

CITY OF DULUTH

CAPITAL IMPROVEMENT BUDGET AND FIVE YEAR PLAN 2015 - 2019

NOVEMBER 2014



City of Duluth, MN
2015-2019 Capital Improvement Plan

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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 2015 Capital Budget and the 2015 through 2019 Capital Improvement Plan, as well as a summary of the Capital Equipment Budget and Plan.

2015 Proposed Improvements

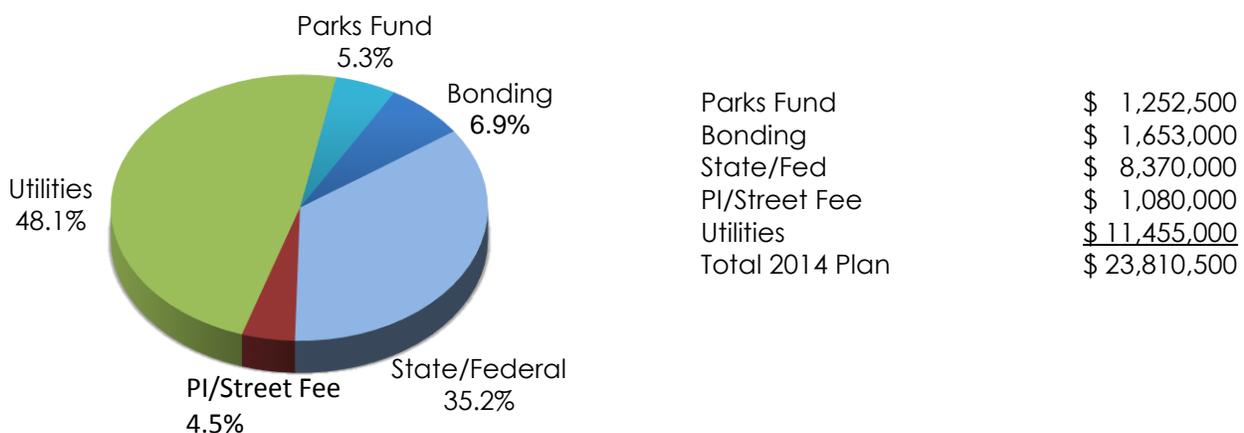
The 2015 CIP outlines projects funded in the Capital Projects Funds of Permanent Improvement and Capital Improvement. Also included are projects for the Parks Fund, Water, Gas, Sewer, Stormwater and Street Lighting utilities. The total proposed budget is \$23,810,500 consisting of an array of projects and funding sources. The chart below shows the breakdown of funding for the 2015 program.

Capital improvements to city buildings and infrastructure will be funded by issuing a capital improvement bond in the amount of \$1,603,000.

Parks and trails are to be funded by a federal grant of \$500,000; a state grant for \$650,000; a matching trail bond of \$50,000; and the parks fund for \$1,252,500 for a combined program total of \$2,452,500.

The Street and Bridge Reconstruction and Preservation program for 2015 totals \$8,505,000. Funding sources include aids and grants; current year utility revenue; permanent improvement fund; and the street system maintenance fee.

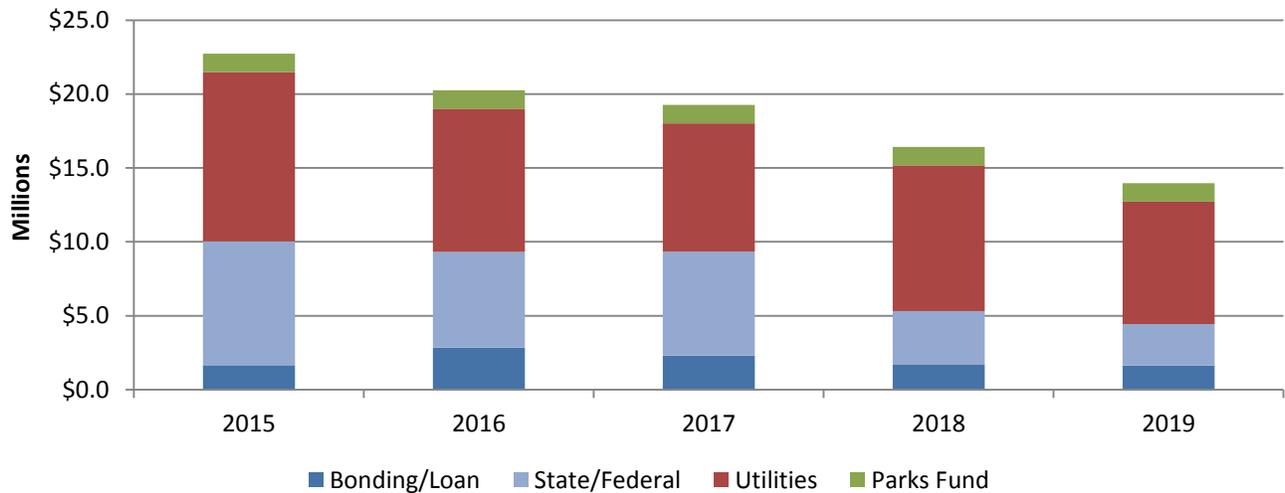
2015 Capital Utility Projects will be funded with \$11,250,000 in current year revenue.



Five Year Improvement Plan Funding

The City's Plan identifies \$99.648 million in improvements along with funding sources over the course of the next five years. The **Parks Fund** contribution will total \$6.262 million over the five year period, along with \$3.223 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. For 2015, the City is proposing to bond \$1,603,000 for capital improvements and \$50,000 for trails; for 2016, the figures are \$2.525 million and \$304,600; for 2017, they are \$2.175 and \$127,500. The proposed capital improvement bond amounts for the remaining two years are \$1.720 million in 2018, and \$1.640 million in 2019 for a combined five year total of 10.145 million for improvements and trails. Along with Municipal State Aid funding of \$15.0 million, a state CIMS grant for \$3.0 million, and federal funding of \$1.615 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 \$47.947 million utilizing current year operating revenues.

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



	2015	2016	2017	2018	2019	Total
Bonding/Loan	1,653,000	2,829,600	2,302,500	1,720,000	1,640,000	10,145,100
State/Federal	8,370,000	6,487,800	7,035,400	3,600,000	2,800,000	28,293,200
PI & Street Fee	1,080,000	1,480,000	1,480,000	1,480,000	1,480,000	7,000,000
Utilities	11,455,000	9,690,000	8,680,000	9,847,500	8,275,000	47,947,500
Parks Fund	1,252,500	1,252,500	1,252,500	1,252,500	1,252,500	6,262,500
Total Plan	23,810,500	21,739,900	20,750,400	17,900,000	15,447,500	99,648,300

