

CITY OF DULUTH

CAPITAL IMPROVEMENT BUDGET AND FIVE YEAR PLAN

NOVEMBER 2013



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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 2014 Capital Budget and the 2014 through 2018 Capital Improvement Plan, as well as a summary of the Capital Equipment Budget and Plan.

2014 Proposed Improvements

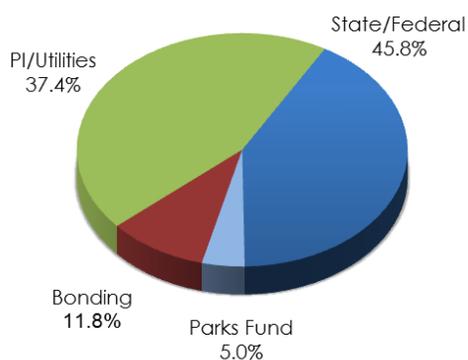
The 2014 CIP outlines projects funded in the Capital Projects Funds of Permanent Improvement and Capital Improvement. Also included are projects for the Parks Fund, Water, Gas, Sewer, Stormwater and Street Lighting utilities. The total proposed budget is \$26,078,000 consisting of an array of projects and funding sources. The chart below shows the breakdown of funding for the 2014 program.

Capital improvements to city buildings and infrastructure will be funded by issuing a capital improvement bond in the amount of \$1,684,000.

Parks and trails are to be funded by a federal grant of \$1,811,800; a state grant for \$288,000; a matching grant bond of \$537,000; and the parks fund for \$1,284,700 for a combined program total of \$4,409,500.

The Street and Bridge Reconstruction and Preservation program for 2014 totals \$7,624,500. Funding sources include aids and grants; and current year utility revenue.

2014 Capital Utility Projects will be funded through a MN Public Facilities Authority loan in the amount of \$820,000; a state grant in the amount of \$3,280,000; and current year utility revenue of \$8,260,000 for a total of \$12,360,000.

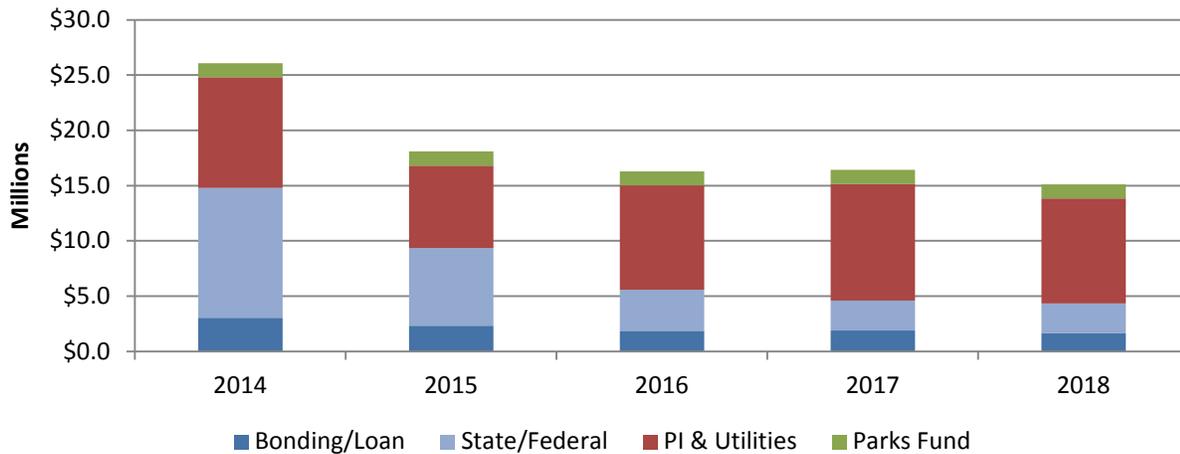


| | |
|------------------------------|----------------------|
| PI/Utilities Current Revenue | \$ 9,994,500 |
| Parks Fund | \$ 1,284,700 |
| Bonding | \$ 3,041,000 |
| State/Fed | <u>\$ 11,757,800</u> |
| Total 2014 Plan | \$ 26,078,000 |

Five Year Improvement Plan Funding

The City's Plan identifies \$92.014 million in improvements along with funding sources over the course of the next five years. The **Parks Fund** contribution will total \$6.424 million over the five year period, along with \$2.988 million in federal and state grants for city trails. 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 2014, the City is proposing to bond \$1,684,000 for capital improvements and \$537,000 for trails; for 2015, the figures are \$1.94 million and \$375,000. The proposed capital improvement bond amounts for the remaining three years are \$1.865 million in 2016, \$1.885 million in 2017, and \$1.635 million in 2018 for a combined five year total of \$9.921 million for improvements and trail bonds. Along with Municipal State Aid funding of \$14.3 million and federal funding of \$4.31 million, property tax dollars are levied in the **Permanent Improvement Fund** for street and bridge projects totaling \$1.4 million with \$280,000 to come from current year property tax revenues. The **Utility Funds** will finance \$45.572 million utilizing current year operating revenues, with an additional \$6.28 million from state grants and \$820,000 to be financed with a PFA loan over the five year period, for a combined total of \$52.672 million for utilities.

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



| | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|----------------|------------|------------|------------|------------|------------|------------|
| Bonding/Loan | 3,041,000 | 2,315,000 | 1,865,000 | 1,885,000 | 1,635,000 | 10,741,000 |
| State/Federal | 11,757,800 | 7,020,000 | 3,700,000 | 2,700,000 | 2,700,000 | 27,877,800 |
| PI & Utilities | 9,994,500 | 7,475,000 | 9,445,000 | 10,560,000 | 9,497,500 | 46,972,000 |
| Parks Fund | 1,284,700 | 1,284,700 | 1,284,700 | 1,284,700 | 1,284,700 | 6,423,500 |
| Total Plan | 26,078,000 | 18,094,700 | 16,294,700 | 16,429,700 | 15,117,200 | 92,014,300 |

2014 CAPITAL IMPROVEMENTS PROGRAM FUNDING SOURCES

| | CIP/Grant Bond | Parks Fund | PI/ Prior Yr PI | Aids/ Grants | Utility Bond/Loan | Utility Revenue | Total |
|--|-------------------|---------------|--------------------|-----------------|----------------------|--------------------|------------|
| Capital Improvement Program | | | | | | | |
| Buildings City-Wide | 750,000 | | | | | | 750,000 |
| City Hall | 609,000 | | | | | | 609,000 |
| Fire Department | 325,000 | | | | | | 325,000 |
| | 1,684,000 | | | | | | 1,684,000 |
| Parks and Trails | | | | | | | |
| Parks | | 1,184,700 | | | | | 1,184,700 |
| Cross City Trail | 537,000 | 100,000 | | 2,587,800 | | | 3,224,800 |
| | 537,000 | 1,284,700 | | 2,587,800 | | | 4,409,500 |
| Street & Bridge Reconstruction and Preservation Program | | | | | | | |
| 10th Avenue East | | | | 2,660,000 | | 932,000 | 3,592,000 |
| 40th Avenue West | | | | 350,000 | | 12,500 | 362,500 |
| Downtown Area Reconstruct | | | | 280,000 | | 500,000 | 780,000 |
| Misc Annual Infrastructure | | | 280,000 | | | | 280,000 |
| Ridgeview Road | | | | 1,440,000 | | | 1,440,000 |
| TH23 Improvements | | | | 580,000 | | | 580,000 |
| West Superior Street | | | | 580,000 | | 10,000 | 590,000 |
| | | | 280,000 | 5,890,000 | | 1,454,500 | 7,624,500 |
| Capital Utility Projects | | | | | | | |
| 57th and Highland | | | | | | 740,000 | 740,000 |
| Water Main Replacement | | | | | | 1,500,000 | 1,500,000 |
| Bollard Contract | | | | | | 50,000 | 50,000 |
| Building at Stora | | | | | | 200,000 | 200,000 |
| Copper Risers | | | | | | 750,000 | 750,000 |
| Courtland Steet Gas Project | | | | | | 30,000 | 30,000 |
| Flow Meters | | | | | | 150,000 | 150,000 |
| Gas Main Extensions | | | | | | 1,200,000 | 1,200,000 |
| Michigan Street Gas Project | | | | | | 120,000 | 120,000 |
| Third Street Gas Project | | | | | | 600,000 | 600,000 |
| 57th and Highland | | | | | | 400,000 | 400,000 |
| CIPP Rehab Basins | | | | 3,280,000 | 820,000 | | 4,100,000 |
| Lift Station Improvements | | | | | | 250,000 | 250,000 |
| Manhole Adjustments | | | | | | 50,000 | 50,000 |
| Sanitary Sewer Rehab/Reline | | | | | | 550,000 | 550,000 |
| 57th Ave W | | | | | | 495,000 | 495,000 |
| Brewery & Gray's Creek | | | | | | 250,000 | 250,000 |
| Manhole Adjustments | | | | | | 50,000 | 50,000 |
| MS4 NPDES Permit | | | | | | 50,000 | 50,000 |
| Storm Non Capital Projects | | | | | | 175,000 | 175,000 |
| Storm Sewer Replacement | | | | | | 250,000 | 250,000 |
| LED Street Lights | | | | | | 400,000 | 400,000 |
| | - | - | - | 3,280,000 | 820,000 | 8,260,000 | 12,360,000 |
| | 2,221,000 | 1,284,700 | 280,000 | 11,757,800 | 820,000 | 9,714,500 | 26,078,000 |

