




MEMO

To: President Gary Anderson
Duluth City Councilors

From: Jen Carlson 
Budget Manager

Re: 2019 General Fund Reconciled Budget Report

Date: March 16, 2020

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 2019 and is presented to the City Council per Section 8 of the adopted 2019 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 2019, no budget item transfers exceeded the ten percent appropriation threshold. All inter-departmental transfers in 2019 complied 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 2018 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.

**General Fund Departmental Budget Changes
Budget Year 2019**

Department	2019 Approved Budget	* Inter-Departmental Transfers restricted by Budget Ordinance to 10% of Total		Allowable Increases to Budget Appropriation			**2019 Final Modified Budget
		Dollars	Percent	Detail 1	Detail 2	Detail 3	
Legislative & Executive	\$ 3,548,300	\$ 45,018	1.27%	\$ 18,840		\$ 1,390	\$ 3,613,548
Public Administration	\$ 18,109,100	\$ (288,328)	-1.59%	\$ 30,517		\$ 32,000	\$ 17,883,289
Finance Department	\$ 2,850,700	\$ (28,500)	-1.00%				\$ 2,822,200
Planning & Economic Development	\$ 3,660,700	\$ (50,718)	-1.39%	\$ 45,994	\$ 2,500		\$ 3,658,476
Fire Department	\$ 17,992,500	\$ 28,500	0.16%	\$ 8,434	\$ 23,774	\$ 109,538	\$ 18,162,746
Police Department	\$ 22,749,600	\$ (123,472)	-0.54%	\$ 128,911	\$ 394,966	\$ 30,424	\$ 23,180,429
Public Works	\$ 9,547,400	\$ 455,738	4.77%	\$ 8,485		\$ 5,000	\$ 10,016,623
Transfers & Other Functions	\$ 10,687,300	\$ (738)	-0.01%	\$ 2,082,721		\$ 837,231	\$ 13,606,514
Totals	\$ 89,145,600	\$ 37,500		\$ 2,323,902	\$ 421,240	\$ 1,015,583	\$ 92,943,825

*37,500 from Parks fund for police park rangers

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:
Planning & Economic Development	encumbrance carry forward	\$ 45,994	Budget is carried over from prior year to cover
Transfers & Other Functions	encumbrance carry forward - fire tower	\$ 1,382,721	ongoing contracts or open purchase orders that
Police Department	encumbrance carry forward	\$ 128,911	were previously authorized but not yet finalized.
Public Works	encumbrance carry forward	\$ 8,485	The majority of these increases are in the area of
Legislative & Executive	encumbrance carry forward	\$ 18,840	capital improvement projects, equipment or other
Public Administration	encumbrance carry forward	\$ 30,517	contracts that have been authorized by Council.
Transfers & Other Functions	Reserve Carryover - MN Slip Project 19-0270	\$ 700,000	Carryovers also are done when a balance remains
Fire Department	Carryover-Fire Education Account	\$ 8,434	in an account designated for a specific purpose.
	Total	\$ 2,323,902	

Grants, Gifts and Donations

			Description:
Fire	Donation - Fire donations for fire safety edu acct-resolution not required	\$ 3,491	These increases are authorized by the City
Fire	Donation - Affinity Plus donation for sea doo-resolution not required	\$ 10,000	Council throughout the year through
Planning	Grant Reimbursement - Duluth Flag Project Res 19-0457R	\$ 2,500	resolution as indicated in the summary.
Fire	Donation - Bike EMT defibrillators-resolution not required	\$ 5,000	Donations of \$10,000 or less do not require
Fire	Grant Reimbursement-MBFTE Res 18-0629R	\$ 5,283	City Council approval.
Police	Grant reimbursement-ballistic vests-State- Res 18-0785R	\$ 10,996	
Police	Grant reimbursement-ballistic vests-Federal-Res 18-0785R	\$ 11,121	
Police	Grant reimbursement-DEA Res 17-0283R	\$ 12,249	
Police	Grant reimbursement-ATF Res 14-0502R	\$ 38,379	
Police	Grant reimbursement-Police salary reimb-Res 18-0684R/0583R/0570R	\$ 202,572	
Police	Grant reimbursement-Police OT reimb-Res 18-0684R/0583R/0570R	\$ 119,649	
	Total	\$ 421,240	

Unanticipated Revenues, Reimbursements etc. allowed by Ordinance

			Description:
Legal and Executive	Unanticipated Reimbursement - Mayor's Office supplies	\$ 1,390	Within the budget ordinance, certain increases
Fire	Unanticipated Reimbursement - Hazmat 17-0693R	\$ 46,802	are allowed from revenues received as reim-
Police	Unanticipated Reimbursement - Insurance check for squad damage	\$ 13,142	bursements for damages or repairs etc. and
Public Admin	Unanticipated Reimbursement - School district election exp	\$ 32,000	finalize an expense based on actual revenue
Public Works	Unanticipated Reimbursement - Domino's Pizza 18-0778R	\$ 5,000	that was unanticipated.
Police	Unanticipated Reimbursement - MN human trafficking investigation	\$ 12,982	
Fire	Unanticipated Reimbursement-Sale of Fire Dept. motors	\$ 2,050	
Fire	Unanticipated Reimbursement-Quick Response Vessel Res 17-0776R	\$ 48,071	
Transfers	Unanticipated Reimbursement-Wellness Program	\$ 3,078	
Police	Unanticipated Reimbursement-Ammunition	\$ 4,300	
Transfers	Unanticipated Reimbursement-JPE Wellbeing Incentive	\$ 42,450	
Transfers	Unanticipated Reimbursement-Assessment collections	\$ 95,246	
Transfers	Unanticipated Reimbursement-Retiree Health	\$ 318,161	
Fire	Unanticipated Reimbursement-OT reimb from 210	\$ 7,511	
Fire	Unanticipated Reimbursement-Fire services-DECC	\$ 3,795	
Fire	Unanticipated Reimbursement-travel reimbursement	\$ 1,309	
Transfers	Unanticipated Revenues-MN PERA contribution	\$ 378,296	
	Total	\$ 1,015,583	

Footnote 2

**** The 2019 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.