2015 CAPITAL IMPROVEMENTS PROGRAM FUNDING SOURCES

	CIP/Bond	Parks Fund	PI/ Prior Yr PI	Aids/ Grants	Street Mtce Fee	Utility Revenue	Total
Capital Improvement Program							
Buildings City-Wide	878,000						878,000
Maintenance	60,000						60,000
Fire Department	665,000						665,000
	1,603,000						1,603,000
Parks and Trails							
Parks		1,152,500					1,152,500
Traverse Trail		100,000					100,000
Cross City Trail	50,000			650,000			700,000
Lowell to Lakewalk Trail				500,000			500,000
	50,000	1,252,500	-	1,150,000	-		2,452,500
Street & Bridge Reconstruction and Preservation Program							
Misc Annual Infrastructure			280,000				280,000
Street Preservation					800,000		800,000
40th Avenue East				220,000			220,000
Congdon Boulevard				750,000			750,000
Pecan Avenue				430,000			430,000
Raleigh Street				600,000			600,000
Downtown Streets reconstruction				300,000		120,000	420,000
TH23 Improvements				3,700,000		50,000	3,750,000
Woodland Avenue				1,220,000		35,000	1,255,000
			280,000	7,220,000	800,000	205,000	8,505,000
Capital Utility Projects							
4th Street Lining						300,000	300,000
Filter Sand Replacement						175,000	175,000
Building & Structure Repairs						50,000	50,000
89th Ave E water main						70,000	70,000
HVAC Project						200,000	200,000
Water Main Replacement						1,050,000	1,050,000
Gas Main Ext						600,000	600,000
TBS1B alternate route						4,000,000	4,000,000
Bollard Contract						50,000	50,000
Copper Risers Phase 3						1,000,000	1,000,000
Manhole Adjustments						50,000	50,000
Superior St Lining						1,300,000	1,300,000
Lift Station 8 Rehab						950,000	950,000
Brewery/Greys Creek						150,000	150,000
Manhole Adjustments						50,000	50,000
Storm Sewer Replace						750,000	750,000
Storm Non Cap Project						175,000	175,000
LED Street Lights						330,000	330,000
						11,250,000	11,250,000
	1,653,000	1,252,500	280,000	8,370,000	800,000	11,455,000	23,810,500

2015-2019 CAPITAL IMPROVEMENTS PROGRAM PROJECT SUMMARY

	2015	2016	2017	2018	2019	TOTAL
Capital Improvement Program						
VFA Requirements	443,000	400,000	450,000	500,000	550,000	2,343,000
Facilities Building	110,000	475,000		200,000	125,000	910,000
City Center West Upgrades	200,000	220,000	350,000	150,000		920,000
Main Library renovations	25,000					25,000
Police Multimodal Substation	100,000					100,000
Animal Shelter Improvements		270,000				270,000
Mtce Ops Consolidation Study	60,000					60,000
42nd Tool House		250,000			100,000	350,000
Lund Tool House		50,000		500,000	250,000	800,000
Tree Farm		150,000	100,000			250,000
Fleet Building		150,000	125,000			275,000
Firehall #1 Upgrades	115,000	150,000	275,000	0	175,000	715,000
Firehall #2 Upgrades	90,000	235,000	25,000	0	0	350,000
Firehall #4 Upgrades	255,000	25,000	0	370,000	0	650,000
Firehall #6 Upgrades	180,000					180,000
Firehall #7 Upgrades	5,000	25,000	350,000		40,000	420,000
Firehall #8 Upgrades	5,000	75,000				80,000
Firehall #10 Upgrades	5,000		400,000			405,000
Firehall #11 Upgrades	10,000	50,000	100,000		400,000	560,000
Capital Improvement Program Total	1,603,000	2,525,000	2,175,000	1,720,000	1,640,000	9,663,000
Parks and Trails						
Traverse Trail	100,000	100,000	100,000	100,000	100,000	500,000
Cross City Trail	700,000	2,192,400				2,892,400
Lakewalk VI - shared use - Water Street			312,900			312,900
Lowell to Lakewalk Trail	500,000					500,000
Enhanced Maintenance	557,500	557,500	557,500	557,500	557,500	2,787,500
Courts		60,000	70,000	60,000	50,000	240,000
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	100,000	130,000	80,000	80,000	80,000	470,000
Fields		75,000	85,000	175,000	185,000	520,000
Community Centers	50,000	50,000	100,000	100,000	100,000	400,000
Parks	315,000	150,000	130,000	50,000	50,000	695,000
Parks and Trails Total	2,452,500	3,444,900	1,565,400	1,252,500	1,252,500	9,967,800
Street & Bridge Reconstruction and Preservation Program						
Misc Annual Infrastructure	280,000	280,000	280,000	280,000	280,000	1,400,000
Street Preservation	800,000	1,200,000	1,200,000	1,200,000	1,200,000	5,600,000
9th Street/8th Street					1,500,000	1,500,000
40th Avenue East	220,000					220,000
Aerial Lift Bridge		300,000	5,550,000			5,850,000
Concrete Pavement Repairs				910,000		910,000
Congdon Boulevard	750,000	3,000,000				3,750,000
Decker Rd				1,412,500		1,412,500
Pecan Avenue	430,000					430,000
Raleigh Street	600,000					600,000
Superior Street	420,000	2,980,000	3,180,000	3,580,000	1,300,000	11,460,000
TH23 Improvements	3,750,000					3,750,000
Woodland Avenue	1,255,000					1,255,000
Street, Bridge and Preservation Total	8,505,000	7,760,000	10,210,000	7,382,500	4,280,000	38,137,500

2015-2019 CAPITAL IMPROVEMENTS PROGRAM PROJECT SUMMARY

	2015	2016	2017	2018	2019	TOTAL
Capital Utility Projects						
4th Street Lining	300,000	900,000	900,000			2,100,000
Filter Sand Replacement	175,000					175,000
Building & Structure Repairs	50,000		900,000			950,000
89th Ave E water main	70,000					70,000
I-35 crossing at 26th			100,000			100,000
Middle/Woodland Pump Station				2,000,000	2,000,000	4,000,000
Pump Station upgrade		75,000				75,000
HVAC Project	200,000					200,000
Switch Gear		280,000				280,000
Water Main Replacement	1,050,000		500,000	400,000	1,500,000	3,450,000
Water Plant electrical upgrades		1,600,000				1,600,000
63rd Ave W Replacement			200,000			200,000
Bollard Contract	50,000	50,000	300,000	300,000	300,000	1,000,000
Regulator Station Upgrades			75,000			75,000
Copper Risers	1,000,000	400,000				1,400,000
Flow Meters		100,000				100,000
Gas Main Extensions	600,000	1,000,000	1,000,000	1,000,000	1,000,000	4,600,000
Miscellaneous Projects					50,000	50,000
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
Buildings			100,000	100,000		200,000
TBS1B alternate route	4,000,000					4,000,000
Woodland Ave Gas Project				500,000		500,000
Superior Street Lining	1,300,000	1,300,000				2,600,000
4th Street reconstruct		500,000	500,000			1,000,000
Lift Station Improvements	950,000	450,000	450,000	450,000	450,000	2,750,000
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
Sanitary Sewer Rehab/Reline			550,000	1,500,000	1,500,000	3,550,000
Brewery & Grey's Creek	150,000					150,000
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
MS4 NPDES permit				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	750,000	750,000	750,000	750,000	750,000	3,750,000
LED Street Lights	330,000	330,000	100,000	100,000	100,000	960,000
Capital Utility Projects Total	11,250,000	8,010,000	6,800,000	7,545,000	8,275,000	41,880,000
GRAND TOTAL	23,810,500	21,739,900	20,750,400	17,900,000	15,447,500	99,648,300

5 YEAR CAPITAL IMPROVEMENTS PROGRAM BY FUNDING SOURCE

	2015	2016	2017	2018	2019	TOTAL
Capital Improvement Bond	1,603,000	2,525,000	2,175,000	1,720,000	1,640,000	9,663,000
Trail Bond	50,000	304,600	127,500			482,100
Parks Fund	1,252,500	1,252,500	1,252,500	1,252,500	1,252,500	6,262,500
Permanent Improvement Fund	280,000	280,000	280,000	280,000	280,000	1,400,000
Street System Maintenance Fee	800,000	1,200,000	1,200,000	1,200,000	1,200,000	5,600,000
Federal Grants	1,420,000	2,949,800	185,400	900,000		5,455,200
State Funding						
State Bridge Bond			3,750,000			-
MSA	3,300,000	3,100,000	3,100,000	2,700,000	2,800,000	15,000,000
DNR	650,000	438,000				1,088,000
CIMS Grant	3,000,000					3,000,000
Utilities - Current Year Revenue						
Water	1,890,000	4,255,000	4,000,000	4,417,500	3,500,000	18,062,500
Gas	5,650,000	1,580,000	1,805,000	2,050,000	1,650,000	12,735,000
Sewer	2,395,000	2,300,000	1,550,000	2,005,000	2,000,000	10,250,000
Stormwater	1,190,000	1,225,000	1,225,000	1,275,000	1,025,000	5,940,000
Street Lighting	330,000	330,000	100,000	100,000	100,000	960,000
TOTAL ALL FUNDING SOURCES	23,810,500	21,739,900	20,750,400	17,900,000	15,447,500	95,898,300

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, system upgrade, system replacement, asset integrity and code compliance efforts.