2014-2018 Capital Improvement Program Project Summary

| | 2014 | 2015 | 2016 | 2017 | 2018 | TOTAL |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Capital Improvement Program | | | | | | |
| ADA Compliance - Citywide | | 100,000 | 200,000 | 200,000 | 200,000 | 700,000 |
| Window Replacement - Citywide | 75,000 | 100,000 | 100,000 | 100,000 | 100,000 | 475,000 |
| Energy Measures - Citywide | 100,000 | 190,000 | 100,000 | 100,000 | 100,000 | 590,000 |
| Furnace/Boiler Replacements - Citywide | 75,000 | 100,000 | 100,000 | 100,000 | 100,000 | 475,000 |
| Masonry Repair - Citywide | 100,000 | 140,000 | 150,000 | 150,000 | 150,000 | 690,000 |
| Overhead Door Replace - Citywide | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 250,000 |
| Roof Replacements - Citywide | 200,000 | 240,000 | 250,000 | 250,000 | 250,000 | 1,190,000 |
| Ventilation 40th & 42nd Ave W Toolhouses | 150,000 | | | | | 150,000 |
| Police DTA Substation | | 100,000 | | | | 100,000 |
| Facility Needs Priorities - Citywide | | | 300,000 | 500,000 | 500,000 | 1,300,000 |
| Modernization/Remodeling - City Hall | 100,000 | 100,000 | 110,000 | 110,000 | 110,000 | 530,000 |
| Tuckpoint/repair steps - City Hall | 150,000 | | | | | 150,000 |
| Desktop Re-cabling - City Hall | 200,000 | 100,000 | 100,000 | | | 400,000 |
| Generator - City Hall | 159,000 | | | | | 159,000 |
| Firehall #1 Air conditioning | | 100,000 | | | | 100,000 |
| Firehall #1 Driveway | 100,000 | | | | | 100,000 |
| Firehall #2 Roof | | 250,000 | | | | 250,000 |
| Firehall #2 Tuckpointing | | | | 75,000 | | 75,000 |
| Firehall #2 Windows | | | 120,000 | | | 120,000 |
| Firehall #6 Drainage/Driveway | | 100,000 | | | | 100,000 |
| Firehall #7 Brick Repair | 50,000 | | | | | 50,000 |
| Firehall #8 Drainage/Driveway | | | 150,000 | | | 150,000 |
| Firehall #2 & 7 Air Conditioning | | | 60,000 | | | 60,000 |
| Firehall #7 Remodel | | 50,000 | | | | 50,000 |
| Firehall Furnace Replacements | | 50,000 | | | | 50,000 |
| Firehall Roof Replacements | | | | 250,000 | | 250,000 |
| Firehall Flooring (Multiple Stations) | | | 75,000 | | | 75,000 |
| Firehall Overhead Doors | 75,000 | 120,000 | | | 75,000 | 270,000 |
| Firehall Access Approaches | 50,000 | | | | | 50,000 |
| Firehall Ventilation | 50,000 | 50,000 | | | | 100,000 |
| Capital Improvement Program Total | 1,684,000 | 1,940,000 | 1,865,000 | 1,885,000 | 1,635,000 | 9,009,000 |

2014-2018 Capital Improvement Program Project Summary

| | 2014 | 2015 | 2016 | 2017 | 2018 | TOTAL |
|--|------------------|------------------|------------------|------------------|------------------|-------------------|
| Parks and Trails | | | | | | |
| Traverse Trail | 250,000 | 100,000 | 100,000 | 100,000 | 100,000 | 650,000 |
| Cross City Trail | 2,974,800 | 775,000 | | | | 3,749,800 |
| Enhanced Maintenance | 719,700 | 534,700 | 534,700 | 534,700 | 534,700 | 2,858,500 |
| Courts | | | 70,000 | | 100,000 | 170,000 |
| Playgrounds | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 400,000 |
| Mini Master Plans | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 250,000 |
| Trails | 10,000 | | 150,000 | 140,000 | 40,000 | 340,000 |
| Fields | | 100,000 | 100,000 | 80,000 | 180,000 | 460,000 |
| Community Centers | 225,000 | 70,000 | | 200,000 | 200,000 | 695,000 |
| Parks | 100,000 | 350,000 | 200,000 | 100,000 | | 750,000 |
| Parks and Trails Total | 4,409,500 | 2,059,700 | 1,284,700 | 1,284,700 | 1,284,700 | 10,323,300 |
| Street & Bridge Reconstruction and Preservation Program | | | | | | |
| Misc Annual Infrastructure | 280,000 | 280,000 | 280,000 | 280,000 | 280,000 | 1,400,000 |
| 10th Avenue East | 3,592,000 | | | | | 3,592,000 |
| 40th Avenue West | 362,500 | | | | | 362,500 |
| 60th Avenue East | | | | 612,500 | | 612,500 |
| 63rd Avenue West | | | | 812,500 | | 812,500 |
| Concrete Pavement Repairs | | 585,000 | | | | 585,000 |
| Decker Road | | | | | 1,412,500 | 1,412,500 |
| Downtown Area Reconstruct | 780,000 | 1,850,000 | 3,580,000 | 3,580,000 | 3,580,000 | 13,370,000 |
| Maxwell Avenue | | | 450,000 | | | 450,000 |
| Ridgeview Road | 1,440,000 | | | | | 1,440,000 |
| Skyline Parkway | | 1,325,000 | | | | 1,325,000 |
| TH23 Improvements | 580,000 | 3,800,000 | | | | 4,380,000 |
| West Anoka Street | | | 600,000 | | | 600,000 |
| West Superior Street | 590,000 | | | | | 590,000 |
| Woodland Avenue | | | 1,430,000 | | | 1,430,000 |
| Street, Bridge and Preservation Total | 7,624,500 | 7,840,000 | 6,340,000 | 5,285,000 | 5,272,500 | 32,362,000 |

2014-2018 Capital Improvement Program Project Summary

| | 2014 | 2015 | 2016 | 2017 | 2018 | TOTAL |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Capital Utility Projects | | | | | | |
| 57th and Highland | 740,000 | | | | | 740,000 |
| Backwash MCC at Water Plant | | 610,000 | | | | 610,000 |
| Building & Structure Repairs | | | | 900,000 | | 900,000 |
| Middle Pump Station | | | | | 2,000,000 | 2,000,000 |
| Pump Station upgrade | | 75,000 | | | | 75,000 |
| Pump House Roof | | | | 650,000 | | 650,000 |
| Switch Gear | | | 280,000 | | | 280,000 |
| Water Main Replacement | 1,500,000 | 1,300,000 | 600,000 | 1,000,000 | 400,000 | 4,800,000 |
| Water Plant electrical upgrades | | | 1,600,000 | | | 1,600,000 |
| 58th Ave W Replacement | | | 200,000 | | | 200,000 |
| Bollard Contract | 50,000 | 50,000 | 50,000 | | | 150,000 |
| Regulator Station Upgrades | 200,000 | | | | | 200,000 |
| Copper Risers | 750,000 | 400,000 | 750,000 | 750,000 | | 2,650,000 |
| Courtland Steet Gas Project | 30,000 | | | | | 30,000 |
| Flow Meters | 150,000 | | | | | 150,000 |
| Gas Capital Project | | | | 500,000 | | 500,000 |
| Gas Main Extensions | 1,200,000 | 700,000 | 500,000 | 700,000 | 750,000 | 3,850,000 |
| Haines Rd Project | | | | | 1,050,000 | 1,050,000 |
| I-35 crossing at 26th | | 100,000 | | | | 100,000 |
| London Road Gas Project | | | 300,000 | | | 300,000 |
| Michigan Street Gas Project | 120,000 | 120,000 | | | | 240,000 |
| Misc Projects | | | | 200,000 | | 200,000 |
| Third Street Gas Project | 600,000 | | | | | 600,000 |
| Woodland Ave Gas Project | | | | 500,000 | | 500,000 |
| 57th and Highland | 400,000 | | | | | 400,000 |
| CIPP Rehabilitation Basins | 4,100,000 | | | | | 4,100,000 |
| Lift Station Improvements | 250,000 | 675,000 | 450,000 | 450,000 | 350,000 | 2,175,000 |
| Manhole Adjustments | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 250,000 |
| Sanitary Sewer Rehab/Reline | 550,000 | 750,000 | 750,000 | 1,000,000 | 1,000,000 | 4,050,000 |
| 57th Ave W | 495,000 | | | | | 495,000 |
| Brewery & Gray's Creek | 250,000 | 150,000 | | | | 400,000 |
| Manhole Adjustments | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 250,000 |
| MS4 Systems Upgrade - EPA | 50,000 | | | | 50,000 | 100,000 |
| Storm Non Capital Projects | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | 875,000 |
| Storm Sewer Replacement | 250,000 | 750,000 | 750,000 | 750,000 | 750,000 | 3,250,000 |
| LED Street Lights | 400,000 | 300,000 | 300,000 | 300,000 | 300,000 | 1,600,000 |
| Capital Utility Projects Total | 12,360,000 | 6,255,000 | 6,805,000 | 7,975,000 | 6,925,000 | 40,320,000 |
| GRAND TOTAL | 26,078,000 | 18,094,700 | 16,294,700 | 16,429,700 | 15,117,200 | 92,014,300 |

