

Debt Management



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Department Description

The Debt Management Department conducts planning, structuring, and issuance activities for all City financings to fund cash flow needs and to provide funds for capital projects, essential equipment, and vehicles.

Bond financings are conducted for capital projects secured by the General Fund and the enterprise funds, as well as projects supported by dedicated revenue sources such as the San Diego Redevelopment Successor Agency and special districts. In addition to bond financings, various State and federal loans are evaluated and executed to fund infrastructure projects. The Department also administers certain short- and medium-term financing mechanisms, including capital leases and a commercial paper program.

The Department coordinates and monitors various post-issuance administrative functions related to bond financings, the commercial paper program, loans, and capital leases. The Department regularly reviews outstanding obligations for refunding opportunities and timely refinances to lower interest costs. The Department manages credit and investor outreach functions, providing information to current bondholders, prospective investors, and rating agencies that monitor the City's credit profile.

The Department coordinates the Community Facilities District and 1913/1915 Act Assessment District formation procedures and related conduit bond issuances to fund public infrastructure in addition to the enrollment process for assessments and special taxes with assistance from consultants to maintain databases and administer special tax formulas.

The Department's mission is:

To effectively plan, implement, and manage City debt obligations

The Department's vision is:

Strong debt management to achieve citywide financing priorities

Debt Management

Goals and Objectives

Goal 1: Safeguard public assets through strong financial management

- Maintain strong internal controls
- Establish fiscally sound financial policies
- Produce transparent financial reporting
- Maintain secure data environments
- Prepare fiscally sound, balanced budgets and capital plans

Goal 2: Optimize financial resources through long-term fiscal planning

- Identify and implement continuous business process improvements
- Seek strategic opportunities to reduce costs and enhance revenues
- Provide sound, long-term financial and infrastructure plans

Goal 3: Excellent customer service

- Own the problem until it is resolved
- Reach out to customers and collaborate to meet their goals
- Provide accurate and timely financial information

Goal 4: Strengthen the City's financial knowledge, skills, and abilities

- Maximize use of the City's financial data
- Provide robust training programs for Finance Branch staff
- Establish training programs for citywide staff
- Build bench strength in key financial competencies

Key Performance Indicators

Performance Indicator	FY2016 Target	FY2016 Actual	FY2017 Target	FY2017 Actual	FY2018 Target
1. City public bond offerings comparably priced to similar credits	100%	100%	100%	100%	100%
2. Debt payments made to bond trustees on time	100%	100%	100%	100%	100%
3. Percentage of bond-related investments that are actively evaluated and re-invested as they come to term ¹	N/A	100%	100%	100%	100%
4. Percentage of disclosures for outstanding bonds filed in a timely manner to investor outreach webpages consistent with continuing disclosure agreements	100%	100%	100%	100%	100%
5. Percentage of eligible outstanding debt monitored annually to evaluate potential refunding opportunities ²	N/A	100%	100%	100%	100%

1. This performance indicator was established effective Fiscal Year 2017. The Fiscal Year 2016 actual figure was reported based on internal tracking.

2. Refer to Footnote #1.

Debt Management

Department Summary

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
FTE Positions (Budgeted)	19.00	21.00	21.00	0.00
Personnel Expenditures	\$ 2,284,426	\$ 2,763,631	\$ 2,785,133	\$ 21,502
Non-Personnel Expenditures	176,958	399,908	376,506	(23,402)
Total Department Expenditures	\$ 2,461,384	\$ 3,163,539	\$ 3,161,639	\$ (1,900)
Total Department Revenue	\$ 1,042,146	\$ 910,863	\$ 736,019	\$ (174,844)

General Fund

Department Expenditures

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Debt Management	\$ 2,461,384	\$ 3,163,539	\$ 3,161,639	\$ (1,900)
Total	\$ 2,461,384	\$ 3,163,539	\$ 3,161,639	\$ (1,900)

Department Personnel

	FY2016 Budget	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Debt Management	19.00	21.00	21.00	0.00
Total	19.00	21.00	21.00	0.00

