional Services	23,362	1,000	15,000	-
5320 Data Services	2,763	12,945	17,000	15,800
5321 Telephone	29,958	24,315	16,600	22,700
5331 Training Expense	30,193	28,013	17,800	20,800
5335 Mileage Reimbursement	299	784	100	100
5356 Copier, Printer Lease & Supplies				3,400
5360 Insurance	67,700	67,300	62,000	62,000
5381 Electricity	15,373	14,904	15,100	15,100
5382 Water, Gas & Sewer	14,354	14,723	16,900	15,600
5384 Refuse Disposal	2,457	2,404	2,500	2,500
5401 Building Repair & Maintenance	8,385	7,977	6,500	6,500
5404 Equipment/Machinery Repair	4,347	2,485	-	-
5418 Vehicle/Equipment Rental	3,836	6,021	3,100	-
5433 Dues and Subscriptions	9,786	6,145	8,300	8,300
5438 Licenses	-	-	100	100
5441 Other Services & Charges	17,636	34,651	32,700	52,600
5450 Laundry	2,764	3,149	2,000	2,000
5452 Pipe Line Safety	15,109	16,532	12,000	12,000
5493 Cost Allocation	519,500	519,500	489,200	489,200
5711 Payment in Lieu of Taxes	3,236,527	2,778,918	2,870,000	2,289,600
5700 Transfer to General Fund	-	41,400	-	-
5700 Transfer to Internal Service Funds	894,500	539,325	-	137,700
TOTAL	4,944,746	4,177,290	3,635,600	3,211,900
1915 TOTAL - GENERAL EXPENSE	5,750,645	4,954,905	5,508,700	4,239,300

City of Duluth Minnesota - 2013 Budget

Engineering

520-500-1930

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

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	423,919	503,408	559,000	600,300
5101 Permanent Employees - Overtime	51,331	37,238	50,000	50,000
5103 Temporary Wages	2,061	1,090	3,000	4,500
TOTAL	477,311	541,736	612,000	654,800
EMPLOYEE BENEFITS				
5121 P.E.R.A.	32,265	36,908	38,400	42,500
5122 F.I.C.A. Social Security	28,394	32,477	37,800	40,600
5123 F.I.C.A. Medicare	6,641	7,596	8,800	9,500
5124 Health Insurance	59,048	60,630	95,300	-
5125 Dental Insurance	2,592	2,829	3,600	3,700
5126 Life Insurance	1,215	1,327	1,700	1,700
5127 Health Care Savings	4,184	9,128	6,300	10,900
5130 Cafeteria Plan Benefits				127,300
TOTAL	134,339	150,895	191,900	236,200
OPERATING EXPENSES				
5200 Office Supplies	272	163	800	300
5201 Computer Supplies	18,102	4,131	13,400	19,100
5203 Paper, Stationery and Forms	249	244	200	300
5205 Safety & Training Materials	70	232	500	500
5212 Motor Fuel	8,666	10,319	6,000	7,000
5219 Other Miscellaneous Supplies	1,023	2,467	-	-
5240 Small Tools	153	-	500	200
5241 Small Equipment	6,241	7,835	3,700	4,400
5242 Survey Equipment and Supplies	-	-	4,700	4,700
5303 Engineering Services	-	12,032	40,000	40,000
5320 Data Services	-	-	400	500
5321 Telephone	2,109	2,167	1,800	1,800
5322 Postage	-	10	100	100
5331 Training Expenses	5,917	1,524	5,500	9,600
5335 Mileage Reimbursement	44	81	200	200
5355 Printing and Copying	2,064	523	1,100	1,100
5356 Copier, Printer Lease & Supplies				4,000
5404 Equipment Maintenance Repair	885	2,343	800	600
5409 Fleet Services	7,711	9,514	5,000	6,000
5418 Vehicle/Equipment Lease	1,549	203	2,500	-
5433 Dues and Subscriptions	154	140	400	600
5435 Books and Pamphlets	147	-	200	200
5438 Licenses	207	3,076	100	-
5441 Other Services and Charges	2,429	3,063	2,500	2,500
5486 One Call System	2,688	2,898	2,600	2,600
TOTAL	60,680	62,965	93,000	106,300
1930 TOTAL - ENGINEERING	672,330	755,596	896,900	997,300

City of Duluth Minnesota - 2013 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. Sales promotion markets the use of natural gas through activities such as advertising, customer promotions, exhibits, lectures and support for community events.

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	2,078,725	2,074,558	2,221,800	2,193,800
5101 Permanent Employees - Overtime	148,231	114,221	162,600	143,000
5103 Temporary Wages	-	22,894	14,500	14,500
5118 Meal Allowance	-	170	-	-
TOTAL	2,226,956	2,211,843	2,398,900	2,351,300
EMPLOYEE BENEFITS				
5121 P.E.R.A.	146,229	148,370	151,300	154,600
5122 F.I.C.A. Social Security	133,528	132,724	147,800	145,900
5123 F.I.C.A. Medicare	31,357	31,040	34,600	34,100
5124 Health Insurance	304,777	308,494	392,800	-
5125 Dental Insurance	14,463	14,451	16,000	15,600
5126 Life Insurance	6,780	6,863	7,400	7,200
5127 Health Care Savings	21,436	21,482	35,500	45,600
5130 Cafeteria Plan Benefits	-	-	-	525,400
TOTAL	658,570	663,424	785,400	928,400
OPERATING EXPENSES				
5200 Office Supplies	15,654	10,360	5,300	4,900
5201 Computer Supplies/Software	5,194	-	600	600
5203 Paper/Stationery	3,163	1,468	3,800	3,500
5210 Plant/Operating Supplies	2,322	4,674	7,500	7,500
5212 Motor Fuel	55,648	59,130	62,400	62,400
5215 Shop Materials	2,509	2,418	7,000	7,000
5218 Uniforms	5,062	6,168	5,800	5,800
5219 Other Miscellaneous Supplies	95,147	114,995	71,000	86,000
5220 Repair & Maintenance Supplies	33,106	23,021	22,000	22,000
5227 Utility System Maintenance Supply	99,334	79,098	119,500	120,600
5228 Painting Supplies	1,869	6,462	7,500	7,500
5240 Small Tools	9,084	6,522	8,000	8,000
5241 Small Equipment	17,965	21,282	31,200	23,500
5310 Contract Services	28,359	55,950	48,800	48,800
5320 Data Services	12,035	3,887	-	-
5321 Telephone	8,396	8,641	7,500	7,600
5322 Postage	75,629	69,575	73,900	73,500
5331 Training / Travel	3,454	4,506	9,000	9,000
5339 Armored Pickup	1,690	1,785	1,700	1,800
5340 Advertising and Promotion	123,808	130,597	134,600	134,700
5355 Printing & Copying	212	2,513	1,100	1,400
5356 Copier, Printer Lease & Supplies	-	-	-	1,000
5401 Building Repair & Maintenance	601	94	-	-
5404 Equipment Repair & Maintenance	8,667	4,848	5,900	6,000
5409 Fleet Services	35,988	38,350	46,600	46,600
5427 Credit Card Commissions	22,725	28,046	28,000	28,000
5432 Uncollectible Accounts	(14,717)	55,685	75,000	65,000
5433 Dues and Subscriptions	450	-	900	800
5438 Licenses	-	-	100	100
5441 Other Services & Charges	3,788	2,083	3,700	3,700
5487 Conservation Improvement	33,321	70,130	305,900	305,900
5615 Customer Deposit Refund Interest	3,627	3,872	-	-
TOTAL	694,090	816,160	1,094,300	1,093,200
1940 TOTAL - CUSTOMER SERVICES	3,579,616	3,691,427	4,278,600	4,372,900

City of Duluth Minnesota - 2013 Budget

Utility Operations

520-500-1945

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

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	936,346	1,037,664	994,400	1,070,100
5101 Permanent Employees - Overtime	216,668	146,929	200,000	175,000
5103 Temporary Wages	-	-	-	-
5118 Meal Allowance	-	542	2,000	2,000
TOTAL	1,153,014	1,185,135	1,196,400	1,247,100
EMPLOYEE BENEFITS				
5121 P.E.R.A.	77,315	80,355	67,900	75,100
5122 F.I.C.A. Social Security	70,869	71,544	74,100	77,200
5123 F.I.C.A. Medicare	16,601	16,746	17,300	18,100
5124 Health Insurance	132,899	138,936	155,300	-
5125 Dental Insurance	6,237	6,833	6,700	7,300
5126 Life Insurance	2,920	3,212	3,100	3,400
5127 Health Care Savings	10,849	11,452	8,900	18,700
5130 Cafeteria Plan Benefits				227,300
5141 Unemployment Compensation	10,071	5,130		-
TOTAL	327,761	334,208	333,300	427,100
OPERATING EXPENSES				
5200 Office Supplies	4,816	6,799	2,300	1,600
5201 Computer Supplies/Software	-	1,816	-	-
5205 Safety & Training Materials	15,035	23,059	4,500	3,800
5210 Plant Operations Supplies	10,353	9,393	7,600	7,400
5212 Motor Fuel	62,003	63,679	75,000	70,000
5215 Shop Materials	4,211	3,198	3,800	3,500
5218 Uniforms	4,414	6,479	3,700	4,900
5219 Other Miscellaneous Supplies	263	47	-	-
5220 Repair and Maintenance Supplies	4,856	9,336	3,300	3,300
5222 Paving Materials	12,034	23,593	8,000	8,000
5224 Gravel & Other Maintenance Supplies	22,869	30,255	12,000	12,000
5227 Utility Maintenance Supply	152,220	114,863	130,000	130,500
5228 Painting Supplies	253	-	400	400
5240 Small Tools	10,499	12,478	5,300	5,300
5241 Small Equipment	10,879	5,823	6,600	7,200
5310 Contract Services	1,706	3,594	16,100	16,100
5320 Data Services	-	299	-	-
5321 Telephone	4,108	4,185	3,000	3,000
5331 Training Expense	1,408	521	8,000	9,000
5333 Freight Charges	193	-	-	-
5335 Mileage Reimbursement	3,709	3,795	4,500	4,000
5355 Printing and Copying	1,320	2,119	500	500
5356 Copier, Printer Lease & Supplies				700
5382 Water, Gas & Sewer	-	-	1,500	500
5384 Refuse Disposal	4,065	4,720	3,000	3,000
5400 Miscellaneous Repair & Maintenance	116	-	-	-
5401 Building Repair & Maintenance	603	-	-	-
5404 Equipment Repair & Maintenance	746	8,445	1,000	1,000
5409 Fleet Service Charges	72,659	83,521	80,000	80,000
5415 Vehicle/Equipment Rental	2,245	7,972	3,000	3,000
5419 Other Rentals	9,273	1,266	-	-
5441 Other Services & Charges	2,065	1,091	1,500	1,000
5450 Laundry	9,606	5,146	5,100	5,800
5700 Transfer to General Fund	20,000	28,887	20,000	20,000
TOTAL	448,527	466,379	409,700	405,500
1945 TOTAL - UTILITY OPERATIONS	1,929,302	1,985,722	1,939,400	2,079,700

City of Duluth Minnesota - 2013 Budget

Natural Gas

520-500-1960

This cost center 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	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	359,260	374,776	361,700	430,800
5101 Permanent Employees - Overtime	11,735	8,279	15,000	8,000
TOTAL	370,995	383,055	376,700	438,800
EMPLOYEE BENEFITS				
5121 P.E.R.A. Contribution	24,689	25,770	24,900	30,400
5122 F.I.C.A. Social Security	22,185	23,022	23,400	27,200
5123 F.I.C.A. Medicare	5,188	5,384	5,500	6,400
5124 Health Insurance	48,524	43,914	49,400	-
5125 Dental Insurance	2,150	2,150	2,200	2,500
5126 Life Insurance	1,008	1,008	1,000	1,200
5127 Health Care Savings	8,059	7,796	3,200	3,800
5130 Cafeteria Plan Benefits				82,800
TOTAL	111,803	109,044	109,600	154,300
OPERATING EXPENSES				
5200 Office Supplies	-	843	2,500	500
5201 Computer Supplies/Software	277	249	-	-
5210 Plant Operations Supplies	16,249	17,190	15,900	15,900
5212 Motor Fuel	4,948	5,479	6,500	6,500
5218 Uniforms	741	474	1,200	700
5219 Other Miscellaneous Supplies	2,324	893	2,000	1,000
5220 Repair & Maintenance Supplies	16,833	24,572	24,500	15,500
5228 Painting Supplies	-	-	1,000	500
5241 Small Equipment	8,465	4,304	4,000	1,000
5280 Natural Gas Purchases	25,014,748	25,207,873	29,108,100	21,395,800
5319 Other Professional Services	-	869	5,000	20,000
5320 Data Services	13,723	30,947	14,500	30,500
5321 Telephone	2,390	1,728	4,200	4,200
5331 Training Expense	5,640	9,546	14,000	14,000
5335 Local Mileage Reimbursement	703	1,109	1,500	2,000
5355 Printing and Copying	380	130	800	400
5356 Copier, Printer Lease & Supplies				1,000
5381 Electricity	7,584	7,643	5,500	7,500
5382 Water/Sewer/Gas	493	1,197	3,000	2,000
5400 Miscellaneous Repair & Maint	752	-	3,000	2,000
5404 Equipment Maintenance Repair	8,053	6,846	14,000	13,000
5409 Fleet Services Charges	5,343	3,210	5,000	5,000
5433 Dues and Subscriptions	4,459	4,565	4,000	4,200
5441 Other Services & Charges	3,119	4,894	1,000	2,000
TOTAL	25,117,224	25,334,561	29,241,200	21,545,200
1960 TOTAL - NATURAL GAS	25,600,022	25,826,660	29,727,500	22,138,300

City of Duluth Minnesota - 2013 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	2010 Actual	2011 Actual	2012 Budget	2013 Approved
REVENUE				
Operating Revenue	17,399,259	17,155,686	17,420,000	18,500,000
Non-Operating Revenue	522,756	91,585	818,800	32,700
	<u>17,922,015</u>	<u>17,247,271</u>	<u>18,238,800</u>	<u>18,532,700</u>
EXPENSES				
Personal Services	2,945,849	3,110,709	3,586,000	3,284,100
Supplies	344,232	265,311	353,400	343,600
Other Services & Charges	1,099,102	1,182,169	1,005,100	1,031,100
WLSSD Treatment	7,478,829	8,520,657	8,647,300	8,820,600
Utilities	123,909	122,534	132,200	128,400
Depreciation/ Amortization	1,211,789	1,265,599	1,388,800	1,384,000
Sanitary Sewer -Grants	1,205,124	821,963	1,280,000	1,280,000
Improvements -Non-Capital	89,263	86,109	56,200	53,100
Debt Service - Interest	557,003	512,610	482,600	444,700
Debt Service - Other	15,376	12,355	14,000	31,500
Capital Lease Interest	104,238	98,586	95,100	86,200
Transfers	374,675	229,265	50,000	197,700
	<u>15,549,389</u>	<u>16,227,867</u>	<u>17,090,700</u>	<u>17,085,000</u>
ESTIMATED OPERATING INCOME (LOSS)				
	2,372,626	1,019,404	1,148,100	1,447,700
Other Sources of Cash	2,283,437	1,955,411	1,682,300	1,518,900
Other Uses of Cash	<u>(3,870,232)</u>	<u>(5,393,058)</u>	<u>(4,462,400)</u>	<u>(3,642,900)</u>
Increase (Decrease) in Cash	<u>785,831</u>	<u>(2,418,243)</u>	<u>(1,632,000)</u>	<u>(676,300)</u>

City of Duluth Minnesota - 2013 Budget

Sewer Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2012 Budget	2012 Projected	2013 Approved
ESTIMATED OPERATING INCOME (LOSS)	1,148,100	2,654,011	1,447,700
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,388,800	1,314,500	1,384,000
Bond Amortization	14,000	44,400	31,500
Other Post Employment Benefits Not Funded	261,400	261,400	-
Due from Other Funds	-	6,740	-
Special Assessment Principal	18,100	123,400	103,400
Total Other Sources of Cash	1,682,300	1,750,440	1,518,900
<u>Other Uses of Cash</u>			
Capital Grants	800,000	800,000	-
Due to Other Funds	-	369,865	-
Budget Carry-Over for Encumbrances	100,000	529,900	-
Net Project Timing Adjustments	238,700	-	-
Infrastructure Improvements	1,302,000	299,200	1,635,000
Capital Equipment Purchases	319,600	227,900	187,800
Bond Principal Payments	1,539,300	1,544,600	1,651,100
AMR Lease Principal Payment	162,800	162,800	169,000
Total Other Uses of Cash	4,462,400	3,934,265	3,642,900
INCREASE (DECREASE) IN CASH	(1,632,000)	470,186	(676,300)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>(320,485)</u>	<u>821,776</u>	<u>1,291,962</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>(1,952,485)</u></u>	<u><u>1,291,962</u></u>	<u><u>615,662</u></u>

City of Duluth Minnesota - 2013 Budget

Sewer Fund

530

Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
OPERATING REVENUES:				
4636 Sale of Materials	-	-	1,500	1,500
4805 Reimbursements	-	-	3,800	27,700
4833 Sewer Revenues	15,316,199	15,085,218	15,346,900	16,407,000
4809 Misc. Operating Revenue	7,862	6,453	1,900	1,000
4802 Interest Earned on Customer Accounts	- 74,468	- 64,758	- 60,000	- 60,000
4831 Fixed Rate Charges	1,923,253	1,920,954	1,933,900	1,922,800
4834 Fond du Lac Grinder Pump Surcharge	- 12,740	- 11,767	- 12,000	- 12,000
4839 Point of Sale Inspection Fee	64,737	66,536	60,000	68,000
TOTAL OPERATING REVENUES	17,399,259	17,155,686	17,420,000	18,500,000
NON-OPERATING REVENUES:				
4209 Federal Grants - Capital (ARRA)	269,795	-	-	-
4220 Minnesota Grants - Capital	-	52,008	800,000	-
4220 Minnesota Grants - Operating	1,250	-	-	-
4230 Pera Aid	8,283	8,283	8,300	8,300
4806 Connection Fees	9,000	9,000	4,500	4,500
4850 Earnings on Investments	1,181	768	1,000	900
4851 Interest Income - Other Sources	8,322	21,547	5,000	6,000
4853 Gain on Sale of Assets	720	-	-	-
4854 Utility Special Assessments	2,081	(21)	-	13,000
4730 Transfer from Special Revenue Fund	222,124	-	-	-
TOTAL NON-OPERATING REVENUES	522,756	91,585	818,800	32,700
TOTAL REVENUE	17,922,015	17,247,271	18,238,800	18,532,700

City of Duluth Minnesota - 2013 Budget

Director's Office

530-500-1900

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

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	42,176	42,272	41,900	58,500
5101 Permanent Employees - Overtime	237	338	-	500
TOTAL	<u>42,413</u>	<u>42,610</u>	<u>41,900</u>	<u>59,000</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	2,791	2,987	2,900	4,100
5122 F.I.C.A. Social Security	2,459	2,618	2,600	3,700
5123 F.I.C.A. Medicare	603	612	600	900
5124 Health Insurance	3,135	3,430	3,600	-
5125 Dental Insurance	211	221	200	300
5126 Life Insurance	99	102	100	100
5127 Health Care Savings	1,080	534	1,300	500
5130 Cafeteria Plan Benefits				9,000
TOTAL	<u>10,378</u>	<u>10,504</u>	<u>11,300</u>	<u>18,600</u>
OPERATING EXPENSES				
5200 Office Supplies	109	53	100	-
5241 Small Equipment	500	152	200	-
5321 Telephone	139	219	200	100
5331 Training Expense	493	461	300	300
5335 Mileage Reimbursement	28	-	100	100
5356 Copier, Printer Lease & Supplies				100
5441 Other Services & Charges	27	102	-	-
TOTAL	<u>1,296</u>	<u>987</u>	<u>900</u>	<u>600</u>
1900 TOTAL - DIRECTOR'S OFFICE	54,087	54,101	54,100	78,200

City of Duluth Minnesota - 2013 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	2010 Actual	2011 Actual	2012 Budget	2013 Approved
OPERATING EXPENSES				
5420 Depreciation	1,211,789	1,265,599	1,388,800	1,384,000
5535 Improvements (Non-Capital)	76,503	86,109	56,200	53,100
5540 Equipment (Non-Capital)	-	4,464	-	-
5611 Bond Interest	557,003	512,610	482,600	444,700
5613 Interest - from Amortization	407	(5,767)	(3,600)	7,400
5614 Capital Lease Interest	104,238	98,586	95,100	86,200
5620 Fiscal Agents Fee	2,120	1,794	1,800	2,000
5622 Bond Amortization	14,969	18,122	17,600	24,100
TOTAL	<u>1,967,029</u>	<u>1,981,517</u>	<u>2,038,500</u>	<u>2,001,500</u>
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue	538,562	2,115,163	-	-
5536 Utility Infrastructure Replace. Proj.	143,178	983,575	1,302,000	1,635,000
5580 Capital Equipment	440,030	25,638	319,600	187,800
TOTAL	<u>1,121,770</u>	<u>3,124,376</u>	<u>1,621,600</u>	<u>1,822,800</u>
1905 TOTAL - CAPITAL	3,088,799	5,105,893	3,660,100	3,824,300

City of Duluth Minnesota - 2013 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	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	6,508	8,887	35,700	35,600
5101 Permanent Employees - Overtime	5	222	-	-
TOTAL	<u>6,513</u>	<u>9,109</u>	<u>35,700</u>	<u>35,600</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	345	533	2,400	2,400
5122 F.I.C.A. Social Security	405	563	2,200	2,200
5123 F.I.C.A. Medicare	95	132	500	500
5124 Health Insurance	760	1,140	7,100	-
5125 Dental Insurance	52	77	300	300
5126 Life Insurance	833	859	100	100
5127 Health Care Savings	47	68	300	300
5130 Cafeteria Plan Benefits				7,300
5134 Other Post Retirement Benefits	(37,705)	10,069	261,400	-
5135 Retiree Health Insurance	165,104	163,592	209,400	254,500
5151 Worker's Compensation	62,900	89,100	8,900	27,700
TOTAL	<u>192,836</u>	<u>266,133</u>	<u>492,600</u>	<u>295,300</u>
OPERATING EXPENSES				
5200 Office Supplies	331	87	600	500
5201 Computer Supplies/Software	9,370	20,363	24,800	29,300
5205 Safety & Training	286	834	800	800
5211 Cleaning & Janitorial Supplies	2,831	2,852	2,800	3,100
5219 Other Miscellaneous Supplies	3,830	2,022	-	-
5241 Small Equipment	486	3,141	300	500
5301 Auditing Services	2,229	1,797	2,500	2,000
5305 Medical Services/Testing Fees	1,590	1,659	2,000	2,000
5310 Contract Services	-	324	3,000	1,500
5312 Lobbyist Fee	1,000	-	-	-
5320 Data Services	2,506	9,973	12,400	11,700
5321 Telephone	16,571	15,652	8,800	13,000
5331 Training / Travel	281	1,439	1,200	1,400
5335 Mileage Reimbursement - Local	-	-	100	100
5356 Copier, Printer Lease & Supplies				3,300
5360 Insurance	163,700	226,700	36,500	75,700
5381 Electricity	16,656	16,160	14,600	14,600
5382 Water, Gas & Sewer	10,573	11,678	17,000	15,700
5384 Refuse Disposal	2,223	2,281	2,400	2,400
5401 Building Repair & Maintenance	3,963	5,815	6,300	6,300
5404 Equipment Repair & Maintenance	272	364		
5418 Vehicle/Equipment Lease	3,704	5,895	3,000	-
5438 Licenses	57	23	-	-
5439 Special Projects	93	-	1,500	-
5441 Other Services & Charges	2,000	7,144	2,800	11,700
5450 Laundry	2,764	3,149	2,000	2,000
5493 Cost Allocation	330,700	330,700	306,900	306,900
5700 Transfer to General Fund	-	26,000	-	-
5700 Transfer to Internal Service Funds	324,675	196,050	-	147,700
TOTAL	<u>902,691</u>	<u>892,102</u>	<u>452,300</u>	<u>652,200</u>
1915 TOTAL - UTILITY GENERAL	1,102,040	1,167,344	980,600	983,100