5 YEAR CAPITAL IMPROVEMENTS PROGRAM BY FUNDING SOURCE

| | 2014 | 2015 | 2016 | 2017 | 2018 | TOTAL |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Capital Improvement Bond | 1,684,000 | 1,940,000 | 1,865,000 | 1,885,000 | 1,635,000 | 9,009,000 |
| Matching Grant Bond | 537,000 | 375,000 | | | | 912,000 |
| Parks Fund | 1,284,700 | 1,284,700 | 1,284,700 | 1,284,700 | 1,284,700 | 6,423,500 |
| Permanent Improvement Fund | 280,000 | 280,000 | 280,000 | 280,000 | 280,000 | 1,400,000 |
| Federal Grants | 4,489,800 | 1,320,000 | 1,000,000 | | | 6,809,800 |
| State Funding | 200,000 | | | | | 200,000 |
| MSA | 3,500,000 | 2,700,000 | 2,700,000 | 2,700,000 | 2,700,000 | 14,300,000 |
| DNR | 288,000 | | | | | 288,000 |
| Wastwater Infrastructure Grant | 3,280,000 | | | | | 3,280,000 |
| CIMS Grant | | 3,000,000 | | | | 3,000,000 |
| Utilities - MN Public Facilities Authority Loan | | | | | | |
| Sewer | 820,000 | | | | | 820,000 |
| Utilities - Current Year Revenue | | | | | | |
| Water | 2,976,500 | 2,290,000 | 3,485,000 | 3,575,000 | 3,412,500 | 15,739,000 |
| Gas | 3,153,000 | 1,370,000 | 1,830,000 | 2,680,000 | 1,830,000 | 10,863,000 |
| Sewer | 1,792,000 | 1,775,000 | 2,250,000 | 2,500,000 | 2,400,000 | 10,717,000 |
| Stormwater | 1,393,000 | 1,460,000 | 1,300,000 | 1,225,000 | 1,275,000 | 6,653,000 |
| Street Lighting | 400,000 | 300,000 | 300,000 | 300,000 | 300,000 | 1,600,000 |
| TOTAL ALL FUNDING SOURCES | 26,078,000 | 18,094,700 | 16,294,700 | 16,429,700 | 15,117,200 | 92,014,300 |

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 | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Buildings City-Wide | 750,000 | 1,020,000 | 1,250,000 | 1,450,000 | 1,450,000 | 5,920,000 |
| City Hall | 609,000 | 200,000 | 210,000 | 110,000 | 110,000 | 1,239,000 |
| Fire | 325,000 | 720,000 | 405,000 | 325,000 | 75,000 | 1,850,000 |
| Total | 1,684,000 | 1,940,000 | 1,865,000 | 1,885,000 | 1,635,000 | 9,009,000 |

| Funding | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Capital Improvement Bond | 1,684,000 | 1,940,000 | 1,865,000 | 1,885,000 | 1,635,000 | 9,009,000 |
| Total | 1,684,000 | 1,940,000 | 1,865,000 | 1,885,000 | 1,635,000 | 9,009,000 |

Buildings City-Wide

Description:

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

| Project | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|-----------------------------|----------------|------------------|------------------|------------------|------------------|------------------|
| ADA Compliance | - | 100,000 | 200,000 | 200,000 | 200,000 | 700,000 |
| Window Replacement | 75,000 | 100,000 | 100,000 | 100,000 | 100,000 | 475,000 |
| Energy Measures | 100,000 | 190,000 | 100,000 | 100,000 | 100,000 | 590,000 |
| Furnace/Boiler Replacements | 75,000 | 100,000 | 100,000 | 100,000 | 100,000 | 475,000 |
| Masonry Repair | 100,000 | 140,000 | 150,000 | 150,000 | 150,000 | 690,000 |
| Overhead Door Replace | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 250,000 |
| Roof Replacements | 200,000 | 240,000 | 250,000 | 250,000 | 250,000 | 1,190,000 |
| Toolhouse Ventilation | 150,000 | | | | | 150,000 |
| Police DTA Substation | | 100,000 | | | | 100,000 |
| Facility Needs Priorities | | | 300,000 | 500,000 | 500,000 | 1,300,000 |
| Total | 750,000 | 1,020,000 | 1,250,000 | 1,450,000 | 1,450,000 | 5,920,000 |

| Funding | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|--------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Capital Improvement Bond | 750,000 | 1,020,000 | 1,250,000 | 1,450,000 | 1,450,000 | 5,920,000 |

City Hall

Description:

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

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

| Project | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|--------------------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Modernization/Remodeling | 100,000 | 100,000 | 110,000 | 110,000 | 110,000 | 530,000 |
| Tuckpoint/repair steps | 150,000 | | | | | 150,000 |
| Desktop Re-cabling | 200,000 | 100,000 | 100,000 | | | 400,000 |
| Generator | 159,000 | | | | | 159,000 |
| Total | 609,000 | 200,000 | 210,000 | 110,000 | 110,000 | 1,239,000 |

| Funding | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|--------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Capital Improvement Bond | 609,000 | 200,000 | 210,000 | 110,000 | 110,000 | 1,239,000 |

Fire Department

Description:

Over the next five years, the City is proposing to invest \$1.85 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 | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|----------------------------------|----------------|----------------|----------------|----------------|---------------|------------------|
| Firehall #1 Air conditioning | | 100,000 | | | | 100,000 |
| Firehall #1 Driveway | 100,000 | | | | | 100,000 |
| Firehall #2 Roof | | 250,000 | | | | 250,000 |
| Firehall #2 Tuckpointing | | | | 75,000 | | 75,000 |
| Firehall #2 Windows | | | 120,000 | | | 120,000 |
| Firehall #6 Drainage/Driveway | | 100,000 | | | | 100,000 |
| Firehall #7 Brick Repair | 50,000 | | | | | 50,000 |
| Firehall #8 Drainage/Driveway | | | 150,000 | | | 150,000 |
| Firehall #2 & 7 Air Conditioning | | | 60,000 | | | 60,000 |
| Firehall #7 Remodel | | 50,000 | | | | 50,000 |
| Furnace Replacements | | 50,000 | | | | 50,000 |
| Roof Replacements | | | | 250,000 | | 250,000 |
| Flooring (Multiple Stations) | | | 75,000 | | | 75,000 |
| Overhead Doors | 75,000 | 120,000 | | | 75,000 | 270,000 |
| Access Approaches | 50,000 | | | | | 50,000 |
| Ventilation | 50,000 | 50,000 | | | | 100,000 |
| Total | 325,000 | 720,000 | 405,000 | 325,000 | 75,000 | 1,850,000 |

| Funding | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|--------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Capital Improvement Bond | 325,000 | 720,000 | 405,000 | 325,000 | 75,000 | 1,850,000 |

Parks and Trails Summary

Description:

Via the Parks Fund and grants, the city is proposing to invest in park and trail capital and enhanced maintenance projects throughout the city. These energy, accessibility, and infrastructure improvements, are the result of mini-master plans, public input, and partnerships with local user groups.

| Projects | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Traverse Trail | 250,000 | 100,000 | 100,000 | 100,000 | 100,000 | 650,000 |
| Cross City Trail | 2,974,800 | 775,000 | | | | 3,749,800 |
| Parks | 1,184,700 | 1,184,700 | 1,184,700 | 1,184,700 | 1,184,700 | 5,923,500 |
| Total | 4,409,500 | 2,059,700 | 1,284,700 | 1,284,700 | 1,284,700 | 10,323,300 |

| Funding | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|---------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Federal Grant | 2,099,800 | 400,000 | | | | 2,499,800 |
| State Grant | 488,000 | | | | | 488,000 |
| Matching Grant Bond | 537,000 | 375,000 | | | | 912,000 |
| Parks Fund | 1,284,700 | 1,284,700 | 1,284,700 | 1,284,700 | 1,284,700 | 6,423,500 |
| Total | 4,409,500 | 2,059,700 | 1,284,700 | 1,284,700 | 1,284,700 | 10,323,300 |

City of Duluth 2014-2018 Capital Improvement Plan

Parks

Description:

The Parks Fund allocates monies each year for capital projects involving playgrounds, master planning, courts, trails, fields, parks, and community centers. An internal committee of staff from Parks and Recreation, Park Maintenance, and Facilities Management determine the projects and make recommendations. Mini-master plans help direct future projects as well as the age of facilities and infrastructure needs. Public input is a major component of mini-master plans.

