



**CITY OF DULUTH
INTERDEPARTMENT CORRESPONDENCE**

Department of Finance
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To: President Noah Hobbs
Duluth City Councilors

From: Jen Carlson
Budget Manager

Re: 2018 General Fund Reconciled Budget Report

Date: March 19, 2018

Department budgets are modified during the year through inter-departmental transfers or by increasing the appropriation as authorized by the City Council in the annual budget ordinance. The attached report shows all changes made during 2018 and is presented to the City Council per Section 8 of the adopted 2018 budget ordinance.

As you read the report, please keep in mind this is a budget report only. This report does not contain actual expenses or revenues. Actual expense and revenue information will be forthcoming in the City's Comprehensive Annual Financial Report prepared by the City Auditor's Office.

The report demonstrates compliance with Section 3 of the budget ordinance which states: *Transfer authority is granted from budget item to budget item as may be considered necessary for the proper administration of the city government for the year. The total of any transfers to or from any budget item in excess of ten percent of the appropriation shall be made only upon approval of the city council.* In 2018, no budget item transfers exceeded the ten percent appropriation threshold. All inter-departmental transfers in 2018 were in compliance with this requirement.

Also shown in the report are increases related to new grants approved by Council, donations, reimbursements of expenses that were not anticipated such as damages recovered, and budget authority carried over from 2017 to cover ongoing contracts or purchase orders that were authorized previously. All of these items are detailed by category.

Please let me know of any questions you have. Thank you.

Cc: Mayor Emily Larson
Noah Schuchman, CAO
Department Directors

**General Fund Departmental Budget Changes
Budget Year 2018**

Department	2018 Approved Budget	* Inter-Departmental Transfers restricted by Budget Ordinance to 10% of Total		Allowable Increases to Budget Appropriation			**2018 Final Modified Budget
		Dollars	Percent	Detail 1	Detail 2	Detail 3	
Legislative & Executive	\$ 3,188,800	\$ 24,000	0.75%		\$ 55,769	\$ 1,190	\$ 3,269,759
Public Administration	\$ 17,089,900	\$ 27,010	0.16%	\$ 32,185			\$ 17,149,095
Finance Department	\$ 2,737,800		0.00%				\$ 2,737,800
Planning & Construction Services	\$ 2,484,600		0.00%	\$ 15,810		\$ 66,968	\$ 2,567,378
Business & Comm Dev	\$ 651,000		0.00%				\$ 651,000
Fire Department	\$ 17,176,200	\$ 13,100	0.08%		\$ 11,984	\$ 65,499	\$ 17,266,783
Police Department	\$ 21,903,400	\$ (82,010)	-0.37%	\$ 132,508	\$ 466,834	\$ 17,717	\$ 22,438,449
Public Works	\$ 9,431,900		0.00%	\$ 14,127			\$ 9,446,027
Transfers & Other Functions	\$ 11,285,800	\$ 42,900	0.38%	\$ 1,393,191	\$ 174	\$ 341,704	\$ 13,063,769
Totals	\$ 85,949,400	\$ 25,000		\$ 1,587,821	\$ 534,761	\$ 493,078	\$ 88,590,060

Footnote 1

* Inter-departmental transfers are authorized in Section 3 of the annual budget ordinance as considered necessary for the proper administration of city government for the year. However, the total of any transfers to or from any department in excess of ten percent shall be made only with Council approval. No transfers exceeded the 10% threshold established in the annual budget ordinance.

Detail of Allowable Budget Increases

Encumbrance, Contract and Reserve Carryovers from Prior Year			Description:
Police	Carryover 1640 Police Special Accounts	\$ 132,508	Budget is carried over from prior year to cover ongoing contracts or open purchase orders that were previously authorized but not yet finalized. The majority of these increases are in the area of capital improvement projects, equipment or other contracts that have been authorized by Council. Carryovers also are done when a balance remains in an account designated for a specific purpose.
Public Admin	Encumbrance - Barr Engineering	\$ 32,185	
Public Works	Encumbrance - MN Dept of Transportation	\$ 14,127	
Planning & Construction Services	Encumbrance - Great Lakes Excavating	\$ 15,810	
Transfers & Other Functions	Encumbrance - Moss & Barnett	\$ 18,191	
Transfers & Other Functions	Carryover - Fire Tower 18-0450	\$ 1,375,000	
Total		\$ 1,587,821	

Grants, Gifts and Donations			Description:
Transfers & Other Functions	Donation - donated property filing fees and deed tax	\$ 174	These increases are authorized by the City Council throughout the year through resolution as indicated in the summary.
Legislative & Executive	Grant Reimbursement - Attorney Office CVSP 18-0055R	\$ 55,769	
Police	Donation - SL TRT ammuntion	\$ 300	
Police	Grant Reimbursement - HRA 18-0280R and Mental Health 18-0007R	\$ 141,700	
Police	2018 POST Training	\$ 134,938	
Police	Grant Reimbursement - OCDEFT Res 17-0729	\$ 64,652	
Police	Grant Reimbursement - Ballistic Vest Res 17-0790	\$ 14,271	
Police	Grant Reimbursement - ATF Res 14-0502	\$ 20,617	
Police	Grant Reimbursement - DEA Res 17-0553 & 18-0283	\$ 10,801	
Police	Grant Reimbursement - TZD Res 18-0006	\$ 6,056	
Police	Grant Reimbursement - US Marsharls 10-0412	\$ 1,201	
Police	Grant Reimbursement - DWI, SAKI, Comm Justice	\$ 72,298	
Fire	Grant Reimbursement - MBFTE 15-0567	\$ 6,283	
Fire	Donation - Fire donations for Life Safety	\$ 5,701	
Total		\$ 534,761	

Unanticipated Revenues, Reimbursements etc. allowed by Ordinance			Description:	
Planning and Constriction Services	Unanticipated Reimbursement - Cell Tower	\$ 10,927	Within the budget ordinance, certain increases are allowed from revenues received as reimbursements for damages or repairs etc., or for work done for others.	
Planning and Constriction Services	Unanticipated Reimbursement - Kayak Bay	\$ 12,912		
Fire	Unanticipated Reimbursement - Tyler refund	\$ 2,300		
Fire	Unanticipated Reimbursement - Hazmat 17-0693R	\$ 49,791		
Transfers and Other Funtions	Unanticipated Reimbursement - Tenant Landlord Conn 18-0070	\$ 40,000		
Police	Unanticipated Reimbursement - Ballistic Vest 17-0790R	\$ 11,232		
Police	Unanticipated Reimbursement - Car towing	\$ 120		
Police	Unanticipated Reimbursement - STLC Emergency Comm Training	\$ 440		
Police	Unanticipated Reimbursement - sale of guns	\$ 5,925		
Fire	Unanticipated Reimbursement - Hazmat Runs	\$ 10,933		
Planning and Constriction Services	Unanticipated Reimburesment - DEDA demos 18-0776	\$ 43,129		
Fire	Unanticipated Reimbursement - Husky Fire OT	\$ 2,475		
Legal and Executive	Unanticipated Reimbursement - Mayor's Office	\$ 1,190		
Transfers and Other Funtions	Unanticipated Reimbursement - Retiree Health Reimb from Trust	\$ 223,204		
Transfers and Other Funtions	Unanticipated Reimbursement - Special service district final adjustment	\$ 78,500		
Total		\$ 493,078		

Footnote 2

**** The 2018 Final Modified Budget represents the departments' final budget. It DOES NOT represent what was spent.**

Spending information will be forthcoming in the City's Comprehensive Annual Financial Report from the City Auditor's Office.