City of Duluth Minnesota - 2013 Budget

Engineering

530-500-1930

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

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	277,846	317,419	315,300	298,600
5101 Permanent Employees - Overtime	12,395	13,013	15,000	15,000
5103 Temporary Wages	2,061	1,090	3,000	4,500
TOTAL	292,302	331,522	333,300	318,100
EMPLOYEE BENEFITS				
5121 P.E.R.A.	19,252	22,514	21,700	21,200
5122 F.I.C.A. Social Security	17,371	19,695	20,500	19,700
5123 F.I.C.A. Medicare	4,063	4,606	4,800	4,600
5124 Health Insurance	36,116	41,413	49,000	-
5125 Dental Insurance	1,683	1,920	2,000	1,900
5126 Life Insurance	789	900	900	900
5127 Health Care Savings	2,863	5,312	4,100	5,700
5130 Cafeteria Plan Benefits				69,200
TOTAL	82,137	96,360	103,000	123,200
OPERATING EXPENSES				
5200 Office Supplies	254	13	800	300
5201 Computer Supplies	5,603	3,939	6,100	12,100
5203 Paper, Stationary & Forms	249	165	200	300
5205 Safety & Training Materials	70	64	-	500
5212 Motor Fuels	1,126	2,358	500	1,400
5219 Other Miscellaneous Supplies	67	856	1,200	-
5240 Small Tools	120	221	500	200
5241 Small Equipment	5,876	6,168	2,200	2,900
5242 Survey Equipment and Supplies	-	-	4,600	4,600
5320 Data Services	-	-	400	500
5321 Telephone	1,268	1,221	1,100	1,100
5322 Postage	-	10	100	100
5331 Training Expenses	1,064	492	5,900	6,000
5335 Mileage Reimbursement - Local	44	50	100	100
5355 Printing and Copying	526	1,372	700	700
5356 Copier, Printer Lease & Supplies				3,900
5404 Equipment Maintenance/Repair	874	292	800	600
5409 Fleet Services Charges	921	3,124	1,200	1,500
5418 Vehicle/Equipment Lease	1,549	203	2,500	-
5433 Dues & Subscriptions	34	370	600	600
5435 Books & Pamphlets	147	-	200	200
5438 Licenses	169	-	200	-
5441 Other Services and Charges	2,260	3,266	2,400	2,500
5486 One Call System	2,648	2,870	2,600	2,600
TOTAL	24,869	27,054	34,900	42,700
1930 TOTAL - ENGINEERING	399,308	454,936	471,200	484,000

City of Duluth Minnesota - 2013 Budget

Customer Services

530-500-1940

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

Expense Detail		2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	266,751	247,370	251,100	248,100
5101	Permanent Employees - Overtime	4,474	2,851	2,800	2,500
5103	Temporary Wages	-	-	-	-
5118	Meal Allowance	-	9	-	-
	TOTAL	271,225	250,230	253,900	250,600
EMPLOYEE BENEFITS					
5121	P.E.R.A.	17,503	16,822	17,000	17,400
5122	F.I.C.A. Social Security	16,260	14,904	15,700	15,500
5123	F.I.C.A. Medicare	3,825	3,486	3,700	3,600
5124	Health Insurance	40,848	40,060	47,700	-
5125	Dental Insurance	2,108	1,945	2,000	1,900
5126	Life Insurance	988	912	900	900
5127	Health Care Savings	3,195	3,200	6,900	2,200
5130	Cafeteria Plan Benefits				60,800
	TOTAL	84,727	81,329	93,900	102,300
OPERATING EXPENSES					
5200	Office Supplies	8,116	5,242	1,400	1,200
5201	Computer Supplies	660	-	300	300
5203	Paper/Stationery	1,865	866	2,300	2,100
5212	Motor Fuel	457	516	700	700
5241	Small Equipment	1,138	1,118	2,100	1,200
5310	Contract Services	16,664	32,722	28,800	28,800
5321	Telephone	215	247	300	400
5322	Postage	44,329	40,636	43,600	43,300
5331	Training Expense	706	737	700	700
5339	Armored Pickup	997	1,053	1,000	1,100
5355	Printing & Copying	119	255	-	200
5356	Copier, Printer Lease & Supplies				400
5404	Equipment Repair & Maintenance	4,538	2,680	3,000	3,200
5409	Fleet Services	1,188	448	600	600
5427	Credit Card Commission	7,963	12,038	11,200	11,200
5432	Uncollectible Accounts	41,215	16,347	30,000	25,000
5441	Other Services & Charges	117	15	800	800
5451	Pay Station	-	-	-	-
	TOTAL	130,287	114,920	126,800	121,200
1940	TOTAL-CUSTOMER SERVICES	486,239	446,479	474,600	474,100

City of Duluth Minnesota - 2013 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	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	906,857	957,049	1,076,100	883,600
5101 Permanent Employees - Overtime	139,432	111,499	145,000	140,000
5118 Meal Allowance	-	287	2,000	2,000
TOTAL	1,046,289	1,068,835	1,223,100	1,025,600
EMPLOYEE BENEFITS				
5121 P.E.R.A.	69,931	72,170	73,300	63,100
5122 F.I.C.A. Social Security	63,262	64,199	75,700	63,500
5123 F.I.C.A. Medicare	14,795	15,015	17,700	14,800
5124 Health Insurance	129,201	144,146	191,300	-
5125 Dental Insurance	6,349	6,559	7,700	6,600
5126 Life Insurance	2,973	3,077	3,600	3,100
5127 Health Care Savings	10,676	11,478	21,800	9,600
5130 Cafeteria Plan Benefits				273,700
5141 Unemployment Compensation	1,104	497	-	-
TOTAL	298,291	317,141	391,100	434,400
OPERATING EXPENSES				
5200 Office Supplies	13,020	8,664	4,500	2,000
5201 Computer Supplies	900	4,954	2,900	2,300
5205 Safety & Training Materials	17,297	12,739	6,000	4,000
5210 Plant Operations Supplies	18,877	11,839	20,400	20,900
5212 Motor Fuel	42,774	54,531	60,000	60,000
5215 Shop Materials	1,082	-	1,000	1,000
5218 Uniforms	5,428	5,246	5,300	6,100
5219 Other Miscellaneous Supplies	3,052	257	-	-
5220 Repair and Maintenance Supplies	12,953	14,493	13,300	13,300
5222 Paving Materials	13,947	33,142	13,000	13,000
5224 Gravel and other Mtc Materials	45,106	34,401	50,000	50,000
5227 Utility Maintenance Supply	90,195	2,940	49,000	48,500
5240 Small Tools	9,285	6,307	5,500	5,500
5241 Small Equipment	14,146	14,270	20,000	18,100
5310 Contract Services	12,898	10,478	29,500	27,500
5320 Data Services	5,263	5,998	7,700	6,800
5321 Telephone	1,786	2,062	2,100	2,100
5331 Training Expense	17,786	17,020	13,800	15,700
5333 Freight/Delivery Charges	416	330	500	500
5335 Mileage Reimbursement	31,586	22,439	6,600	6,600
5355 Printing and Copying	2,962	3,481	1,000	1,500
5356 Copier, Printer Lease & Supplies				2,000
5381 Electricity	71,216	66,119	64,000	66,000
5382 Water, Gas & Sewer	8,789	12,265	20,500	16,000
5384 Refuse Disposal	14,452	14,031	13,700	13,700
5404 Equipment Maintenance/Repair	95	679	3,600	3,300
5409 Fleet Service Charges	87,982	102,368	110,000	110,000
5410 Fond Du Lac Grinder Pump	5,292	1,084	2,500	2,500
5415 Vehicle/Equipment Rental	5,089	1,601	3,000	3,000
5433 Dues and Subscriptions	310	782	500	500
5438 Licenses	241	533	400	400
5441 Other Services & Charges	15,333	14,921	8,500	8,000
5450 Laundry	9,093	10,242	8,000	6,500
5700 Transfer to General Fund	50,000	7,215	50,000	50,000
TOTAL	628,651	497,431	596,800	587,300
1945 TOTAL - UTILITY OPERATIONS	1,973,231	1,883,407	2,211,000	2,047,300

City of Duluth Minnesota - 2013 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	2010 Actual	2011 Actual	2012 Budget	2013 Approved
5484 Western Lake Superior Sanitary District Srv Charge	7,478,829	8,520,657	8,647,300	8,820,600
5485 Western Lake Superior Sanitary District Testing	<u>216,985</u>	<u>222,455</u>	<u>222,500</u>	<u>221,600</u>
0575 TOTAL- SEWER TREATMENT	7,695,814	8,743,112	8,869,800	9,042,200

City of Duluth Minnesota - 2013 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		2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	451,091	465,532	427,100	416,800
5101	Permanent Employees - Overtime	41,518	39,893	50,000	40,000
5118	Meal Allowance	-	10	-	300
	TOTAL	492,609	505,435	477,100	457,100
EMPLOYEE BENEFITS					
5121	P.E.R.A.	32,052	34,413	29,000	29,300
5122	F.I.C.A. Social Security	30,038	30,886	29,600	28,300
5123	F.I.C.A. Medicare	7,025	7,223	6,900	6,600
5124	Health Insurance	48,766	50,423	55,500	-
5125	Dental Insurance	2,912	2,992	2,900	2,900
5126	Life Insurance	1,365	1,429	1,400	1,400
5127	Health Care Savings	3,971	4,135	3,800	3,800
5130	Cafeteria Plan Benefits				92,000
	TOTAL	126,129	131,501	129,100	164,300
OPERATING EXPENSES					
5200	Office Supplies	846	156	1,000	700
5201	Computer Supplies	666	-	500	500
5205	Safety & Training	26	-	300	300
5212	Motor Fuels	3,812	5,287	9,000	6,000
5218	Uniforms	689	416	1,300	1,700
5220	Repair & Maintenance Supplies	95	127	1,500	500
5227	Utility System Maintenance Supplies	143	-	2,000	1,600
5240	Small Tools	251	48	300	300
5241	Small Equipment	6,298	-	34,100	25,300
5319	Other Professional Services	3,485	-	-	-
5320	Data Services	1,599	822	1,700	1,700
5321	Telephone	4,567	6,496	5,200	3,000
5322	Postage	-	571	500	500
5331	Training Expense	1,536	4,712	6,100	6,200
5335	Mileage Reimbursement	2,080	-	30,000	10,000
5355	Printing & Copying	-	-	1,500	1,500
5356	Copier, Printer Lease & Supplies				500
5404	Equipment Maintenance Repair	4,755	-	4,500	4,500
5409	Fleet Services	4,059	10,768	3,500	4,000
5441	Other Services and Charges	112	8,669	-	1,500
5450	Laundry	-	-	1,700	2,900
5482	Private Property Sewer Grants	1,205,124	821,963	1,280,000	1,280,000
5535	Improvements (Non-Capital)	12,760	-	-	-
	TOTAL	1,252,903	860,035	1,384,700	1,353,200
1970	TOTAL INFLOW & INFILTRATION	1,871,641	1,496,971	1,990,900	1,974,600

City of Duluth Minnesota - 2013 Budget

Clean Water Fund

532

Estimated Income and Expense	2010 Actual	2011 Actual	2012 Budget	2013 Approved
REVENUE				
Operating Revenue	2,938,400	2,885,307	1,915,000	1,865,500
Non-Operating Revenue	8,318,088	4,457,943	4,329,800	2,401,600
	<u>11,256,488</u>	<u>7,343,250</u>	<u>6,244,800</u>	<u>4,267,100</u>
EXPENSES				
Supplies	28,479	-	-	-
Other Services & Charges	30,998	12,639	22,800	14,600
Depreciation/ Amortization	17,212	70,141	443,600	495,400
Grants & Awards	928,606	997,809	800,000	800,000
Debt Service - Interest	40,139	114,213	209,100	207,800
Debt Service - Other	1,194	1,705	1,700	1,700
	<u>1,046,628</u>	<u>1,196,507</u>	<u>1,477,200</u>	<u>1,519,500</u>
ESTIMATED OPERATING INCOME (LOSS)	10,209,860	6,146,743	4,767,600	2,747,600
Other Sources of Cash	313,646	71,845	445,300	497,100
Other Uses of Cash	<u>(9,628,173)</u>	<u>(5,806,941)</u>	<u>(5,368,100)</u>	<u>(3,507,200)</u>
Increase (Decrease) in Cash	<u>895,333</u>	<u>411,647</u>	<u>(155,200)</u>	<u>(262,500)</u>

City of Duluth Minnesota - 2013 Budget

Clean Water Fund Estimated Unrestricted Cash Balance

<u>OPERATING FUND</u>	<u>2012 Budget</u>	<u>2012 Projected</u>	<u>2013 Approved</u>
ESTIMATED OPERATING INCOME (LOSS)	4,767,600	2,819,500	2,747,600
<u>Other Sources of Cash</u>			
Depreciation and Amortization	443,600	297,800	495,400
Bond Amortization	1,700	1,700	1,700
Total Other Sources of Cash	<u>445,300</u>	<u>299,500</u>	<u>497,100</u>
<u>Other Uses of Cash</u>			
Capital Grants	4,329,200	2,243,100	2,400,700
Budget Carry-Over for Encumbrances	-	83,600	-
Capital Improvements from Current Revenues	-	23,100	-
Bond Principal Payments	<u>1,038,900</u>	<u>1,030,400</u>	<u>1,106,500</u>
Total Other Uses of Cash	<u>5,368,100</u>	<u>3,380,200</u>	<u>3,507,200</u>
INCREASE (DECREASE) IN CASH	(155,200)	(261,200)	(262,500)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>2,690,300</u>	<u>2,295,747</u>	<u>2,034,547</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>2,535,100</u></u>	<u><u>2,034,547</u></u>	<u><u>1,772,047</u></u>

City of Duluth Minnesota - 2013 Budget

Clean Water Surcharge Fund

532

Revenue Detail		2010 Actual	2011 Actual	2012 Budget	2013 Approved
OPERATING REVENUES					
4836	I & I Surcharge	103,250	52,273	80,000	30,000
4837	Clean Water Surcharge	2,835,150	2,833,034	1,835,000	1,835,500
	TOTAL	<u>2,938,400</u>	<u>2,885,307</u>	<u>1,915,000</u>	<u>1,865,500</u>
NON-OPERATING REVENUES					
4209	Federal Grants - Capital (ARRA)	3,755,604	-	-	-
4220	Minnesota Grants - Capital	4,561,903	4,457,016	4,329,200	2,400,700
4850	Earnings on Investments	581	927	600	900
	TOTAL	<u>8,318,088</u>	<u>4,457,943</u>	<u>4,329,800</u>	<u>2,401,600</u>
TOTAL REVENUE		11,256,488	7,343,250	6,244,800	4,267,100

City of Duluth Minnesota - 2013 Budget

Clean Water Surcharge Fund

532

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
OPERATING EXPENSES				
5201 Computer Supplies/Software	28,479	-	-	-
5301 Auditing Services	2,232	2,916	2,000	2,200
5420 Depreciation	17,212	70,141	443,600	495,400
5427 Credit Card Commissions	746	1,969	800	2,400
5432 Uncollectible Accounts	30,337	7,754	20,000	10,000
5434 Grants & Awards	928,606	997,809	800,000	800,000
5441 Other Services & Charges	(2,317)	-	-	-
5611 Bond Interest	40,139	114,213	209,100	207,800
5622 Bond Amortization	1,194	1,705	1,700	1,700
TOTAL	1,046,628	1,196,507	1,477,200	1,519,500
NON-OPERATING EXPENSES				
5532 Capital Improvements-Bond	11,950,973	13,705,047	8,911,500	3,000,900
5533 Capital Improvements-Revenue	659,311	190,677	-	-
5536 Utility Infrastructure Replacement	133,237	49,573	-	-
5580 Capital Equipment	450,744	-	-	-
5700 Transfer Out to General Fund		36,277		
TOTAL	13,194,265	13,981,574	8,911,500	3,000,900
TOTAL EXPENSES	14,240,893	15,178,081	10,388,700	4,520,400

City of Duluth Minnesota - 2013 Budget

Stormwater Utility Fund

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The Stormwater Utility 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 utility was created mid 1998 and began operations as a self supporting utility. The primary funding source is user charges to all residential and business property owners.

Estimated Income and Expense	2010 Actual	2011 Actual	2012 Budget	2013 Approved
REVENUE				
Stormwater Sewer Service	4,685,309	4,598,436	4,700,000	4,686,000
Miscellaneous Revenue	15,711	34,106	21,600	17,800
Non-Operating	31,479	105,898	3,800	700
	<u>4,732,499</u>	<u>4,738,440</u>	<u>4,725,400</u>	<u>4,704,500</u>
EXPENSES				
Personal Services	1,805,028	1,773,546	2,086,000	2,148,200
Supplies	257,860	247,979	229,000	243,800
Other Services and Charges	550,943	699,283	615,300	627,800
Utilities	36,613	36,859	40,900	38,700
Depreciation and Amortization	423,537	452,148	553,300	570,700
Improvements - Non-Capital	78,739	87,031	336,200	328,100
Debt Service - Interest	81,078	71,530	68,400	62,300
Bond Amortization	2,655	2,434	2,500	2,500
Transfers Out	658,425	647,185	685,900	346,800
	<u>3,894,878</u>	<u>4,017,995</u>	<u>4,617,500</u>	<u>4,368,900</u>
ESTIMATED OPERATING INCOME (LOSS)	837,621	720,445	107,900	335,600
Other Sources of Cash	671,596	506,831	565,900	573,200
Other Uses of Cash	<u>(1,617,661)</u>	<u>(1,998,328)</u>	<u>(1,505,700)</u>	<u>(1,333,600)</u>
Increase (Decrease) in Cash	<u><u>(108,444)</u></u>	<u><u>(771,052)</u></u>	<u><u>(831,900)</u></u>	<u><u>(424,800)</u></u>

City of Duluth Minnesota - 2013 Budget

Stormwater Utility Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2012 Budget	2012 Projected	2013 Approved
ESTIMATED OPERATING INCOME (LOSS)	107,900	811,700	335,600
<u>Other Sources of Cash</u>			
Depreciation and Amortization	553,300	496,800	570,700
Bond Amortization	2,500	2,500	2,500
Due from Other Funds	-	166,837	-
Special Assessment Principal	10,100	600	-
Total Other Sources of Cash	<u>565,900</u>	<u>666,737</u>	<u>573,200</u>
<u>Other Uses of Cash</u>			
Capital Grants	-	1,600	-
Due to Other Funds	-	150,053	-
Budget Carry-Over for Encumbrances	-	90,600	-
Net Project Timing Adjustments	24,900	-	-
Capital Improvements from Current Revenues	899,000	692,500	1,014,000
Capital Equipment Purchases	386,800	405,000	115,000
Bond Principal Payments	195,000	196,800	204,600
Total Other Uses of Cash	<u>1,505,700</u>	<u>1,536,553</u>	<u>1,333,600</u>
INCREASE (DECREASE) IN CASH	(831,900)	(58,116)	(424,800)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>1,659,381</u>	<u>1,649,337</u>	<u>1,591,221</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>827,481</u></u>	<u><u>1,591,221</u></u>	<u><u>1,166,421</u></u>

City of Duluth Minnesota - 2013 Budget

Stormwater Utility Fund

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Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
OPERATING REVENUES:				
4636 Sale of Materials	1,375	2,895	600	1,500
4835 Stormwater Revenues	4,685,309	4,598,436	4,700,000	4,686,000
4802 Interest Earned on Customer Accounts	11,361	27,752	18,000	14,000
4805 Reimbursements	468	2,153	2,500	2,000
4809 Miscellaneous Operating Revenues	2,507	1,306	500	300
TOTAL OPERATING REVENUE	4,701,020	4,632,542	4,721,600	4,703,800
NON-OPERATING REVENUES:				
4210 Federal Grants - Capital	-	80,940	-	-
4210 Federal Grants - Operating	28,339	-	2,600	-
4220 State of Minnesota Grant - Capital	1,250	-	-	-
4850 Earnings on Investments	1,284	981	1,200	700
4851 Interest - Other Sources	286	538	-	-
4853 Gain/Loss - Sales of Fixed Assets	320	(1,621)	-	-
4854 Utility Assessments	-	25,060	-	-
TOTAL NON-OPERATING REVENUES	31,479	105,898	3,800	700
TOTAL REVENUE	4,732,499	4,738,440	4,725,400	4,704,500

City of Duluth Minnesota - 2013 Budget

Director's Office

535-500-1900

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

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	42,176	42,272	41,900	58,500
5101 Permanent Employees - Overtime	237	338	-	500
TOTAL	<u>42,413</u>	<u>42,610</u>	<u>41,900</u>	<u>59,000</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	2,791	2,987	2,900	4,100
5122 F.I.C.A. Social Security	2,459	2,618	2,600	3,700
5123 F.I.C.A. Medicare	603	612	600	900
5124 Health Insurance	3,136	3,431	3,600	-
5125 Dental Insurance	211	221	200	300
5126 Life Insurance	99	102	100	100
5127 Health Care Savings	1,080	533	1,300	500
5130 Cafeteria Plan Benefits				9,000
TOTAL	<u>10,379</u>	<u>10,504</u>	<u>11,300</u>	<u>18,600</u>
OPERATING EXPENSES				
5200 Office Supplies	-	50	100	-
5241 Small Equipment	-	152	200	-
5321 Telephone	200	219	200	100
5331 Training Expense	-	-	300	300
5335 Mileage Reimbursement-Local	49	-	100	100
5336 Copier, Printer Lease & Supplies				100
5441 Other Services & Charges	27	102	-	-
TOTAL	<u>276</u>	<u>523</u>	<u>900</u>	<u>600</u>
1900 TOTAL - DIRECTOR'S OFFICE	53,068	53,637	54,100	78,200

City of Duluth Minnesota - 2013 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	2010 Actual	2011 Actual	2012 Budget	2013 Approved
OPERATING EXPENSES				
5420 Depreciation	423,537	452,148	553,300	570,700
5535 Improvements (Non-Capital)	78,739	87,031	336,200	328,100
5540 Equipment (Non-Capital)	-	2,928	-	-
5611 Bond Interest	81,078	71,530	68,400	62,300
5613 Interest from Amortization	516	(746)	(700)	(700)
5620 Fiscal Agent Fees	543	394	400	400
5622 Bond Amortization	2,139	3,180	3,200	3,200
TOTAL	586,552	616,465	960,800	964,000
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue	931,846	1,229,640	899,000	1,014,000
5580 Capital Equipment	412,178	22,171	386,800	115,000
TOTAL	1,344,024	1,251,811	1,285,800	1,129,000
1905 TOTAL - CAPITAL	1,930,576	1,868,276	2,246,600	2,093,000

City of Duluth Minnesota - 2013 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, office supplies and utilities.