| Project | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Enhanced Maintenance | 719,700 | 534,700 | 534,700 | 534,700 | 534,700 | 2,858,500 |
| Courts | - | - | 70,000 | - | 100,000 | 170,000 |
| Playground | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 400,000 |
| Mini Master Plans | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 250,000 |
| Trails | 10,000 | - | 150,000 | 140,000 | 40,000 | 340,000 |
| Fields | - | 100,000 | 100,000 | 80,000 | 180,000 | 460,000 |
| Community Centers | 225,000 | 70,000 | - | 200,000 | 200,000 | 695,000 |
| Parks | 100,000 | 350,000 | 200,000 | 100,000 | - | 750,000 |
| Total | 1,184,700 | 1,184,700 | 1,184,700 | 1,184,700 | 1,184,700 | 5,923,500 |

| Funding | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|----------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Parks Fund | 1,184,700 | 1,184,700 | 1,184,700 | 1,184,700 | 1,184,700 | 5,923,500 |

Cross City and Traverse Trail

Description:

The 2014 Cross City and Traverse Trail project is a combination of \$2.1 million federal grants, \$488,000 in state grants and the city's match of \$537,000. Construction of the Cross City Trail is from 30th Avenue West to 59th Avenue West.

| Project | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|------------------|------------------|----------------|----------------|----------------|----------------|------------------|
| Traverse Trail | 250,000 | 100,000 | 100,000 | 100,000 | 100,000 | 650,000 |
| Cross City Trail | 2,974,800 | 775,000 | | | | 3,749,800 |
| Total | <u>3,224,800</u> | <u>875,000</u> | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | <u>4,399,800</u> |

| Funding | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|---------------------|------------------|----------------|----------------|----------------|----------------|------------------|
| Federal Grant | 2,099,800 | 400,000 | | | | 2,499,800 |
| State Grant | 488,000 | | | | | 488,000 |
| Matching Grant Bond | 537,000 | 375,000 | | | | 912,000 |
| Parks Fund | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 500,000 |
| Total | <u>3,224,800</u> | <u>875,000</u> | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | <u>4,399,800</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, federal funds, grants, and utilities revenue.

| Project | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|----------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Misc Annual Infrastructure | 280,000 | 280,000 | 280,000 | 280,000 | 280,000 | 1,400,000 |
| 10th Avenue East | 3,592,000 | | | | | 3,592,000 |
| 40th Avenue West | 362,500 | | | | | 362,500 |
| 60th Avenue East | | | | 612,500 | | 612,500 |
| 63rd Avenue West | | | | 812,500 | | 812,500 |
| Concrete Pavement Repairs | | 585,000 | | | | 585,000 |
| Decker Road | | | | | 1,412,500 | 1,412,500 |
| Downtown Area Reconstruct | 780,000 | 1,850,000 | 3,580,000 | 3,580,000 | 3,580,000 | 13,370,000 |
| Maxwell Avenue | | | 450,000 | | | 450,000 |
| Ridgeview Road | 1,440,000 | | | | | 1,440,000 |
| Skyline Parkway | | 1,325,000 | | | | 1,325,000 |
| TH23 Improvements | 580,000 | 3,800,000 | | | | 4,380,000 |
| West Anoka Street | | | 600,000 | | | 600,000 |
| West Superior Street | 590,000 | | | | | 590,000 |
| Woodland Avenue | | | 1,430,000 | | | 1,430,000 |
| Total | 7,624,500 | 7,840,000 | 6,340,000 | 5,285,000 | 5,272,500 | 32,362,000 |

| Funding | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|-----------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Federal | 2,390,000 | 920,000 | 1,000,000 | | | 4,310,000 |
| Permanent Improvement | 280,000 | 280,000 | 280,000 | 280,000 | 280,000 | 1,400,000 |
| State | 3,500,000 | 2,700,000 | 2,700,000 | 2,700,000 | 2,700,000 | 14,300,000 |
| Utilities | 1,454,500 | 940,000 | 2,360,000 | 2,305,000 | 2,292,500 | 9,352,000 |
| CIMS State Grant | | 3,000,000 | | | | 3,000,000 |
| Total | 7,624,500 | 7,840,000 | 6,340,000 | 5,285,000 | 5,272,500 | 32,362,000 |

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 | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|------------------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Permanent Improvements | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,000,000 |
| Patch & Sidewalks | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 400,000 |
| Total | <u>280,000</u> | <u>280,000</u> | <u>280,000</u> | <u>280,000</u> | <u>280,000</u> | <u>1,400,000</u> |

| Funding | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| PI Fund | 280,000 | 280,000 | 280,000 | 280,000 | 280,000 | 1,400,000 |
| Total | <u>280,000</u> | <u>280,000</u> | <u>280,000</u> | <u>280,000</u> | <u>280,000</u> | <u>1,400,000</u> |

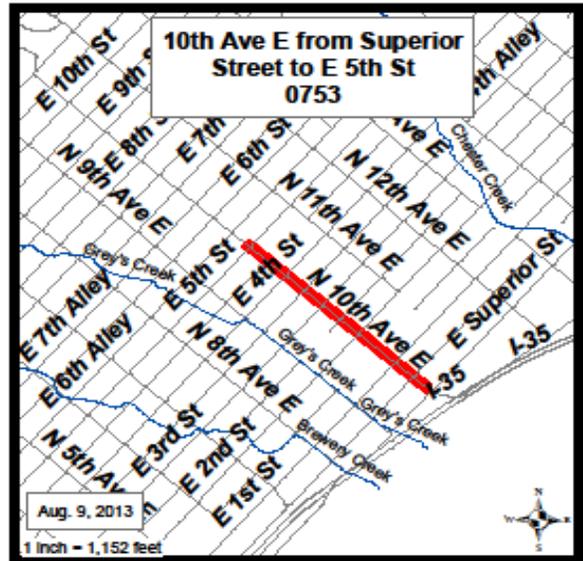
Street Reconstruction & Bridge Projects

Project Title:

10th Avenue East: Superior Street to 9th Street

Funding Source:

| | FY 2014 |
|-----------------------|--------------------|
| Federal | 950,000 |
| MSA | 1,710,000 |
| Sewer | 392,000 |
| Storm | 63,000 |
| Water | 424,000 |
| Gas | 53,000 |
| PROJECT TOTAL: | \$3,592,000 |

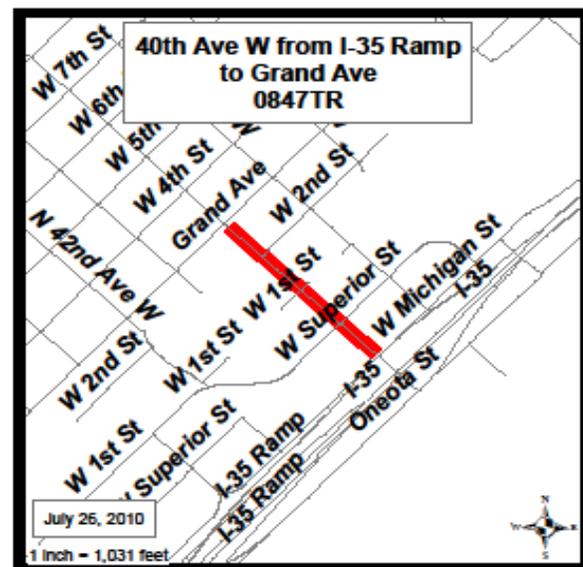


Project Title:

40th Avenue West: I-35 Ramp to Grand Avenue

Funding Source:

| | FY 2014 |
|-----------------------|------------------|
| MSA | 350,000 |
| Water | 12,500 |
| PROJECT TOTAL: | \$362,500 |



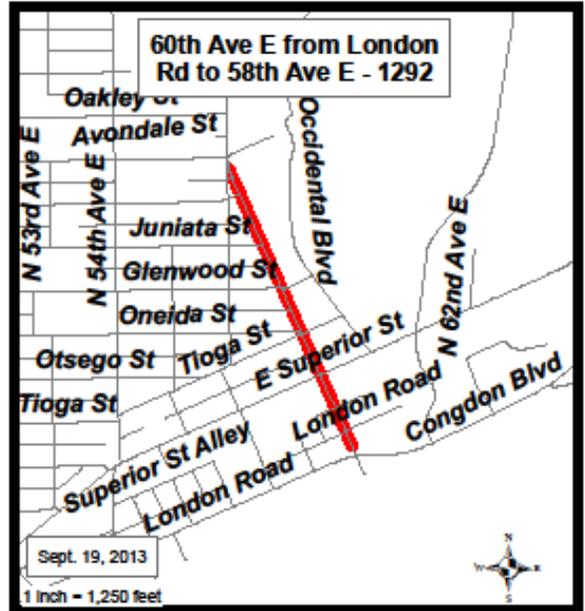
Street Reconstruction & Bridge Projects

Project Title:

60th Avenue East: London Road to 58th Avenue East

Funding Source:

| | FY 2017 |
|-----------------------|------------------|
| MSA | 600,000 |
| Water | 12,500 |
| PROJECT TOTAL: | \$612,500 |