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Otay Mesa Enhanced Infrastructure Financing District Addition of one-time non-personnel expenditures to support the formation of the Otay Mesa Enhanced Infrastructure Financing District (EIFD).	0.00	\$ 145,000	\$ -
Salary and Benefit Adjustments Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.	0.00	21,548	-
Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.	0.00	13,020	-
Hourly Sick Leave Adjustment to reflect prior year expenditure trends, related to paid sick leave benefits for eligible hourly employees consistent with the requirements of Assembly Bill 1522.	0.00	(46)	-
Non-Discretionary Adjustment Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	(3,705)	-
Reduction of Non-Personnel Expenditures Reduction of non-personnel expenditures associated with professional services based on historical savings.	0.00	(12,717)	-

Debt Management

Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
One-Time Reductions and Annualizations	0.00	(165,000)	-
Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2017.			
Revised Revenue	0.00	-	(174,844)
Adjustment to reflect revised revenue projections.			
Total	0.00	\$ (1,900)	\$ (174,844)

Expenditures by Category

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
PERSONNEL				
Personnel Cost	\$ 1,438,625	\$ 1,757,846	\$ 1,662,727	\$ (95,119)
Fringe Benefits	845,801	1,005,785	1,122,406	116,621
PERSONNEL SUBTOTAL	2,284,426	2,763,631	2,785,133	21,502
NON-PERSONNEL				
Supplies	\$ 16,155	\$ 19,388	\$ 19,310	\$ (78)
Contracts	91,545	305,793	270,822	(34,971)
Information Technology	44,490	48,206	61,226	13,020
Energy and Utilities	21,070	20,472	19,099	(1,373)
Other	3,699	5,049	5,049	-
Capital Expenditures	-	1,000	1,000	-
NON-PERSONNEL SUBTOTAL	176,958	399,908	376,506	(23,402)
Total	\$ 2,461,384	\$ 3,163,539	\$ 3,161,639	\$ (1,900)

Revenues by Category

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Charges for Services	\$ 1,042,135	\$ 910,863	\$ 736,019	\$ (174,844)
Other Revenue	10	-	-	-
Total	\$ 1,042,146	\$ 910,863	\$ 736,019	\$ (174,844)

Personnel Expenditures

Job Number	Job Title / Wages	FY2016 Budget	FY2017 Budget	FY2018 Adopted	Salary Range	Total
FTE, Salaries, and Wages						
20000149	Associate Economist	3.00	2.00	2.00	\$54,059 - \$65,333	\$ 90,730
20000119	Associate Management Analyst	2.00	3.00	3.00	54,059 - 65,333	177,249
20000539	Clerical Assistant 2	1.00	1.00	1.00	29,931 - 36,067	35,526
20001101	Department Director	1.00	1.00	1.00	59,155 - 224,099	165,000
20001234	Program Coordinator	7.00	7.00	7.00	23,005 - 137,904	660,454
20001222	Program Manager	2.00	3.00	3.00	46,966 - 172,744	350,008
20000015	Senior Management Analyst	2.00	3.00	3.00	59,363 - 71,760	202,883
20000756	Word Processing Operator	1.00	1.00	1.00	31,491 - 37,918	34,167
	Budgeted Vacancy Savings					(54,059)
	Overtime Budgeted					769
FTE, Salaries, and Wages Subtotal		19.00	21.00	21.00		\$ 1,662,727

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	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Fringe Benefits				
Employee Offset Savings	\$ 18,698	\$ 19,547	\$ 19,529	\$ (18)
Flexible Benefits	172,767	237,990	257,734	19,744
Insurance	115	-	-	-
Long-Term Disability	4,736	5,590	-	(5,590)
Medicare	20,014	24,194	24,134	(60)
Other Post-Employment Benefits	109,314	124,209	120,020	(4,189)
Retiree Medical Trust	1,329	2,090	1,895	(195)
Retirement 401 Plan	2,986	3,759	2,282	(1,477)
Retirement ADC	407,346	447,109	559,609	112,500
Retirement DROP	5,031	4,934	2,189	(2,745)
Risk Management Administration	18,797	21,462	20,220	(1,242)
Supplemental Pension Savings Plan	72,403	97,175	94,587	(2,588)
Unemployment Insurance	2,690	3,198	2,975	(223)
Workers' Compensation	9,575	14,528	17,232	2,704
Fringe Benefits Subtotal	\$ 845,801	\$ 1,005,785	\$ 1,122,406	\$ 116,621
Total Personnel Expenditures			\$ 2,785,133	



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