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	3,254	4,740	23,100	35,600
5101 Permanent Employees - Overtime	3	111	-	-
TOTAL	3,257	4,851	23,100	35,600
EMPLOYEE BENEFITS				
5121 P.E.R.A.	173	267	1,500	2,400
5122 F.I.C.A. Social Security	203	300	1,400	2,200
5123 F.I.C.A. Medicare	48	70	300	500
5124 Health Insurance	381	571	5,800	-
5125 Dental Insurance	26	38	200	300
5126 Life Insurance	12	18	100	100
5127 Health Care Savings	24	34	200	300
5130 Cafeteria Plan Benefits				7,300
5134 Other Post Retirement Benefits	9,817	7,677	-	-
5135 Retiree Health Insurance	-	2,529	32,300	29,700
5151 Worker's Compensation	1,500	1,800	2,100	600
TOTAL	12,184	13,304	43,900	43,400
OPERATING EXPENSES				
5200 Office Supplies	86	87	600	500
5201 Computer Supplies/Software	4,888	9,883	14,100	16,400
5205 Safety & Training Materials	204	727	700	700
5211 Cleaning and Janitorial Supplies	2,796	2,954	2,000	2,200
5241 Small Equipment	276	3,010	300	500
5301 Auditing Services	743	598	1,200	1,000
5305 Medical Services/Testing Fees	-	400	400	400
5310 Contract Services	-	95,000	-	-
5320 Data Services	2,506	7,707	9,000	8,700
5321 Telephone	4,863	4,644	5,100	4,500
5331 Training Expenses	281	1,039	1,200	1,400
5335 Mileage Reimbursement - Local	-	-	100	100
5336 Copier, Printer Lease & Spplies				2,300
5360 Insurance	23,800	2,200	3,100	-
5381 Electricity	12,416	12,049	10,400	10,400
5382 Water & Gas	7,183	7,286	12,100	11,200
5384 Refuse Disposal	5,229	5,883	5,000	5,400
5401 Building Repair & Maintenance	2,739	4,571	4,600	4,600
5418 Vehicle/Equipment Lease	2,646	4,887	2,100	-
5433 Dues and Subscriptions	-	1,625	1,700	-
5439 Special Projects	52,218	38,801	9,500	-
5441 Other Services and Charges	25,671	26,871	22,500	8,200
5450 Laundry	2,764	3,149	2,000	2,000
5493 Cost Allocation Charges	170,000	170,000	150,700	150,700
5700 Transfer to General Fund	-	5,300		-
5700 Transfer to Internal Service Funds	147,825	131,475	175,300	131,800
TOTAL	469,134	540,146	433,700	363,000
1915 TOTAL - UTILITY EXPENSE	484,575	558,301	500,700	442,000

City of Duluth Minnesota - 2013 Budget

Engineering

535-500-1930

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

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	267,716	342,260	345,400	368,000
5101 Permanent Employees - Overtime	9,836	13,410	13,000	13,000
5103 Temporary Wages	2,061	16,815	3,000	4,500
TOTAL	279,613	372,485	361,400	385,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	18,542	24,170	23,800	26,200
5122 F.I.C.A. Social Security	16,447	21,873	22,200	23,900
5123 F.I.C.A. Medicare	3,846	5,115	5,200	5,600
5124 Health Insurance	35,170	47,043	55,500	-
5125 Dental Insurance	1,613	2,076	2,100	2,200
5126 Life Insurance	756	972	1,000	1,000
5127 Health Care Savings	2,808	5,581	4,400	6,400
5130 Cafeteria Plan Benefits				83,000
TOTAL	79,182	106,830	114,200	148,300
OPERATING EXPENSES				
5200 Office Supplies	254	13	800	300
5201 Computer Supplies	8,647	4,462	5,900	14,900
5203 Paper, Stationery and Forms	249	165	100	300
5205 Safety & Training Materials	70	221	400	400
5212 Motor Fuel	796	1,702	1,200	1,400
5219 Other Miscellaneous Supplies	67	298	-	-
5240 Small Tools	120	244	500	200
5241 Small Equipment	3,899	6,482	2,200	2,700
5242 Survey Equipment and Supplies	-	-	4,600	4,600
5303 Engineering Services	22,036	48,439	135,000	135,000
5310 Contract Services	7,422	-	5,000	5,000
5320 Data Services	-	-	400	500
5321 Telephone	534	417	800	800
5322 Postage	-	10	100	100
5331 Training Expenses	5,404	2,775	8,500	8,600
5335 Mileage Reimbursement	44	50	200	200
5355 Printing and Copying	526	550	300	300
5336 Copier, Printer Lease & Supplies				3,800
5404 Equipment Maintenance Repair	874	292	800	600
5409 Fleet Services	843	2,640	1,800	1,800
5418 Vehicle/Equipment Lease	1,549	203	2,500	-
5433 Dues and Subscriptions	34	1,155	400	400
5435 Books and Pamphlets	147	100	200	200
5438 Licenses	169	-	200	-
5441 Other Services and Charges	703	995	30,900	30,900
5486 One Call system	2,647	2,870	2,600	2,600
TOTAL	57,034	74,083	205,400	215,600
1930 TOTAL - ENGINEERING	415,829	553,398	681,000	749,400

City of Duluth Minnesota - 2013 Budget

Customer Services

535-500-1940

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

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	93,069	102,952	108,100	106,500
5101 Permanent Employees - Overtime	2,042	1,496	1,500	1,200
5103 Temporary Wages	-	-	-	-
5118 Meal Allowance	-	5	-	-
TOTAL	95,111	104,453	109,600	107,700
EMPLOYEE BENEFITS				
5121 P.E.R.A.	6,149	6,956	7,300	7,500
5122 F.I.C.A. Social Security	5,719	6,219	6,800	6,700
5123 F.I.C.A. Medicare	1,337	1,454	1,600	1,600
5124 Health Insurance	14,793	16,183	20,500	-
5125 Dental Insurance	725	780	800	800
5126 Life Insurance	340	365	400	400
5127 Health Care Savings	1,191	1,428	3,400	1,000
5130 Cafeteria Plan Benefits				25,800
TOTAL	30,254	33,385	40,800	43,800
OPERATING EXPENSES				
5200 Office Supplies	3,282	2,497	700	600
5201 Computer Supplies	344	-	200	200
5203 Paper/Stationery	730	339	1,200	1,100
5241 Small Equipment	510	600	1,200	600
5310 Contract Services	8,685	17,048	15,000	15,000
5321 Telephone	128	174	100	200
5322 Postage	23,128	21,075	22,800	22,700
5331 Training Expense	603	386	400	400
5339 Armored Pickup	520	549	500	600
5355 Printing & Copying	47	100	-	100
5336 Copier, Printer Lease & Supplies				200
5404 Equipment Repair & Maintenance	2,365	232	400	400
5409 Fleet Services	4,589	-	-	-
5427 Credit Card Commission	2,251	3,286	2,500	2,500
5432 Uncollectible Accounts	247	10,858	-	5,000
5441 Other Services & Charges	45	-	500	500
TOTAL	47,474	57,144	45,500	50,100
1940 TOTAL - CUSTOMER SERVICES	172,839	194,982	195,900	201,600

City of Duluth Minnesota - 2013 Budget

Utility Operations

535-500-1945

Maximizes the efficiency of the stormwater system through inspection, cleaning, preventive maintenance and repairs.

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	864,267	758,282	910,400	863,400
5101 Permanent Employees - Overtime	121,337	87,929	100,000	90,000
5118 Meal Allowance	-	367	1,000	1,000
TOTAL	985,604	846,578	1,011,400	954,400
EMPLOYEE BENEFITS				
5121 P.E.R.A.	65,153	57,639	62,000	60,600
5122 F.I.C.A. Social Security	59,838	51,085	62,600	59,100
5123 F.I.C.A. Medicare	13,994	11,946	14,700	13,800
5124 Health Insurance	109,737	101,632	165,200	-
5125 Dental Insurance	5,938	5,068	6,600	6,200
5126 Life Insurance	2,781	2,369	3,100	2,900
5127 Health Care Savings	9,590	8,807	14,200	8,700
5130 Cafeteria Plan Benefits				200,600
TOTAL	267,031	238,546	328,400	351,900
OPERATING EXPENSES				
5200 Office Supplies	4,623	2,762	2,000	1,500
5201 Computer Supplies/Software	2,289	3,300	1,100	1,400
5205 Safety & Training Materials	7,641	3,820	3,600	3,100
5210 Plant Operating Supplies	6,538	6,396	12,600	12,000
5212 Motor Fuels	52,562	64,856	50,000	54,000
5218 Uniforms	694	1,276	3,600	4,100
5219 Other Miscellaneous Supplies	677	164	-	-
5220 Repair and Maintenance Supplies	4,536	3,798	4,800	4,800
5222 Paving Materials	15,239	28,203	12,000	12,000
5224 Gravel and Other Maintenance Materials	42,903	30,264	20,700	27,700
5227 Utility Maintenance Supplies	72,367	34,477	53,500	53,000
5240 Small Tools	2,550	1,964	6,000	5,000
5241 Small Equipment	18,023	29,885	22,100	17,600
5310 Contract Services	2,681	24,737	16,300	16,300
5320 Data Services	380	847	2,000	400
5321 Telephone	2,135	2,416	2,300	2,300
5322 Postage	-	-	200	200
5331 Training Expense	9,198	13,329	10,700	12,100
5333 Freight and Delivery Charges	-	-	500	300
5335 Mileage Reimbursement	15,627	14,153	20,000	15,000
5355 Printing & Copying	3,378	8,899	5,500	5,500
5336 Copier, Printer Lease & Spplies				500
5382 Water /Sewer/Gas	-	569	2,500	800
5384 Refuse Disposal	11,785	11,072	10,900	10,900
5404 Equipment/Maintenance Repair	3,793	9,803	6,300	6,300
5409 Fleet Services	124,828	123,089	90,000	100,000
5415 Vehicle/Equip Rent	-	14,639	7,000	7,000
5419 Other Rentals	3,993	2,124	-	-
5433 Dues and Subscriptions	2,175	550	500	1,000
5438 Licenses	400	-	500	500
5441 Other Services & Charges	354	273	900	31,100
5450 Laundry	7,411	8,013	6,500	6,000
5700 Transfer to General Fund	510,600	510,410	510,600	215,000
TOTAL	929,380	956,088	885,200	627,400
1945 TOTAL - UTILITY OPERATIONS	2,182,015	2,041,212	2,225,000	1,933,700

City of Duluth Minnesota - 2013 Budget

Steam Utility Fund

540

The Steam Utility Fund is a self supporting enterprise fund which accounts for the generation and distribution of steam. The major source of revenues is in metered sales to customers. Major categories of expense include purchased power, water and chemicals, and fuel.

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

Estimated Income and Expense	2010 Actual	2011 Actual	2012 Budget	2013 Approved
REVENUE				
Operating	6,335,614	6,976,597	7,647,200	7,904,300
Miscellaneous	281,732	2,492,918	174,500	244,700
	<u>6,617,346</u>	<u>9,469,515</u>	<u>7,821,700</u>	<u>8,149,000</u>
EXPENSES				
Duluth Steam Co-op				
Management Contract	2,099,010	1,921,869	2,084,700	2,459,900
Fuel Expense	2,429,489	3,193,518	3,821,500	3,924,200
Other Operating & Maintenance Expense	498,731	588,549	409,500	507,300
Depreciation	953,142	1,008,522	1,029,600	1,029,600
In Lieu of Taxes	117,000	178,660	152,800	152,800
Bond Interest	281,806	261,006	250,900	221,700
	<u>6,379,178</u>	<u>7,152,124</u>	<u>7,749,000</u>	<u>8,295,500</u>
ESTIMATED OPERATING INCOME/(LOSS)	238,168	2,317,391	72,700	(146,500)

City of Duluth Minnesota - 2013 Budget

Steam Utility Fund

540

Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
OPERATING REVENUES:				
4801 Off/On Charge	212	96	400	400
4840 Energy Charge	2,697,363	3,356,855	3,790,000	3,924,200
4841 Steam Flat Rate	144	144	100	100
4842 Capacity Charge	3,244,370	3,220,824	3,468,000	3,609,600
4843 Steam Repair - Labor	18,737	2,060	2,400	2,400
4844 Steam Repair - Materials	2,666	3,987	2,400	2,400
4845 Hot Water Sales	83,126	85,268	84,000	79,200
4846 Chilled Water Capacity Charge	186,675	198,253	186,000	186,000
4847 Chilled Water Energy Charge	73,350	66,974	91,900	100,000
TOTAL OPERATING REVENUES	6,306,643	6,934,461	7,625,200	7,904,300
MISCELLANEOUS REVENUES:				
4855 DECC Capacity Charge	162,232	192,918	173,900	222,100
4850 Earnings on Investments	-	494	600	600
4802 Interest Earned on Customer Accounts	18,072	31,679	13,200	13,200
4809 Misc Non-Operating Income	130,399	2,309,963	8,800	8,800
TOTAL MISCELLANEOUS REVENUES	310,703	2,535,054	196,500	244,700
TOTAL REVENUE	6,617,346	9,469,515	7,821,700	8,149,000

City of Duluth Minnesota - 2013 Budget

Steam Utility Fund

540

Expense Detail by Division		2010 Actual	2011 Actual	2012 Budget	2013 Approved
1490	Production	2,429,489	3,193,518	3,821,500	3,924,200
1491	Chiller Production	43,029	67,113	60,400	100,000
1492	Production Maintenance	162,769	218,259	136,800	160,800
1493	Transmission & Distribution	128,511	146,045	92,500	114,500
1494	Customer Accounting	2,400	2,400	2,700	2,700
1495	Administration & General	3,303,192	3,225,020	3,384,200	3,771,600
1499	Debt Service & Capital	309,788	299,769	250,900	221,700
TOTAL EXPENSES		6,379,178	7,152,124	7,749,000	8,295,500

City of Duluth Minnesota - 2013 Budget

Production

540-1490

Records fuel, water, electric and other direct costs associated with the operation of the boilers and production of steam.

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
5216 Chemicals	34,804	35,038	44,400	
5310 Contract Services	-	3,093	-	
5311 Security Services	17	-	300	
5220 Repair and Mtc Supplies	2,986	3,892	-	
5381 Electricity	187,019	187,593	221,500	
5382 Water, Gas and Sewer	192,582	169,166	280,800	
5383 Natural Gas	39,161	5,794	174,500	
5384 Refuse Disposal	13,648	1,254	1,200	
5385 Oil	27,481	53,872	50,800	
5387 Coal	1,874,185	2,663,905	2,970,000	3,924,200
5388 Ash Handling	57,606	69,911	78,000	
1490 TOTAL - PRODUCTION	2,429,489	3,193,518	3,821,500	3,924,200

City of Duluth Minnesota - 2013 Budget

Chiller Production

540-1491

Records the variable cost of producing and distributing chilled water.

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
5216 Chemicals	2,740	3,224	4,400	
5310 Contract Services	6,336	38,531	19,200	
5381 Electricity	21,653	20,868	21,800	100,000
5382 Water, Gas & Sewer	12,300	4,490	15,000	
1491 TOTAL - PRODUCTION	43,029	67,113	60,400	100,000

City of Duluth Minnesota - 2013 Budget

Production Maintenance

540-1492

Division operates, maintains and improves the steam distribution system to provide an adequate, reliable, and safe supply of steam to customers. It inspects the customer's equipment and assists in maintaining their steam utilization equipment.

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
5205 Safety Equipment & Supplies	2,956	3,491	4,800	
5216 Chemicals	-	6,436	-	
5220 Repair Materials & Supplies	110,412	131,903	88,000	160,800
5310 Contract Services	49,401	76,429	44,000	
1492 TOTAL - PRODUCTION MAINTENANCE	162,769	218,259	136,800	160,800

City of Duluth Minnesota - 2013 Budget

Transmission & Distribution

540-1493

Provides the materials, supplies, and contractual services when required for the operation of the distribution system, involving ten miles of line, 105 manholes, and 230 services.

Expense Detail		2010 Actual	2011 Actual	2012 Budget	2013 Approved
5220	Repair Materials & Supplies	62,616	43,058	60,500	114,500
5310	Contract Services	65,895	102,987	32,000	
1493	TOTAL - TRANSMISSIONS & DISTRIBUTION	128,511	146,045	92,500	114,500

City of Duluth Minnesota - 2013 Budget

Customer Accounting

540-1494

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

Expense Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
5200 Office Supplies	-	-	300	
5432 Uncollectible Accounts	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>	<u>2,700</u>
1494 TOTAL - CUSTOMER ACCOUNTING	2,400	2,400	2,700	2,700

City of Duluth Minnesota - 2013 Budget

Administration & General

540-1495

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

Expense Detail		2010 Actual	2011 Actual	2012 Budget	2013 Approved
5301	Audit Fees	5,074	4,573	6,000	
5307	Management Contract	2,099,010	1,921,869	2,084,700	2,459,900
5319	Other Professional Services	33,894	-	-	
5321	Telephone Service	4,731	4,957	4,800	
5361	General Liability Boiler Insurance	1,160	3,166	3,200	
5420	Depreciation	953,142	1,008,522	1,029,600	1,029,600
5438	Licenses Operating	35,663	53,773	53,000	
5441	Other Services & Charges	18	-	600	
5480	Payment in Lieu of Taxes	121,000	178,660	152,800	152,800
5493	Cost Allocation	49,500	49,500	49,500	129,300
1495	TOTAL - ADMINISTRATION & GENERAL	3,303,192	3,225,020	3,384,200	3,771,600

City of Duluth Minnesota - 2013 Budget

Debt Service

540-1499

To pay the interest expense on the outstanding bond issues, as well as the DEDA storefront loan.

Expense Detail		2010 Actual	2011 Actual	2012 Budget	2013 Approved
5611	Bond Interest	272,628	252,532	241,300	215,100
5612	Other Debt Interest	10	-	-	5,400
5614	Bond Amortization	7,418	6,899	7,800	
5620	Fiscal Agents Fee	1,750	1,575	1,800	1,200
5530	Improvements Other than Bldgs	27,982	38,763	-	
1499	TOTAL - DEBT SERVICE	309,788	299,769	250,900	221,700

City of Duluth Minnesota - 2013 Budget

Street Lighting Utility

550

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

Estimated Revenues/Expenses	2010 Actual	2011 Actual	2012 Budget	2013 Approved
REVENUE				
Operating Revenue	1,190,746	1,873,843	2,134,700	2,134,700
Non-Operating	79,372	20,195	16,000	16,000
	1,270,118	1,894,038	2,150,700	2,150,700
EXPENSE				
Personal Services	400,552	393,154	517,700	422,400
Supplies	184,191	151,634	147,200	151,500
Other Services and Charges	72,208	60,142	204,600	190,500
Utilities	678,128	650,583	750,000	750,000
Depreciation	221,769	222,685	225,000	225,000
	1,556,848	1,478,198	1,844,500	1,739,400
ESTIMATED OPERATING INCOME / (LOSS)	(286,730)	415,840	306,200	411,300
Other Sources of Cash			225,000	225,000
Other Uses of Cash			(261,502)	(450,000)
Increase (Decrease) in Cash			269,698	186,300

BUDGETED FTE'S	2010	2011	2012	2013
32 Traffic Operations Leadworker	1	1	1	1
30 Electrician	1	1	1	1
30 Signal Technician	2	2	2	2
22 Maintenance Worker	0	0	1	1
Division Total	4	4	5	5

City of Duluth Minnesota - 2013 Budget

Street Lighting Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2012 Projected	2013 Approved
ESTIMATED UNRESTRICTED CASH BALANCE	(15,475)	254,223
Estimated Net Income (Loss)	306,200	411,300
<u>Other Sources</u>		
Depreciation	<u>225,000</u>	<u>225,000</u>
Total Other Sources	225,000	225,000
<u>Other Uses</u>		
Capital Improvements	100,000	300,000
Capital Equipment Purchases	<u>161,502</u>	<u>150,000</u>
Total Other Uses	261,502	450,000
ESTIMATED BUDGETARY YEAR END CASH BALANCE	<u><u>254,223</u></u>	<u><u>440,523</u></u>

City of Duluth Minnesota - 2013 Budget

Street Lighting Utility

550

Revenue Detail	2010 Actual	2011 Actual	2012 Budget	2013 Approved
OPERATING REVENUES:				
4838 Street Lighting Fee	1,190,746	1,873,843	2,134,700	2,134,700
TOTAL OPERATING REVENUES	1,190,746	1,873,843	2,134,700	2,134,700
NON-OPERATING REVENUES				
4636 Sale of Scrap	2,073	3,888		
4654 Other Reimbursements	31,906	10	10,000	10,000
4680 Damages or Losses Recovered	39,061	7,828		
4802 Interest Earned	6,331	8,469	6,000	6,000
TOTAL NON-OPERATING REVENUES	79,371	20,195	16,000	16,000
TOTAL REVENUE	1,270,117	1,894,038	2,150,700	2,150,700

City of Duluth Minnesota - 2013 Budget

Street Lighting Utility

550

Operating Expense Detail

		2010	2011	2012	2013
		Actual	Actual	Budget	Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	270,664	261,217	364,400	264,300
5101	Permanent Employees - Overtime	39,342	38,726	40,000	40,000
5103	Temporary Employees - Regular	-	-	-	-
	TOTAL	310,006	299,943	404,400	304,300
EMPLOYEE BENEFITS					
5121	P.E.R.A.	20,711	20,590	20,900	21,600
5122	F.I.C.A. Social Security	18,397	17,671	18,900	18,900
5123	F.I.C.A. Medicare	4,302	4,133	4,400	4,400
5124	Health Insurance	42,029	45,895	51,900	-
5125	Dental Insurance	1,824	1,758	1,900	1,900
5126	Life Insurance	855	818	900	900
5127	Health Care Savings Plan	2,428	2,346	14,400	2,500
5130	Cafeteria Plan Benefits				67,900
	TOTAL	90,546	93,211	113,300	118,100
OTHER EXPENDITURES					
5200	Office Supplies	1,736	1,703	1,000	1,000
5201	Computer Supplies	451	2,781	900	500
5205	Safety & Training	867	1,750	1,500	1,500
5211	Cleaning/Janitorial Supplies	1,192	1,851	1,000	1,000
5212	Motor Fuels	38,542	6,970	35,000	35,000
5218	Uniforms	1,512	1,136	2,000	2,000
5219	Other Miscellaneous Supplies	8,694	2,272	1,800	2,500
5226	Sign & Signal Supplies	71,907	60,548	50,000	50,000
5230	Street Lighting Supplies	48,456	49,869	50,000	50,000
5240	Small Tools	4,319	6,544	3,000	4,000
5241	Small Equipment	6,515	16,210	1,000	4,000
5319	Other Professional Services	-	-	30,000	15,000
5321	Telephone	686	876	700	700
5331	Travel/Training	1,480	1,767	1,000	1,000
5335	Mileage Reimbursement - Local	3,811	3,454	3,500	3,500
5381	Electricity	678,128	650,583	719,465	750,000
5389	Street Lighting	19,397	22,152	15,000	15,000
5401	Bldg/Structure Repair & Maintenance	247	43	1,000	1,000
5404	Equipment Repair & Maintenance	786	315	500	500
5409	Fleet Service Charges	27,504	23,696	50,000	50,000
5415	Equipment Rental	281	-	500	500
5420	Depreciation	221,769	222,685	225,000	225,000
5432	Uncollectible Accounts	12,232	243	-	-
5433	Dues & Subscriptions	70	80	100	100
5435	Books	80	-	100	100
5438	Licenses	35	79	200	200
5441	Other Services & Charges	4,153	6,155	100	1,000

City of Duluth Minnesota - 2013 Budget

Street Lighting Utility

550

Operating Expense Detail		2010 Actual	2011 Actual	2012 Budget	2013 Approved
5450	Laundry	1,446	1,282	1,900	1,900
5493	Cost Allocation	-	-	59,000	100,000
5580	Capital Equipment	-	32,077	180,535	150,000
5700	Interfund Transfers Out	-	-	41,000	-
TOTAL		1,156,296	1,117,121	1,476,800	1,467,000
TOTAL STREET LIGHT UTILITY		1,556,848	1,510,275	1,994,500	1,889,400

Internal Service Funds

City of Duluth Minnesota - 2013 Budget

Internal Service Funds

Funds

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

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

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	10,670,271	10,907,648	8,670,147	7,158,247
REVENUES				
Participation from Other Funds	18,323,931	18,552,131	19,028,500	20,893,000
Charges for Services	3,333,297	3,602,574	3,557,100	3,944,300
Miscellaneous	<u>2,783,836</u>	<u>2,589,246</u>	<u>3,584,400</u>	<u>3,519,400</u>
TOTAL REVENUES	24,441,064	24,743,951	26,170,000	28,356,700
EXPENSES				
Personal Services	1,771,486	1,848,588	1,941,400	2,219,600
Other Expenditures	4,287,185	4,291,233	4,423,200	4,561,600
Claims	<u>18,145,016</u>	<u>20,841,631</u>	<u>21,317,300</u>	<u>22,622,100</u>
TOTAL EXPENSES	24,203,687	26,981,452	27,681,900	29,403,300
FUND BALANCE - DECEMBER 31	10,907,648	8,670,147	7,158,247	6,111,647

City of Duluth Minnesota - 2013 Budget

Self Insurance - Worker's Compensation

605

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

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	588,435	1,094,093	1,347,829	1,394,629
REVENUES				
Transfer from City Funds:				
General	900,000	700,000	800,000	500,000
Public Utility	334,200	418,400	243,400	170,800
Spirit Mountain	17,840	8,810		
Duluth Airport	117,855	27,855		
Other Reimbursements	48,553	96,819	50,000	50,000
TOTAL REVENUES	<u>1,418,448</u>	<u>1,251,884</u>	<u>1,093,400</u>	<u>720,800</u>
EXPENSES				
Personal Services	326,158	313,154	350,000	407,400
Claims:				
Worker's Compensation	110,995	388,681	346,600	378,200
Other Services and Charges	475,637	296,313	350,000	307,800
TOTAL EXPENSES	<u>912,790</u>	<u>998,148</u>	<u>1,046,600</u>	<u>1,093,400</u>
FUND BALANCE - DECEMBER 31	1,094,093	1,347,829	1,394,629	1,022,029

City of Duluth Minnesota - 2013 Budget

Self Insurance - Liabilities

610

Accounts for the payment of sundry insurance premiums and loss control activities, as well as the settlement of various claims, judgments and lawsuits against the City of Duluth.