Operating Cost Implications of 2015 Proposed Projects

The completion of capital projects directly impacts City operating budgets as projects are completed and new and/or improved systems, amenities or entire facilities are brought on-line. Capital projects directly impact the need and schedule for maintenance and repair of facilities; and additional or expanded facilities, amenities and systems can drive an increased need for operating funds just as improved or new (replacement) energy efficient, long life cycle, low maintenance capital investments can decrease maintenance and repair demands over time. As is the case with the City, the focus of the capital plan is not on expansion of capital assets but rather on the consolidation, improvement and - as feasible - the elimination of assets that have surpassed their usefulness in meeting the City's operational needs. City-wide strategies, which are moving the organization toward energy efficiency, co-location of services, consolidated service and operational centers, and the like are influencing CIP decision-making in a manner that seeks to improve rather than detract from operational budgets. Efforts in the area of tracking project cost payback due to energy efficiencies or other cost saving measures, which have been integrated into CIP projects, can prove to be a cost-saving measure for the City over time. Over the past 12 months, the City has been implementing an asset management system to more impactfully define capital needs along with estimates for planned capital investments that will further guide the organizational strategy as it intersects with a capital investment strategy that is supportive of City priorities while maximizing the direct impact of CIP project funding to the extent possible.

Projects	2015	2016	2017	2018	2019	Total
Buildings City-Wide	878,000	1,365,000	800,000	850,000	675,000	4,568,000
Maintenance Buildings	60,000	600,000	225,000	500,000	350,000	1,735,000
Fire	665,000	560,000	1,150,000	370,000	615,000	3,360,000
Total	1,603,000	2,525,000	2,175,000	1,720,000	1,640,000	9,663,000

Funding	2015	2016	2017	2018	2019	Total
Capital Improvement Bond	1,603,000	2,525,000	2,175,000	1,720,000	1,640,000	9,663,000

Buildings City-Wide

Description:

It is important to manage City facility assets with an eye toward the current and future state of each facility as it relates to currently critical and projected life cycle needs along with consideration of the manner in which each facility serves the City's mission. Currently, the City of Duluth's asset management system has identified a \$23,000,000 + backlog of currently critical facility upgrade needs. 64% of the CIP eligible facilities in the asset management system have core building systems in place that are currently classified as being beyond their useful life cycle. Additionally, Property and Facilities Management has identified specific facility needs relating to energy upgrades (19%), facility integrity issues (6%), ADA accessibility modifications (3%), facility modernization - functional improvements - security and building code upgrades (8%), and air and water quality issues (1%). The total combined current capital improvement backlog and projected 5-year capital improvement needs for CIP eligible facilities is currently estimated at more than \$33,292,774, and as the implementation of the City's asset management system continues, it is anticipated that this number will grow significantly. CIP funding for specific and targeted facility upgrade needs is prioritized by considering a 5-year window of facility system life cycle information rated as critical, potentially critical, required, and necessary. These priorities drive the identification of facility requirements that need to be addressed to manage a facility's condition and life cycle in the short and long term. A commitment to ongoing and measured investment in facility upgrades is paramount to maintaining the integrity and viability of these City Assets. This funding category is directly tied to specific and prioritized facility needs and will be used to develop or supplement existing projects in areas such as ADA, security, energy upgrades, boiler and furnace replacements, windows, tuckpointing, ventilation and the like to support Property and Facilities Management's efforts to systematically move the City from a reactive asset management approach toward a more proactive planned facility asset investment strategy.

Project	2015	2016	2017	2018	2019	Total
VFA Requirements	443,000	400,000	450,000	500,000	550,000	2,343,000
Facilities Building	110,000	475,000		200,000	125,000	910,000
City Center West Upgrades	200,000	220,000	350,000	150,000		920,000
Main Library renovations	25,000					25,000
Police Multimodal Substation	100,000					100,000
Animal Shelter Improvements		270,000				270,000
Total	878,000	1,365,000	800,000	850,000	675,000	4,568,000

Funding	2015	2016	2017	2018	2019	Total
Capital Improvement Bond	878,000	1,365,000	800,000	850,000	675,000	4,568,000

Maintenance

Description:

As a group of CIP eligible facilities, the Maintenance buildings that support the activities of Property and Facilities Management and Maintenance Operations represent some of the most rapidly deteriorating CIP eligible facilities that the City currently owns. Each of these facilities have significant capital needs that are extremely critical to maintain facility integrity and to continue operations as viable assets housing core City services. The group of maintenance facilities represents many challenges and some opportunities. As part of a longer term strategy for this element of the portfolio, the reality that most of these facilities have capital improvement needs in excess of 50% of their replacement value has driven Property and Facilities Management to consider investments that are primarily aimed at maintaining the facility integrity and ensuring the safety and comfort of City staff working out of these facilities while not significantly improving the assets. As assets, this group of buildings have significant value for potential resale, as most are located on prime real estate, and should a longer term solution aimed at a total consolidation of maintenance activities into one newly constructed facility come to fruition, the focus of this part of the capital plan is on - primarily - maintaining the status quo in a manner that sufficiently meets the operational needs and protects the assets from significant deterioration over the next 5 years.

Project	2015	2016	2017	2018	2019	Total
Mtce Ops Consolidation Study	60,000					60,000
42nd Tool House		250,000			100,000	350,000
Lund Tool House		50,000		500,000	250,000	800,000
Tree Farm		150,000	100,000			250,000
Fleet Building		150,000	125,000			275,000
Total	60,000	600,000	225,000	500,000	350,000	1,735,000

Funding	2015	2016	2017	2018	2019	Total
Capital Improvement Bond	60,000	600,000	225,000	500,000	350,000	1,735,000

Fire Department

Description:

Over the next five years, the City is proposing to invest \$3.36 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	2015	2016	2017	2018	2019	Total
Firehall #1 Upgrades	115,000	150,000	275,000	-	175,000	715,000
Firehall #2 Upgrades	90,000	235,000	25,000	-	-	350,000
Firehall #4 Upgrades	255,000	25,000	-	370,000	-	650,000
Firehall #6 Upgrades	180,000					180,000
Firehall #7 Upgrades	5,000	25,000	350,000		40,000	420,000
Firehall #8 Upgrades	5,000	75,000				80,000
Firehall #10 Upgrades	5,000		400,000			405,000
Firehall #11 Upgrades	10,000	50,000	100,000		400,000	560,000
Total	665,000	560,000	1,150,000	370,000	615,000	3,360,000