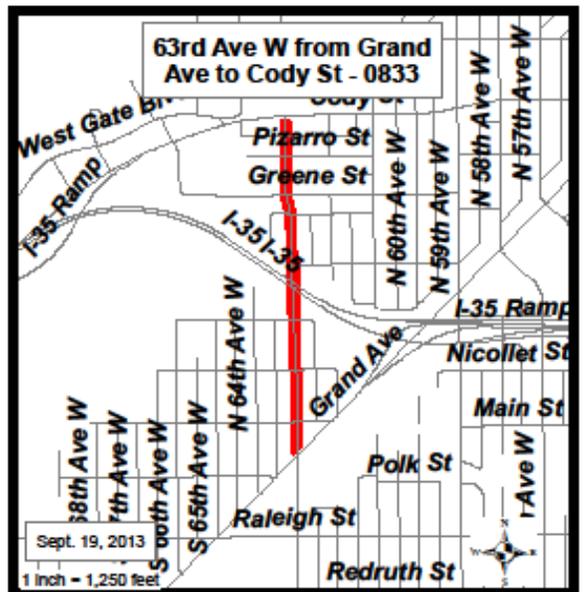


Project Title:

63rd Avenue West: Grand Avenue to Cody Street

Funding Source:

| | FY 2017 |
|-----------------------|------------------|
| MSA | 800,000 |
| Storm | 12,500 |
| PROJECT TOTAL: | \$812,500 |



Street Reconstruction & Bridge Projects

Project Title:

Concrete Pavement Repairs -
Various Locations

Funding Source:

No Map Available

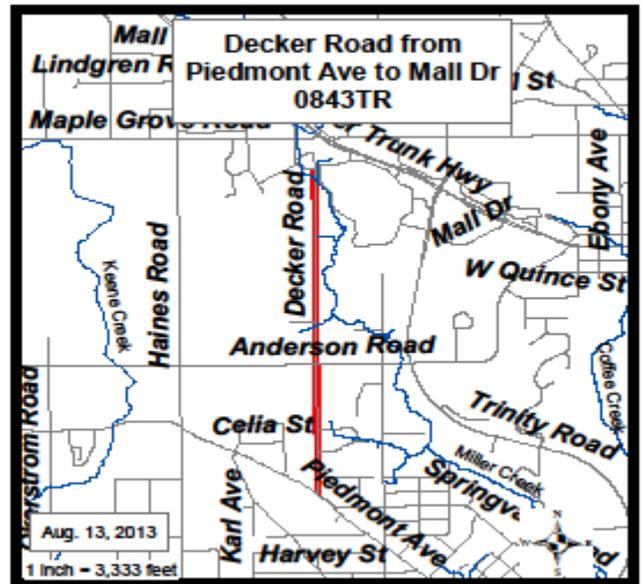
| | FY 2015 |
|-----------------------|------------------|
| MSA | 585,000 |
| PROJECT TOTAL: | \$585,000 |

Project Title:

Decker Road: Piedmont Avenue to Mall Drive

Funding Source:

| | FY 2018 |
|-----------------------|--------------------|
| MSA | 1,400,000 |
| Water | 12,500 |
| PROJECT TOTAL: | \$1,412,500 |



Street Reconstruction & Bridge Projects

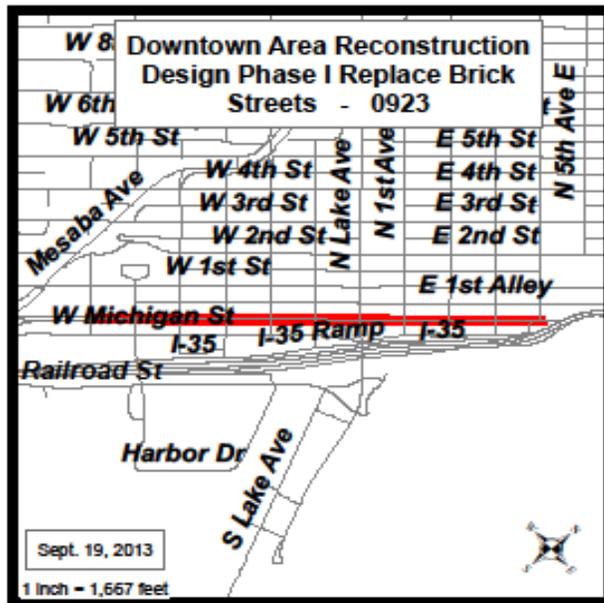
Project Title:

Downtown Area Reconstruction

Funding Source:

| | FY 2014-2018 |
|-------|--------------|
| MSA | 5,180,000 |
| Sewer | 3,450,000 |
| Storm | 1,050,000 |
| Water | 3,600,000 |
| Gas | 90,000 |

PROJECT TOTAL: \$13,370,000



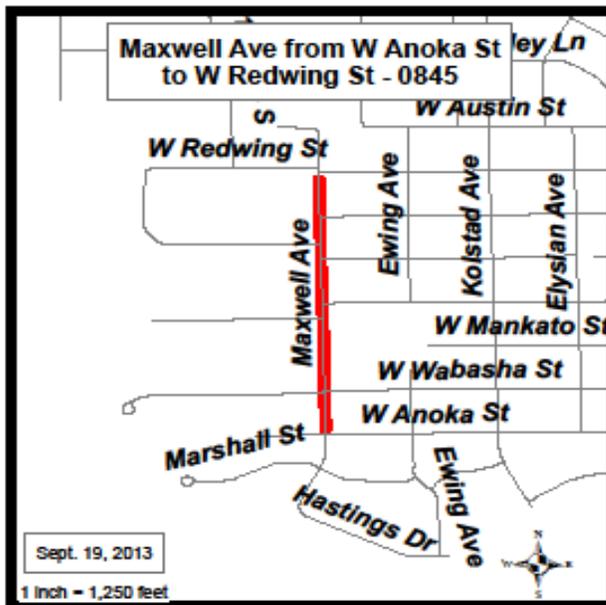
Project Title:

Maxwell Avenue: West Anoka Street to West Redwing Street

Funding Source:

| | FY 2016 |
|-------|---------|
| MSA | 425,000 |
| Storm | 25,000 |

PROJECT TOTAL: \$450,000



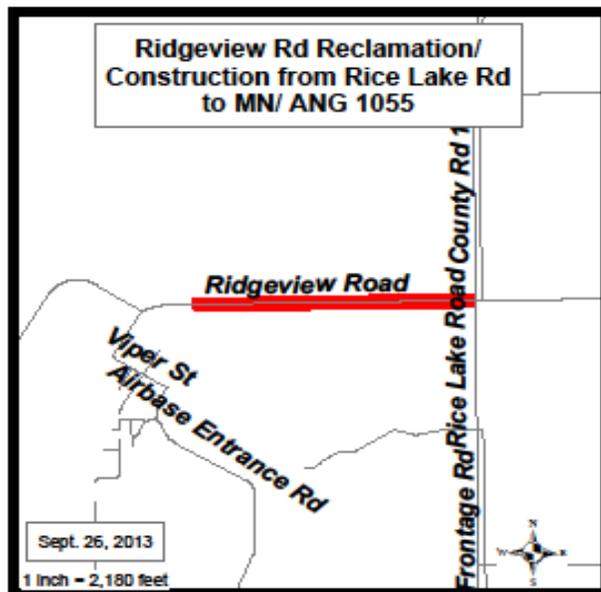
Street Reconstruction & Bridge Projects

Project Title:

Ridgeview Road: Rice Lake Road to MN/ANG

Funding Source:

| | FY 2014 |
|-----------------------|--------------------|
| Federal | 1,440,000 |
| PROJECT TOTAL: | \$1,440,000 |

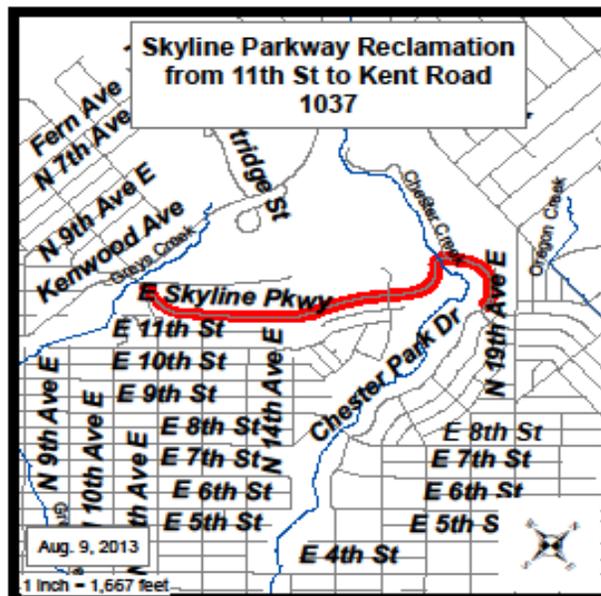


Project Title:

Skyline Parkway: 11th Street to Kent Road

Funding Source:

| | FY 2015 |
|-----------------------|--------------------|
| Federal/ATP | 920,000 |
| MSA | 315,000 |
| Storm | 85,000 |
| Water | 5,000 |
| PROJECT TOTAL: | \$1,325,000 |