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	622,971	1,316,033	1,816,621	1,799,621
REVENUES				
Transfer from City Funds:				
General	200,000	400,000	300,000	
Public Utility	615,000	708,200	294,300	268,800
Duluth Steam	1,160	3,166	3,200	2,900
Spirit Mountain	22,174	20,667		21,800
Duluth Airport	57	58		100
DEDA	18,858	20,655	20,600	21,800
Other Reimbursements	121,182	30,977		
TOTAL REVENUES	978,431	1,183,723	618,100	315,400
EXPENSES				
Claims: Liability	11,737	391,193	325,100	391,500
Property/Boiler Insurance	101,293	110,494	110,000	104,400
Other Services and Charges	172,339	181,448	200,000	209,900
TOTAL EXPENSES	285,369	683,135	635,100	705,800
FUND BALANCE - DECEMBER 31	1,316,033	1,816,621	1,799,621	1,409,221

City of Duluth Minnesota - 2013 Budget

Medical Health Fund

630

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

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	8,583,026	7,656,073	4,876,328	3,597,528
REVENUES				
City Employer/Employee Premiums	15,781,011	15,925,200	17,034,000	19,573,800
Sub-Group Employer/Employee Premiums	1,260,714	1,294,637	1,378,300	1,603,600
Miscellaneous	955,563	733,055	1,739,100	1,448,800
TOTAL REVENUES	<u>17,997,288</u>	<u>17,952,892</u>	<u>20,151,400</u>	<u>22,626,200</u>
EXPENSES				
Personal Services	250,000	250,000	250,000	405,000
Claims	17,409,024	19,453,643	19,926,400	21,097,300
Other Services and Charges	1,265,217	1,028,994	1,253,800	1,119,800
TOTAL EXPENSES	<u>18,924,241</u>	<u>20,732,637</u>	<u>21,430,200</u>	<u>22,622,100</u>
FUND BALANCE - DECEMBER 31	7,656,073	4,876,328	3,597,528	3,601,628

City of Duluth Minnesota - 2013 Budget

Dental Health Fund

633

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

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	253,757	307,435	403,689	385,089
REVENUES				
Transfer from City Funds	315,776	319,120	333,000	333,000
Sub-Groups	64,657	69,258	65,000	65,000
Miscellaneous	333,167	364,500	352,000	352,000
TOTAL REVENUES	<u>713,600</u>	<u>752,878</u>	<u>750,000</u>	<u>750,000</u>
EXPENSES				
Claims	613,260	608,114	719,200	755,100
Other Services and Charges	46,662	48,510	49,400	51,800
TOTAL EXPENSES	<u>659,922</u>	<u>656,624</u>	<u>768,600</u>	<u>806,900</u>
FUND BALANCE - DECEMBER 31	307,435	403,689	385,089	328,189

City of Duluth Minnesota - 2013 Budget

Fleet Services

660

This internal service fund accounts for the cost to repair and maintain all vehicles and various equipment for operating departments within the general fund and the enterprise funds.

	2010 Actual	2011 Actual	2012 Budget	2013 Approved
FUND BALANCE - JANUARY 1	622,082	534,014	225,680	(18,620)
REVENUES				
Fleet Services				
General Fund	2,427,130	2,632,199	2,559,500	2,925,000
Parks Fund				7,500
Golf Fund	52,633	68,996	60,000	60,000
Parking Fund	0	1,151	3,000	11,000
Water and Gas	459,871	497,875	520,400	514,400
Sewer	142,321	179,400	186,200	184,200
Stormwater	183,618	192,286	143,000	157,200
Street Light Utility	66,047	30,667	85,000	85,000
Other	1,677			
TOTAL REVENUES	3,333,297	3,602,574	3,557,100	3,944,300
EXPENSES				
Personal Services	916,200	981,003	1,009,000	1,019,700
Benefits	279,128	304,431	332,400	387,500
Other Expenses	2,214,955	2,625,474	2,460,000	2,767,900
Capital Outlay	11,082			
TOTAL EXPENSES	3,421,365	3,910,908	3,801,400	4,175,100
FUND BALANCE - DECEMBER 31	534,014	225,680	(18,620)	(249,420)
BUDGETED FTE'S				
1115 Manager, Maintenance Operations	0.2	0.2	0.2	0.25
1050 Mgr, Maintenance & Supply	1	1	1	1
133 Budget Analyst	0.2	0.2	0.2	0.25
32 Fleet Services Leadworker	2	2	2	2
28 Mechanic	5	5	6	6
28 Welder	2	2	2	2
27 Storekeeper	1	1	1	1
27 Industrial Equipment Technician	1	1	1	1
25 Equipment Maintenance Spec	2	2	2	2
24 Assistant Storekeeper	2	2	2	2
22 Maintenance Worker	1	1	1	1
Division Total	17.4	17.4	18.4	18.5

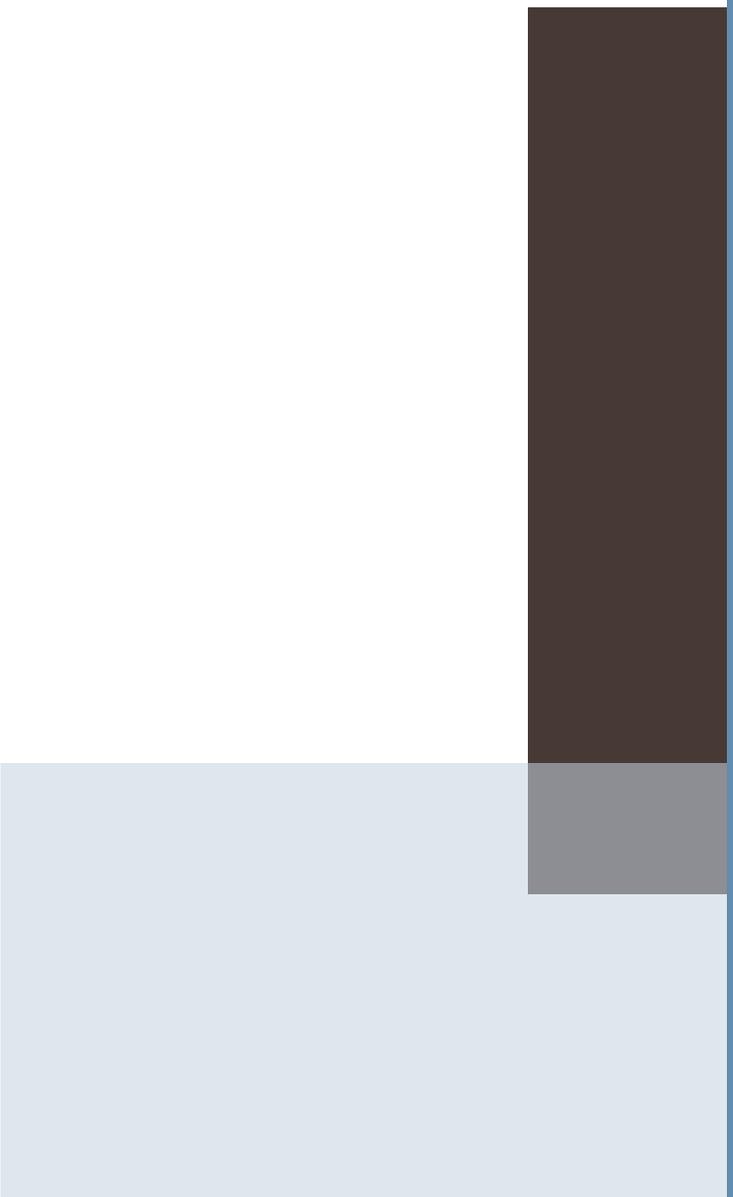
City of Duluth Minnesota - 2013 Budget

Fleet Services

660-015

EXPENSE DETAIL	2010 Actual	2011 Actual	2012 Budget	2013 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	898,612	955,673	989,000	999,700
5101 Permanent Employees - Overtime	17,588	25,330	20,000	20,000
5103 Temporary Employees - Regular	0	0	0	0
TOTAL	916,200	981,003	1,009,000	1,019,700
5121 P.E.R.A.	60,298	65,454	68,800	71,600
5122 F.I.C.A. Social Security	55,865	58,680	62,600	63,200
5123 F.I.C.A. Medicare	13,065	13,723	14,600	14,800
5124 Health Insurance	128,068	144,122	149,100	0
5125 Dental Insurance	6,350	6,682	7,100	7,100
5126 Life Insurance	3,988	4,095	3,300	3,300
5127 Health Care Savings Plan	11,494	11,675	26,900	10,000
5130 Cafeteria Plan Benefits				217,500
TOTAL	279,128	304,431	332,400	387,500
OTHER EXPENDITURES				
5200 Office Supplies	3,392	3,572	4,000	4,000
5201 Computer Supplies/Software	142	3,025	5,000	5,000
5205 Safety & Training Materials	1,169	668	4,000	4,000
5210 Plant/Operating Supplies	8,443	18,206	15,000	16,000
5212 Motor Fuel	1,035,167	1,319,638	1,065,000	1,295,000
5215 Shop Materials	9,471	10,983	13,000	13,000
5219 Other Miscellaneous Supplies	11,858	6,157	17,000	10,000
5221 Equipment Repair Supplies	795,719	872,322	864,000	950,400
5240 Small Tools	6,044	6,314	7,000	7,000
5241 Small Equipment	1,938	4,676	5,000	5,000
5405 Medical Services/Testing Fees			500	500
5319 Other Professional Services	504	202	1,500	1,500
5320 Data Services	3,395	4,488	4,000	5,000
5321 Telephone	2,091	1,176	1,000	500
5334 Training Expense	1,372	1,078	4,500	4,500
5335 Mileage Reimbursement	4,481	320	6,000	2,000
5381 Electricity	16,400	16,816	20,000	15,000
5382 Water, Gas and Sewer	13,225	12,928	15,000	15,000
5384 Refuse Disposal	1,570	1,642	2,000	2,000
5401 Building Structure Repair	2,076	31,395	2,500	10,500
5404 Equipment Repair & Maintenance	77,008	93,799	125,500	125,500
5418 Vehicle/Equipment Lease	3,545	3,807	4,000	4,000
5419 Other Rental			1,500	1,500
5420 Depreciation	72,033	68,439	65,800	65,800
5438 Licenses	6,991	1,093	8,000	4,000
5441 Other Services and Charges	10,857	17,815	30,000	30,000
5450 Laundry	13,083	14,171	12,000	14,000
5493 Cost Allocation Charges	108,200	108,200	108,200	108,200
5604 Capital Lease Principle			47,200	47,200
5615 Capital Lease Interest	4,781	2,544	1,800	1,800
5580 Capital Equipment	11,082			
TOTAL	2,226,037	2,625,474	2,460,000	2,767,900
TOTAL EXPENSES	3,421,365	3,910,908	3,801,400	4,175,100

CAPITAL PROGRAM



CAPITAL BUDGET AND PLAN

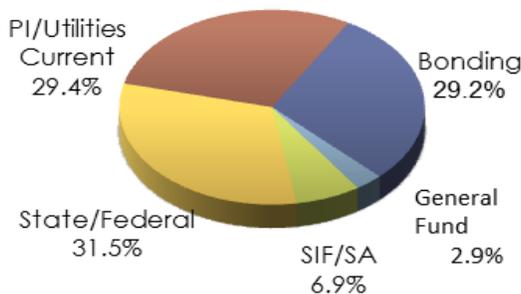
The City of Duluth's Capital Improvement Plan (CIP) is a plan for the development and maintenance of the city's "physical plant" covering items thought of as infrastructure – street, water, gas and sewer lines, bridges etc. as well as city facilities and property. Also included in this plan are the city's rolling stock equipment plan and budget, and the capital outlay budget items. Not included in the CIP at this time are non-street Community Development Block Grant projects; new development; Duluth Economic Development Authority (DEDA) projects; or projects of the city authorities of Spirit Mountain, Duluth Airport Authority, Duluth Transit Authority, or the Duluth Entertainment and Convention Center.

The City's Capital Improvement Budget and Plan addresses current and future improvements to the City's infrastructure, facilities, and properties by combining elements of both budgeting (current year needs) and planning (five year plan). The purpose of the CIP is two-fold: first, to prioritize and fund the most urgent needs in the coming year's budget; and secondly, to identify future capital needs with sufficient lead time so decisions may be made to our best advantage. This section presents a summary of the 2013 Capital Budget and the 2014 through 2017 Capital Improvement Plan, as well as a summary of the Capital Equipment Budget and Plan.

2013 Proposed Improvements

The 2013 CIP outlines projects funded in the Capital Projects Funds of Special Assessment, Permanent Improvement, Capital Improvement and Street Improvements. Also included are projects for the Water, Gas, Sewer and Stormwater utilities. The total proposed budget is \$27,657,800 consisting of an array of projects and funding sources. The chart below shows the breakdown of funding for the 2013 program.

Capital improvements are funded by issuing a capital improvement bond in the amount of \$1,825,000; a federal grant of \$3,526,100; a state grant for \$1,019,000; a matching grant bond of \$1,262,800; prior year PI for \$529,000; and general fund for \$815,400 for a combined program total of \$8,977,300.



The Street and Bridge Reconstruction and Preservation program for 2013 totals \$7,290,500. Funding sources include aids and grants; special assessments; street improvement Funds; and current year utility revenue.

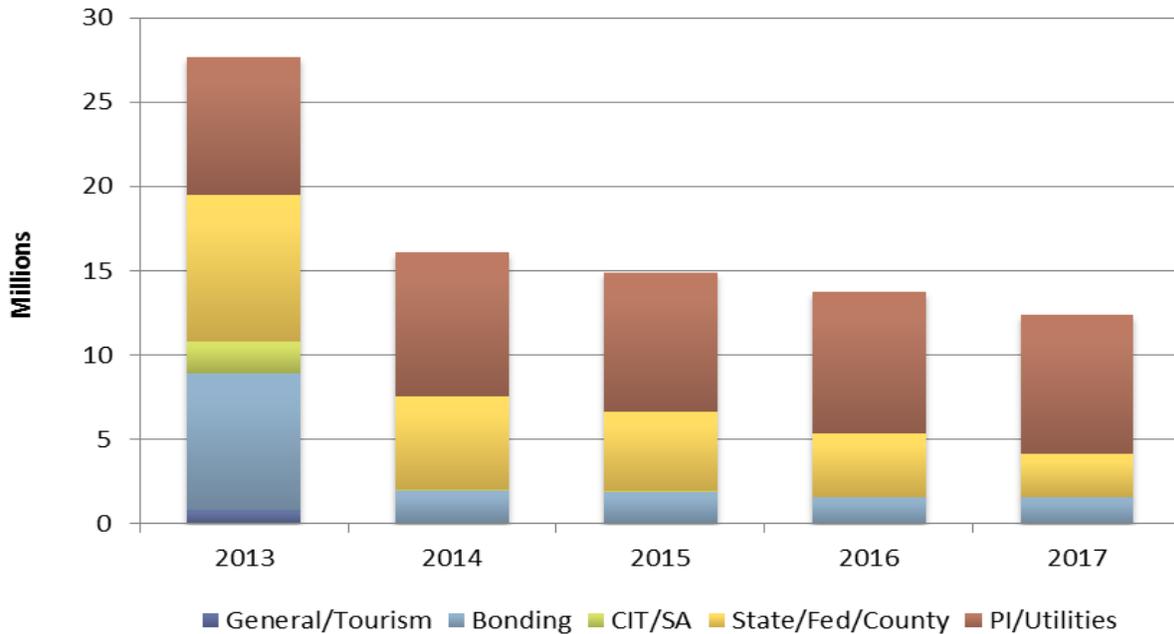
2013 Capital Utility Projects will be funded through utility bonds in the amount of \$5,000,000; and current year utility revenue of \$6,390,000 for a total of \$11,390,000.

PI/Current Year Revenue	\$ 8,134,500
General Fund	\$ 815,400
Bonding	\$ 8,087,800
SIF/SA	\$ 1,900,000
State/Fed	<u>\$ 8,720,100</u>
Total 2013 Plan	\$27,657,800

Five Year Improvement Plan

The City has identified \$84.770 million in improvements along with funding sources over the course of the next five years. The General Fund contribution will total \$955,400 over the five year period. In addition, the City will bond for certain types of improvements as allowed in State Statute, as well as for trail improvements using grant money as the required match. For 2013, the City is proposing to bond \$1.825 million for capital improvements and \$1,262,800 for trails; for 2014, the figures are \$1.635 million and \$270,000; for 2015 the figures are \$1.540 million and \$270,000 respectively. The proposed bond amounts for the remaining two years are \$1.530 in 2016 and \$1.535 million in 2017 for a combined five year total of \$9.868 million for improvements and trail bonds. Other sources include property tax dollars levied in the Permanent Improvement Fund for trails and street and bridge projects totaling \$2.107 million with \$1.578 million to come from current year property tax revenues and the balance from prior year balances. The Utility Funds will finance \$39.5 million utilizing current year operating revenues, with an additional \$5 million to be financed with bonds over the five year period for a combined total of \$44.5 million for utilities.

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



	2013	2014	2015	2016	2017	Total
General Fund	815,400	70,000	70,000	0	0	955,400
Bonding	8,087,800	1,905,000	1,810,000	1,530,000	1,535,000	14,867,800
SIF/SA	1,900,000	50,000	50,000	50,000	50,000	2,100,000
State/Federal	8,720,100	5,543,000	4,710,000	3,742,000	2,530,000	25,245,100
PI & Utilities	8,134,500	8,512,500	8,265,000	8,405,000	8,285,000	41,602,000
Total Plan	27,657,800	16,080,500	14,905,000	13,727,000	12,400,000	84,770,300

2013 CAPITAL IMPROVEMENTS PROGRAM FUNDING SOURCES

	CIP/Grant Bond	General Fund	PI/ Prior Yr PI	Aids/ Grants	SIF/ SA	Utility Bond	Utility Revenue	Total
Capital Improvement Program								
Buildings City-Wide	985,000							985,000
City Hall	260,000							260,000
Fire Department	580,000							580,000
Lakewalk & Munger Trails	1,262,800	815,400	529,000	4,545,100				7,152,300
	3,087,800	815,400	529,000	4,545,100				8,977,300
Street & Bridge Reconstruction and Preservation Program								
Misc Annual Infrastructure			207,500		50,000			257,500
Carver Avenue				240,000			25,000	265,000
Downtown Area Brick Reconstruction				300,000			200,000	500,000
Intersection @ Arrowhead & Kenwood				300,000				300,000
Oxford/Livingston/Glenwood				1,455,000			633,000	2,088,000
Ridgeview Road				1,440,000				1,440,000
Riverside					1,850,000		120,000	1,970,000
Skyline Parkway				440,000			30,000	470,000
			207,500	4,175,000	1,900,000		1,008,000	7,290,500
Capital Utility Projects								
Water Main Replacement							1,320,000	1,320,000
Lakewood Sludge Removal							400,000	400,000
West Duluth Reservoir						5,000,000		5,000,000
Copper Risers							750,000	750,000
Bollard Contract							50,000	50,000
First St Gas Project							500,000	500,000
Third St Gas Project							500,000	500,000
Michigan St Gas Project							120,000	120,000
Gas Main Extensions							700,000	700,000
Lift Station Improvements							300,000	300,000
Manhole Adjustments							100,000	100,000
Sanitary Sewer Rehab/Reline							750,000	750,000
Miscellaneous Stormwater Projects							400,000	400,000
Storm Sewer Replacement							250,000	250,000
Brewery & Gray's Creek							250,000	250,000
						5,000,000	6,390,000	11,390,000
	3,087,800	815,400	736,500	8,720,100	1,900,000	5,000,000	7,398,000	27,657,800

2013-2017 Capital Improvement Program Project Summary

	2013	2014	2015	2016	2017	TOTAL
Capital Improvement Program						
ADA Compliance	100,000	100,000	100,000	200,000	200,000	700,000
Carpet at West Library Branch	35,000					35,000
Citywide Overhead Door Replacement	100,000	50,000	50,000	50,000	50,000	300,000
Energy Measures	100,000	100,000	100,000	100,000	100,000	500,000
Facilities Needs Priorities				300,000	500,000	800,000
Furnace Replacements	100,000	100,000	100,000	100,000	100,000	500,000
Masonry Repair	150,000	150,000	150,000	150,000	150,000	750,000
Modernization/Remodeling	110,000	110,000	110,000	110,000	110,000	550,000
Roof Replacements	400,000	250,000	250,000	250,000	250,000	1,400,000
Steps Tuckpointing & Stone Repair @ City Hall	150,000	150,000				300,000
Firehall #1 Air conditioner replacement			100,000			100,000
Firehall #1 Driveway		100,000				100,000
Firehall #1 Masonry		50,000				50,000
Firehall #1 Remodel	125,000					125,000
Firehall #2 Roof Replacement		250,000				250,000
Firehall #2 Tuck Pointing					75,000	75,000
Firehall #2 Window Replacement				120,000		120,000
Firehall #4 & 7 Brick Repair		100,000				100,000
Firehall #6 Drainage and driveway			100,000			100,000
Firehall #8 Drainage and driveway				150,000		150,000
Firehall #10 & # 6 Remodel for staffing plan	100,000					100,000
Firehall #10 Apparatus Bay Floor & Upgrade	130,000					130,000
Firehall Furnace Replacements			50,000			50,000
Firehall Overhead Doors	75,000	75,000	120,000			270,000
Firehall Roof Replacements			250,000			250,000
Firehall Structural Access Approaches	50,000					50,000
Firehall Ventilation	100,000	50,000	60,000			210,000
Lakewalk	3,192,300					3,192,300
Cross City Trail	3,960,000	840,000	840,000			5,640,000
Capital Improvement Program Total	8,977,300	2,475,000	2,380,000	1,530,000	1,535,000	16,897,300
Street & Bridge Reconstruction and Preservation Program						
Misc Annual Infrastructure	257,500	330,000	330,000	330,000	330,000	1,577,500
10TH Ave East		3,242,000				3,242,000
Carver Avenue	265,000					265,000
Downtown Area Brick Reconstruction	500,000	1,650,000	4,780,000	4,810,000	4,810,000	16,550,000
Intersection @ Arrowhead & Kenwood	300,000					300,000
Oxford Street Bridge L9419			500,000			500,000
Oxford/Livingston/Glenwood	2,088,000					2,088,000
Ridgeview Road	1,440,000					1,440,000
Riverside	1,970,000					1,970,000
Skyline Parkway	470,000	1,030,000		1,302,000		2,802,000
West Superior Street		848,500				848,500
Woodland Avenue			1,460,000			1,460,000
Street, Bridge and Preservation Total	7,290,500	7,100,500	7,070,000	6,442,000	5,140,000	33,043,000