Funding	2015	2016	2017	2018	2019	Total
Capital Improvement Bond	665,000	560,000	1,150,000	370,000	615,000	3,360,000

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	2015	2016	2017	2018	2019	Total
Traverse Trail	100,000	100,000	100,000	100,000	100,000	500,000
Cross City Trail	700,000	2,192,400				2,892,400
Lakewalk VI - shared use Water St			312,900			312,900
Lowell to Lakewalk Trail	500,000					500,000
Parks	1,152,500	1,152,500	1,152,500	1,152,500	1,152,500	5,762,500
Total	2,452,500	3,444,900	1,565,400	1,252,500	1,252,500	9,967,800

Funding	2015	2016	2017	2018	2019	Total
Federal Grant	500,000	1,449,800	185,400			2,135,200
State Grant	650,000	438,000				1,088,000
Bonding	50,000	304,600	127,500			482,100
Parks Fund	1,252,500	1,252,500	1,252,500	1,252,500	1,252,500	6,262,500
Total	2,452,500	3,444,900	1,565,400	1,252,500	1,252,500	9,967,800

City of Duluth 2015-2019 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	2015	2016	2017	2018	2019	Total
Enhanced Maintenance	557,500	557,500	557,500	557,500	557,500	2,787,500
Courts	-	60,000	70,000	60,000	50,000	240,000
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	100,000	130,000	80,000	80,000	80,000	470,000
Fields	-	75,000	85,000	175,000	185,000	520,000
Community Centers	50,000	50,000	100,000	100,000	100,000	400,000
Parks	315,000	150,000	130,000	50,000	50,000	695,000
Total	1,152,500	1,152,500	1,152,500	1,152,500	1,152,500	5,762,500

Funding	2015	2016	2017	2018	2019	Total
Parks Fund	1,152,500	1,152,500	1,152,500	1,152,500	1,152,500	5,762,500

City of Duluth 2015-2019 Capital Improvement Plan

Trails

Description:

The 2015 Cross City and Traverse Trail project is a combination of \$600,000 in federal grants, \$150,000 in state grants and the city's match of \$50,000. Construction of the Cross City Trail is from 63rd Avenue West to the Lake Superior Zoo and on to the Munger Trail. The Lowell to Lakewalk Trail phase I construction is funded by a \$500,000 state grant and will go from Rice Lake Road to the Kenwood/College streets intersection.

Project	2015	2016	2017	2018	2019	Total
Traverse Trail	100,000	100,000	100,000	100,000	100,000	500,000
Cross City Trail	700,000	2,192,400				2,892,400
Lakewalk VI - shared use Water St			312,900			312,900
Lowell to Lakewalk Trail	500,000					500,000
Total	<u>1,300,000</u>	<u>2,292,400</u>	<u>412,900</u>	<u>100,000</u>	<u>100,000</u>	<u>4,205,300</u>

Funding	2015	2016	2017	2018	2019	Total
Federal Grant	500,000	1,449,800	185,400			2,135,200
State Grant	650,000	438,000				1,088,000
Bonding	50,000	304,600	127,500			482,100
Parks Fund	100,000	100,000	100,000	100,000	100,000	500,000
Total	<u>1,300,000</u>	<u>2,292,400</u>	<u>412,900</u>	<u>100,000</u>	<u>100,000</u>	<u>4,205,300</u>

Street Reconstruction & Bridge Projects Summary

Description:

These projects include street reconstruction, street preservation and bridge maintenance. Funding sources include municipal state aid, federal funds, grants, street system maintenance fee and utilities revenue.

Operating Cost Implications of 2015 Approved Projects:

Operating costs for street maintenance will remain fairly constant as the same number of streets are overlaid or reconstructed annually.

Project	2015	2016	2017	2018	2019	Total
Misc Annual Infrastructure	280,000	280,000	280,000	280,000	280,000	1,400,000
Street Preservation	800,000	1,200,000	1,200,000	1,200,000	1,200,000	5,600,000
9th Street/8th Street					1,500,000	1,500,000
40th Avenue East	220,000					220,000
Aerial Lift Bridge		300,000	5,550,000			5,850,000
Concrete Pavement Repairs				910,000		910,000
Congdon Boulevard	750,000	3,000,000				3,750,000
Decker Rd				1,412,500		1,412,500
Pecan Avenue	430,000					430,000
Raleigh Street	600,000					600,000
Superior Street	420,000	2,980,000	3,180,000	3,580,000	1,300,000	11,460,000
TH23 Improvements	3,750,000					3,750,000
Woodland Avenue	1,255,000					1,255,000
Total	8,505,000	7,760,000	10,210,000	7,382,500	4,280,000	38,137,500

Funding	2015	2016	2017	2018	2019	Total
Federal	920,000	1,500,000		900,000		3,320,000
State	3,300,000	3,100,000	6,850,000	2,700,000	2,800,000	18,750,000
Street System Mtce Fee	800,000	1,200,000	1,200,000	1,200,000	1,200,000	5,600,000
Permanent Improvement	280,000	280,000	280,000	280,000	280,000	1,400,000
Utilities	205,000	1,680,000	1,880,000	2,302,500		6,067,500
CIMS State Grant	3,000,000					3,000,000
Total	8,505,000	7,760,000	10,210,000	7,382,500	4,280,000	38,137,500

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 walls, and guard rail repair.

Project	2015	2016	2017	2018	2019	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	2015	2016	2017	2018	2019	Total
PI Fund	280,000	280,000	280,000	280,000	280,000	1,400,000

Street Preservation

Description:

Street projects that are funded by the street system maintenance utility fees on residential, commercial and industrial properties, Projects include mill and overlay, concrete pavement repairs, and street reconstruction.

Project	2015	2016	2017	2018	2019	Total
Street Preservation	800,000	1,200,000	1,200,000	1,200,000	1,200,000	5,600,000
Total	800,000	1,200,000	1,200,000	1,200,000	1,200,000	5,600,000

Funding	2015	2016	2017	2018	2019	Total
Street System Mtce Utility Fee	800,000	1,200,000	1,200,000	1,200,000	1,200,000	5,600,000

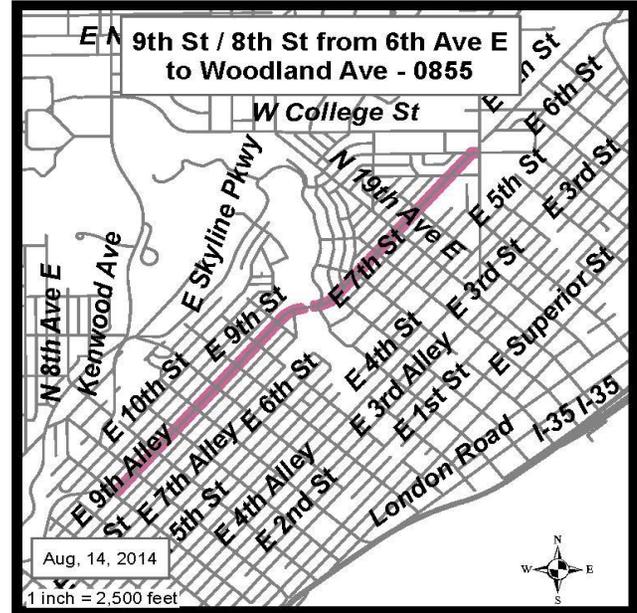
Street Reconstruction & Bridge Projects

Project Title:

9th Street / 8th Street: 60th Avenue East to Woodland Avenue

Funding Source:

	<u>FY 2019</u>
MSA	1,500,000
PROJECT TOTAL:	\$1,500,000

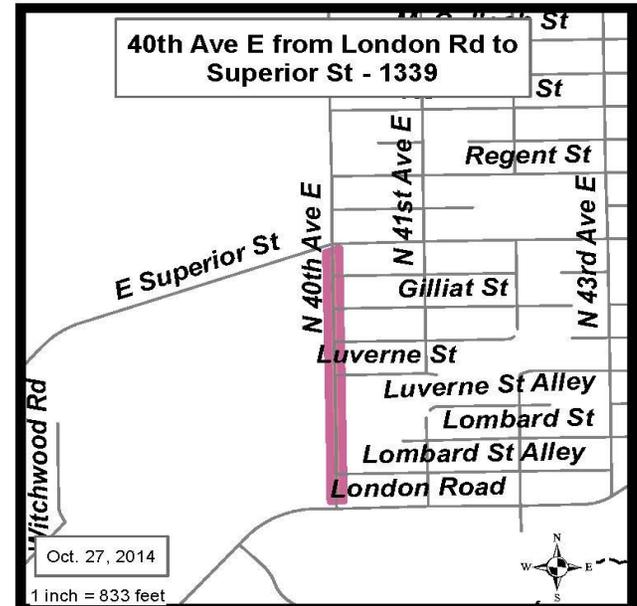


Project Title:

40th Avenue East: London Road to Superior Street

Funding Source:

	<u>FY 2015</u>
MSA	220,000
PROJECT TOTAL:	\$220,000



Street Reconstruction & Bridge Projects

Project Title:

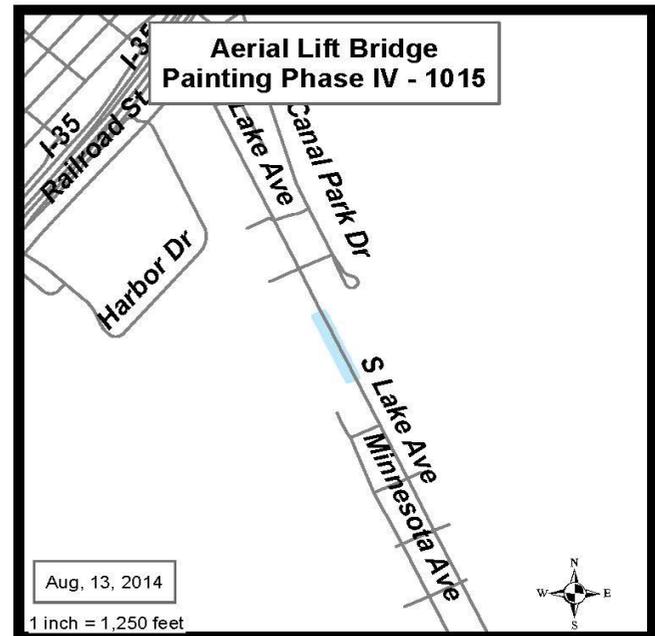
Aerial Lift Bridge

Funding Source:

FY 2016 - 2017

MSA	2,100,000
State Bridge Bond	3,750,000

PROJECT TOTAL: \$5,850,000



Project Title:

Concrete Pavement Repairs -
Various Locations

Funding Source:

FY 2018

MSA	900,000
Sewer	5,000
Water	5,000

PROJECT TOTAL: \$910,000

NO MAP AVAILABLE

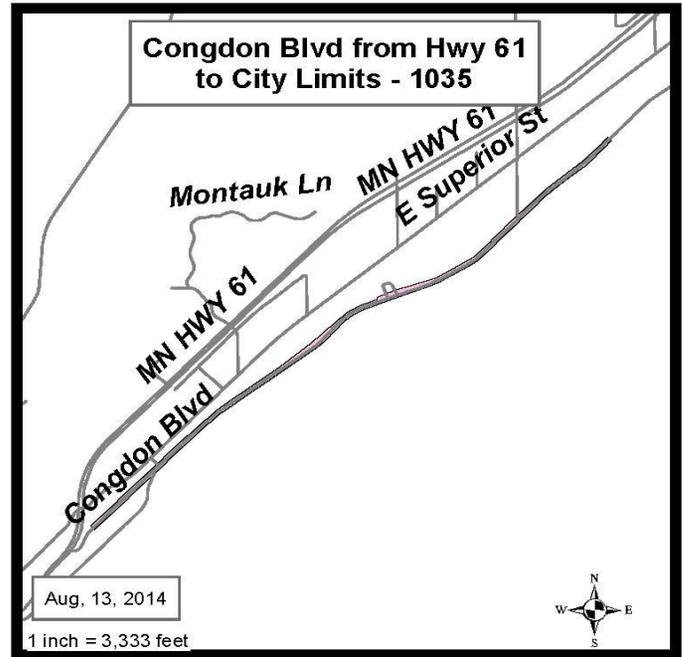
Street Reconstruction & Bridge Projects

Project Title:

Congdon Boulevard slope repairs, widening and reclamation

Funding Source:

	FY 2015 - 2016
Federal/ATP	1,500,000
MSA	2,250,000
PROJECT TOTAL:	\$3,750,000

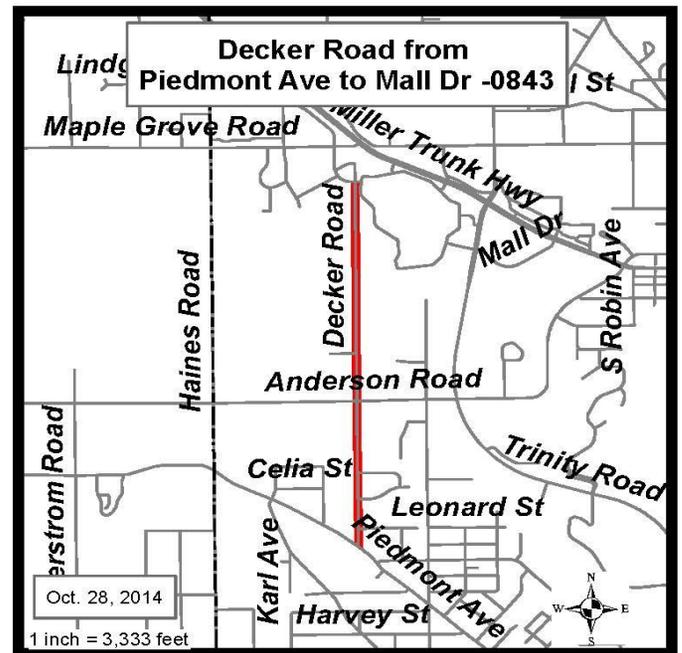


Project Title:

Decker Road: Piedmont Avenue to Mall Drive

Funding Source:

	FY 2018
Federal/ATP	900,000
MSA	500,000
Water	12,500
PROJECT TOTAL:	\$1,412,500



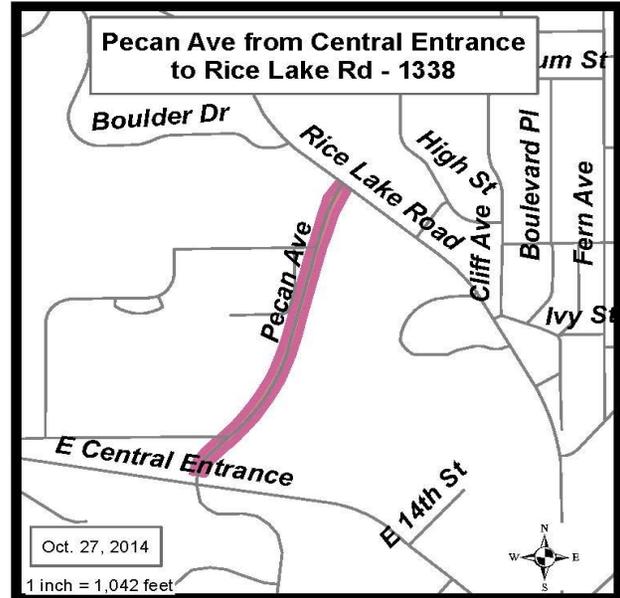
Street Reconstruction & Bridge Projects

Project Title:

Pecan Avenue: Central Entrance to Rice Lake Road

Funding Source:

	FY 2015
MSA	430,000
PROJECT TOTAL:	\$430,000

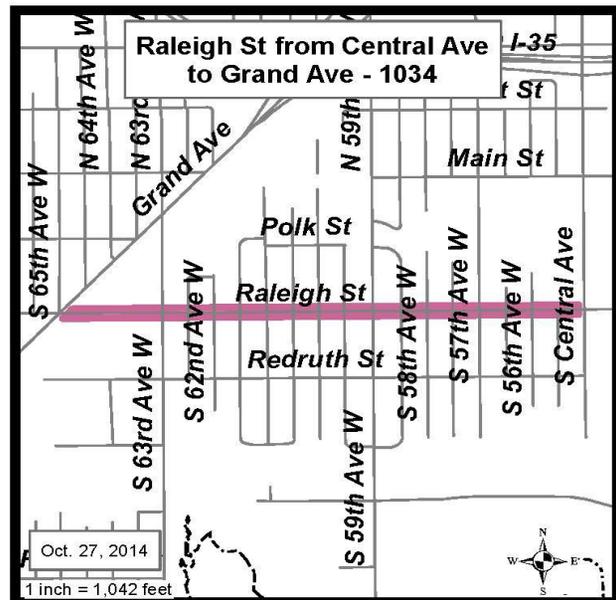


Project Title:

Raleigh Street: Grand Avenue to Central Avenue

Funding Source:

	FY 2015
Federal	600,000
PROJECT TOTAL:	\$600,000



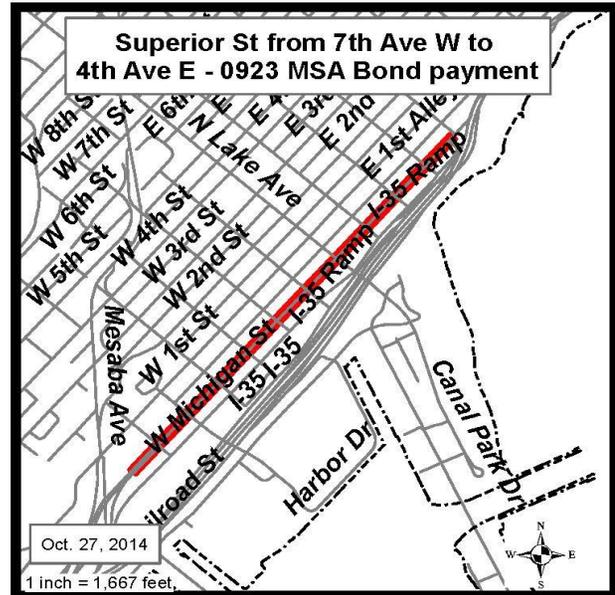
Street Reconstruction & Bridge Projects

Project Title:

Superior Street: 7th Avenue West to 4th Avenue East

Funding Source:

	FY 2015-2019
MSA	5,500,000
Sewer	40,000
Storm	790,000
Water	5,040,000
Gas	90,000
PROJECT TOTAL:	\$11,460,000

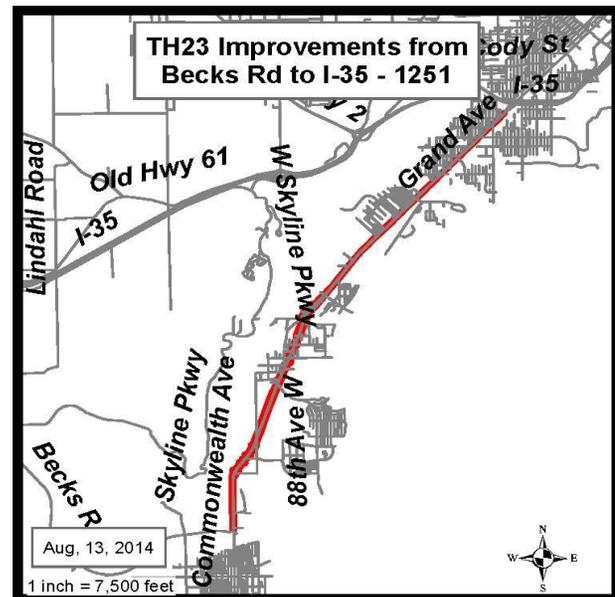


Project Title:

TH23 Improvements: Becks Road to I-35

Funding Source:

	FY 2015
State CIMS Grant	3,000,000
MSA	700,000
Sewer	50,000
PROJECT TOTAL:	\$3,750,000



Street Reconstruction & Bridge Projects

Project Title:

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

Funding Source:

	FY 2015
Federal/ATP	920,000
MSA	300,000
Sewer	5,000
Storm	25,000
Water	5,000
PROJECT TOTAL:	\$1,255,000



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, as well as the continued extension of the city's natural gas system.

Operating Cost Implications of 2015 Approved Projects:

The Water Fund approved projects are for replacement and rehabilitation of the water system to increase system reliability and will have no operating expense impact. The Gas Fund projects will also have very little operating expense impact with the exception of the gas main extensions, which will have minimal maintenance and corrosion protection costs that will be offset by new customer accounts. Sanitary sewer projects for rehabilitation and relining will provide future savings to sanitary sewer treatment costs through a reduction of inflow and infiltration flows. Stormwater projects will result in indirect savings through cost avoidance of surface water damage. Street Lighting's citywide replacement of existing street light fixtures to LED luminaires is anticipated to reduce annual costs for electricity and maintenance.

Projects	2015	2016	2017	2018	2019	Total
Water	1,845,000	2,855,000	2,400,000	2,400,000	3,500,000	13,000,000
Gas	5,650,000	1,550,000	1,775,000	2,020,000	1,650,000	12,645,000
Sewer	2,300,000	2,300,000	1,550,000	2,000,000	2,000,000	10,150,000
Stormwater	1,125,000	975,000	975,000	1,025,000	1,025,000	5,125,000
Street Lighting	330,000	330,000	100,000	100,000	100,000	960,000
Total	11,250,000	8,010,000	6,800,000	7,545,000	8,275,000	41,880,000

Funding	2015	2016	2017	2018	2019	Total
Water - Current Revenue	1,845,000	2,855,000	2,400,000	2,400,000	3,500,000	13,000,000
Gas - Current Revenue	5,650,000	1,550,000	1,775,000	2,020,000	1,650,000	12,645,000
Sewer - Current Revenue	2,300,000	2,300,000	1,550,000	2,000,000	2,000,000	10,150,000
Stormwater - Current Revenue	1,125,000	975,000	975,000	1,025,000	1,025,000	5,125,000
Street Lighting - Current Revenue	330,000	330,000	100,000	100,000	100,000	960,000
Total	11,250,000	8,010,000	6,800,000	7,545,000	8,275,000	41,880,000

Capital Utility Projects

Description:

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 and pump station upgrades will increase system reliability to meet water demand.