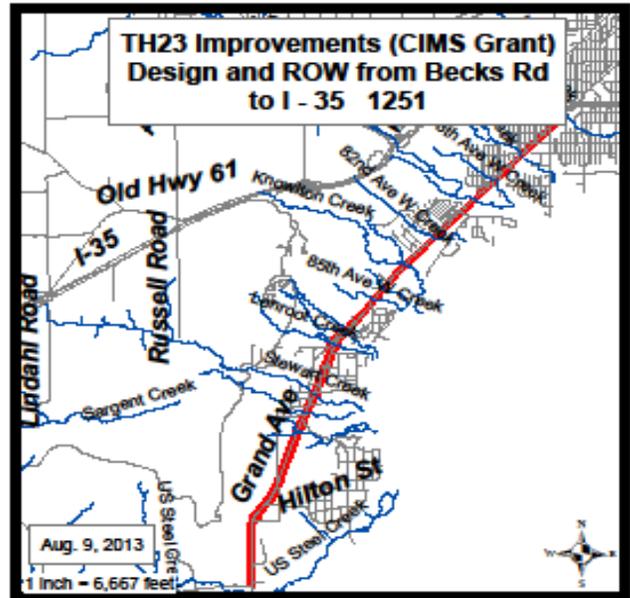
Street Reconstruction & Bridge Projects

Project Title:

TH23 Improvements: Becks Road to I-35

Funding Source:

| | FY 2014-2015 |
|-----------------------|--------------------|
| MSA | 1,380,000 |
| CIMS State Grant | 3,000,000 |
| PROJECT TOTAL: | \$4,380,000 |

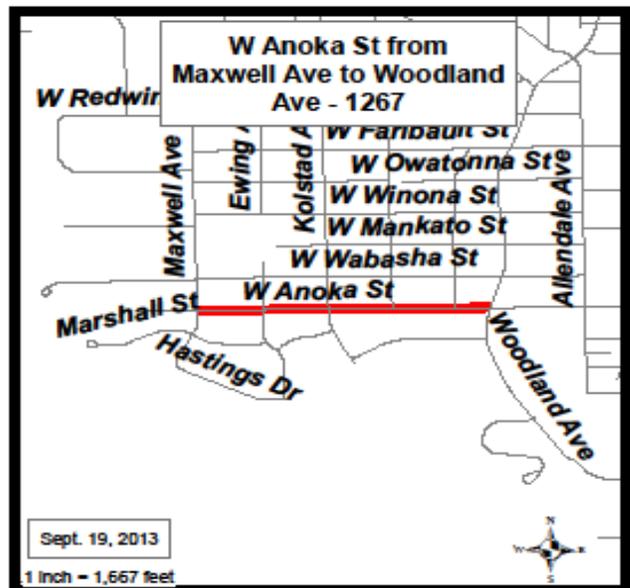


Project Title:

West Anoka Street: Maxwell Avenue to Woodland Avenue

Funding Source:

| | FY 2016 |
|-----------------------|------------------|
| MSA | 575,000 |
| Storm | 25,000 |
| PROJECT TOTAL: | \$600,000 |



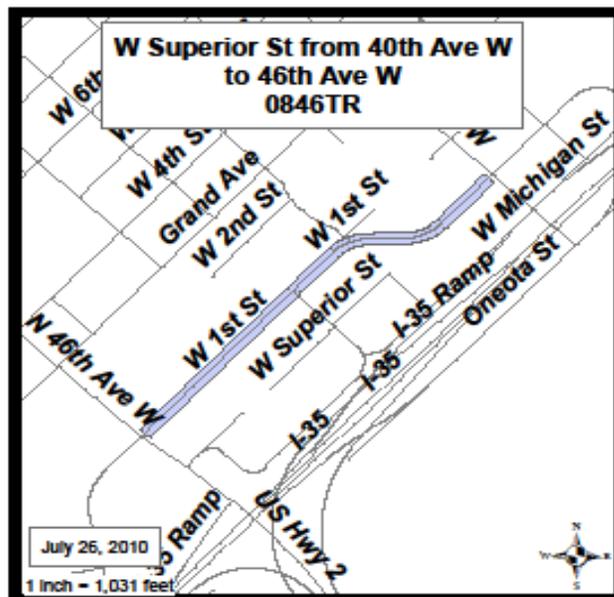
Street Reconstruction & Bridge Projects

Project Title:

West Superior Street: 40th Avenue
West to 46th Avenue West

Funding Source:

| | FY 2014 |
|-----------------------|------------------|
| MSA | 580,000 |
| Storm | 10,000 |
| PROJECT TOTAL: | \$590,000 |

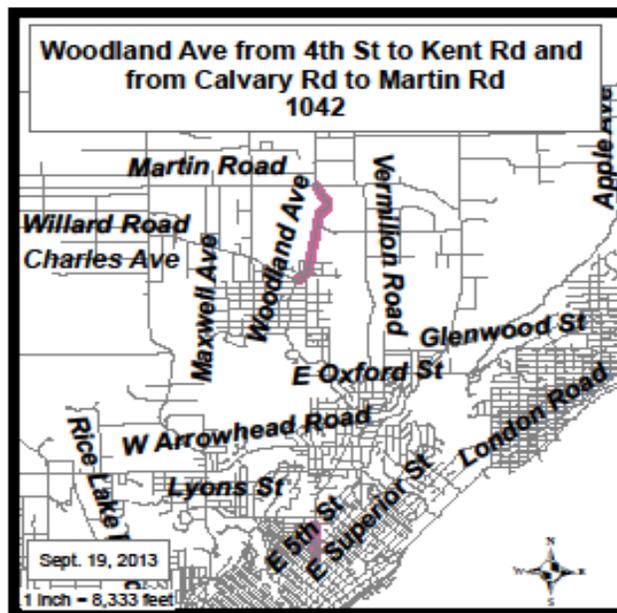


Project Title:

Woodland Avenue: Calvary Road to
Martin Road and 4th Street to Kent
Road

Funding Source:

| | FY 2016 |
|-----------------------|--------------------|
| MSA | 400,000 |
| Federal/ATP | 1,000,000 |
| Storm | 25,000 |
| Water | 5,000 |
| PROJECT TOTAL: | \$1,430,000 |



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 | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|-----------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| Water | 2,240,000 | 1,985,000 | 2,480,000 | 2,550,000 | 2,400,000 | 11,655,000 |
| Gas | 3,100,000 | 1,370,000 | 1,800,000 | 2,650,000 | 1,800,000 | 10,720,000 |
| Sewer | 5,350,000 | 1,475,000 | 1,250,000 | 1,500,000 | 1,400,000 | 10,975,000 |
| Stormwater | 1,270,000 | 1,125,000 | 975,000 | 975,000 | 1,025,000 | 5,370,000 |
| Street Lighting | 400,000 | 300,000 | 300,000 | 300,000 | 300,000 | 1,600,000 |
| Total | 12,360,000 | 6,255,000 | 6,805,000 | 7,975,000 | 6,925,000 | 40,320,000 |

| Funding | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|-----------------------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| Water - Current Revenue | 2,240,000 | 1,985,000 | 2,480,000 | 2,550,000 | 2,400,000 | 11,655,000 |
| Gas - Current Revenue | 3,100,000 | 1,370,000 | 1,800,000 | 2,650,000 | 1,800,000 | 10,720,000 |
| Sewer - Current Revenue | 1,250,000 | 1,475,000 | 1,250,000 | 1,500,000 | 1,400,000 | 6,875,000 |
| Sewer - State WIF Grant | 3,280,000 | | | | | 3,280,000 |
| Sewer - MN PFA Loan | 820,000 | | | | | 820,000 |
| Stormwater - Current Revenue | 1,270,000 | 1,125,000 | 975,000 | 975,000 | 1,025,000 | 5,370,000 |
| Street Lighting - Current Revenue | 400,000 | 300,000 | 300,000 | 300,000 | 300,000 | 1,600,000 |
| Total | 12,360,000 | 6,255,000 | 6,805,000 | 7,975,000 | 6,925,000 | 40,320,000 |

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 | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| 57th and Highland | 740,000 | | | | | 740,000 |
| Backwash MCC at Water Plant | | 610,000 | | | | 610,000 |
| Building & Structure Repairs | | | | 900,000 | | 900,000 |
| Middle Pump Station | | | | | 2,000,000 | 2,000,000 |
| Pump Station upgrade | | 75,000 | | | | 75,000 |
| Pump House Roof | | | | 650,000 | | 650,000 |
| Switch Gear | | | 280,000 | | | 280,000 |
| Water Main Replacement | 1,500,000 | 1,300,000 | 600,000 | 1,000,000 | 400,000 | 4,800,000 |
| Water Plant electrical upgrades | | | 1,600,000 | | | 1,600,000 |
| Total | <u>2,240,000</u> | <u>1,985,000</u> | <u>2,480,000</u> | <u>2,550,000</u> | <u>2,400,000</u> | <u>11,655,000</u> |

| Funding | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|-------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Water - Current Revenue | 2,240,000 | 1,985,000 | 2,480,000 | 2,550,000 | 2,400,000 | 11,655,000 |
| Total | <u>2,240,000</u> | <u>1,985,000</u> | <u>2,480,000</u> | <u>2,550,000</u> | <u>2,400,000</u> | <u>11,655,000</u> |