2013-2017 Capital Improvement Program Project Summary

	2013	2014	2015	2016	2017	TOTAL
Capital Utility Projects						
Backwash MCC at Water Plant			630,000			630,000
Building & Structure Repairs					900,000	900,000
Pump Station upgrade			75,000			75,000
Pump House Roof					650,000	650,000
Switch Gear				280,000		280,000
Water Main Replacement	1,320,000	2,100,000	1,300,000	600,000	1,000,000	6,320,000
Water Plant electrical upgrades				1,600,000		1,600,000
Lakewood Sludge Removal	400,000					400,000
West Duluth Reservoir	5,000,000					5,000,000
Copper Risers	750,000	750,000				1,500,000
Flow Meters		150,000				150,000
Bollard Contract	50,000	50,000	50,000	50,000		200,000
First St Gas Project	500,000		500,000			1,000,000
Third St Gas Project	500,000					500,000
Michigan St Gas Project	120,000					120,000
London Road Gas Project				300,000		300,000
Woodland Gas Project				500,000		500,000
Gas Capital Project		530,000	200,000	200,000	700,000	1,630,000
Gas Main Extensions	700,000	700,000	500,000	500,000	500,000	2,900,000
First Street Sanitary Project		500,000				500,000
Lift Station Improvements	300,000	200,000	675,000	450,000	450,000	2,075,000
Manhole Adjustments	100,000	100,000	100,000	100,000	100,000	500,000
Sanitary Sewer Rehab/Reline	750,000	750,000	750,000	750,000	1,000,000	4,000,000
Miscellaneous Stormwater Projects	400,000	175,000	175,000	175,000	175,000	1,100,000
Storm Sewer Replacement	250,000	250,000	250,000	250,000	250,000	1,250,000
Brewery & Gray's Creek	250,000	250,000	250,000			750,000
Capital Utility Projects Total	11,390,000	6,505,000	5,455,000	5,755,000	5,725,000	34,830,000
GRAND TOTAL	27,657,800	16,080,500	14,905,000	13,727,000	12,400,000	84,770,300

5 YEAR CAPITAL IMPROVEMENTS PROGRAM BY FUNDING SOURCE

	2013	2014	2015	2016	2017	TOTAL
Capital Improvement Bond	1,825,000	1,635,000	1,540,000	1,530,000	1,535,000	8,065,000
Matching Grant Bond	1,262,800	270,000	270,000			1,802,800
General Fund - In Kind	815,400	70,000	70,000			955,400
Permanent Improvement Fund Prior Year PI	207,500 529,000	280,000	530,000	280,000	280,000	1,577,500 529,000
Federal Grants	4,966,100	1,450,000	1,420,000	1,000,000		8,836,100
State Funding MSA	2,735,000	4,093,000	3,040,000	2,742,000	2,530,000	15,140,000
State Bonding DNR	1,019,000		250,000			250,000 1,019,000
Street Improvement Fund	1,850,000					1,850,000
Special Assessment	50,000	50,000	50,000	50,000	50,000	250,000
Utilities - Bonding Water	5,000,000					5,000,000
Utilities - Current Year Revenue Water	2,235,500	2,817,500	3,010,000	3,485,000	3,550,000	15,098,000
Gas	2,690,000	2,280,000	1,250,000	1,580,000	1,230,000	9,030,000
Sewer	1,385,000	2,200,000	2,475,000	2,250,000	2,500,000	10,810,000
Stormwater	1,087,500	935,000	1,000,000	810,000	725,000	4,557,500
TOTAL ALL FUNDING SOURCES	27,657,800	16,080,500	14,905,000	13,727,000	12,400,000	84,770,300

Capital Improvement Program Summary

The Capital Improvement Program is the principal funding program the City uses to make large, planned improvements and corrections to its building inventory and infrastructure. It traditionally consists of issuing general obligation bonds for city hall, public safety facilities, libraries and public works facilities. The City maintains 150 structures with an average age of over 40 years. These structures require continued accessibility and code compliance efforts.

Projects	2013	2014	2015	2016	2017	Total
Buildings City-Wide	985,000	750,000	750,000	1,150,000	1,350,000	4,985,000
City Hall	260,000	260,000	110,000	110,000	110,000	850,000
Fire	580,000	625,000	680,000	270,000	75,000	2,230,000
Lakewalk & Cross City Trail	7,152,300	840,000	840,000			8,832,300
Total	8,977,300	2,475,000	2,380,000	1,530,000	1,535,000	16,897,300

Funding	2013	2014	2015	2016	2017	Total
Capital Improvement Bond	1,825,000	1,635,000	1,540,000	1,530,000	1,535,000	8,065,000
Matching Grant Bond	1,262,800	270,000	270,000			1,802,800
Federal Grants	3,526,100	500,000	500,000			4,526,100
State Grants	1,019,000					1,019,000
General Fund In-kind	815,400	70,000	70,000			955,400
Prior Year PI Fund	529,000					529,000
Total	8,977,300	2,475,000	2,380,000	1,530,000	1,535,000	16,897,300

Buildings City-Wide

Description:

It is important to maintain a city-wide program of furnace/boiler replacement and accessibility compliance for structures . structures. Many remote sites need masonry tuck pointing; this is our primary point of water migration into finished spaces. We have damaged window heads, sills and parapets which also need repairs. Additionally, many remote sites are being heated with boilers or furnaces which are 20 years old and beyond. Replacing these with modern, high efficient units with electronic controls can realize 15% annual energy savings over the continued life of the structure.

Project	2013	2014	2015	2016	2017	Total
ADA Compliance	100,000	100,000	100,000	200,000	200,000	700,000
Carpeting - West Duluth	35,000					35,000
Energy Measures	100,000	100,000	100,000	100,000	100,000	500,000
Furnace/Boiler Replacements	100,000	100,000	100,000	100,000	100,000	500,000
Masonry Repair	150,000	150,000	150,000	150,000	150,000	750,000
Overhead Door Replace	100,000	50,000	50,000	50,000	50,000	300,000
Roof Replacements	400,000	250,000	250,000	250,000	250,000	1,400,000
Facility Needs Priorities				300,000	500,000	800,000
Total	985,000	750,000	750,000	1,150,000	1,350,000	4,985,000

Funding	2013	2014	2015	2016	2017	Total
Capital Improvement Bond	985,000	750,000	750,000	1,150,000	1,350,000	4,985,000

City Hall

Description:

The City Hall exterior stairway stones have shifted, with some cracking and breaking, creating a potential safety hazard. First Street stairs are to be fixed in 2013, with the Civic Center stairs repaired in 2014.

A modest amount is budgeted annually to accommodate reorganizations and department consolidations.

Project	2013	2014	2015	2016	2017	Total
Modernization/Remodeling	110,000	110,000	110,000	110,000	110,000	550,000
Tuckpoint/repair steps	150,000	150,000				300,000
Total	<u>260,000</u>	<u>260,000</u>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>850,000</u>

Funding	2013	2014	2015	2016	2017	Total
Capital Improvement Bond	260,000	260,000	110,000	110,000	110,000	850,000

Fire Department

Description:

Over the next five years, the City is proposing to invest \$2.23 million in capital maintenance projects at firehalls throughout the City. There are remodeling projects to accommodate staff reorganizations as part of the Fire Department consolidation plan. Energy improvements consist of installing new windows and overhead doors, and replacing furnaces and roofs. Repair and maintenance projects consist of masonry and brick repair, as well as resolving drainage issues and replacing driveways.

Project	2013	2014	2015	2016	2017	Total
Firehall #1 Air conditioning			100,000			100,000
Firehall #1 Driveway		100,000				100,000
Firehall #1 Masonry		50,000				50,000
Firehall #1 Remodel	125,000					125,000
Firehall #2 Roof		250,000				250,000
Firehall #2 Tuckpointing					75,000	75,000
Firehall #2 Windows				120,000		120,000
Firehall #4 & 7 Brick Repair		100,000				100,000
Firehall #6 Drainage/Driveway			100,000			100,000
Firehall #8 Drainage/Driveway				150,000		150,000
Firehall #10 & 6 Remodel	100,000					100,000
Firehall #10 Floor & Upgrade	130,000					130,000
Furnace Replacements			50,000			50,000
Roof Replacements			250,000			250,000
Overhead Doors	75,000	75,000	120,000			270,000
Access Approaches	50,000					50,000
Ventilation	100,000	50,000	60,000			210,000
Total	580,000	625,000	680,000	270,000	75,000	2,230,000

Funding	2013	2014	2015	2016	2017	Total
Capital Improvement Bond	580,000	625,000	680,000	270,000	75,000	2,230,000

Lakewalk and Cross City Trails

Description:

Lakewalk is a combination of a \$1.18 million federal transportation enhancement grant, a \$456,000 state grant, \$529,000 from the Permanent Improvement Fund, and the City's match for engineering, right of way acquisition, and construction. This continues the successful extension of this vital recreation and commuting trail from 60th Avenue East to Brighton Beach.

The 2013 Cross City Trail project is a combination of \$2.35 million federal grants, \$563,000 in state grants and the City's match for construction from Tank Top Park to Central Avenue.

Project	2013	2014	2015	2016	2017	Total
Lakewalk	3,192,300					3,192,300
Cross City Trail	3,960,000	840,000	840,000			5,640,000
Total	<u>7,152,300</u>	<u>840,000</u>	<u>840,000</u>	<u>-</u>	<u>-</u>	<u>8,832,300</u>

Funding	2013	2014	2015	2016	2017	Total
Federal Grant	3,526,100	500,000	500,000			4,526,100
State Grant	1,019,000					1,019,000
Matching Grant Bond	1,262,800	270,000	270,000			1,802,800
Prior Year PI Fund	529,000					529,000
General Fund In-kind	815,400	70,000	70,000			955,400
Total	<u>7,152,300</u>	<u>840,000</u>	<u>840,000</u>	<u>-</u>	<u>-</u>	<u>8,832,300</u>

Street Reconstruction & Bridge Projects Summary

Description:

These projects include street reconstruction and bridge maintenance that have funding sources other than the Community Investment fund. These other funding sources include municipal state aid, state bridge bond, federal or permanent improvement funds. A portion of these projects will be special assessed to the residents according to City policy.

Project	2013	2014	2015	2016	2017	Total
Misc Annual Infrastructure	257,500	330,000	330,000	330,000	330,000	1,577,500
10th Avenue East		3,242,000				3,242,000
Carver Avenue	265,000					265,000
Downtown Area Reconstruct	500,000	1,650,000	4,780,000	4,810,000	4,810,000	16,550,000
Intersection Arrowhead/Kenwood	300,000					300,000
Oxford Street Bridge L9419			500,000			500,000
Oxford/Livingston/Glenwood	2,088,000					2,088,000
Ridgeview Road	1,440,000					1,440,000
Riverside	1,970,000					1,970,000
Skyline Parkway	470,000	1,030,000		1,302,000		2,802,000
West Superior Street		848,500				848,500
Woodland Avenue			1,460,000			1,460,000
Total	7,290,500	7,100,500	7,070,000	6,442,000	5,140,000	33,043,000

Funding	2013	2014	2015	2016	2017	Total
Federal	1,440,000	950,000	920,000	1,000,000		4,310,000
State	2,735,000	4,093,000	3,290,000	2,742,000	2,530,000	15,390,000
SIF/SA	1,900,000	50,000	50,000	50,000	50,000	2,100,000
Utilities	1,008,000	1,727,500	2,280,000	2,370,000	2,280,000	9,665,500
Permanent Improvement	207,500	280,000	530,000	280,000	280,000	1,577,500
Total	7,290,500	7,100,500	7,070,000	6,442,000	5,140,000	33,043,000

Miscellaneous Annual Infrastructure

Description:

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

Project	2013	2014	2015	2016	2017	Total
Permanent Improvements	127,500	200,000	200,000	200,000	200,000	927,500
Patch & Sidewalks	130,000	130,000	130,000	130,000	130,000	650,000
Total	257,500	330,000	330,000	330,000	330,000	1,577,500

Funding	2013	2014	2015	2016	2017	Total
PI Fund	207,500	280,000	280,000	280,000	280,000	1,327,500
Special Assessment	50,000	50,000	50,000	50,000	50,000	250,000
Total	257,500	330,000	330,000	330,000	330,000	1,577,500

Street Reconstruction & Bridge Projects

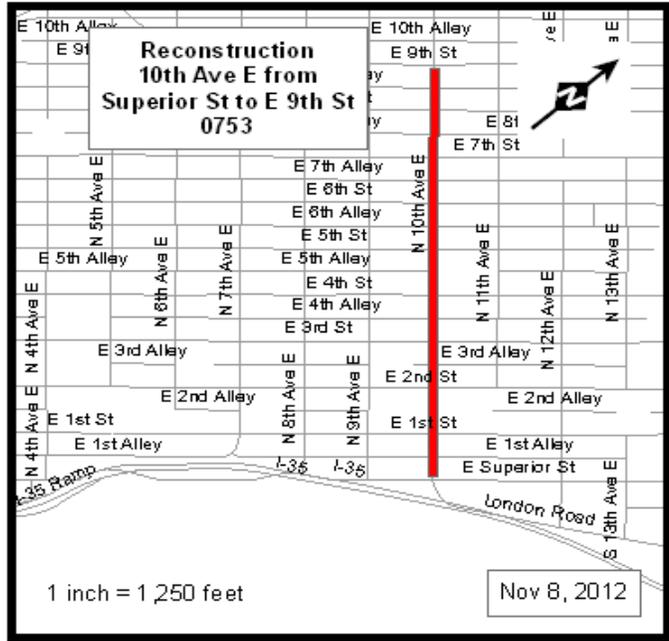
Project Title:

10th Avenue East: Superior to 9th Street

Funding Source:

	FY 2014
Federal	950,000
MSA	1,317,000
Sewer	400,000
Storm	125,000
Water	400,000
Gas	50,000

PROJECT TOTAL: 3,242,000



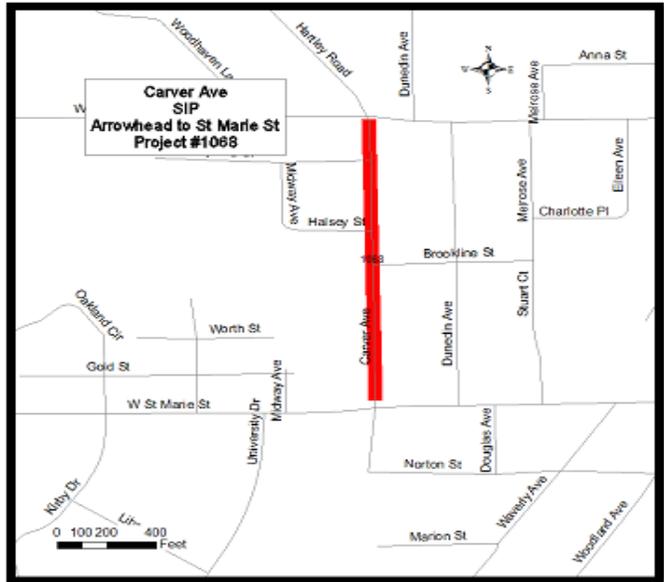
Project Title:

Carver Avenue

Funding Source:

	FY 2013
MSA	240,000
Storm	12,500
Water	12,500

PROJECT TOTAL: \$265,000



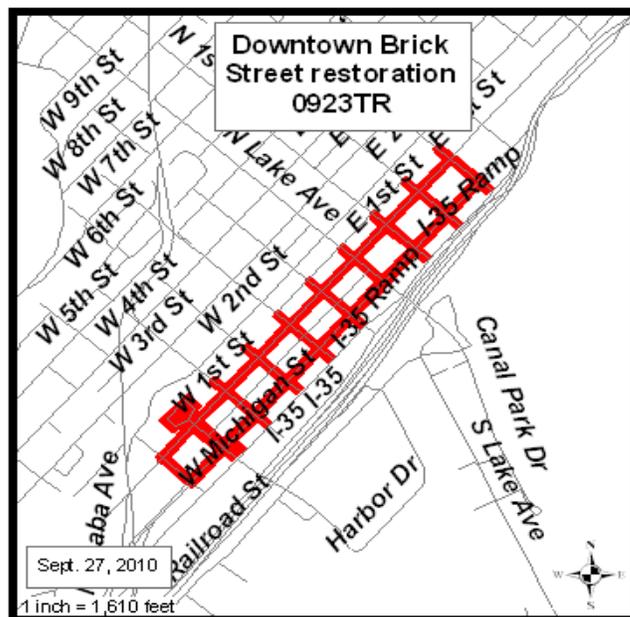
Street Reconstruction & Bridge Projects

Project Title:

Downtown Area Brick Reconstruction

Funding Source:

	<u>FY 2013-2017</u>
Federal	1,920,000
MSA	6,970,000
Sewer	3,400,000
Storm	750,000
Water	3,400,000
Gas	110,000
PROJECT TOTAL:	\$16,550,000

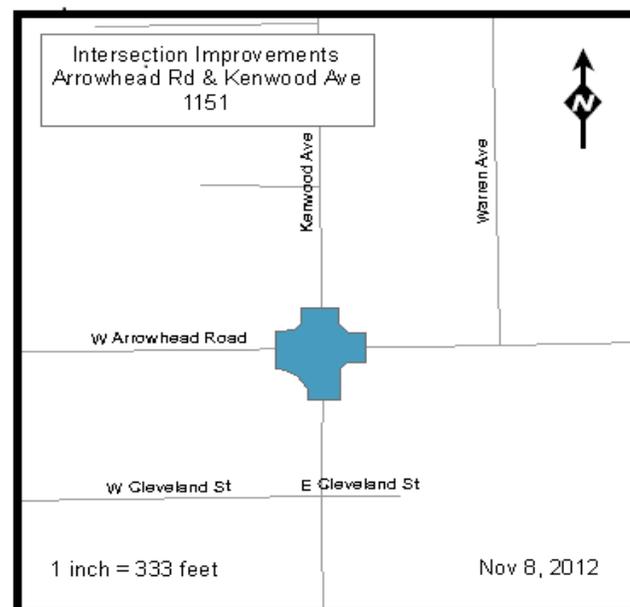


Project Title:

Intersection at Arrowhead & Kenwood

Funding Source:

	<u>FY 2013</u>
MSA	300,000
PROJECT TOTAL:	\$300,000



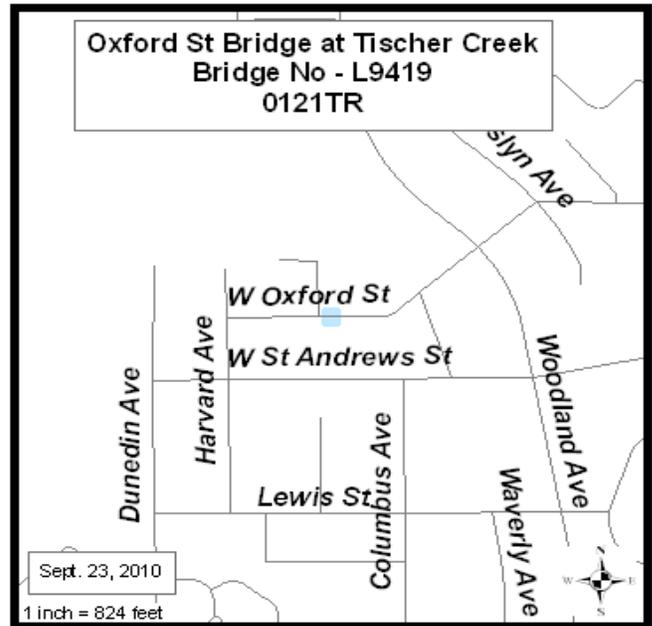
Street Reconstruction & Bridge Projects

Project Title:

Oxford Street: Bridge L9419

Funding Source:

	FY 2015
State Bond	250,000
PI	250,000
PROJECT TOTAL:	\$500,000



Project Title:

Oxford/Livingston/Glenwood Streets

Funding Source:

	FY 2013
MSA	1,455,000
Sewer	185,000
Storm	50,000
Water	398,000
PROJECT TOTAL:	\$2,088,000



Street Reconstruction & Bridge Projects

Project Title:

Ridgeview Road

Funding Source:

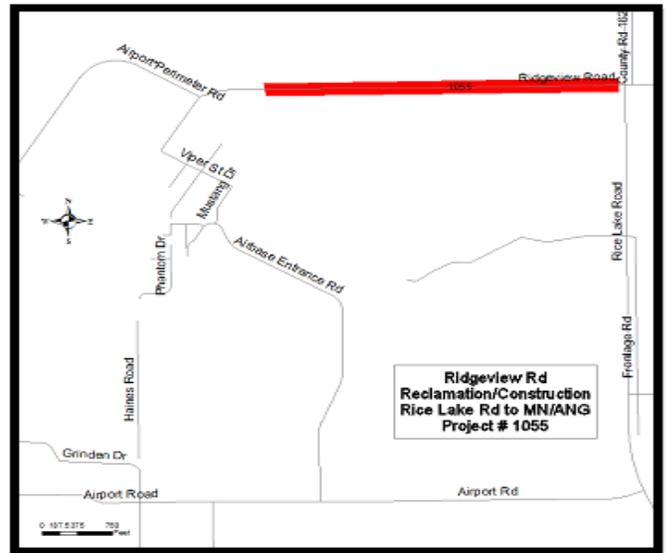
FY 2013

Federal/ANG

1,440,000

PROJECT TOTAL:

\$1,440,000



Project Title:

Riverside

Funding Source:

FY 2013

SIF

1,850,000

Storm

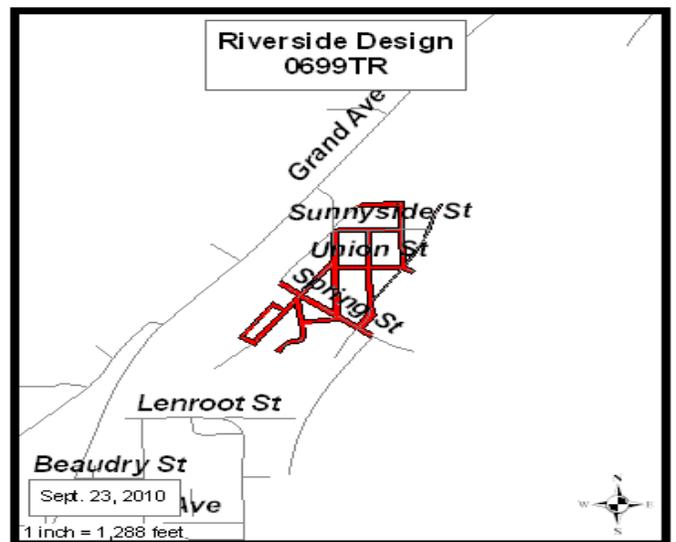
50,000

Gas

70,000

PROJECT TOTAL:

\$1,970,000



Street Reconstruction & Bridge Projects

Project Title:

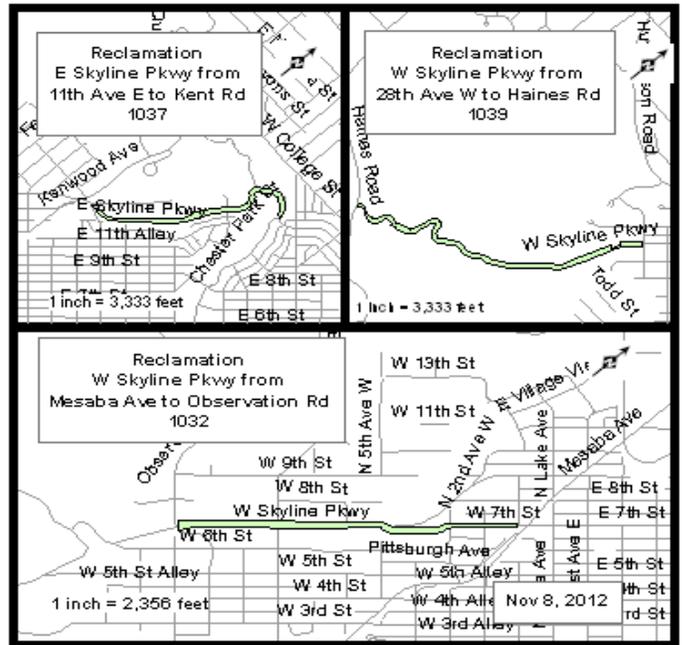
Skyline Parkway

Funding Source:

FY 2013,2014,2016

MSA	2,602,000
Storm	185,000
Water	15,000

PROJECT TOTAL: \$2,802,000



Project Title:

West Superior Street

Funding Source:

FY 2014

MSA	826,000
Storm	10,000
Water	12,500

PROJECT TOTAL: \$848,500



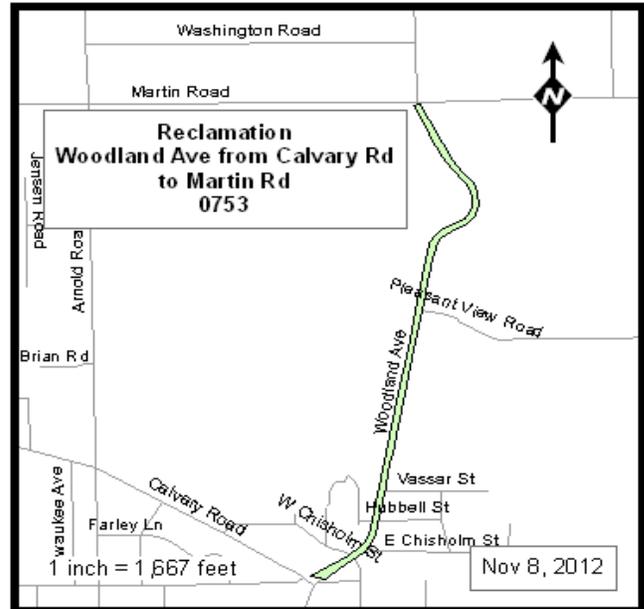
Street Reconstruction & Bridge Projects

Project Title:

Woodland Avenue

Funding Source:

	FY 2015
MSA	1,430,000
Storm	25,000
Water	5,000
PROJECT TOTAL:	\$1,460,000



Capital Utility Projects Summary

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

Projects	2013	2014	2015	2016	2017	Total
Water	6,720,000	2,100,000	2,005,000	2,480,000	2,550,000	15,855,000
Gas	2,620,000	2,180,000	1,250,000	1,550,000	1,200,000	8,800,000
Sewer	1,100,000	1,500,000	1,475,000	1,250,000	1,500,000	6,825,000
Stormwater	950,000	725,000	725,000	475,000	475,000	3,350,000
Total	11,390,000	6,505,000	5,455,000	5,755,000	5,725,000	34,830,000

Funding	2013	2014	2015	2016	2017	Total
Water Improvement Bonds	5,000,000	-	-	-	-	5,000,000
Water - Current Revenue	1,720,000	2,100,000	2,005,000	2,480,000	2,550,000	10,855,000
Gas - Current Revenue	2,620,000	2,180,000	1,250,000	1,550,000	1,200,000	8,800,000
Sewer - Current Revenue	1,100,000	1,500,000	1,475,000	1,250,000	1,500,000	6,825,000
Stormwater - Current Revenue	950,000	725,000	725,000	475,000	475,000	3,350,000
Total	11,390,000	6,505,000	5,455,000	5,755,000	5,725,000	34,830,000

Capital Utility Projects

Description: Water Annual Infrastructure

The proposed water projects over the next five years include updating the aging infrastructure by replacing those distribution mains with a high number of recurring leaks. Rehabilitation of primary transmission lines along with pump station upgrades and reservoir improvements will increase system reliability to meet water demand.

Project	2013	2014	2015	2016	2017	Total
Backwash MCC at Water Plant			630,000			630,000
Building & Structure Repairs					900,000	900,000
Pump Station upgrade			75,000			75,000
Lakewood Sludge Removal	400,000					400,000
Pump House Roof					650,000	650,000
Switch Gear				280,000		280,000
Water Main Replacement	1,320,000	2,100,000	1,300,000	600,000	1,000,000	6,320,000
Water Plant electrical upgrades				1,600,000		1,600,000
West Duluth Reservoir	5,000,000					5,000,000
Total	6,720,000	2,100,000	2,005,000	2,480,000	2,550,000	15,855,000

Funding	2013	2014	2015	2016	2017	Total
Water - Current Revenue	1,720,000	2,100,000	2,005,000	2,480,000	2,550,000	10,855,000
Water Improvement Bond	5,000,000					5,000,000
Total	6,720,000	2,100,000	2,005,000	2,480,000	2,550,000	15,855,000

Capital Utility Projects

Description: Gas Annual Infrastructure

The proposed gas projects over the next five years include funding the continued extension of the system into unserved areas and replacement of older steel mains where leaks occur.

Project	2013	2014	2015	2016	2017	Total
Copper Risers	750,000	750,000				1,500,000
Flow Meters		150,000				150,000
Bollard Contract	50,000	50,000	50,000	50,000		200,000
First Street Gas Project	500,000		500,000			1,000,000
Third Street Gas Project	500,000					500,000
Michigan Street Gas Project	120,000					120,000
London Road Gas Project				300,000		300,000
Woodland Ave Gas Project				500,000		500,000
Gas Capital Project		530,000	200,000	200,000	700,000	1,630,000
Gas Main Extensions	700,000	700,000	500,000	500,000	500,000	2,900,000
Total	2,620,000	2,180,000	1,250,000	1,550,000	1,200,000	8,800,000

Funding	2013	2014	2015	2016	2017	Total
Gas - Current Revenue	2,620,000	2,180,000	1,250,000	1,550,000	1,200,000	8,800,000

Capital Utility Projects

Description: Sanitary Sewer Annual Infrastructure

The proposed sanitary sewer projects over the next five years include a focus of updating two of the city's 48 sanitary lift stations per year and continued lining or rehabilitation of leaking pipes.

Project	2013	2014	2015	2016	2017	Total
First Street Sanitary Project		500,000				500,000
Lift Station Improvements	300,000	200,000	675,000	450,000	450,000	2,075,000
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
Sanitary Sewer Rehab/Reline	750,000	750,000	750,000	750,000	1,000,000	4,000,000
Total	1,100,000	1,500,000	1,475,000	1,250,000	1,500,000	6,825,000

Funding	2013	2014	2015	2016	2017	Total
Sewer Current Revenue	1,100,000	1,500,000	1,475,000	1,250,000	1,500,000	6,825,000
Total	1,100,000	1,500,000	1,475,000	1,250,000	1,500,000	6,825,000

Capital Utility Projects

Description: Stormwater Annual Infrastructure

The proposed storm water projects over the next five years include continued replacement of failing storm sewer lines and large culverts. Reconstruction of Brewery and Grays Creek is planned to relocate these streams from underneath existing buildings to public right of ways.

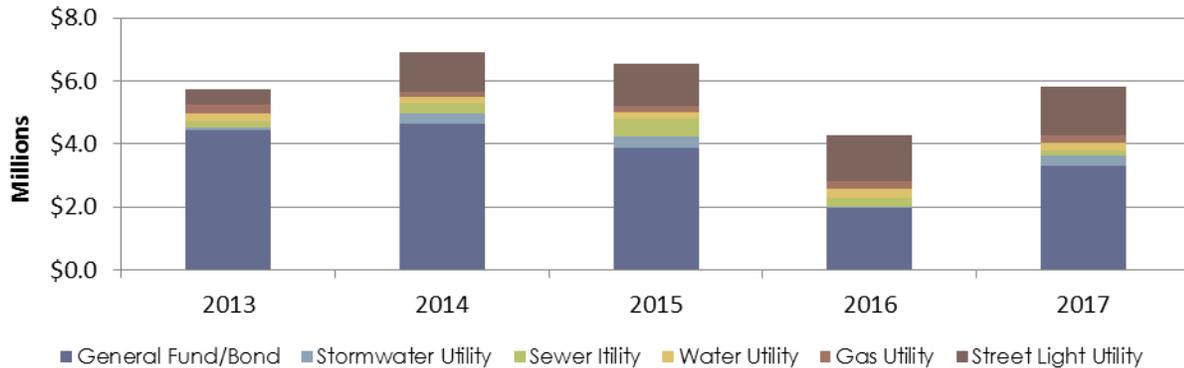
Project	2013	2014	2015	2016	2017	Total
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
Miscellaneous Projects	400,000	175,000	175,000	175,000	175,000	1,100,000
Storm Sewer Replacement	250,000	250,000	250,000	250,000	250,000	1,250,000
Brewery & Gray's Creek	250,000	250,000	250,000			750,000
Total	950,000	725,000	725,000	475,000	475,000	3,350,000

Funding	2013	2014	2015	2016	2017	Total
Stormwater - Current Revenue	950,000	725,000	725,000	475,000	475,000	3,350,000

CAPITAL EQUIPMENT BUDGET AND PLAN

Five Year Equipment Plan

The objective of the City's five year equipment plan is to maintain city equipment by budgeting an adequate dollar amount annually for replacement on a timely basis. \$29.28 million is proposed in this plan for the period of 2013 through 2017. Of that total, equipment for the General Fund is \$18.18 million to be financed with bonds. The balance of \$11.10 million is proposed for the combined utility funds of Water, Gas, Stormwater, Sewer, and Street Lighting. Shown in the chart below are the various funding sources by year for the plan.



	2013	2014	2015	2016	2017	Total
General Fund/Bond	4,419,300	4,631,000	3,870,000	1,944,800	3,311,000	18,176,100
Stormwater	115,000	331,400	367,100	63,400	326,000	1,202,900
Sewer	187,800	315,600	578,300	293,800	142,000	1,517,500
Water	224,300	211,900	177,600	261,600	270,300	1,145,700
Gas	318,100	182,100	199,000	266,200	220,600	1,186,000
Street Light	450,000	1,250,000	1,350,000	1,450,000	1,550,000	6,050,000
Total Plan	5,714,500	6,922,000	6,542,000	4,279,800	5,819,900	29,278,200

2013 Proposed Equipment

The City is proposing a total of \$5.71 million in capital equipment expenditures for 2013. This includes equipment for General Fund operating departments and the five city utilities named above. The General Fund portion is \$4.42 million to be financed with bonds and \$1.29 million for equipment for the utilities to be paid for out of current year revenues.

For General Fund departments, the City is proposing the purchase of \$2.38 million in rolling stock vehicles – the largest purchase being Maintenance equipment totaling \$1,236,300; fire apparatus totaling \$585,000; police vehicles totaling \$500,000; and Engineering vehicles totaling \$61,000. The non-rolling stock equipment plan of \$2.04 million proposed by City for 2013 includes \$1.415 million for technology improvements and replacements; \$390,000 for voting equipment; \$115,000 for a pavement management system for Engineering; \$72,000 for dragon speech software to aid police in report writing; plus \$45,000 for speaker and technology upgrades for the Fire Department.

The breakdown of equipment for the utility funds is \$333,200 for non-rolling stock equipment and the balance of \$0.96 million for rolling stock vehicles for a total of \$1.29 million for 2013.

City of Duluth 2013 - 2017 Capital Equipment Program

General Fund Rolling Stock Vehicles

	2013	2014	2015	2016	2017
Fire Department					
Fire Truck Apparatus/Trucks	585,000	100,000	600,000	95,000	1,500,000
Subtotal Fire Department	585,000	100,000	600,000	95,000	1,500,000
Construction Services					
Cars for Inspectors	0	25,000	50,000	25,000	25,000
Subtotal Constructive Services	0	25,000	50,000	25,000	25,000
Police Department					
Police Vehicles	500,000	600,000	600,000	600,000	600,000
Subtotal Police Department	500,000	600,000	600,000	600,000	600,000
Maintenance Operations					
Facilities Management					
1 Ton w/Service Body	40,000	80,000		40,000	80,000
1 Ton Cargo Van		76,000	38,000	38,000	
Trailers and Tampers	6,000		5,000		
Subtotal Facilities Management	46,000	156,000	43,000	78,000	80,000
Traffic Maintenance					
4 x 4 Pick up	30,000	68,000		40,000	40,000
Trailers, Paint Striper	5,000		25,000		
Subtotal Traffic Maintenance	35,000	68,000	25,000	40,000	40,000
Street Maintenance					
Tandem Dump Truck		145,000	145,000	290,000	290,000
Sander Trucks	530,000	280,000			340,000
Sander with RDS	165,000	330,000	330,000		
Pick-up 3/4-Ton Ext Cab 4x4	60,000		35,000	160,000	
Trailer, Compactor	18,000	45,000	18,000	16,000	
Truck Snowblower			160,000		
3 yard Loader	185,000	185,000		185,000	185,000
Step/Cube Van		83,000			
Backhoe		95,000	95,000		
Flusher Retrofits			160,000		
Highway Mower				80,000	
1 Ton Dump Truck	60,000				60,000
Subtotal Street Maintenance	1,018,000	1,163,000	943,000	731,000	875,000
Park Maintenance					
4x4 Crew Cab					45,000
Cat 257B Loader		52,000			
Utility Van	17,300	51,500	27,000	19,300	
1 Ton w/Plow	68,000	70,000	33,000	71,000	71,000
Various Mowers	32,000	16,500	33,000	63,000	
Trailer, Sand Spreader			68,000	10,500	
Trail Groomer	20,000			212,000	
Chipper					58,000
Sidewalk Cleaner		148,000	142,000		
Subtotal Park Maintenance	137,300	338,000	303,000	375,800	174,000
Subtotal Maintenance Operations	1,236,300	1,725,000	1,314,000	1,224,800	1,169,000
Public Works					
Transportation Engineering					
Engineering Vehicles	61,000		21,000		17,000
Subtotal Transportation Engineering	61,000		21,000		17,000
Rolling Stock Bond Total	\$ 2,382,300	\$ 2,450,000	\$ 2,585,000	\$ 1,944,800	\$ 3,311,000

City of Duluth 2013 - 2017 Capital Equipment Program

General Fund Non-Rolling Stock Equipment

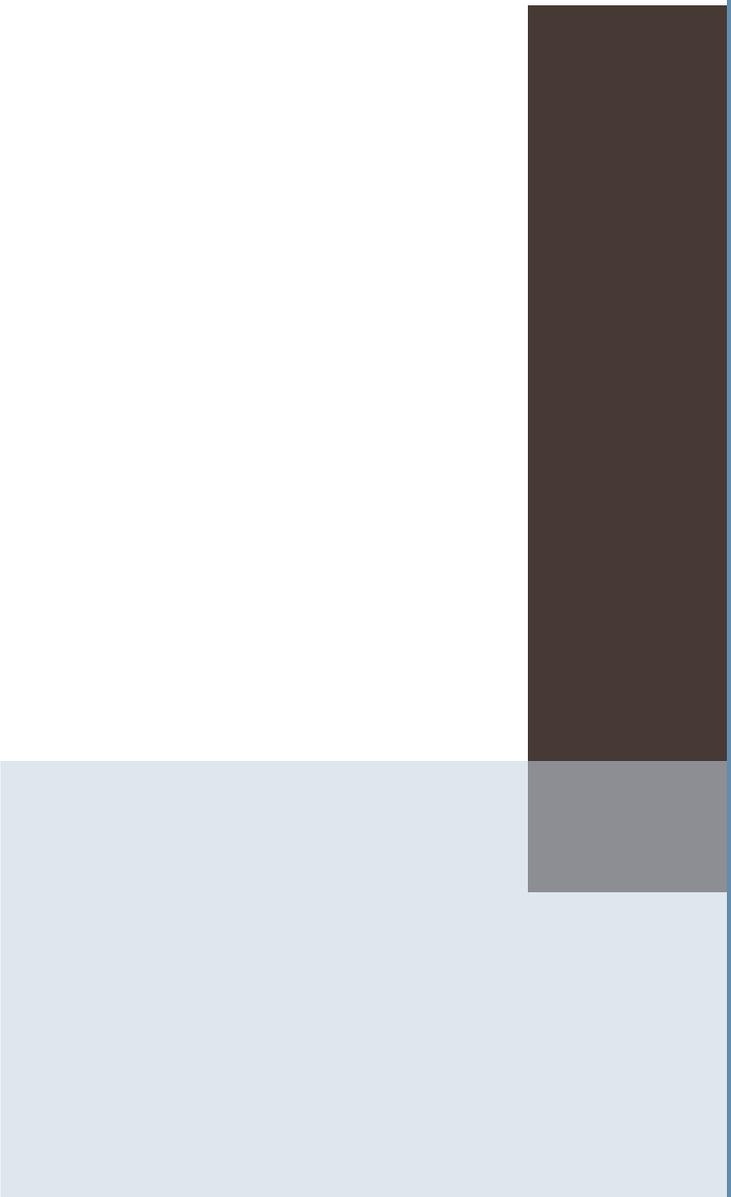
	2013 Bond	2014 Bond	2015 Bond
MIS			
Software Implementation	100,000	100,000	100,000
VoIP Phone Replacements		50,000	50,000
Enterprise Wide PC replacements (desktop)	200,000	200,000	200,000
Enterprise Wide PC replacements (laptop)	100,000	100,000	100,000
Desktop Re-cabling Project		200,000	100,000
Disaster Recovery - New Police Station	200,000	200,000	
Conference Room Technology Needs (7 rooms)	70,000	50,000	50,000
Document Management		200,000	100,000
Network Infrastructure Upgrades (expand wireless)	300,000	200,000	200,000
Web and Email Filtering Software	200,000		
Radio - Convert system to digital	125,000		
Radio Shop/MIS - Communications Group	120,000	240,000	240,000
MIS Asset/Inventory Mgmt Software		100,000	
High Speed WAN expansion		100,000	50,000
Internal Emergency Notification		50,000	
Public Emergency Notification			50,000
Virtualization/Standardized Desktops		150,000	
PCI Compliancy Regulation Enhancement		100,000	
Intrusion Detection System		70,000	
City Clerk			
40 Voting Tabulators	260,000		
60 Electronic Poll book Rosters	120,000		
Election Software upgrade	10,000		
Maintenance			
Emergency Generators		50,000	35,000
Library			
1 Self checkout machine			10,000
1 Digital microform reader printer		11,000	
Fire			
Station Speaker System Replacement (6)	30,000		
Technology upgrade for Training Room	15,000		
Police			
Dragon Speech Recognition software	72,000		
Complaint Tracking Software		10,000	
Engineering			
Pavement Management System II	115,000		
Total Proposed Non-Rolling Stock	2,037,000	2,181,000	1,285,000
TOTAL EQUIPMENT BOND PROPOSAL	4,419,300	4,631,000	3,870,000

City of Duluth 2013 - 2017 Capital Equipment Program

Utility Funds Equipment

	2013	2014	2015	2016	2017
Water Fund					
Cars/Pick-ups	48,700	53,700	17,000	0	24,300
Trucks/Vans	22,900	136,200	33,900	160,050	127,300
Dump Trucks	0	0	108,700	0	108,800
Backhoe/Loader	48,300	0	0	78,750	0
Excavator/Vactor	58,000	0	0	0	0
Other Rolling Stock	6,400	12,000	8,000	12,800	0
Non-Rolling Capital Equipment	40,000	10,000	10,000	10,000	10,000
Subtotal Water Fund	224,300	211,900	177,600	261,600	270,400
Gas Fund					
Cars/Pick-ups	30,500	51,300	36,200	0	2,700
Trucks/Vans	80,900	120,800	116,500	229,950	171,700
Dump Trucks	0	0	36,300	0	36,200
Backhoe/Loader	34,500	0	0	26,250	0
Excavator/Vactor	145,000	0	0	0	0
Other Rolling Stock	9,600	0	0	0	0
Non-Rolling Capital Equipment	17,600	10,000	10,000	10,000	10,000
Subtotal Gas Fund	318,100	182,100	199,000	266,200	220,600
Sewer Fund					
Cars/Pick-ups	76,900	20,600	11,700	0	0
Trucks/Vans	5,600	0	97,600	48,800	42,000
Dump Trucks	0	0	0	145,000	0
Backhoe/Loader	34,500	0	0	0	0
Excavator/Vactor	58,000	200,000	345,000	0	0
Other Rolling Stock	0	85,000	114,000	90,000	90,000
Non-Rolling Capital Equipment	12,800	10,000	10,000	10,000	10,000
Subtotal Sewer Fund	187,800	315,600	578,300	293,800	142,000
Stormwater Fund					
Cars/Pick-ups	46,900	16,400	4,100	0	0
Trucks/Vans	5,600	0	0	50,200	0
Dump Trucks	0	0	145,000	0	0
Backhoe/Loader	20,700	105,000	0	0	0
Excavator/Vactor	29,000	200,000	200,000	0	300,000
Other Rolling Stock	0	0	8,000	3,200	16,000
Non-Rolling Capital Equipment	12,800	10,000	10,000	10,000	10,000
Subtotal Stormwater Fund	115,000	331,400	367,100	63,400	326,000
Street Light Utility Fund					
Led/Induction Luminaire Conversions	100,000	1,100,000	1,200,000	1,300,000	1,400,000
Bucket Truck	200,000				
Non-Rolling Capital Equipment	150,000	150,000	150,000	150,000	150,000
Subtotal Street Light Utility	450,000	1,250,000	1,350,000	1,450,000	1,550,000
Utility Funds Equipment Total	\$ 1,295,200	\$ 2,291,000	\$ 2,672,000	\$ 2,335,000	\$ 2,509,000

APPENDIX



FINANCE COMMITTEE

12-073-0

ORDINANCE NO. _____

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR GENERAL PURPOSES FOR THE YEAR 2013.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. The sum to be raised by taxation for the year 2013 for general operations is hereby determined to be the sum of \$19,441,000 which sum is levied against the taxable property of the city of Duluth and appropriated to the various accounts of the city, as set forth in the following sections.

Section 2. There will be levied for the support of the general fund the sum of \$12,072,000.

Section 3. For the pay of debt, there will be levied for the general obligation debt fund the sum of \$7,161,500.

Section 4. That pursuant to laws of Minnesota 1971, Chapter 824, to pay for the portion of the cost of local improvements which will not sustain a special assessment, there will be levied for the permanent improvement fund the sum of \$207,500.

Section 5. That this ordinance shall take effect January 1, 2013.

Approved:



Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

BUDGET CB:le 11/20/2012

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2013 and matches the maximum levy approved by council in September.

FINANCE COMMITTEE

12-076-0

ORDINANCE NO. _____

AN ORDINANCE SETTING THE BUDGET FOR THE FISCAL YEAR 2013 APPROPRIATING 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, 2013, 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 \$2,744,300 from the gas and steam public utility funds to the general fund for administrative services; comprised of \$2,598,300 or seven percent of the gross revenues of the gas utility fund to the general fund; and \$146,000 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, the account numbered 205 in the parks fund, 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 2013.

GENERAL FUND		
110	Legislative and executive - total	\$2,443,000
121	Public administration - total	21,802,200
125	Finance - total	3,166,400
132	Planning and construction services - total	2,232,300
135	Business and economic development - total	724,800
150	Fire - total	13,766,500
160	Police - total	18,333,300
500	Public works - total	1,726,800
700	Transfers and other functions - total	9,777,700
	Total general fund	\$73,973,000

PARKS FUND		
130	Community Resources	\$2,682,500

PUBLIC ENTERPRISE		
503	Golf fund - total	\$2,076,250
505	Parking fund - total	\$4,799,300

PUBLIC UTILITIES		
510	Water fund - total	\$11,765,000
520	Gas fund - total	\$35,565,400
530 and 532	Sewer and clean water fund - total	\$18,604,500
535	Stormwater fund - total	\$4,368,900
540	Steam fund - total	\$8,295,442
550	Street lighting - total	\$1,739,400

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, 2013.