Project	2015	2016	2017	2018	2019	Total
4th Street Lining	300,000	900,000	900,000			2,100,000
Filter Sand Replacement	175,000					175,000
Building & Structure Repairs	50,000		900,000			950,000
89th Ave E water main	70,000					70,000
I-35 crossing at 26th			100,000			100,000
Middle/Woodland Pump Station				2,000,000	2,000,000	4,000,000
Pump Station upgrade		75,000				75,000
HVAC Project	200,000					200,000
Switch Gear		280,000				280,000
Water Main Replacement	1,050,000		500,000	400,000	1,500,000	3,450,000
Water Plant electrical upgrades		1,600,000				1,600,000
Total	1,845,000	2,855,000	2,400,000	2,400,000	3,500,000	13,000,000

Funding	2015	2016	2017	2018	2019	Total
Water - Current Revenue	1,845,000	2,855,000	2,400,000	2,400,000	3,500,000	13,000,000

Capital Utility Projects

Description:

The proposed gas projects over the next five years include funding the continued extension of the system into unserved areas, replacement of copper risers due to code requirements, and replacement of older steel mains where leaks occur.

Project	2015	2016	2017	2018	2019	Total
63rd Ave W Replacement			200,000			200,000
Bollard Contract	50,000	50,000	300,000	300,000	300,000	1,000,000
Regulator Station Upgrades			75,000			75,000
Copper Risers	1,000,000	400,000				1,400,000
Flow Meters		100,000				100,000
Gas Main Extensions	600,000	1,000,000	1,000,000	1,000,000	1,000,000	4,600,000
Miscellaneous Projects					50,000	50,000
I-35 crossing at 26th			100,000			100,000
London Road Gas Project					300,000	300,000
Michigan Street Gas Project Buildings			100,000	100,000		200,000
TBS1B alternate route	4,000,000					4,000,000
Woodland Ave Gas Project				500,000		500,000
Total	5,650,000	1,550,000	1,775,000	2,020,000	1,650,000	12,645,000

Funding	2015	2016	2017	2018	2019	Total
Gas - Current Revenue	5,650,000	1,550,000	1,775,000	2,020,000	1,650,000	12,645,000

Capital Utility Projects

Description:

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

Project	2015	2016	2017	2018	2019	Total
Superior Street Lining	1,300,000	1,300,000				2,600,000
4th Street reconstruct		500,000	500,000			1,000,000
Lift Station Improvements	950,000	450,000	450,000	450,000	450,000	2,750,000
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
Sanitary Sewer Rehab/Reline			550,000	1,500,000	1,500,000	3,550,000
Total	2,300,000	2,300,000	1,550,000	2,000,000	2,000,000	10,150,000

Funding	2015	2016	2017	2018	2019	Total
Sewer Current Revenue	2,300,000	2,300,000	1,550,000	2,000,000	2,000,000	10,150,000

Capital Utility Projects

Description:

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 Greys Creek is planned to repair deteriorated public infrastructure.

Project	2015	2016	2017	2018	2019	Total
Brewery & Grey's Creek	150,000					150,000
Manhole Adjustments	50,000	50,000	50,000	50,000	50,000	250,000
MS4 NPDES permit				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	750,000	750,000	750,000	750,000	750,000	3,750,000
Total	1,125,000	975,000	975,000	1,025,000	1,025,000	5,125,000

Funding	2015	2016	2017	2018	2019	Total
Stormwater - Current Revenue	1,125,000	975,000	975,000	1,025,000	1,025,000	5,125,000

Capital Utility Projects

Description:

The proposed Street Lighting project over the next five years continues the city-wide replacement of existing street light fixtures with energy saving LED roadway luminaires. Long term results will incorporate recommendations from a forthcoming comprehensive street lighting plan.

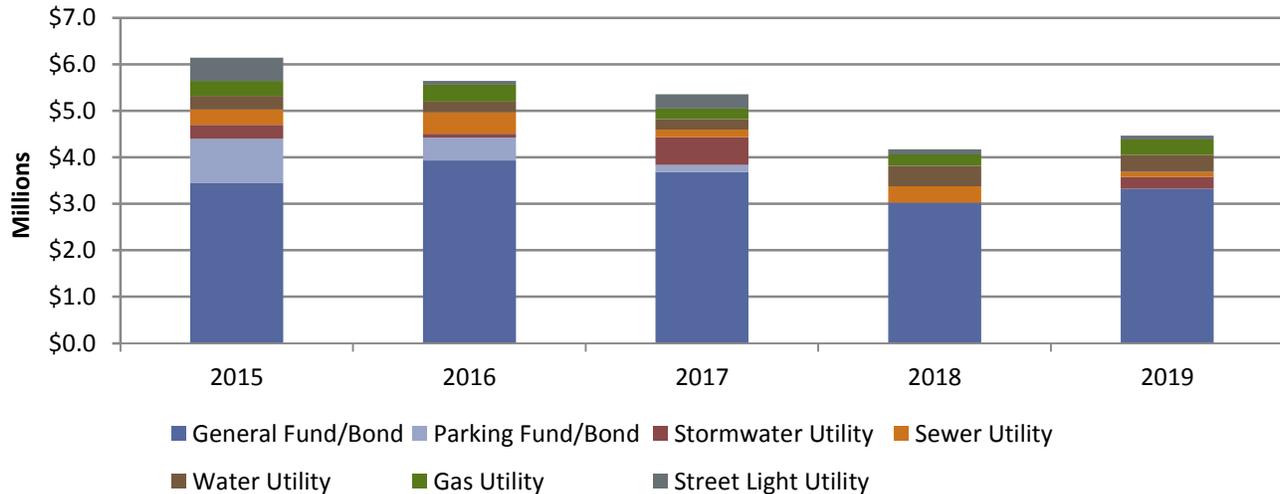
Project	2015	2016	2017	2018	2019	Total
LED Street Lights	330,000	330,000	100,000	100,000	100,000	960,000
Total	330,000	330,000	100,000	100,000	100,000	960,000

Funding	2015	2016	2017	2018	2019	Total
Street Lighting - Current Revenue	330,000	330,000	100,000	100,000	100,000	960,000

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. \$25.8 million is proposed in this plan for the period of 2015 through 2019. Of that total, equipment for the General Fund is \$17.41million to be financed with bonds. The balance of \$8.39 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.



	2015	2016	2017	2018	2019	Total
General Fund/Bond	3,451,000	3,929,800	3,689,000	3,018,000	3,323,000	17,410,800
Parking Fund/Bond	965,000	495,000	148,500	-	-	1,608,500
Stormwater	299,700	84,000	591,000	10,000	256,200	1,240,900
Sewer	329,800	459,800	165,400	352,000	104,400	1,411,400
Water	292,900	229,600	228,600	433,700	366,600	1,551,400
Gas	321,700	365,700	226,000	247,300	332,800	1,493,500
Street Light	500,000	82,500	308,500	109,500	82,500	1,083,000
Total Plan	6,160,100	5,646,400	5,357,000	4,170,500	4,465,500	25,799,500

2015 Proposed Equipment

The City is proposing a total of \$6.160 million in capital equipment expenditures for 2015. This includes equipment for General Fund operating departments and the six city enterprise funds named above. The General Fund portion is \$3.45 million to be financed with bonds, Parking Fund bonding for \$.965 million, and \$1.789 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 \$2.15 million in rolling stock vehicles – the largest purchase being Maintenance Operations equipment totaling \$1,101,000; fire apparatus totaling \$500,000; police vehicles totaling \$500,000; and Construction Services totaling \$50,000. The non-rolling stock equipment plan of \$1.3 million proposed by City for 2015 is for technology improvements and replacements

The breakdown of equipment for the enterprise funds is \$1.580 million for non-rolling stock equipment and the balance of \$1.129 million for rolling stock vehicles for a total of \$2.709 million for 2015.