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 | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| 58th Ave W Replacement | | | 200,000 | | | 200,000 |
| Bollard Contract | 50,000 | 50,000 | 50,000 | | | 150,000 |
| Regulator Station Upgrades | 200,000 | | | | | 200,000 |
| Copper Risers | 750,000 | 400,000 | 750,000 | 750,000 | | 2,650,000 |
| Courtland Steet Gas Project | 30,000 | | | | | 30,000 |
| Flow Meters | 150,000 | | | | | 150,000 |
| Gas Capital Project | | | | 500,000 | | 500,000 |
| Gas Main Extensions | 1,200,000 | 700,000 | 500,000 | 700,000 | 750,000 | 3,850,000 |
| Haines Rd Project | | | | | 1,050,000 | 1,050,000 |
| I-35 crossing at 26th | | 100,000 | | | | 100,000 |
| London Road Gas Project | | | 300,000 | | | 300,000 |
| Michigan Street Gas Project | 120,000 | 120,000 | | | | 240,000 |
| Misc Projects | | | | 200,000 | | 200,000 |
| Third Street Gas Project | 600,000 | | | | | 600,000 |
| Woodland Ave Gas Project | | | | 500,000 | | 500,000 |
| Total | 3,100,000 | 1,370,000 | 1,800,000 | 2,650,000 | 1,800,000 | 10,720,000 |

| Funding | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|-----------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Gas - Current Revenue | 3,100,000 | 1,370,000 | 1,800,000 | 2,650,000 | 1,800,000 | 10,720,000 |

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 | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| 57th and Highland | 400,000 | | | | | 400,000 |
| CIPP Rehabilitation Basins | 4,100,000 | | | | | 4,100,000 |
| Lift Station Improvements | 250,000 | 675,000 | 450,000 | 450,000 | 350,000 | 2,175,000 |
| Manhole Adjustments | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 250,000 |
| Sanitary Sewer Rehab/Reline | 550,000 | 750,000 | 750,000 | 1,000,000 | 1,000,000 | 4,050,000 |
| Total | 5,350,000 | 1,475,000 | 1,250,000 | 1,500,000 | 1,400,000 | 10,975,000 |

| Funding | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|-----------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| State WIF Grant | 3,280,000 | | | | | 3,280,000 |
| MN PFA Loan | 820,000 | | | | | 820,000 |
| Sewer Current Revenue | 1,250,000 | 1,475,000 | 1,250,000 | 1,500,000 | 1,400,000 | 6,875,000 |
| Total | 5,350,000 | 1,475,000 | 1,250,000 | 1,500,000 | 1,400,000 | 10,975,000 |

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 | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|----------------------------|------------------|------------------|----------------|----------------|------------------|------------------|
| 57th Ave West | 495,000 | | | | | 495,000 |
| Brewery & Gray's Creek | 250,000 | 150,000 | | | | 400,000 |
| Manhole Adjustments | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 250,000 |
| MS4 Systems Upgrade - EPA | 50,000 | | | | 50,000 | 100,000 |
| Storm Non Capital Projects | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | 875,000 |
| Storm Sewer Replacement | 250,000 | 750,000 | 750,000 | 750,000 | 750,000 | 3,250,000 |
| Total | <u>1,270,000</u> | <u>1,125,000</u> | <u>975,000</u> | <u>975,000</u> | <u>1,025,000</u> | <u>5,370,000</u> |

| Funding | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Stormwater - Current Revenue | 1,270,000 | 1,125,000 | 975,000 | 975,000 | 1,025,000 | 5,370,000 |

Capital Utility Projects

Description: Street Lighting Annual Infrastructure

The proposed Street Lighting projects over the next five years continue the city-wide replacement of existing street light fixtures with energy saving LED roadway luminaires. Long term results will include energy savings and maintenance efficiencies.

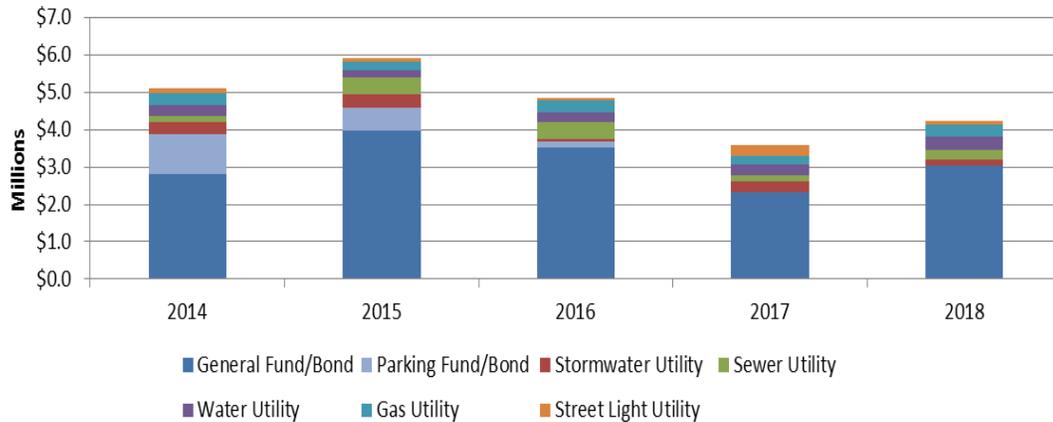
| Project | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|-------------------|----------------|----------------|----------------|----------------|----------------|------------------|
| LED Street Lights | 400,000 | 300,000 | 300,000 | 300,000 | 300,000 | 1,600,000 |
| Total | <u>400,000</u> | <u>300,000</u> | <u>300,000</u> | <u>300,000</u> | <u>300,000</u> | <u>1,600,000</u> |

| Funding | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Street Lighting - Current Revenue | 400,000 | 300,000 | 300,000 | 300,000 | 300,000 | 1,600,000 |

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. \$23.67 million is proposed in this plan for the period of 2014 through 2018. Of that total, equipment for the General Fund is \$15.66 million to be financed with bonds. The balance of \$8.01 million is proposed for the combined enterprise funds of Water, Gas, Stormwater, Sewer, Street Lighting, and Parking. Shown in the chart below are the various funding sources by year for the plan.



| | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|-------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| General Fund/Bond | 2,813,000 | 3,976,000 | 3,531,800 | 2,315,000 | 3,025,000 | 15,660,800 |
| Parking Fund/Bond | 1,075,500 | 595,000 | 148,500 | - | - | 1,819,000 |
| Stormwater | 294,500 | 363,900 | 64,300 | 311,000 | 156,000 | 1,189,700 |
| Sewer | 180,300 | 439,700 | 439,700 | 138,000 | 273,000 | 1,470,700 |
| Water | 295,800 | 217,000 | 273,650 | 290,600 | 361,800 | 1,438,850 |
| Gas | 317,400 | 221,400 | 308,350 | 231,400 | 318,200 | 1,396,750 |
| Street Light | 129,500 | 81,500 | 81,500 | 296,500 | 107,500 | 696,500 |
| Total Plan | 5,106,000 | 5,894,500 | 4,847,800 | 3,582,500 | 4,241,500 | 23,672,300 |

2014 Proposed Equipment

The City is proposing a total of \$5.106 million in capital equipment expenditures for 2014. This includes equipment for General Fund operating departments and the six city enterprise funds named above. The General Fund portion is \$2.81 million to be financed with bonds, Parking Fund bonding for \$1.08, and \$1.22 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 \$1.68 million in rolling stock vehicles – the largest purchase being Maintenance Operations equipment totaling \$1,054,000; fire apparatus totaling \$100,000; police vehicles totaling \$450,000; and Facilities Management totaling \$80,000. The non-rolling stock equipment plan of \$1.129 million proposed by City for 2014 includes \$1.038 million for technology improvements and replacements, and \$91,000 for external defibrillators and auto extraction/rescue equipment for the Fire Department.

The breakdown of equipment for the enterprise funds is \$1.247 million for non-rolling stock equipment and the balance of \$1.046 million for rolling stock vehicles for a total of \$2.293 million for 2014.