Approved:



Department Director (Fur Peg Spohrer)

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

BUDGET CB:le 11/21/2012

STATEMENT OF PURPOSE: This ordinance establishes the city of Duluth budget and appropriates monies for the operation of city departments. Provisions of this ordinance are in conformance with the Duluth City Charter and Minnesota state law. The ordinance sets the 2013 budget for the city's general fund; the parks 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.

FINANCE COMMITTEE

12-074-O

ORDINANCE NO. _____

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL TAXING DISTRICT, DULUTH TRANSIT AUTHORITY, FOR THE YEAR 2013.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. The sum to be raised by taxation for the year 2013 for Duluth Transit Authority taxing district's operations is hereby determined to be the sum of \$1,391,900 which sum is levied against the taxable property of the city of Duluth and appropriated to the various accounts as set forth in the following sections, viz:

Section 2. That pursuant to Minnesota Statutes, Section 458A.31, Subd.1, there will be levied for transit operations the sum of \$1,391,900.

Section 3. That this ordinance shall take effect January 1, 2013.

Approved:



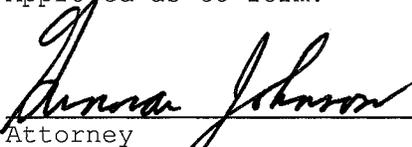
Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

BUDGET CB:le 11/20/2012

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2013 for the special taxing district, Duluth Transit Authority (DTA). Although

the transit authority is a special taxing district per Minnesota Statute 275.066, the city is obligated through council action to levy on their behalf.

The DTA, in reviewing their needs for 2013 is opting not to request the full levy available by Minnesota Statute 485A.31. Instead, the DTA is requesting \$1,391,900 or \$75,000 over 2012.

FINANCE COMMITTEE

12-0585R

AS AMENDED

RESOLUTION DISTRIBUTING THE ESTIMATED 2013 TOURISM TAXES
OF HOTEL-MOTEL AND FOOD AND BEVERAGE.

CITY PROPOSAL:

RESOLVED, that the 2013 tourism taxes of hotel-motel and food and beverages, as estimated, be distributed in the following manner, with the understanding that each entity will complete an annual performance review for their performance in 2013 (questions for the performance review shall be approved by resolution of the city council):

	3% Hotel-Motel	1% Hotel-Motel	1.75% Food & Beverage	Add'l 2% Hotel-Motel	Total
DECC Amsoil Arena Debt Service	1,160,900		1,482,000		\$2,642,900
Visit Duluth	625,100	196,100	600,000	178,800	\$1,600,000
Transfer to General Fund	94,000	260,100	287,000	96,800	\$737,900
Lake Superior Zoo Fund			403,800	106,200	\$510,000
Spirit Mountain Debt/Capital				500,000	\$500,000
Great Lakes Aquarium Operations		53,300	184,000	112,700	\$350,000
Business Improvement District			200,000		\$200,000
Heritage and Arts Center		81,500	73,000	22,300	\$176,800
Capital Projects			17,500	82,500	\$100,000
Other Promotional Programs			88,400		\$88,400
DECC - Bayfront Park		36,000	50,700		\$86,700
Undesignated Fund Balance			6,600	43,200	\$49,800
Public Arts Fund			30,000	20,000	\$50,000

	3% Hotel- Motel	1% Hotel- Motel	1.75% Food & Beverage	Add'l 2% Hotel- Motel	Total
Duluth Sister Cities International			15,000	15,000	\$30,000
Lake Superior & Mississippi RR			20,000		\$20,000
Rail Alliance				12,500	\$12,500
TOTALS	\$1,880,000	\$627,000	\$3,458,000	\$1,190,000	\$7,155,000

FINANCE CB:le 11/15/12

STATEMENT OF PURPOSE: This resolution distributes the 2013 estimated tourism taxes to various agencies as determined by Minnesota State Statutes or city policy. Due to the fulfillment of bond obligations, .5% of food and beverage tax and .5% of hotel/motel tax sunset in 2012. Excluding those taxes, revenue is projected to increase 4.9% over the 2012 budget due to local trends.

The 3% hotel/motel allocation to the DECC is increasing \$68,500 due to the increase in projected revenue and based on state law requiring the city to allocate 61.75%. Pursuant to the pledge agreement for Amsoil Arena debt, this allocation is now dedicated to debt service. The \$36,700 increase to the DECC-Bayfront Park is due to including the joint powers agreement expense for management of the Minnesota Slip Pedestrian Bridge.

There are increases proposed for the Great Lakes Aquarium in the amount of \$50,000; Duluth Sister Cities International \$10,000; Public Arts Fund \$20,000; and the St. Louis County Heritage & Arts Center \$25,000. There is also a new allocation of \$20,000 for the Lake Superior and Mississippi Railroad. Lake Superior Zoo Fund is decreasing \$10,000 due to the contractual agreement between the city and the Lake Superior Zoological Society.

FINANCE COMMITTEE

12-0598R

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2013, TO DECEMBER 31, 2013, OPERATION BUDGET OF THE DULUTH TRANSIT AUTHORITY.

CITY PROPOSAL:

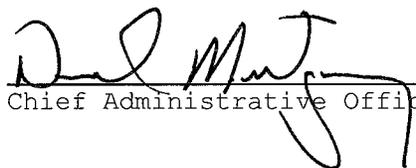
RESOLVED, that the operation budget for the fiscal year January 1, 2013, to December 31, 2013, in the amount of \$14,017,215 for the Duluth Transit Authority is hereby approved.

FURTHER RESOLVED, that the authority included in the resolution shall submit to the city council its proposed budget in a prescribed format on or before November 15 of each year.

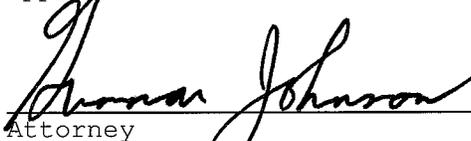
Approved:


Department Director

Approved for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

BUDGET CB/e 11/20/2012

STATEMENT OF PURPOSE: This resolution adopts the 2013 operating budget for the Duluth Transit Authority (DTA). The finance committee reviewed the Duluth Transit Authority budget at its November 26, 2012, meeting. The 2013 budget represents an increase of \$528,425 or 3.9 percent over the 2012 budget.

FINANCE COMMITTEE

12-0597R

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2013, TO
DECEMBER 31, 2013, OPERATION BUDGET OF THE DULUTH
AIRPORT AUTHORITY

CITY PROPOSAL:

RESOLVED, that the operation budget for the fiscal year January 1, 2013,
to December 31, 2013, in the amount of \$4,585,200 for the Duluth Airport
Authority is hereby approved.

FURTHER RESOLVED, that the authority included in the resolution shall
submit to the city council its proposed budget in a prescribed format on or
before November 15 of each year.

Approved:



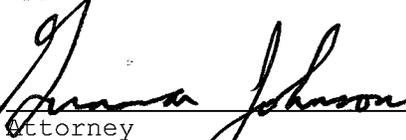
Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

BUDGET CB.1e 11/20/2012

STATEMENT OF PURPOSE: This resolution adopts the 2013 operating budget for the
Duluth Airport Authority. The finance committee reviewed the Duluth Airport
Authority budget at its November 26, 2012, meeting. The 2013 budget represents
an increase of \$418,200 or 10 percent over the 2012 budget.

FINANCE COMMITTEE

12-0594R

RESOLUTION OF THE CITY OF DULUTH, MINNESOTA, STATING THE INTENT TO ISSUE GENERAL OBLIGATION CAPITAL EQUIPMENT NOTES, SERIES 2013, AND APPROVING THE CAPITAL EQUIPMENT LIST ASSOCIATED WITH THE NOTES IN THE APPROXIMATE AMOUNT OF \$4,600,000.

CITY PROPOSAL:

BE IT RESOLVED, by the city council (the "Council") of the city of Duluth, Minnesota (the "City"), as follows:

Section 1. Under and pursuant to the provisions of Minnesota Statutes, sections 410.32 and 412.301 (the "Act"), and Minnesota Statutes, Chapter 475, and the City Charter, the City is authorized to issue its general obligation capital equipment notes to provide funds to purchase capital equipment having an expected useful life at least as long as the term of the capital equipment notes.

Section 2. The Council declares the intent of the City to issue capital equipment notes in 2013 in an amount up to \$4,419,300 to finance the purchase of capital equipment authorized by the Act, together with an additional amount to pay costs of issuance of the capital equipment notes and discount in an amount estimated to be not more than \$180,700.

Section 3. The capital equipment to be financed includes those items of equipment set forth on the list (Public Document No. _____), which list of equipment is hereby approved for purchase in 2013.

Section 4. The terms and conditions of the capital equipment notes and the sale thereof shall be established by further resolution of the Council.

Section 5. This resolution constitutes a declaration of official intent under Treasury Regulations Section 1.150-2. The City reasonably expects to acquire all or a portion of the capital equipment prior to the issuance of the capital equipment notes and to reimburse expenditures incurred with respect to such capital equipment purchase program with the proceeds of the capital equipment notes.

Approved:



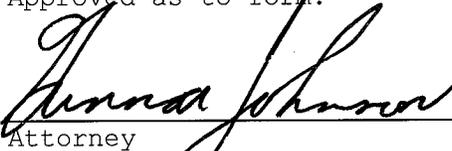
Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

FINANCE WP:le 11/19/2012

STATEMENT OF PURPOSE: This resolution states the City's intent to issue general obligation capital equipment notes in 2013 to finance the purchase of capital equipment. It further approves the capital equipment list as items to be financed in 2013 in an amount up to \$4,419,300 plus an additional amount for costs of issuance and discount.

FINANCE COMMITTEE

12-0603R

RESOLUTION APPROVING CAPITAL IMPROVEMENT PLAN AND STATING INTENT TO ISSUE GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS UNDER MINNESOTA STATUTES, SECTION 475.521.

CITY PROPOSAL:

BE IT RESOLVED, by the city council (the "Council") of the city of Duluth, Minnesota (the "City"), as follows:

Section 1. Capital improvement plan.

1.01 (a) Under and pursuant to Minnesota Statutes, Section 475.521 (the "Act"), the Council has authorized preparation of a capital improvement plan for the years 2013 through 2017 which has been presented to the Council in the section entitled "Capital Improvement Bond Summary" in the document entitled "2013-2017 Capital Improvement Plan-Capital Budget and Plan" (the "Plan");

(b) A notice of public hearings has been published in accordance with the Act, and the Council has held on December 3, 2012, a public hearing as required by the Act, to provide an opportunity for residents to express their views on the Plan;

(c) The Council has considered the following for each project discussed in the Plan and for the overall Plan:

- (1) The condition of the City's existing infrastructure, including the projected need for repair or replacement;
- (2) The likely demand for the improvement;
- (3) The estimated cost of the improvement;
- (4) The available public resources;
- (5) The level of overlapping debt in the City;
- (6) The relative benefits and costs of alternative uses of the funds;
- (7) Operating costs of the proposed improvements; and
- (8) Alternatives for providing services more efficiently through shared facilities with other cities or local government units.

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

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

1.03 The Plan is approved.

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

(b) The Council also held a public hearing on December 3, 2012, after notice of public hearing required by the Act, on the City's intention to issue general obligation capital improvement bonds, in an amount not to exceed \$1,900,000 for the purposes set forth in the notice of public hearing. All persons who desired to speak at the public hearing were heard and written comments were considered.

(c) The Council hereby finds and determines that it is necessary, expedient and in the best interests of the City's residents that the City issue, sell and deliver general obligation capital improvement bonds in the maximum amount of \$1,900,000 (the "Bonds"), for the purpose of providing funds for the following capital improvements under the Plan: improvements to eligible facilities (City Hall, libraries, public safety facilities and public works facilities) under the Act throughout the City, including furnace replacements and masonry repair, modernization/remodeling, roof replacements, ADA compliance, overhead door replacements, energy conservation measures, Firehall #1 remodeling, Firehall #10 apparatus bay floor and upgrade, firehall overhead doors, firehall structural access approaches, firehall ventilation, Firehall #10 and #6 remodeling, steps and tuckpointing and stone repair at City Hall, and carpet at west library building, and for the payment of costs of issuance of the Bonds.

(d) If, within 30 days after December 3, 2012, a valid petition is filed with the City Clerk calling for a vote on the proposition of issuing the Bonds, signed by voters residing within the boundaries of the City equal to five percent of the votes cast in the City in the last general election, the Bonds shall not be issued until the question of their issuance has been authorized by a majority of the voters voting on the question at the next general or special election called to decide the question.

(e) This resolution constitutes a declaration of official intent under Treasury Regulations Section 1.150-2. The City reasonably expects to acquire or construct all or a portion of the capital improvements prior to the issuance of the capital improvement bonds and to reimburse expenditures incurred with respect to such capital improvement program with the proceeds of the capital improvement bonds.

Section 3. (a) The City previously issued its \$1,240,000 General Obligation Capital Improvement Bonds, Series 2007C, dated December 13, 2007 (the "Series 2007 Bonds"). Up to \$50,000 of the proceeds from the Series 2007 Bonds allocated to the capital improvement project described in the bond resolution for the Series 2007 Bonds shall be reallocated to improvements to City Hall, including MIS upgrades.

(b) The City has also previously issued its \$1,600,000 General Obligation Capital Improvement Bonds, Series 2008D, dated December 9, 2008 (the "Series 2008 Bonds"). Up to \$360,000 of proceeds from the Series 2008 Bonds allocated to capital improvement projects described in the bond resolution for the Series 2008 Bonds shall be reallocated to improvements to City Hall, including MIS upgrades, acquisition and construction of a public safety facility, including a communications tower for police and fire departments, and a facility needs project for a new public works facility.

(c) The Council also held a public hearing on December 3, 2012, after notice of public hearing required by the Act, on the City's reallocation of proceeds of the Series 2007 Bonds and the Series 2008 Bonds. All persons who

desired to speak at the public hearing were heard and written comments were considered.

(d) The City will reallocate up to \$50,000 of the proceeds of the Series 2007 Bonds and up to \$360,000 of the proceeds of the Series 2008 Bonds if no petition requesting a vote on the reallocation of the Series 2007 Bonds or the Series 2008 Bonds signed by voters equal to five percent of votes cast in the city in the last general election is filed with the city clerk within 30 days after the date of the public hearing described in Section 3(c) of this resolution.

Approved:



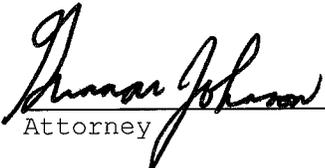
Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

FIN WP:le 11/27/2012

STATEMENT OF PURPOSE: This resolution approves the 2013-2017 capital improvement plan, declares the City's intent to issue general obligation capital improvement bonds in 2013 in an amount not to exceed \$1,900,000 for certain capital improvements as listed in the resolution, reallocating up to \$50,000 of the Series 2007C Capital Improvement Bonds to MIS improvements to City Hall and reallocating up to \$360,000 of the Series 2008D Capital Improvement Bonds to improvements to City Hall, including MIS upgrades; acquisition and construction of a public safety facility, including a communications tower for police and fire departments; and a facility needs project for a new public works facility.

FINANCE COMMITTEE

12-0593R

RESOLUTION ESTABLISHING ANNUAL BONDING PLAN FOR 2013.

CITY PROPOSAL:

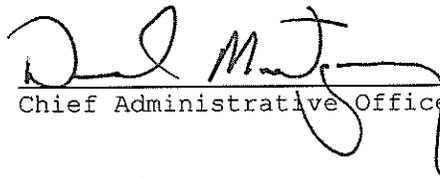
RESOLVED, that, pursuant to Section 20-33 of the Duluth City Code, 1959, as amended, the following is hereby established as the annual, ordinary course general obligation bonding plan for the city of Duluth for the year 2013:

General obligation bonds and notes to be issued in 2013	\$21,400,000
General obligation bonds and notes scheduled to be retired in 2013	\$14,523,001
Net anticipated increase (decrease) in general obligation bonding for 2013	<u>\$ 6,876,999</u>

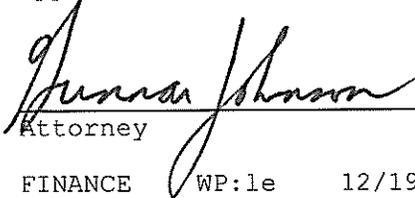
Approved:


Department Director

Approved for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

FINANCE WP:le 12/19/2012

STATEMENT OF PURPOSE: This resolution sets forth the city's estimated bond and note issuances and repayments for the year 2013 as required by Section 20-33 of the city code. The city estimates its bonding activity in 2013 will result in a net increase of \$6.9 million in the amount of the city's general obligation, outstanding debt during 2013.

The amounts set forth in the resolution are estimates only based on the needs anticipated at this time; the actual amounts may vary. There is nothing in the ordinance which prevents the amounts set forth in the plan from being modified as circumstances and needs change.

2013 Capital Projects	Estimated Debt Issuance	Funding Source
Bonds & Notes		
Capital Improvement	\$ 1,900,000	Tax Levy
Capital Equipment	\$ 4,600,000	Tax Levy
Lakewalk and Munger Trail Grant Matching	\$ 1,300,000	Tax Levy
Corporate Tower Project	\$ 8,600,000	Tax Increments & Parking Revenues
Utility (West Duluth Reservoir)	\$ 5,000,000	Water Utility Revenues
Total Projected Debt Issuance	<u>\$21,400,000</u>	

Scheduled 2013 Debt Payments	Principal Payments	Comments
Levy and General Fund Supported	\$ 5,082,614	
Special Assessment Supported	\$ 1,337,355	
CIT Revenue Supported	\$ 1,729,380	Funded by transfer from the CIT Fund
Utility Revenue Supported	\$ 5,008,001	Revenues from water, gas, sewer, stormwater and steam
Other Revenue Supported	\$ 1,365,651	Revenues include tourism taxes, tax increments, parking fees, golf revenues & other sources
Total Estimated Debt Run-Off	<u>\$14,523,001</u>	
Net Estimated Debt Increase - 2013	<u>\$ 6,876,999</u>	

Listing of City Officials

ELECTED OFFICIALS

Mayor – Don Ness

January 2008 to January 2016

Councilors at Large

Daniel Hartman	January 2010	to	January 2014
Linda Krug	January 2012	to	January 2016
Emily Larson	January 2012	to	January 2016
James Stauber	January 2002	to	January 2014

District Councilors

1	Jennifer Julsrud	January 2012	to	January 2016
2	Patrick Boyle	January 2010	to	January 2014
3	Sharla Gardner	January 2008	to	January 2016
4	Garry Krause	January 2010	to	January 2014
5	Jay Fosle	January 2008	to	January 2016

APPOINTED OFFICIALS

Chief Administrative Officer

David Montgomery

City Attorney

Gunnar Johnson

City Department Heads

Chief Finance Officer	Peggy Spehar
Public Administration	Roshanda Smiley
Business & Comm Dev	Christopher Eng
Public Works & Utilities	James Benning
Police	Gordon Ramsay

Authorities Directors

Airport	Tom Werner
DECC	Daniel Russell
DTA	Dennis Jensen
Spirit Mountain	Renee Mattson

Charter Positions

Assessor	Gregg Swartwoudt
Auditor	Wayne Parson
Clerk	Jeffrey Cox
Fire	John Strongitharm

Duluth at a Glance

General Information

Duluth is the seat of St. Louis County, the largest city in the northern two-thirds of Minnesota, and the fourth largest city in the state. It is located on the western tip of Lake Superior and its city limits encompass 67 square miles of land and nearly 50 square miles of water. Situated on a hillside along Lake Superior's north shore, Duluth is 23 miles long and eight miles wide at its broadest point. Duluth's population exceeds 85,000 and contributes to a market area of more than 500,000 including Northern Minnesota, Northwest Wisconsin, Upper Michigan and Lower Ontario.

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

Form of Government

Duluth was organized as a township in 1857; incorporated as a city March 1870; under special laws of Minnesota; returned to a village October 1877; and re-chartered as a city March 1887.

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

Main Services Provided by the City of Duluth

- Airport Facility
- Public Transit Support
- Duluth Entertainment and Convention Center (DECC)
- Natural Gas Utility and Water Supply
- Sanitary Sewer and Stormwater Utilities
- Street Lighting Utility
- Police and Fire Protection
- Library Services
- Public Works Operations including Street Maintenance
- Bridge Operations and Maintenance
- Building and Housing Inspection
- Recreation, Parks, Golf Courses and Municipal Zoo
- Ski Facilities – both Nordic and Alpine
- Planning and Business Development Support

STATISTICAL INFORMATION

The Statistical section of the Appendix provides information on the property tax levy; demographic and economic data on the community; and finally, information on city operations, services, and infrastructure.