City of Duluth 2015 - 2019 Capital Equipment Program

General Fund Rolling Stock Vehicles

	2015	2016	2017	2018	2019
Fire Department					
Fire Trucks/Apparatus	500,000	600,000			600,000
Rescue Boat/Plow Truck			30,000		45,000
Replace 1 Tower				1,200,000	
Inspector/Investigation Vehicles			105,000		45,000
Subtotal Fire Department	500,000	600,000	135,000	1,200,000	690,000
Construction Services					
Inspector Vehicles	50,000	25,000	25,000	25,000	25,000
Subtotal Constructive Services	50,000	25,000	25,000	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
Facilities Management					
Trailers and Tampers		38,000			
1 Ton w/Service Body		40,000	80,000	40,000	40,000
1 Ton Cargo Van				40,000	40,000
Subtotal Facilities Management		78,000	80,000	80,000	80,000
Maintenance Operations					
4 x 4 Pick up		40,000	40,000	45,000	
Paint Truck					300,000
Subtotal Traffic Maintenance		40,000	40,000	45,000	300,000
Street Maintenance					
Sweeper	265,000	200,000	200,000	200,000	300,000
1 ton Dump Truck	136,000	290,000	290,000	290,000	300,000
1 Ton Pickup with Outfitting			60,000		143,000
Sander Trucks			340,000	340,000	340,000
Sander with RDS	170,000		330,000		
Pick-up 3/4-Ton Ext Cab 4x4		35,000	125,000		
Trailer		16,000			
Loader Snowblower	100,000				
3 yard Loader	210,000	185,000	185,000		250,000
Backhoe		95,000			
Highway Mower		80,000			
Subtotal Street Maintenance	881,000	901,000	1,530,000	830,000	1,333,000
Park Maintenance					
Skidsteer				62,000	
Pickup/4x4 Crew Cab				42,000	48,000
1 Ton w/Plow	70,000		71,000		
Various Mowers				75,000	72,000
Trailers				42,000	
Log Truck		163,800			
Trail Groomer		212,000			
4x4 Dump & Chipper Truck			58,000		
Sidewalk Cleaner	150,000				150,000
Subtotal Park Maintenance	220,000	375,800	129,000	221,000	270,000
Subtotal Maintenance Operations	1,101,000	1,316,800	1,699,000	1,096,000	1,903,000
Public Works					
Engineering Vehicles				17,000	25,000
Subtotal Transportation Engineering				17,000	25,000
Rolling Stock Bond Total	\$ 2,151,000	\$ 2,619,800	\$ 2,539,000	\$ 3,018,000	\$ 3,323,000

City of Duluth 2015 - 2019 Capital Equipment Program

General Fund Non-Rolling Stock Equipment

	2015 Bond	2016 Bond	2017 Bond
MIS			
Enterprise Wide PC Replacements	125,000	200,000	200,000
Enterprise Wide Laptop Replacements		100,000	100,000
MIS Asset/Inventory Mgt Software		100,000	
Microsoft License True-Up	25,000	50,000	50,000
Police IA replacement	25,000		
Police Mobile Technology		25,000	
ITSC project planning		300,000	300,000
Fire Programs Replacement	260,000		
High Speed WAN expansion		50,000	50,000
Infor EAM Work Order/customer service implementation		20,000	
Election Management		15,000	
BCA Security Regulations		50,000	50,000
Document Mgt	200,000	100,000	100,000
EOC Technology Upgrades	45,000		
Network Infrastructure Upgrades	200,000		200,000
PCI Compliancy Reg Enhancements/security requirements	20,000	50,000	50,000
Library Credit Card Acceptance		25,000	
Park and Recreation Software	100,000		
Conference Room Technology Needs (5 Rooms)		50,000	50,000
Network Storage replacement	300,000		
Ocularis Server replacement		175,000	
Total Proposed Non-Rolling Stock	1,300,000	1,310,000	1,150,000
TOTAL GENERAL FUND EQUIPMENT BOND PROPOSAL	3,451,000	3,929,800	3,689,000

City of Duluth 2015 - 2019 Capital Equipment Program

Enterprise Funds Equipment

	2015	2016	2017	2018	2019
Water Fund					
Cars/Pick-ups	52,550	41,250	55,400	25,000	25,650
Trucks/Vans	104,250	95,600	143,200	82,200	18,600
Dump Trucks	77,500	-	-	232,500	155,000
Backhoe/Loader	-	78,750	-	84,000	78,750
Excavator/Vactor	39,000	-	-	-	60,000
Other Rolling Stock	9,600	4,000	20,000	-	18,600
Non-Rolling Capital Equip.	10,000	10,000	10,000	10,000	10,000
Subtotal Water Fund	292,900	229,600	228,600	433,700	366,600
Gas Fund					
Cars/Pick-ups	41,950	74,250	54,200	-	53,350
Trucks/Vans	155,750	251,200	161,800	138,800	74,400
Dump Trucks	-	-	-	77,500	155,000
Backhoe/Loader	-	26,250	-	21,000	26,250
Excavator/Vactor	39,000	-	-	-	-
Other Rolling Stock	-	4,000	-	-	13,800
Non-Rolling Capital Equip.	85,000	10,000	10,000	10,000	10,000
Subtotal Gas Fund	321,700	365,700	226,000	247,300	332,800
Sewer Fund					
Cars/Pick-ups	25,800	26,800	13,400	-	-
Trucks/Vans	73,000	138,000	42,000	192,000	-
Dump Trucks	65,000	155,000	-	-	-
Backhoe/Loader	-	-	-	-	18,600
Excavator/Vactor	156,000	-	-	150,000	30,000
Other Rolling Stock	-	130,000	100,000	-	45,800
Non-Rolling Capital Equip.	10,000	10,000	10,000	10,000	10,000
Subtotal Sewer Fund	329,800	459,800	165,400	352,000	104,400
Stormwater Fund					
Cars/Pick-ups	37,800	19,800	5,000	-	34,000
Trucks/Vans	-	50,200	-	-	100,000
Dump Trucks	77,500	-	155,000	-	-
Backhoe/Loader	-	-	105,000	-	30,400
Excavator/Vactor	156,000	-	300,000	-	60,000
Other Rolling Stock	18,400	4,000	16,000	-	21,800
Non-Rolling Capital Equip.	10,000	10,000	10,000	10,000	10,000
Subtotal Stormwater Fund	299,700	84,000	591,000	10,000	256,200
Street Lighting					
Cars/Pick-ups	-	-	36,000	27,000	-
Aerial Bucket Truck	-	-	190,000	-	-
Non-Rolling Capital Equip.	500,000	82,500	82,500	82,500	82,500
Subtotal Stormwater Fund	500,000	82,500	308,500	109,500	82,500
Parking Fund					
Parking Payment Technology	965,000	495,000	148,500		
Enterprise Funds Grand Total	\$ 2,709,100	\$ 1,716,600	\$ 1,668,000	\$ 1,152,500	\$ 1,142,500