City of Duluth 2014 - 2018 Capital Equipment Program

General Fund Rolling Stock Vehicles

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fire Department | | | | | |
| Fire Trucks/Apparatus | 100,000 | 600,000 | 600,000 | 70,000 | 1,400,000 |
| Replace Squads (2) | | 60,000 | | | |
| Inspector Vehicles | | 25,000 | | 25,000 | |
| Subtotal Fire Department | 100,000 | 685,000 | 600,000 | 95,000 | 1,400,000 |
| Construction Services | | | | | |
| Inspector Vehicles | | 50,000 | 25,000 | 25,000 | 25,000 |
| Subtotal Constructive Services | 0 | 50,000 | 25,000 | 25,000 | 25,000 |
| Police Department | | | | | |
| Police Vehicles | 450,000 | 600,000 | 600,000 | 600,000 | 600,000 |
| Subtotal Police Department | 450,000 | 600,000 | 600,000 | 600,000 | 600,000 |
| Facilities Management | | | | | |
| 1 Ton w/Service Body | 80,000 | | 40,000 | 80,000 | 80,000 |
| 1 Ton Cargo Van | | 76,000 | 38,000 | | |
| Subtotal Facilities Management | 80,000 | 76,000 | 78,000 | 80,000 | 80,000 |
| Maintenance Operations | | | | | |
| 4 x 4 Pick up | 68,000 | | 40,000 | 40,000 | 45,000 |
| Trailers, Paint Striper | | 25,000 | | | |
| Subtotal Traffic Maintenance | 68,000 | 25,000 | 40,000 | 40,000 | 45,000 |
| Street Maintenance | | | | | |
| Tandem Dump Truck | | 145,000 | 290,000 | 290,000 | 290,000 |
| 1 Ton Pickup with Outfitting | 145,000 | | | 60,000 | |
| Sander Trucks | 280,000 | | | 340,000 | 340,000 |
| Sander with RDS | 220,000 | 330,000 | | 330,000 | |
| Pick-up 3/4-Ton Ext Cab 4x4 | | 35,000 | 35,000 | 125,000 | |
| Trailer, Compactor | 45,000 | 18,000 | 16,000 | | |
| Truck Snowblower | | 160,000 | | | |
| 3 yard Loader | | 185,000 | 185,000 | 185,000 | |
| Step/Cube Van | 83,000 | | | | |
| Backhoe | | 100,000 | 95,000 | | |
| Flusher Retrofits | | 160,000 | | | |
| Highway Mower | | | 80,000 | | |
| Subtotal Street Maintenance | 773,000 | 1,133,000 | 701,000 | 1,330,000 | 630,000 |
| Park Maintenance | | | | | |
| 4x4 Crew Cab | 42,000 | | | | 42,000 |
| Skidsteer | | | | | 62,000 |
| Utility Van | | 27,000 | | | |
| 1 Ton w/Plow | | 70,000 | | 71,000 | |
| Various Mowers | | 55,000 | | | 75,000 |
| Trailers, Paint Striper | 23,000 | | | | 42,000 |
| Log Truck | | | 163,800 | | |
| Trail Groomer | | | 212,000 | | |
| Chipper | | 150,000 | | 58,000 | |
| Sidewalk Cleaner | 148,000 | | | | |
| Subtotal Park Maintenance | 213,000 | 302,000 | 375,800 | 129,000 | 221,000 |
| Subtotal Maintenance Operations | 1,054,000 | 1,460,000 | 1,116,800 | 1,499,000 | 896,000 |
| Public Works | | | | | |
| Transportation Engineering | | | | | |
| Engineering Vehicles | | | | 16,000 | 24,000 |
| Subtotal Transportation Engineering | | | | 16,000 | 24,000 |
| Rolling Stock Bond Total | \$ 1,684,000 | \$ 2,871,000 | \$ 2,419,800 | \$ 2,315,000 | \$ 3,025,000 |

City of Duluth 2014 - 2018 Capital Equipment Program
General Fund Non-Rolling Stock Equipment

| | 2014 Bond | 2015 Bond | 2016 Bond |
|---|------------------|------------------|------------------|
| MIS | | | |
| Enterprise Wide PC Replacements | 150,000 | 100,000 | 200,000 |
| Enterprise Wide Laptop Replacements | 100,000 | 100,000 | 100,000 |
| MIS Asset/Inventory Mgt Software | | 100,000 | |
| BCA Security Regulations | 75,000 | 50,000 | 50,000 |
| Document Management | 250,000 | 100,000 | 100,000 |
| High Speed WAN Expansion | | 50,000 | 50,000 |
| Internal Emergency Notification | 40,000 | | |
| Network Infrastructure Upgrades | 150,000 | 200,000 | 200,000 |
| PCI Compliancy Reg Enhancements | 83,000 | | |
| Police Body Cameras | 85,000 | | |
| Library Credit Card Acceptance | | 25,000 | |
| Business Licensing Ad-hoc Reporting Module | 30,000 | | |
| Facilities Asset Mgt & Work Order System | 50,000 | 50,000 | |
| Human Resources Neogov | 25,000 | | |
| Conference Room Technology Needs (5 Rooms) | | 50,000 | 50,000 |
| Software Implementation | | 100,000 | 100,000 |
| VoIP Implementation | | 50,000 | 50,000 |
| Public Emergency Notification | | 50,000 | 50,000 |
| City Clerk | | | |
| 60 Electronic Poll book Rosters | | 70,000 | |
| Library | | | |
| 1 Self checkout machine | | 10,000 | |
| Additional Security Cameras | | | |
| 1 Digital microform reader printer | | | 12,000 |
| Fire | | | |
| External Defibrillators (15) | 25,000 | | |
| Replace/Upgrade auto extrication/rescue equip | 66,000 | | |
| Police | | | |
| Complaint Tracking Software | | | 150,000 |
| Total Proposed Non-Rolling Stock | 1,129,000 | 1,105,000 | 1,112,000 |
| TOTAL EQUIPMENT BOND PROPOSAL | 2,813,000 | 3,976,000 | 3,531,800 |

City of Duluth 2014 - 2018 Capital Equipment Program

Enterprise Funds Equipment

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Water Fund | | | | | |
| Cars/Pick-ups | 74,100 | 30,600 | 17,600 | 23,400 | 30,000 |
| Trucks/Vans | 121,500 | 41,800 | 145,550 | 136,200 | 66,400 |
| Dump Trucks | 0 | 111,000 | 0 | 111,000 | 140,600 |
| Backhoe/Loader | 0 | 0 | 75,000 | 0 | 80,000 |
| Excavator/Vactor | 57,200 | 0 | 0 | 0 | 0 |
| Other Rolling Stock | 13,000 | 13,600 | 15,500 | 0 | 24,800 |
| Non-Rolling Capital Equipment | 30,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Subtotal Water Fund | 295,800 | 217,000 | 273,650 | 290,600 | 361,800 |
| Gas Fund | | | | | |
| Cars/Pick-ups | 73,900 | 30,600 | 35,200 | 2,600 | 6,000 |
| Trucks/Vans | 40,500 | 134,800 | 234,650 | 181,800 | 103,600 |
| Dump Trucks | 0 | 37,000 | 0 | 37,000 | 155,400 |
| Backhoe/Loader | 0 | 0 | 25,000 | 0 | 20,000 |
| Excavator/Vactor | 143,000 | 0 | 0 | 0 | 0 |
| Other Rolling Stock | 0 | 9,000 | 3,500 | 0 | 23,200 |
| Non-Rolling Capital Equipment | 60,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Subtotal Gas Fund | 317,400 | 221,400 | 308,350 | 231,400 | 318,200 |
| Sewer Fund | | | | | |
| Cars/Pick-ups | 56,100 | 50,000 | 3,200 | 0 | 6,000 |
| Trucks/Vans | 0 | 98,400 | 44,000 | 40,000 | 95,000 |
| Dump Trucks | 0 | 0 | 148,000 | 0 | 0 |
| Backhoe/Loader | 0 | 0 | 0 | 0 | 0 |
| Excavator/Vactor | 57,200 | 185,500 | 143,000 | 0 | 143,000 |
| Other Rolling Stock | 67,000 | 95,800 | 91,500 | 88,000 | 19,000 |
| Non-Rolling Capital Equipment | 0 | 10,000 | 10,000 | 10,000 | 10,000 |
| Subtotal Sewer Fund | 180,300 | 439,700 | 439,700 | 138,000 | 273,000 |
| Stormwater Fund | | | | | |
| Cars/Pick-ups | 17,900 | 12,800 | 0 | 0 | 36,000 |
| Trucks/Vans | 0 | 0 | 47,800 | 0 | 95,000 |
| Dump Trucks | 148,000 | 148,000 | 0 | 0 | 0 |
| Backhoe/Loader | 100,000 | 0 | 0 | 0 | 0 |
| Excavator/Vactor | 28,600 | 185,500 | 0 | 286,000 | 0 |
| Other Rolling Stock | 0 | 7,600 | 6,500 | 15,000 | 15,000 |
| Non-Rolling Capital Equipment | 0 | 10,000 | 10,000 | 10,000 | 10,000 |
| Subtotal Stormwater Fund | 294,500 | 363,900 | 64,300 | 311,000 | 156,000 |
| Street Light Utility Fund | | | | | |
| Led/Induction Luminaire Conversions | | | | | |
| Cars/Pick-ups | 0 | 0 | 0 | 34,000 | 26,000 |
| Trucks/Vans | 0 | 0 | 0 | 0 | 0 |
| Aerial Bucket Truck | 0 | 0 | 0 | 181,000 | 0 |
| Telehandler | 48,000 | 0 | 0 | 0 | 0 |
| Non-Rolling Capital Equipment | 81,500 | 81,500 | 81,500 | 81,500 | 81,500 |
| Subtotal Street Light Utility | 129,500 | 81,500 | 81,500 | 296,500 | 107,500 |
| Parking Fund | | | | | |
| Parking Payment Technology | 1,075,500 | 595,000 | 148,500 | 0 | 0 |
| Enterprise Funds Equipment Total | \$ 2,293,000 | \$ 1,918,500 | \$ 1,316,000 | \$ 1,267,500 | \$ 1,216,500 |