Assessed and Estimated Taxable Market Value of Property - Ten Year History

Fiscal Year Ended Dec 31	Real Estate			
	Residential		Commercial	
	Estimated Market Value	Tax Capacity	Estimated Market Value	Tax Capacity
2002	2,477,595,400	23,719,895	583,024,800	10,453,000
2003	2,725,278,200	25,641,929	602,397,500	10,482,303
2004	3,351,249,500	29,833,979	642,098,600	12,109,770
2005	3,972,632,500	35,109,144	760,035,800	14,421,069
2006	4,114,469,300	39,255,023	822,511,200	15,028,434
2007	4,200,391,700	41,880,176	880,587,500	16,128,121
2008	4,456,568,100	44,910,418	909,880,320	16,677,463
2009	4,617,041,700	46,697,414	1,009,119,300	18,491,015
2010	4,542,850,233	48,956,915	1,026,182,900	21,309,642
2011	4,420,687,000	47,423,816	1,024,073,000	21,384,017

Fiscal Year Ended Dec 31	Personal Property			
	Residential		Commercial	
	Estimated Market Value	Tax Capacity	Estimated Market Value	Tax Capacity
2002	16,271,300	162,086	65,996,400	1,306,895
2003	16,922,200	168,654	64,502,300	1,278,679
2004	17,023,600	169,124	70,268,600	1,392,633
2005	17,840,900	176,231	73,834,400	1,462,013
2006	18,899,500	186,310	81,333,600	1,611,889
2007	20,534,000	204,985	96,120,400	1,862,143
2008	26,367,500	237,933	94,106,400	1,521,098
2009	28,544,000	284,456	75,270,300	1,435,859
2010	30,165,000	378,816	78,621,200	1,544,328
2011	28,403,100	369,643	84,724,000	1,637,265

Fiscal Year Ended Dec 31	Total		% of Total Tax Cap to Total Est.	Tax Rate
	Estimated Market Value	Tax Capacity		
2002	3,142,887,900	35,641,876	1.13%	0.28976
2003	3,409,100,200	37,571,565	1.10%	0.29027
2004	4,080,640,300	43,505,506	1.07%	0.26866
2005	4,824,343,600	51,168,457	1.06%	0.24215
2006	5,037,213,600	56,081,656	1.11%	0.22183
2007	5,197,633,600	60,075,425	1.16%	0.22939
2008	5,486,922,320	63,346,912	1.15%	0.23259
2009	5,729,975,300	66,908,744	1.17%	0.25403
2010	5,677,819,333	72,189,701	1.27%	0.26331
2011	5,557,887,100	70,814,741	1.27%	0.27956

STATISTICAL INFORMATION

Property Tax Rates Direct and Overlapping Government - Ten Year History

Fiscal Year	City		Overlapping Rates			Total Direct & Overlapping Rates
	Operations	Debt Service	Schools	County	Special	
2002	0.16673	0.12303	0.18180	0.87363	0.04860	1.39379
2003	0.17070	0.11957	0.14816	0.81464	0.05631	1.30938
2004	0.16861	0.10005	0.11778	0.77282	0.06810	1.22736
2005	0.15770	0.08445	0.11405	0.67545	0.06902	1.10067
2006	0.15126	0.07057	0.10994	0.63330	0.06576	1.03083
2007	0.14780	0.08159	0.10881	0.63013	0.06615	1.03447
2008	0.14743	0.08516	0.20874	0.59190	0.06298	1.09621
2009	0.16193	0.09210	0.20940	0.57645	0.06497	1.10485
2010	0.18050	0.08281	0.20971	0.55365	0.05654	1.08321
2011	0.18686	0.09270	0.23373	0.56011	0.05829	1.41125

* Tax Capacity Rate (per \$1 of Tax Capacity Value)

Source: St. Louis County web site

Unaudited

Principal Property Taxpayers—Current compared to 2002

Taxpayer	Type of Business	2011			2002		
		Estimated Market Value	Rank	% of Total Est Mkt Value	Estimated Market Value	Rank	% of Total Est Mkt Value
Minnesota Power	Electric utility	133,226,100	1	2.40%	81,940,400	1	2.61%
Simon Property, Inc.	Shopping mall	53,123,000	2	0.96%	23,613,700	3	0.75%
St. Mary's Med Center / Duluth Clinic	Healthcare / hospital	48,138,300	3	0.87%	23,109,100	4	0.74%
Bowman Properties	Apartments	38,385,400	4	0.69%	-		
D M & I R Railroad	Railroad	37,183,200	5	0.67%	-		
IRET Properties	Property management	24,469,600	6	0.44%	-		
StoraEnso North America	Paper mill	22,445,100	7	0.40%	46,589,600	2	1.48%
Riverland AG Corp	Grain elevators	18,334,000	8	0.33%	-		
ZMC Hotels	Hotels	16,197,500	9	0.29%	-		
Tech Village	Office/Tech building	11,332,800	10	0.20%	-		
Northwest Air	Airbus maintenance	-			12,352,600	5	0.39%
Cirrus Design	Plan manufacturer	-			9,207,900	6	0.29%
US Bank	Bank/Office building	-			7,692,600	7	0.24%
Home Depot	Retail/Developer	-			7,192,700	8	0.23%
Bradley Operating Limited	Strip mall	-			6,726,600	9	0.21%
JMM Limited Partnership	Retail/Hotel	-			6,406,000	10	0.20%
		<u>\$ 402,835,000</u>		<u>7.25%</u>	<u>\$ 224,831,200</u>		<u>7.15%</u>

Source: City Assessor

Unaudited

STATISTICAL INFORMATION

Property Tax Rates Direct and Overlapping Government - Ten Year History

<u>Fiscal Year Ended Dec 31</u>	<u>Total Tax Levy For Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
2002	9,038,100	8,889,198	98.4%	234,325	9,123,523	100.9%
2003	9,679,200	9,511,986	98.3%	176,896	9,688,882	100.1%
2004	10,153,500	9,872,757	97.2%	160,597	10,033,354	98.8%
2005	10,730,400	10,507,463	97.9%	165,448	10,672,911	99.5%
2006	11,102,100	10,839,881	97.6%	211,725	11,051,606	99.5%
2007	12,208,400	11,890,737	97.4%	238,269	12,129,006	99.3%
2008	13,543,600	13,088,415	96.6%	270,915	13,359,330	98.6%
2009	15,437,800	14,893,155	96.5%	317,438	15,210,593	98.5%
2010	17,176,100	15,565,507	90.6%	257,470	15,822,977	92.1%
2011	17,791,500	16,093,334	90.5%	-	16,093,334	90.5%

Property Tax Levies and Calculations - Ten Year History

<u>Fiscal Year Ended Dec 31</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
2002	9,038,100	8,889,198	98.4%	234,325	9,123,523	100.9%
2003	9,679,200	9,511,986	98.3%	176,896	9,688,882	100.1%
2004	10,153,500	9,872,757	97.2%	160,597	10,033,354	98.8%
2005	10,730,400	10,507,463	97.9%	165,448	10,672,911	99.5%
2006	11,102,100	10,839,881	97.6%	211,725	11,051,606	99.5%
2007	12,208,400	11,890,737	97.4%	238,269	12,129,006	99.3%
2008	13,543,600	13,088,415	96.6%	270,915	13,359,330	98.6%
2009	15,437,800	14,893,155	96.5%	317,438	15,210,593	98.5%
2010	17,176,100	15,565,507	90.6%	257,470	15,822,977	92.1%
2011	17,791,500	16,093,334	90.5%	-	16,093,334	90.5%

STATISTICAL INFORMATION

Demographic and Economic Statistics - Ten Year History

<u>Fiscal Year</u>	<u>Population</u>	<u>Total Personal Income</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2002	86,044	1,940,558,194	22,553	12,555	5.0%
2003	86,082	1,973,465,217	22,925	12,321	5.4%
2004	85,782	2,071,632,035	24,150	11,979	5.4%
2005	85,889	2,082,363,825	24,245	11,123	4.9%
2006	85,170	2,200,368,620	25,835	10,050	4.7%
2007	85,439	2,330,534,215	27,277	9,819	4.9%
2008	85,220	2,390,569,327	28,052	9,554	6.5%
2009	85,530	2,286,461,687	26,733	9,195	7.1%
2010	86,265	2,255,553,694	26,147	8,780	7.6%
2011	86,265 *	2,255,553,694 *	26,147	8,815	6.9%

Data sources:

The population figures are estimates of the State Demographer.

Total personal income is from the Minnesota Department of Employment and Economic Development's website.

The school enrollment figures were provided by the Duluth School District.

The unemployment rates were provided by the Minnesota Department of Economic Security.

*Estimates

Principal Employers—Current compared to 2002

Employer	Type of Business	2011			2002		
		Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Essentia Health (SMDC)	Healthcare / hospital	5,168	1	12.12%	6,667	1	15.26%
St. Louis County	Government	1,956	2	4.59%	1,523	4	3.48%
University of Minnesota – Duluth	Education	1,700	3	3.99%	1,500	5	3.43%
St. Luke's Hospital	Healthcare / hospital	1,602	4	3.76%	1,942	3	4.44%
Independent School District No. 709	Education	1,426	5	3.34%	2,325	2	5.32%
Allete (Minnesota Power)	Electric utility	1,419	6	3.33%	738	9	1.69%
Uniprise (United Health Care)	Insurance	1,362	7	3.19%	907	8	2.08%
Duluth Air National Guard Base	Military	1,068	8	2.50%	-		
City of Duluth	Government	870	9	2.04%	955	6	2.19%
US Government	Government	850	10	1.99%	-		
U.S. Postal Service	Postal encoding center	-			953	7	2.18%
Cirrus Design	Aviation	-			603	10	1.38%
		17,421		40.85%	18,113		41.45%

Source: Northland Connection's website

Total city employment is from the Minnesota Department of Employment & Economic Development's website

Unaudited

STATISTICAL INFORMATION

Operating Indicators by Function - Ten Year History

	Fiscal Year				
	2002	2003	2004	2005	2006
Police					
Criminal offences	17,928	17,610	16,352	9,659	9,916
Adult and juvenile arrests	6,805	4,503	4,042	3,329	4,648
Traffic violations	8,602	7,290	5,978	3,752	6,184
Parking violations	69,453	68,721	69,906	66,555	76,095
Fire					
Number of calls answered	6,944	7,015	7,193	7,462	7,981
Number of inspections conducted	3,140	3,500	1,200	1,200	1,200
Public works					
Construction permits:					
Permits issued	2,743	2,659	2,456	2,400	2,080
Estimated cost of construction during year	\$ 105,056,128	\$ 101,287,887	\$ 175,360,742	\$ 121,160,329	\$ 194,794,123
Culture and recreation					
Parks and recreation department					
Participation in special events	57,752	43,825	53,330	58,492	48,510
Participation in recreation	306,168	287,127	253,496	129,000	129,998
Zoo regular customers	113,982	116,862	107,227	93,870	102,865
Library					
Registered borrowers	77,580	59,080	63,851	49,011	48,884
Items in collection	345,709	341,119	341,034	354,480	355,668
Items loaned	976,951	972,650	970,342	969,186	969,972
Library visits	509,147	490,182	493,181	480,173	470,684
Internet uses					52,016
Reference/research questions answered	197,796	230,310	237,517	226,222	231,445
Water					
Meters in service	27,459	27,572	27,696	27,809	27,948
Average number of gallons treated per month	531,922,500	562,962,000	537,703,000	514,360,000	518,865,000
Daily average consumption in gallons	17,947,726	15,214,250	17,630,000	16,910,466	17,058,575
Gas					
Meters in service	24,613	24,857	24,970	25,085	25,278
MMBTU sold	5,124,065	5,289,874	5,066,848	4,777,330	4,285,167
Sewer					
Number of service connections	28,835	28,835	28,835	28,840	28,845
Daily average treatment in gallons	16,500,000	16,500,000	16,500,000	14,580,000	14,780,000
Maximum daily capacity of treatment plant in gallons	86,570,000	86,570,000	86,570,000	86,570,000	86,570,000
Stormwater					
Cleaning storm sewer pipe (in feet)	24,052	19,734	40,535	14,448	10,599
Steam District #1					
Steam sold	333,657	363,175	353,808	376,485	422,651
Golf					
Season passes	1,195	1,231	1,159	1,037	1,046
Daily tickets	37,673	37,399	35,826	35,524	41,467
Carts	11,875	13,079	12,652	13,509	14,323
Rounds played	91,613	98,436	91,909	84,382	89,287

*Note: Prior to 2009, only cataloged items were included in the Library's "Items in collection."

**Note: Beginning in 2009, only actual reference questions are included in the Library's "Reference questions answered." Prior years included directional questions

Sources: Various government departments.

(continued)

STATISTICAL INFORMATION

Operating Indicators by Function - Ten Year History

	Fiscal Year				
	2007	2008	2009	2010	2011
Police					
Criminal offences	10,277	10,376	10,452	10,187	10,930
Adult and juvenile arrests	4,485	4,312	4,759	4,484	4,370
Traffic violations	3,344	2,951	2,153	5,241	9,746
Parking violations	62,556	49,498	54,953	57,537	51,962
Fire					
Number of calls answered	8,090	8,552	9,319	8,484	9,262
Number of inspections conducted	1,200	1,200	1,200	1,200	1,200
Public works					
Construction permits:					
Permits issued	3,117	2,757	2,362	2,026	1,700
Estimated cost of construction during year	\$ 93,080,667	\$ 115,091,545	\$ 113,965,408	\$ 238,186,019	\$ 173,357,959
Culture and recreation					
Parks and recreation department					
Participation in special events	47,143	59,353	42,858	48,896	39,839
Participation in recreation	117,118	112,826	36,217	31,905	15,436
Zoo regular customers	117,269	92,218	91,606	102,986	93,705
Library					
Registered borrowers	49,660	49,233	47,662	46,592	47,965
Items in collection	359,805	344,302	620,941	620,101	463,418
Items loaned	969,756	901,128	881,268	929,161	902,221
Library visits	462,950	404,724	362,719	380,982	376,817
Internet uses	52,545	40,187	43,907	62,379	66,078
Reference/research questions answered	194,604	250,756	67,460	80,678	79,443
Water					
Meters in service	28,087	28,016	27,950	30,317	29,069
Average number of gallons treated per month	527,489,906	514,647,500	516,805,833	481,950,833	461,125,000
Daily average consumption in gallons	17,342,134	16,919,918	16,973,333	15,844,958	15,160,274
Gas					
Meters in service	25,642	25,983	26,148	26,668	26,693
MMBTU sold	4,808,178	5,169,299	4,804,897	4,617,923	5,184,800
Sewer					
Number of service connections	28,845	28,845	28,845	28,845	28,845
Daily average treatment in gallons	13,150,675	15,249,900	13,740,000	14,859,000	13,284,575
Maximum daily capacity of treatment plant in gallons	86,570,000	86,570,000	86,570,000	86,570,000	86,570,000
Stormwater					
Cleaning storm sewer pipe (in feet)	9,409	21,254	23,358	14,734	14,750
Steam District #1					
Steam sold	436,966	465,717	441,808	403,085	409,295
Golf					
Season passes	1,005	928	1,023	1,024	985
Daily tickets	34,274	35,230	33,815	32,252	32,101
Carts	13,255	12,811	11,128	10,670	12,553
Rounds played	84,185	83,390	80,987	79,430	75,480

STATISTICAL INFORMATION

Capital Asset Statistics by Function - Ten Year History

	Fiscal Year				
	2002	2003	2004	2005	2006
Police					
Patrol units	78	81	75	92	87
Fire					
Fire stations	9	9	9	9	9
Public works					
Miles of streets and alleys:					
Miles of streets - paved	460.46	462.87	466.63	469.20	471.90
Miles of streets - unpaved	81.05	80.13	78.56	77.31	76.61
Miles of Sidewalk	380.60	380.77	380.83	381.33	382.56
Number of street lights:					
Ornamental lamps (no. of bulbs)	3,241	3,241	3,241	3,712	3,758
Overhead street lamps	3,740	3,740	3,740	3,727	3,732
Culture and recreation					
Parks and recreation department					
Number of parks	129	129	129	129	107
Park acreage	11,862	11,862	11,862	11,862	11,862
Number of ski hills	2	2	2	2	2
Number of municipal tennis courts	31	30	23	23	22
Community clubs/field houses operated	27	27	27	27	27
Number of athletic fields	39	39	39	39	36
Number of hiking trails	13	13	13	13	13
Library department					
Libraries/branches	3	3	3	3	3
Water					
Miles of water mains	397.85	403.38	406.24	408.22	408.30
Number of hydrants	2,196	2,231	2,279	2,363	2,373
Maximum daily capacity of plant in gallons	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000
Gas					
Miles of gas mains	458.30	465.30	482.20	488.30	495.34
Sewer					
Miles of sanitary sewers	420.81	420.81	420.81	408.00	409.00
Stormwater					
Miles of storm sewers	262.48	262.48	311.00	349.00	351.00
Steam District #1					
Miles of line	10.00	10.00	10.50	11.00	11.00
Golf					
Number of municipal golf courses	2	2	2	2	2

Sources: Various government departments.

(continued)

STATISTICAL INFORMATION

Capital Asset Statistics by Function - Ten Year History

	Fiscal Year				
	2007	2008	2009	2010	2011
Police					
Patrol units	96	96	91	96	94
Fire					
Fire stations	9	9	9	9	9
Public works					
Miles of streets and alleys:					
Miles of streets - paved	474.66	476.30	476.30	469.00	470.23
Miles of streets - unpaved	73.85	73.11	73.11	48.02	48.02
Miles of Sidewalk	382.56	382.56	382.56	277.00	409.00
Number of street lights:					
Ornamental lamps (no. of bulbs)	3,758	3,758	3,930	3,930	3,930
Overhead street lamps	3,732	3,732	3,657	3,665	3,665
Culture and recreation					
Parks and recreation department					
Number of parks	107	111	145	127	127
Park acreage	11,862	13,490	11,880	15,255	15,255
Number of ski hills	2	2	2	2	2
Number of municipal tennis courts	22	22	15	17	17
Community clubs/field houses operated	27	27	22	22	22
Number of athletic fields	36	36	57	57	57
Number of hiking trails	13	13	13	13	14
Library department					
Libraries/branches	3	3	3	3	3
Water					
Miles of water mains	413.70	413.79	414.59	424.10	426.30
Number of hydrants	2,396	2,500	2,506	2,535	2,583
Maximum daily capacity of plant in gallons	32,000,000	35,000,000	32,000,000	32,000,000	32,000,000
Gas					
Miles of gas mains	508.00	510.20	506.00	512.40	511.00
Sewer					
Miles of sanitary sewers	409.00	424.00	444.00	392.00	382.00
Stormwater					
Miles of storm sewers	288.00	431.00	431.00	431.00	431.00
Steam District #1					
Miles of line	11.00	11.00	11.00	11.00	11.00
Golf					
Number of municipal golf courses	2	2	2	2	2

unaudited

GLOSSARY OF TERMS

A

ACCRUAL BASIS	Recording revenues and expenses when they occur, regardless of the timing of related cash flow.
APPROPRIATION	City Council authorization permitting the City to incur obligations and expend resources during the fiscal year.
ASSESSED VALUATION	A value set upon residential, commercial or industrial properties by the City Assessor. The valuation is used as a basis for levying property taxes with the City.

B

BOND	A legal document stating the face value (principal amount) will be repaid on the date of maturity, plus interest. Bonds are primarily for financing capital projects or equipment.
GENERAL OBLIGATION (G.O.)	This bond is backed by the full faith, credit and taxing power of the government.
REVENUE BOND	Revenues from a specific enterprise or project back this type of bond. An example would be an utility improvement or project.
BUDGET	A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.
BUDGET BASIS	The basis of accounting used to estimate financing sources and uses in the budget. General Governmental funds are prepared on a modified accrual basis. Enterprise funds are prepared on a GAAP basis.
BUDGETARY CONTROL	The management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

C

CAPITAL BUDGET	The appropriation of bonds or operating revenue for improvements to facilities, and other infrastructure.
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CAPITAL IMPROVEMENTS	Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.
CAPITAL OUTLAY	The expenditure for small equipment or improvements of a miscellaneous or nonrecurring nature, not otherwise included in the Capital Program, and funded from current period resources.
CAPITAL PROJECTS FUND	A governmental fund used to account for financial resources to be used for the acquisition or construction of major capital facilities or other improvements (other than those financed by a proprietary fund).
CITY AUTHORITY	An organizational unit created by the Legislature of the State of Minnesota to administer and maintain the operations of the Duluth Airport, Duluth Entertainment and Convention Center, Transit Authority, and Spirit Mountain Recreation Area. Each is considered a component unit of the City of Duluth reporting entity, and is accounted for as an enterprise fund.
COLLECTIVE BARGAINING AGREEMENT	A legal contract between the employer and a verified representative of a recognized bargaining unit for specific terms and conditions of employment (e.g. hours, working conditions, salary, fringe benefits, and matters affecting health and safety of employees).
COMPONENT UNIT	A legally separate organization for which the elected officials of a primary government are financially accountable. For Duluth, the component units are the authorities.
CONTRACTUAL SERVICES	Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include maintenance agreements and professional consulting services.

D

DEBT SERVICE	Payment of principal and interest on specific obligations which result from the issuance of bonds.
DEBT SERVICE FUND	A governmental fund type used to account for the accumulation of resources for, and the payment of, general long term debt principal and interest.
DEPARTMENT	Major unit of organization comprised of subunits named divisions. Organizational elements responsible for administration and supervision of various service delivery activities
DEPRECIATION	The portion of the cost of a fixed asset which is charged as an expense during a particular period. In accounting for and recognizing depreciation, the cost of a fixed asset is prorated over the estimated useful life of such an asset, and each period is charged with a share of such cost.

DISTINGUISHED BUDGET PRESENTATION AWARDS PROGRAM	A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.
DIVISION	Organizational subunits of a department which are responsible for the administration and supervision of various service delivery activities.
E	
EMPLOYEE BENEFITS	Those costs incurred by the employer for pension contributions and the provision of health, dental and term insurance for all covered personnel.
ENCUMBRANCE	The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.
ENTERPRISE FUND	Funds which account for operations that are financed and managed in a manner similar to private business enterprises-- where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges.
EXPENDITURE	The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.
EXPENSE	Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.
F	
FINANCIAL POLICY	The City's policies with respect to revenues, spending, and debt management as these related to government services, programs, and capital investments. Financial policies provide an agreed-upon set of principles for the planning and programming of the budget and its funding.
FISCAL YEAR	Twelve-month period to which the operating budget applies; January 1 to December 31 in the case of the City.
FIXED ASSETS	Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.
FRANCHISE TAX	A fee charged by a governmental unit to a private business for the privileges of using a public right-of-way to generate revenue through its operations.
FULL FAITH AND CREDIT	A pledge of a government's taxing power to repay debt obligations.

FUNCTION	Description of a division's operation relative to routine activities performed to accomplish established objectives and goals.
FUND	A fiscal and accounting entity, which is created and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The major funds are the General Operating; Water; Gas; Steam; Sewer; Golf/Zoo funds; Debt Service funds; Special Revenue funds; Capital Projects funds; and Internal Service funds.
FUND BALANCE	The excess of the assets of a fund over its liabilities, which may include reserves and designations.

G

GAAP	Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.
GENERAL FUND	A governmental fund type which serves as the chief operating fund of the City to account for all financial resources except those required to be accounted for in another fund type.
GOAL	A statement of broad direction, purpose or intent based on the needs of the community. A goal is a general and timeless.
GOVERNMENTAL FUNDS	Fund type which includes general fund, special revenue funds, permanent improvement funds, debt service funds and special assessment funds.
GRANTS	A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

I

INFRASTRUCTURE	The physical assets of a government (e.g. streets, water, sewer, public buildings, and parks).
INTERGOVERNMENTAL REVENUE	Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.
INTERNAL SERVICE FUNDS	Proprietary fund type used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government or component unit, or to other governments on a cost reimbursement basis.

INTERNAL SERVICE CHARGES The charges to user departments for internal services provided by another government agency, such as fleet and insurance.

L

LEVY To impose taxes for the support of government activities.

LONG-TERM DEBT Debt with a maturity of more than one year after the date of issuance.

M

MATERIALS AND SUPPLIES Expendable materials and operating supplies necessary to conduct departmental operations.

O

OBJECT OF EXPENDITURE An expenditure classification, referring to the lowest and most detailed level of classification, such as permanent employee wages, over-time, electricity, office supplies, and paving materials.

OBJECTIVE Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

OBLIGATIONS Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

OPERATING EXPENSES The cost for materials, services, and supplies required for a department to operate.

OPERATING REVENUE Funds that the City receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

P

PERMANENT, FULL-TIME POSITION A job classification created by Civil Service, authorized through the budgetary process, and filled in accordance with Civil Service rules and Chapter 13 of the Duluth City Code.

PERSONAL SERVICES	Those costs associated with the salaries and wages of permanent and temporary employees.
PROPRIETARY FUNDS	Fund type which includes the enterprise funds of Public Service, Public Utility and City Authorities.
PUBLIC SERVICE FUND	A fund established to account for the operation and maintenance of the City of Duluth's sanitary and storm sewer collection system.
PUBLIC UTILITY FUND	A fund established to account for the operations of the Department of Water and Gas and the Duluth Steam Cooperative Association which provide water, gas, and steam utility services, respectively, to the citizens of Duluth.
PURPOSE	A broad statement of the goals, in terms of meeting public service needs, that a department is organized to meet

R

REVENUE	Sources of income financing the operations of government
REVENUE SOURCE	A revenue classification that designates the origination or type of funds received.

S

SPECIAL ASSESSMENT SPECIAL REVENUE FUND	Funds which account for specific financial resources that are restricted to expenditures for specified purposes. Examples of these funds include Community Development, Job Training Partnership Act, Economic Development, Municipal State Aid-Streets, and the Senior Program related funds
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T

TAX CAPACITY	A valuation placed upon the market value of the real and personal property in the City in a manner prescribed by state law as the basis for levying property taxes. The tax capacity reflects a percentage of the property's assessed value. The market value of a property is multiplied by the appropriate tax capacity classification rate to arrive at its "tax capacity".
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TAX CAPACITY CLASSIFICATION RATE	The tax rates applied to tax capacities within the City. The tax capacity rate will vary depending on the property classification (homestead, seasonal-recreation, rental, non-homestead, commercial/industrial, vacant). The lowest rate is for homestead property, with significantly higher rates for seasonal-recreation, vacant, and commercial/industrial property
TAX LEVY	The sum to be raised by general taxation, for specific purposes, as delineated in the Tax Levy Ordinance upon the taxable properties within the jurisdiction and corporate limits of the City.
TAXES	Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. Taxes for this city include property, sales, tourism, and charitable gambling.
TRUTH IN TAXATION	A set of procedures adopted by the 1989 Minnesota Legislature intended to improve local accountability in the adoption of the budget and property tax levy of local government.

U

UNRESERVED FUND BALANCE	The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.
USER CHARGES	The payment of a fee for direct receipt of a public service by the party who benefits from the service.